

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF OCTOBER 20, 2008 MEETING

Board Members Present: John Rupp, Chair; Thomas Deller, Vice-Chair; Edward Field; William Kennedy; Rochelle Bates Lee; Chuck Alves; and John MacDonald.

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira (Outside General Counsel); Andrew Prescott (Outside Labor Counsel); Henry Kinch; Deborah Dawson; Maureen Neira; Mark Therrien; Ellen Mandly, and other members of RIPTA's senior staff and members of the public whose names are listed on the meeting sign-in sheet.

Agenda Item 1: Approval of Minutes of September 22 & 30, 2008 Meetings

Mr. Rupp took up the first agenda item, requesting comments on the September 22 and September 30, 2008 meeting minutes. Mr. Deller made a motion to approve the minutes as presented. Mr. Kennedy seconded the motion; the minutes were unanimously approved.

Agenda Item 2: General Manager's Report

Mr. Moscola began with the monthly fuel update saying the current average price per gallon is \$3.57 versus a budgeted price of \$4.50 per gallon indicating a continuing decline in fuel prices as evidenced by an all-time low price last Friday of \$2.51. Mr. Moscola discussed an article passed out by John Rupp, which reports that OPEC intends to cut production. He commented that this will make it difficult to forecast fuel costs, but said at this time we are well below budget. Mr. Moscola noted today's purchase price of \$2.56 and suggested that the Board may want to consider revising the budgeted fuel amount. He said lowering the budgeted price from \$4.50 to \$3.50 per gallon would save the Authority \$2.6 million dollars and noted that each 10-cent increment represents \$260,430. Mr. Moscola added that the Board could also consider quarterly fuel reviews to study trends.

Mr. Rupp said the OPEC article seems to indicate they are trying to keep the price at \$75 - \$80 per barrel until demand picks up. He said current fuel prices are based on just under \$70 per barrel and he has discussed with Mr. Moscola the possibility of reducing the budgeted price to \$3.50, but is leery of doing so with winter coming. He noted that if fuel remains low and the budgeted price is lowered to \$3.50, it would take us out of financial crisis mode until January.

Ms. Lee asked the date of the next Revenue Estimating Conference

and Ms. Neira said November 10th at which time they will review information received since the May conference and discuss whether to modify the gas yield currently set at 4.63 per penny. She said if a decision were made to change the yield, it would affect the budget for the entire year. Ms. Neira clarified that pursuant to a decision made by the RIPTA Board, our budget does not reflect the yield set at the May conference; we are reflecting a \$2 million dollar reduction, or 4.35 per penny and for the first two months of the fiscal year the collections per month have been higher than budgeted.

A brief discussion among the members ensued regarding reducing RIPTA's budgeted amount, OPEC pricing and waiting until after the State Revenue Estimating conference in November to make changes. Following this discussion the Board decided to table the decision on adjusting the budgeted fuel amount until the next meeting of the RIPTA Board.

Mr. Field wondered if waiting until November will give the Board adequate time to implement service cuts if need be and noted the Governor's request that no cuts be made until the Blue Ribbon Panel has made its recommendations. Mr. Rupp added that we are also awaiting the results of the Governor's Panel, which we expect by the end of November. He said that lower fuel prices may give RIPTA a cushion, but the Board still needs to understand the process for implementing cuts, how they affect personal and how it equates to cost savings and noted that we have very little time, which is why we

are having the discussion today. Mr. Rupp said the Board still needs to discuss other budget options such as whether to postpone the GASB contribution, or if we do realize a \$2.6 million dollar cost savings on fuel, to consider funding GASB, even partially, using some of that. Mr. Rupp stressed that the first priority is to avoid significant service cuts.

Mr. Deller asked the cut off date for the Board to make a decision about service cuts and Mr. Moscola said Mr. Therrien would be giving a presentation on the timeline later in the meeting, but that a decision should be made by the November 17th Board meeting.

Mr. Moscola continued with his report giving the dates of the upcoming Governor's Panel meetings. Mr. Rupp discussed the different groups within the Governor's Panel and their functions and Ms. Neira discussed the group she is participating in lead by Director Jerry Williams. The General Manager discussed the participants and breakout groups lead by Directors Williams, Sasse and Lewis and said RIPTA has provided the breakout groups with a great deal of information.

Mr. Rupp said the function of the groups is to do a comparative study of other state agencies and transportation systems to see how RIPTA compares. He noted that thus far, the comparison has been favorable. Mr. Rupp said that the initial focus is short term with a report due to the Governor by the end of November detailing RIPTA's

immediate needs. He noted that the focus of the Panel is to avoid service cuts, while identifying other revenue and funding sources to enable RIPTA to provide service statewide and hopefully include capital and technology investments to become more effective in providing service. Mr. Rupp and Mr. Moscola then answered on timelines, implementation of recommendations, participants, other revenue sources and next steps.

Mr. Deller said RIPTA has recently received more attention than it has in years and has shown itself to be a well-run system and it has done a good job managing a budget that has to rely on the price of fuel. He said this bodes well for us when presenting our case to the two branches of government to argue why we should receive additional funding. Mr. Deller wondered whether there was time to wait until the November 17th Board meeting to decide whether to implement service cuts. He said the Board has a lot to think about for the next meeting when they should also have received recommendations from the Governor's Panel.

Mr. Rupp said we're relying on the Governor more than anyone, but noted that the Governor's Panel is doing yeoman's work on behalf of RIPTA. He said in going through this process we are knocking down some misconceptions about RIPTA, solidifying our strengths and showing the agency is working hard to come up with a cohesive and comprehensive plan for public transportation in Rhode Island.

Mr. Moscola continued his report discussing the trolley press conference and ribbon cutting in Newport on October 15th. He said Senator Paiva-Weed, Trudy Coxe the CEO of the Newport Preservation Society and many other Newport officials attended the press conference to see trolleys 16 & 18 put into service. He reported that trolley 20 is almost complete and the CNG station should be shut down by October 31st. The average maintenance costs for the CNG station through September is \$32,000 and Mr. Moscola is looking forward to the savings associated with its shut down.

Next he said the Transit 20/20 study, also know as the Metropolitan Transit Study, will be under way in a few weeks and the first task for the consultant HDR, will be to map out a vision for RIPTA. Tom Deller commented on the importance of this study and noted that the City of Providence is providing 20% in matching funds. He said it's important to check the TIP and consult with RIDOT to be sure that this study is coordinated with any other study addressing transit issues. Mr. Deller discussed Transit 20/20 saying its focus is how to build on our current bus and train systems to make them better transit tools for the state. Mr. Alves commented that another study is underway, but all of the rail studies have been coordinated with RIPTA. Mr. Deller asked that they be weaved together closely.

Mr. Field suggested that a press release be issued informing the public that RIPTA is working assiduously to avoid service cuts and Mr. Kennedy supported the suggestion. Mr. Rupp agreed that

RIPTA's message should be clear and he also agreed with Mr. Deller that we should coordinate our efforts on Transit 20/20 with RIDOT. Mr. Deller then asked Mr. Alves to work with Mr. Therrien to ensure there are no duplicated efforts and said he would also follow up with Mr. Alves. Mr. Rupp added that the Governor's Panel should also be informed of the study.

Mr. Field commented that he hasn't read much about the Governor's Panel in the press. He said he would like to see RIPTA be more proactive in publicizing its efforts because if we are not proactive in providing positive information, we will be subject to negative information. Mr. MacDonald opined that this information might not be press worthy. Mr. Rupp suggested that the information could be put on RIPTA's website in addition to issuing a press release.

Mr. Kennedy commented that he attended public hearings and he did not hear any criticism of RIPTA staff or the Board, rather the public seems to blame the Governor and legislators for letting the situation get this far. Mr. Rupp said there is concern and today's Board discussions about service cuts will raise that concern. Mr. Rupp said a one-page press release should be issued stating that the Board is against service cuts unless absolutely necessary and outlining RIPTA's efforts to avoid cuts. He said it must be clear that RIPTA is working to identify opportunities to provide better service, which might lead to consolidations and rerouting.

Agenda Item 3: Commendation for Alfred Moscola

Next Mr. Rupp commended RIPTA's General Manager Alfred Moscola on his election to the Board of the American Public Transportation Association as Regional Director for transit systems in the Northeast.

Mr. Rupp referenced a Providence Journal article dated October 11, 2008 announcing Mr. Moscola's appointment to APTA, a national transit agency including Mexico and Canada, which advocates for public transit improvements and promotes transit research. Mr. Rupp congratulated Mr. Moscola and led a rousing round of applause for him saying that RIPTA should be appreciative of the talents of Mr. Moscola.

Agenda Item 4: FY 2009 Budget

Ms. Neira addressed this agenda item and began by saying fuel costs, GASB 45 and the gas yield had been covered during the General Manager's report. She said that for the first two months of the fiscal year we are doing as well as can be expected. Passenger revenue is up almost 36% over budget on farebox collections which results in an increase in cash collected and monthly passes sold. Ms. Neira said there is an 80% increase over last August and she believes this demonstrates that riders are finding value in the monthly passes versus the price at the gas pump.

Ms. Neira said noted that Rltecare is down and she reminded the

Board that Rltechcare reimburses RIPTA in two pieces. First they reimburse us for the passes they plan on distributing and they have not distributed as many as anticipated leading to lower revenue. Second they make monthly payments toward the \$5.2 million dollar operating subsidy to keep RIPTA whole. The shortfall due to the lower pass distribution is noted on page C3 of the General Manager's report. Information on the Rltechcare monthly pass and the Rhody Ten is also on this newly designed page and sales of both of these are below expectations.

Ms. Neira opined that folks receiving the Rhody Ten may need more than ten rides and others are riding the bus due to high gas prices and the combination has led to higher cash revenue. She added that many corporations are paying half the cost of a monthly pass as an incentive for their employees to ride the bus. Similarly, with the Keep Eddy Moving Program organizations along that route are paying half fare for their employee's and RIPTA receives reimbursement from a Federal Highway Grant for the other half. She said these things indicate that riders are finding value with RIPTA, but wondered if the trend will continue when gas prices drop.

Tom Deller asked Ms. Neira to add a column to C3 illustrating projected purchases, which is more relevant than historical purchases now that the program has changed. He also suggested that on page B3 Rltechcare fixed payments and purchases be split because as the \$5.2 million operating subsidy will be eliminated next

year.

Ms. Neira said that at this point we are over budget \$85,000 for Rltecare passenger revenue however since we are only two months into the new the fiscal year its too early to make projections. She said year to date actuals are close to projections, but expenditures are less than budgeted by \$1.6 million. Ms. Neira said if these factors remain the same and fuel remains low, we could end the year with the deficit at \$7.4 million versus \$10.4 million. Line items such as wages, fringe benefits and insurance are down, but she warned this could change at any time due to claims.

Mr. Kennedy asked how many part time drivers we employ and Mr. Moscola replied 38 on regular buses. Mr. Rupp asked if the overtime listed under expenditures and wages could be broken out. Ms. Lee asked that unfilled positions be noted when detailing overtime costs. Mr. MacDonald asked that overtime be broken out to show scheduled and unscheduled overtime.

Mr. Field asked about the ferry and Ms. Neira explained that the ferry ends in October, so there are two months left to report. She noted that when the budget was prepared a bill was in the House proposing to continue ferry service. A discussion ensued among the members about how and if to account for the ferry in the budget. After much discussion, Mr. Deller proposed that Ms. Neira revise the budget to reflect the \$425,000 that we will expend on the ferry and if the Board

votes to continue the expenditure of the federal ferry dollars we can put the amount back in later. Mr. Rupp agreed with Mr. Deller's suggestion and Ms. Neira asked if she could wait until November to make the revision and was told yes.

Next Mr. Deller noted that the FY 2009 Budget is on the agenda as an action item and made a motion to continue the vote on the FY 2009 Budget to the November Board meeting after the Revenue Estimating Conference. Mr. Kennedy seconded Mr. Deller's motion and it passed unanimously.

Following the vote Mr. Rupp asked for clarification regarding the \$8,458,000 expenditure for management and clerical support. Ms. Neira replied that this amount represents wages for approximately 143 employees including members of Laborers International 808, Amalgamated Transit Union 618A and non-represented employees. Mr. Rupp asked for a breakdown and was told the information is broken out on page D1. Mr. Deller asked that this information also be noted in the title line and that the number of employees be noted and Ms. Neira agreed.

Board members questioned Ms. Neira regarding the trolleys, alternate methods of conveying information, such as using percentages in some of the larger categories and the use of Bond money. Mr. Moscola briefly discussed capital project money and RIPTA's fleet plan and following this discussion Mr. Rupp moved on to the next

agenda item.

Agenda Item 5: Finance Committee Report

Mr. MacDonald reported that the Finance Committee had not met since the last Board meeting. He gave the Board members an email he received from RIPTA's outside labor counsel Andrew Prescott discussing furlough days for non-represented employees.

Mr. MacDonald referenced the document prepared by RIPTA staff entitled proposed changes to non-represented benefits/entitlements prepared and included in the Board package again this month. In that document furlough days are proposed and at last month's Board meeting Mr. Prescott was asked to research this issue. The email disseminated by Mr. MacDonald gives Mr. Prescott's opinion and based upon such Mr. MacDonald recommended that the option of furlough days not be pursued.

After a brief discussion Mr. Deller suggested that the topic be revisited when Mr. Prescott is available to answer questions. Mr. Moscola noted that the discussion of changes to non-represented benefits would be discussed later in the meeting under the agenda item for non-represented wages and benefits.

Agenda Item 6: RIDE Update

Mark Therrien addressed the Board and said the discussion would pertain to the contracting problems RIPTA has experienced. He said in the last month the only difficulty operationally has been the implementation of the fare collection for the Department of Elderly Affairs, which has been challenging.

Next Mr. Therrien discussed the contracting issue being handled by Steve Richard RIPTA's outside counsel from Nixon Peabody. Mr. Richard introduced himself and said he assisted RIPTA in 2003 when the contracts were last procured and that that procurement provides some guidance as to how to proceed now.

Mr. Richard was asked to review two issues 1) how can RIPTA structure an RFP for the provider of services going forward and 2) what does RIPTA do in the interim pending the completion of that RFP process. Mr. Richard discussed RIPTA's two roles within the Ride Program wherein it functions as administrator of the program and also as a provider. He said due to collective bargaining requirements, RIPTA is obligated to attempt to procure and attain contracts to secure its role as a provider.

Mr. Richard discussed the difficulties RIPTA encountered when grappling with this issue in 2003, which culminated in their passing a resolution in February of 2003 recusing RIPTA from the procurement process. He said this is important to note under the State Purchasing Act, in order to avoid any conflicts or appearances of impropriety. At

the time, with assistance from the Department of Administration, a Paratransit Task Force Procurement Committee was formed comprised of a group of independent experts, familiar with the program, who hired a consultant to draft an RFP. The RIPTA Board delegated the procurement process to this specially created independent committee and the RIPTA board agreed it would have no role in the drafting of the RFP, the review of the bids submitted, the decision to award contracts for service to providers and no role in any bid protest that may occur. The Board did commit to accept the recommendations of the independent committee and award the contracts in accordance with its recommendations.

Mr. Richard said the entire process was very time consuming and the independent committee did much work and actually restructured the Ride Program significantly and reduced service areas and service requirements. Ultimately the process ran smoothly because RIPTA was able to delegate its procurement authority to an independent body.

Having looked at the legalities involved in 2003 and having done so again, Mr. Richard said he does not see any other way for RIPTA to proceed than the way it did in 2003. He said RIPTA must delegate the process of procuring, drafting, evaluating and resolving any issues under the procurement to an independent party. Mr. Richard suggested that RIPTA again receive assistance from the Department of Administration in facilitating the procurement.

Next Mr. Richard discussed how RIPTA should proceed in the interim as the procurement process will take some time to complete and the current provider contracts expired in May 2008. He touched upon the complicated process involved in developing the 5-year provider costs contained in the expired contracts.

Mr. Richard said the providers are operating under the expired contract on a month-to-month basis as is allowed by the State Purchasing Act, however he also reviewed FTA requirements and they limit contracts to 5 years and will closely scrutinize extensions beyond the 5-year period to make certain they are by necessity and not a hidden procurement to avoid the competitive bidding process. Mr. Richard said RIPTA's internal procurement manual suggests that, as part of RIPTA's best practices contracts not be extended more than 25% of the contract duration, unless it's a true emergency. Therefore RIPTA has 8-months to stay within its best practices term.

Mr. Richard discussed the business issues of the procurement pricing, which was built on an outdated 5-year average. RIPTA, along with service providers Maher and Northwest, feel a cost adjustment to the vehicle service hour rate is necessary. This issue requires careful evaluation of what the system can support, and while this is not necessarily a legal issue, Mr. Richard opined that we are within a reasonable time period to attempt to extend these contracts by

mutual agreement, adhering to the 25% duration limit. We also must come to an interim understanding of how to reissue an RFP for the procurement process that ensures that RIPTA plays an entirely neutral role.

Mr. Deller noted RIPTA must play a neutral role because it intends to bid on the contract, yet we have an organization that does not want to put the bid out causing RIPTA to be paid at a rate that forces us to subsidize another organization. He said this puts RIPTA in the difficult position of having to wait for that organization and wondered what will happen if that organization decides not to go out to bid in a timely manner. He asked how to move the process along and Mr. Richard said the alternative is to find another independent body that will work with RIPTA.

Mr. Moscola said he drafted a letter to Director Williams and he'd like to meet with him to discuss why the RFP process has not moved forward. Mr. Deller said that at this rate we would not have a new contract in the time period required. Chuck Alves clarified that the DOA would issue an RFP but someone must create the RFP first. Mr. Richard said this is a valid point that must be emphasized and said in the last procurement, the DOA acted as a facilitator. He said in 2003 there was a consensus that the operational structure of the Ride Program was somewhat obsolete and it was then significantly restructured through an independent consultant. Even if the structure of the program is now sound, someone must make that

determination and draft the RFP neutrally, then find a facilitating party, perhaps DOA, to allow the process to move forward.

Mr. MacDonald asked if RIPTA could contract with an outside consultant to draft the RFP without the Board seeing it. Mr. Richard said we'd have to issue a request for qualifications making certain RIPTA's independence and judgment would be respected and with the understanding that RIPTA will play no role. Mr. Deller remembered that in 2003 RIPTA developed a benchmark for the RFP, which was subsequently changed in such a way that it did not make sense to RIPTA. Mr. Moscola said we have a good draft RFP that needs only minor adjustments and offered to give it to the DOA to finalize. Mr. Deller said we should meet with the DOA to have them review RIPTA's draft RFP and get it issued. Mr. Moscola said RIPTA can work with DOA on the RFP, but we need the State to issue the RFP.

Mr. Richard said in 2003 RIPTA had some concerns about the consultant's recommendations and it determined that the best way to raise those concerns was at the pre-bid conference, which was open to all bidders. He said that the current issue is how to get the RFP out under the constraints RIPTA faces. Mr. Richard said if a business determination is made that the 5-year old RFP is still sound, then it may not require much work to get it ready to go out for independent evaluation with this Board recognizing that it has to respect that independence, and the decisions that are made pursuant to it.

Mr. Alves reiterated his offer from the October meeting to work with the Governor's office to determine who should be involved and move this process along. He said various entities within state government need to sign off on the RFP, which would then allow the DOA to issue it. Mr. MacDonald said the problem is a member of the Paratransit Task Force who has stated this is not a priority and will not move on this issue. Mr. Alves said he would act as a conduit between the agencies and the Governor's office to resolve this. Mr. Therrien said Mr. Alves is offering the solution we need and Mr. Moscola thanked Mr. Alves for his offer of assistance. Mr. Rupp asked what Mr. Alves would need to begin and Mr. Alves asked for a listing of the state departments involved and what funding they are providing. He said that he had received a copy of the draft RFP.

Henry Kinch commented that we have both a short-term and a long-term problem and in the short-term, RIPTA is losing money daily. He said RIPTA has had multiple meetings with all the agencies involved to discuss the long-term problem and basically they may take up to a year and a half to restructure the service they want to provide. In the short-term RIPTA would like to extend the contract for itself and the other two carriers for up to 8 months with a reasonable increase of 4% – 6% based on the cost price index. The most difficult aspect is the long-term issue associated with the agencies that have made it clear they have no interest in going forward with a new RFP. Mr. Kinch said the most important thing today is getting an answer

for the short-term. Mr. MacDonald said the Board had already agreed to extend the contract and Mr. Kinch replied that the Board agreed to continue the contract month-to-month, but had not agreed to any increase which RIPTA and the other carriers need.

Mr. MacDonald wondered if the Board could change the terms of the existing contract. Mr. Alves said it could be added as an addendum to the contract and that if this is the short-term solution someone should make a motion asking for permission to go to the State to get a 6% increase. Mr. Moscola said the right way to proceed is to get Mr. Alves the information he needs to allow him to work on moving this issue along. When Mr. Alves reports back to the Board an increase can then be contemplated.

Mr. Field asked if RIPTA had discussed the situation with the other service providers, particularly the need for an increase to the cost price index increase and Mr. Therrien replied that we had.

Mr. Rupp commented that the issue is now on the table and the Board will get a status report from Mr. Alves and staff next month and decide at that time if we need an interim solution. Ms. Silveria noted that this should be put on the November agenda for discussion and vote.

Ms. Lee expressed her concern that RIPTA is loosing money monthly due to other agencies refusing to move forward and wanted to

memorialize the fact that these agencies are contributing to RIPTA's deficit. Mr. Richard said if this process remains stagnant RIPTA will have to determine how long it can continue to subsidize this service and then make difficult business decisions on whether to alter or restructure the program to provide service within the current constraints.

Mr. Rupp summarized by saying staff should get the pertinent information to Chuck Alves, that he will raise this topic at the next Governor's Panel meeting and the Board will revisit this issue at the November Board meeting and contemplate a vote on an interim increase. If the providers are not given an increase, Mr. Rupp said the Board might need to consider discontinuing or restructuring the service. Following this discussion Mr. Rupp called for a short break.

Agenda Item 7: Mechanisms for Selecting Routes to Terminate and Implementation Process

Mr. Rupp asked Mr. Therrien to address the Board and discuss the mechanisms for selecting routes to terminate and the implementation process. Mr. Therrien said the mechanisms for determining the routes to cut are based on service standards and by route rank based on passengers per mile, passengers per hour, farebox recovery and passengers per trip. The first three are from RIPTA's service standards and each of these rates the long routes poorly, even if ridership is good, so the fourth ranking "riders per trip" was added,

which shows value on longer routes as long as they are carrying a lot of passengers

He said that ridership; farebox revenue, hours and miles are used to calculate a value for each of the four measures, for each route, on every day of the week and those values are then ranked for each route by weekday, Saturday and Sunday. These factors combine to create a “composite rank” value to determine productivity and isolate routes to be cut or restructured.

Mr. Therrien stated that due to the enormous cost savings he needed to determine, underperforming routes were considered along with smaller segments on other routes and performance on evenings and weekends. He said that a drop in ridership was anticipated due to the changes in Rltecare, but at this point only September data is available which shows a 17% reduction in ridership. Mr. Therrien discussed strategies used to determine lesser cuts in service as a result of Rltecare changes, which would result in about \$2 million in savings and he discussed these changes. He noted that the service reductions discussed at the public hearings were based on \$12.2 million dollars in cuts and included layoffs and left some routes in place to give the Board “decision room”.

Ms. Lee asked that Mr. Therrien expound on the categories and headers in his presentation, which he did in detail while answering questions from the Board members about different routes and their

rankings and explaining the importance of the fourth ranking “riders per trip” when evaluating routes in a system our size.

Mr. Rupp asked about park and ride routes and Mr. Therrien said they do well on passengers per trip, but in passengers per mile and passengers per hour they do poorly due to the dead time getting to locations and he gave examples.

Mr. Kennedy discussed route 9 to Pascoag and one rider he knows personally who is an 86-year-old World War II veteran dependent upon this route. Mr. Kennedy spoke passionately and at great length about this gentleman’s circumstances and how dependent he is upon RIPTA and this route in particular. Mr. Kennedy urged his fellow Board members to consider people like this gentleman when considering the cuts in service and alternatives to cutting out routes entirely or cutting bus service early which will have dire consequences for those who use the bus to commute back and forth to work.

Mr. Therrien responded that in addition to the substantial cuts discussed at public hearings he has been working on reductions in the \$2 million dollar range based on Rltechare reductions and low performing segments of routes and he is looking at creative ways to bring service to areas like Pascoag. He said that in some areas there is the possibility of taking out fixed route service and putting in Flex, which would maintain some service.

Mr. Rupp said we can implement cost saving measures to routes such as Pascoag, but in doing so we risk becoming an urban bus company and loosing the current growth we've experienced and remaining 5-years behind the curve. He added that even though people in areas like Westerly and East Greenwich are willing to pay more for the service, those extra revenues wouldn't get us to a break-even point on those buses. In response to a further inquiry from Ms. Lee, Mr. Therrien said riders attending public hearings clearly stated they are willing to pay more to maintain service; however he said we must be careful to not overprice service. Mr. Moscola then discussed the possibilities of premium service and answered questions and comments from the members of the Board.

Agenda Item 8: Implementation of Service Reductions/Impacts on Staffing

Mr. Therrien began his presentation on implementation of service reductions by saying if approved; they would be implemented on January 17th at the time when the drivers do their "pick" of vacations.

He added that in addition to the service reductions publicized at the hearings, as discussed earlier, he is working on a smaller set of reductions for the Board's consideration at the November meeting.

Ms. Lee asked that Mr. Therrien do a comparison of the routes before the meeting with a generic description of the route so they know the areas effected. Mr. Therrien said he would put that together along

with the anticipated cost savings.

Mr. Rupp reiterated the Governor's wish that no reductions be implemented yet and he wondered if service reductions were delayed, could another pick be held at a later date. Mr. Therrien responded that we would have to confer with the union. Steve Farrell, President of Amalgamated Transit Union who was present in the audience responded that he would work with management on the issue. In response to Mr. Farrell's offer to discuss the suggestion, Mr. Moscola commented that this demonstrates the value of good labor relations.

Mr. Therrien continued with his presentation discussing the sheet outlining the service reduction impact on RIPTA personal including bus and van operators, maintenance positions and support personal resulting in a savings of \$10.4 million dollars. Ms. Lee asked if these would be layoffs and Mr. Moscola said yes and we would make payments to unemployment and then deferred further discussion to executive session.

Mr. Kennedy commented that Al Moscola, Mark Therrien and the RIPTA staff did a great job with the public hearings. Mr. Field seconded Mr. Kennedy's commendation of RIPTA staff. For the record, Ms. Lee commended her fellow Board members noting that many of the Board members attended multiple public hearings and every Board member attended at some point demonstrating respect for the public's input.

Agenda Item 9: House Finance Committee Report

Next Mr. Moscola gave a report on the House Finance Committee hearings held October 14th listing those in attendance and discussing a presentation by House staff on how various State agencies work together and saying the Committee will not meet again until after the election.

Mr. Rupp noted that the Committee wants all transit related agencies at the next meeting to address why they do not work together and that Representative Costantino wants to see a 10-year plan on how to grow transit in Rhode Island. He commented that an enormous amount of money has been requested from the different agencies and of them RIPTA had the smallest demands and probably brings the biggest value.

The members of the Board held a brief discussion about the House Finance presentation. Ms. Lee expressed some anxiety with the way the hearing was conducted and wondered how to develop a communication plan for RIPTA when RIDOT, funders, riders, etc all have a different perceptions. Mr. MacDonald responded that it was not a fact-finding presentation, but rather a staff presentation. Mr. Alves said staff told him the intention was to put all transit agencies seeking funds in one room so all agencies involved had a general understanding of each others needs.

Agenda Item 10: Appoint JPB Replacement

Moving on to the issue of a Board member to replace Bob Batting on the Joint Pension Board, Mr. Rupp asked if there was a volunteer and Ms. Lee who is currently an alternate member of the JPB offered to serve as a permanent member. Mr. Alves made a motion to appoint Rochelle Lee to RIPTA's Joint Pension Board. Mr. MacDonald noted that appointments to the JPB are done at the discretion of the Board chair and noted that Mr. Alves motion should be for advice and consent. Ms. Lee and Mr. MacDonald seconded the motion and it passed unanimously.

Agenda Item 11: Governor's Panel Update

This agenda item was covered during the General Manager's report.

Agenda Item 12: Elderly Affair Ticket Program

Ed Scott addressed the Board to discuss the Elderly Affairs Ticket Program. He said that the Department of Elderly Affairs instituted a \$2.00 co-share on October 1st to persons riding under their funding. Mr. Scott and staff met with DEA on October 15th to discuss the collection of the co-share. One issue discussed was having a ticket, which is the preferred method of the Directors of the senior centers. The Directors would like a ticket made available that they can

purchase and the give or offer at a discount to their clients. Mr. Scott said it was incorrectly reported that RIPTA refused to deal with the ticket, he clarified that RIPTA refused to print and distribute the tickets, but supports the ticket idea which saves or drivers from handling the cash. Mr. Scott said we have been working with the DEA and offering them ideas and noted that we will accept the tickets as if they were cash.

The Board asked Mr. Scott questions about the new ticket program and how RIPTA accounts for the tickets. Mr. Scott said DEA sells the tickets and RIPTA accepts the tickets in exchange for a ride then forwards the ticket back to DEA for accounting purposes.

After a brief discussion of RIPTA/DEA accounting methods Mr. Field made a motion that the Board approved the recommendation as presented. Mr. Kennedy seconded the motion and it passed unanimously.

Agenda Item 13: Public Hearing Results

Henry Kinch addressed the Board to give a presentation on the outcome of the public hearings on service reductions. The Board contained a Powerpoint Presentation in their Board packages giving all the details of the public hearings and since technical difficulties prevented the presentation from being shown at the meeting, Mr. Kinch briefly outlined each page verbally.

Mr. Kinch said that in addition to the public hearings, RIPTA received a great deal of correspondence via email and the post office and this correspondence has been made a part of the public hearing results. Ms. Lee asked Mr. Kinch to comment on the public hearing results and he responded that in both oral and written comments the public is not in favor of service reductions of any magnitude. Ms. Lee asked that the public record reflect that the public is against service cuts. Mr. Kinch spoke briefly and relayed some heart-wrenching stories of riders who rely on the service to get to work, and to received life saving medical care.

Agenda Item 15: Public Comment

Mr. Rupp asked for public comments and recognized a young man who identified himself as Alex a member of Students for a Democratic Society. Alex stressed the fact that those who ride RIPTA do not want to see any service cuts instituted. He said in his opinion, the public, specifically people he has conversed with on bus 11 and in Kennedy Plaza, are not fully aware that service cuts are being contemplated. He added that in his opinion RIPTA Board meetings are held at a time and place that is inaccessible. He finished by saying that for RIPTA to get the funding it needs, people need to feel like they have a stake in the system and with the current structure, they do not.

Next Mr. Rupp recognized C. Michael Blake from Woonsocket a rider who has used RIPTA for many years. Mr. Blake spoke at great length saying he holds down two jobs to support his daughter and depends upon RIPTA to get to both jobs. Mr. Blake expressed concern that if service cuts are implemented, he will face unemployment. Mr. Blake attended some of the public hearings and reiterated some of the suggestions he made at the hearings such as increased marketing and looking to other transit agencies for ideas, such as Hartford, CT. He also suggested charging more to riders who use the park and rides. After discussing his personal situation further and describing the different buses and routes he uses Mr. Blake completed his comments by saying he would like the bus depot in Woonsocket reopened.

Mr. Rupp thanked the speakers for their comments.

Agenda Item 14: Non-represented Wages and Benefits

Ms. Silveira interjected that agenda item # 14 had been skipped and Mr. MacDonald replied that this item would be deferred to executive session. Ms. Silveira read the exemption noticed on the agenda and said it did not allow for this discussion in closed session. She suggested that this discussion be moved to next month and Mr. Rupp told Mr. MacDonald to make his presentation now.

Mr. MacDonald said that the topic of non-represented wages and

benefits has been discussed at previous meetings, particularly the issue of furlough days. Mr. MacDonald noted that our labor counsel Andrew Prescott had concerns about the issue and Mr. MacDonald asked him to research the issue. Earlier in the meeting Mr. MacDonald passed out an email from Mr. Prescott detailing his concerns, particularly the issue furlough days jeopardizing employees exempt status. Based upon Mr. Prescott's comments, Mr. MacDonald said the use of furlough days would be impractical for the small savings we would realize. Mr. MacDonald discussed some of the other difficulties with implementing furlough days then opined that the risk of furlough days is not worth the benefits. Mr. MacDonald recommended that topic of furlough days be taken off the table.

Mr. Rupp raised the difficult topic of wage freezes and said that the furlough program won't work. He discussed some of the difficulties in implementing furlough days, but said we are in a difficult situation and he believes furlough days have risky legal implications and he cannot endorse them. Mr. Kennedy agreed with Mr. MacDonald.

The Board members held a brief discussion on wages and benefits and following that discussion Ms. Lee asked what the total savings would be. Mr. Moscola said the total package is \$102,000 with the raises totaling \$70,000. Mr. Moscola asked for clarification that furlough days will not be implemented and non-represented employees will not receive a raise of 3.5%. Mr. Rupp said staff

presented a package and his understanding is that furlough days are just one part and the question is whether to adopt the package.

Mr. Field asked to be reminded of the specifics of the package and MacDonald replied that of the total of \$102,863 in savings, \$70,000 is based on the furlough proposal so the remainder of savings is \$30,000. Mr. Rupp reiterated that RIPTA management put the proposal on the table forth and Ms. Lee commented that it was put forth at the behest of the Governor's office.

Mr. MacDonald stated that moving forward with the management proposal will save RIPTA \$32,000 and he added that this measure is largely symbolic to emphasize that management has given back. Ms. Lee said she is concerned that management and/or those in a supervisory position may end up making less than their subordinates. Mr. Rupp responded that this is management's proposal and it mirrors what is happening throughout the State.

Following this discussion Mr. Rupp asked for a motion to approve recommendations 2, 3 and 4 from the non-represented benefits/entitlements proposed changes dated September 8, 2008. Ms. Lee asked further questions and wanted assurances that this proposal save money, not create more problems and that they are legal. A brief discussion ensued.

Mr. Rupp asked for a motion and Mr. MacDonald moved to accept

proposals 2, 3, and 4, but not proposal 1 for furlough days for a total savings of \$32,863 dollars. Mr. Alves seconded the motion. Messrs Field and Rupp approved the motion and Mr. Kennedy and Ms. Lee objected to the motion. The motion passed by a vote of 4 to 2.

Agenda Item 16: Executive Session

Mr. Lee moved that RIPTA adjourn to an executive session, as noticed on the agenda, under sections § 42-46-5(a)(2) to discuss labor matters. Mr. Kennedy seconded the motion. A roll call vote was taken on the motion to convene to executive session. All members voted to convene the executive session.

Following the Board's return to open session Ms. Lee made a motion to seal the minutes of the Executive Session, and Mr. Field seconded the motion, which passed unanimously.

Agenda Item 17: Adjournment

A motion to adjourn was made Mr. Field. Ms. Lee seconded the motion, which passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary