

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, November 16, 2009 MEETING

Board Members Present: John Rupp, Chair; Thomas Deller; Edward Field; Rochelle Lee; Jerome Williams; Michael Lewis; William Kennedy; and Stephen Durkee.

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira (Outside General Counsel); Steven Richard (Outside General Counsel); Andrew Prescott (Outside Labor Counsel); Henry Kinch; 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 the Minutes of October 19, 2009 meeting

Mr. Rupp called the meeting to order and asked if the Board members had an opportunity to review the minutes of the meeting held October 19, 2009. The members indicated that they had and Mr. Field made a motion to approve the minutes with the suggested minor edits he gave to Ms. Mandly prior to the meeting. Mr. Kennedy seconded the motion and the minutes were unanimously approved as amended.

Agenda Item 2: Lazaro Guzman – Prudential Retirement

Ms. Neira reported that Mr. Guzman’s presentation given to the Joint Pension Board immediately prior to this meeting did not require Board discussion. Mr. Rupp asked if the Board members had any questions on the report and hearing none moved on.

Agenda Item 3: Executive Session Pursuant to 42-46-5(a)(1) to Discuss General Manager Contract and 42-46-5(a)(2) to Discuss Collective Bargaining and Litigation Matters

Next Mr. Rupp asked for a motion to convene an executive session as noticed on the agenda under 42-46-5(a)(1) to discuss the General Manager contract. Mr. Kennedy made a motion that the Board convene an executive session to discuss the General Manager contract and Mr. Lewis seconded the motion. Mr. Rupp asked for a motion to convene a discussion under 42-46-5(a)(2) to discuss Collective Bargaining and Litigation Matters and Mr. Williams made that motion. Mr. Lewis seconded Mr. William’s motion and a roll call vote was taken to convene an executive session under both 42-46-5(a)(1) and 42-46-5(a)(2). All members voted unanimously to convene an executive session.

Following the Board’s return to open session Mr. Lewis made a motion to seal the minutes of the executive session, and Mr. Durkee

seconded the motion, which passed unanimously.

Agenda Item 4: General Manager Contract

Back in open session Mr. Williams made a motion that the Board approve a one-year extension to Mr. Moscola's existing General Manager Contract and that the Board move forward with an organizational review of the RIPTA management structure. Mr. Kennedy seconded the motion to extend Mr. Moscola's contract for one year and the motion passed unanimously.

Agenda Item 5: Implementation and Guidelines on ARRA Safeguards Against Fraud, Waste and Abuse

Mr. Rupp introduced Gerry DeMaria of Higgins, Cavahagh & Cooney to address the implementation and guidelines on ARRA safeguards on fraud, waste and abuse. Mr. DeMaria began by saying the purpose of ARRA is to further Rhode Island's economic advantage and that from the beginning RIPTA has been committed to a transparent process and to that end Mr. DeMaria, with the assistance of Andrew Prescott, drafted a policy for preventing and reporting abuse and prohibiting employee reporting retaliations.

Mr. DeMaria said it is important to understand that the terms waste and mismanagement mean gross, not trivial violations. He advised RIPTA to appoint certain supervisory personal (1 – 3) to an accountancy and transparency committee and this committee should

then make reports to the Board.

Mr. DeMaria states that complaints can be lodged in three ways 1) in writing to the accountancy and transparency committee 2) a call to a toll free hotline (followed up in writing) or 3) an email. He said all complaints should include the what, where, when, why and how along with any particulars of how funds are being allegedly misused. Complaints cannot be made anonymously, but they will be kept confidential and fully investigated by the accountancy and transparency committee who will meet with the complaining employee within 30 days. Upon completing their investigation the accountancy and transparency committee will report their findings to Board.

Mr. DeMaria said that employees have 10 days to appeal if they are not happy with the results of the investigation. Additionally, employees have the option to file a report with the Rhode Island Office of Economic Recovery and Reinvestment. He cautioned that if an employee files a reckless and knowingly false report, it will be reported to the Board and disciplinary action may follow. However, retaliation is prohibited if a report is made in good faith. If an employee feels they have been subjected to retaliation, they can contact the Inspector General or the Department of Administration Bureau of Audits.

Mr. DeMaria then briefly discussed the procedures for reporting and

answered a few questions and finished by saying that he and Mr. Prescott would finalize the report and submit it to the Board in a few weeks. Mr. Kennedy asked that he get the unions' input and Mr. DeMaria said he would and he said employee comments would also be welcome.

Agenda Item 6: General Manager's Report

Mr. Moscola reported on the Kennedy Plaza asphalt project and said that Phase I and II of the project have been completed and the remainder should be done Friday and hopefully we can move back in over the weekend. He said the contractor did a great job and the project should be finished ahead of schedule. He thanked the customers and surrounding businesses for their patience during the disruption.

Mr. Moscola introduced Mike Burke, the Clerk of the Works to give his bi-monthly report. Mr. Burke reported that construction began in August of 2008 and as of October 20th the building is 74.72% complete and is 6% further along since his last report. The building is on time and within budget.

He said that as of today all the roofs are weather tight, the concrete slabs have been completed and the exterior mason work is complete. The mason is now working in the bus wash area. He said the skylight windows are complete and the electricity is on and the gas will be

turned on in a day or two to provide ambient temperature.

Equipment installation will begin soon and final exterior paving will take place over Thanksgiving. The elevators will be installed today and the garage doors will be installed the first week in December.

Mr. Burke said there was one additional change order for \$50,000, but this change order encompassed 15 – 20 smaller items and was within budget.

Mr. Lewis asked when the building would open and Mr. Burke said the building would be completed in early March and ready for occupancy in April. He said the completion date in the contract is January 2010, but that was prior to changes and subsequently changed to March 2009, therefore the completion date is on schedule.

Mr. Rupp cautioned that overages and delays tend to happen in the final phases of construction and Mr. Burke responded that at this point he thinks there will be only minor changes and those will be covered by the remaining \$1.2 million in contingency funds. Ms. Lee asked what would happen to any remaining contingency funds and Mr. Lewis said they are federal dollars that would then be available for other federal projects.

Agenda item 7: ARRA Program Update

Mark Therrien and Lilly Picchione addressed the Board to give the ARRA Program update. Mr. Therrien began by describing the federally mandated TIP program which reviews and approves federal transportation dollars. When RIPTA submits changes to the TIP they must be approved by the Transportation Advisory Committee and the State Planning Council prior to the Governor's approval. Under ARRA the Governor reviews the projects a second time and a problem occurred when the Governor did not approve one of the revised projects. The TIP as crafted was vague and broad but now the Governor's office wants more detail. Rather than risk having the projects being delayed, a meeting was hosted by Mike Lewis and attended by the executive recovery office staff and three RIPTA Board members.

Mr. Therrien then outlined in more detail some of the discussions held on the updated ARRA project list which was handed out. He said that that \$1 million for furniture for the new maintenance building had been removed and Phase II projects had been put into the grant process. He explained that the three RIPTA Board members attended the meeting hosted by Mr. Lewis and at that time they were asked to okay the TIP amendment which had three changes: 1) \$345,000 of lighting under the TIGGER grant 2) project administration costing \$200,000 and 3) operating assistance which had been approved by the RIPTA Board at \$3 million, but was reduced to \$1 million. The full Board was not consulted on these projects because a public comment hearing was required and the window of time to advertise

the hearing was too short to wait.

Mr. Therrien answered questions on the public hearing process and the TIP process and then completed his report.

Mr. Williams moved to approve the report as presented and Mr. Kennedy seconded the motion. The motion passed unanimously.

Agenda Item 8: Management Committee Report

Mr. Rupp reported that the Management Committee met on October 30th and he, Jerry Williams, Rochelle Lee, Al Moscola, Ellen Mandly and Stacie Collier (Outside General Counsel) were present at the meeting.

He said they discussed the RIPTA management structure and various positions and the overall vision for RIPTA near term and an extension of the General Manager contract in executive session. He said he was happy to report that Mr. Moscola subsequently accepted a one-year contract extension.

Agenda Item 9: Strategic Planning Committee Report

Tom Deller reported that the Strategic Planning Committee held its first meeting on November 3rd and the Committee decided to invite John Flaherty from Grow Smart Rhode Island, Everett Stuart a rail

advocate and member of the TAC Committee and Christopher Long from the Governor's office to join in an ex officio capacity.

Mr. Deller gave an overview of some the discussions which included the creation of a website with links to all applicable studies and grants, working towards a unified transit approach, devising a clear committee agenda, and updating the service standards. He said the committee is undertaking a demanding agenda and the process will require a lot of staff assistance. After some discussion, Mr. Flynn offered to ascertain whether grant funds could be used to pay for additional staffing to assist the committee in its efforts.

Mr. Lewis complimented the committee on its aggressive and forward thinking agenda and the diversity of the committee members. Mr. Deller thanked him and said he would keep the Board apprised of major initiatives such as the Metropolitan Transit Study which he asked to be put on today's agenda and which will be discussed later in this meeting. He said the goal of the Committee is to create a unified transit system statewide. Mr. Williams asked if part of the strategic initiative would be to look at opportunities for revenue enhancements and Mr. Deller said the committee does plan to explore the revenue issue.

Ms. Lee asked if the union was a part of the Strategic Planning Committee and Mr. Deller said they had been invited to be a part of the Committee and Tom Cute had sat in for Steve Farrell at the first

meeting.

Mr. Field noted that many studies have been conducted, but little follow up action has been taken. He said it's important for the Committee to step up in this regard and those present agreed.

Agenda Item 10: Finance Committee Report

Mr. Field said the Finance Committee had not met since the October Board meeting therefore he had nothing to report. The Committee will meet in December.

Agenda Item 11: Public Comment

Mr. Rupp asked for public comment and Tom Deller said that the Mayor of Providence organized and hosted a tour of the jewelry district and he thanked Al Moscola and staff for providing a trolley for the tour. The tour was attended by Congressman Kennedy, Congressman Obey, Chair of the Appropriations Committee, and other important elected officials and invited guests. He said the tour was a great success and he appreciated RIPTA's assistance.

Next Chairman Rupp recognized Bill Legere from Northwest Transportation and Valley Cab. Mr. Legere reminded the Board that he has commented publicly at recent Board meetings about the expired RIde contract and the issue of wheelchair accessible taxi

cabs. Mr. Legere said that this month he had put his comments into writing and he distributed that document to the Board. A copy of that document is attached hereto and made a part of these minutes.

Next Bob Batting was recognized by the Chairman. Mr. Batting distributed a letter and email composed by Almas Kalafian. Said correspondence is critical of RIPTA's Ride program computer system and Mr. Batting said he was distributing the document on behalf of Ms. Kalafian and championing her cause. Mr. Kennedy commented that Ms. Kalafian had placed a phone call to him echoing this complaint and he sympathizes with her position.

The Board members asked staff to investigate Ms. Kalafian's complaints, respond to her, and give a status report at the next Board meeting. Mr. Scott said he would respond.

Agenda Item 12: Rite Solutions Unsolicited Proposal

Ed Field said he asked that this topic be put on the agenda based on the outcome of Ed Scott and consultant Steve Mueller's meeting with Rite Solutions. Mr. Field was not expecting to receive a 30 page report costing \$50,000. Mr. Scott said the report was prepared at the behest of Jerry Williams who asked that Messrs Scott and Mueller go over the proposal line by line with Rite Solutions. They spent an entire day/8 hours doing just that and the report is the result.

Messrs Kennedy and Field asked how much the report actually cost and Mr. Scott thought the cost was approximately \$8,000. Mr. Lewis thought Mr. Williams suggestion to vet the report thoroughly was a good one. Mr. Williams questioned why there has been so much vacillation involving this unsolicited report when a consultant had already been retained to scrutinize the proposals.

Mr. Deller said he had no issue with fully reviewing the proposals before making a decision, but asked if we could now move forward and put this issue on the December agenda. Mr. Field said he is still not sure that radios are the right way to go because Rite Solutions has other clients such as the state police who have converted to cellular. Mr. Field is not satisfied that all his questions have been answered and he is unsure about moving forward.

Mr. Rupp agreed that radio has limits. Mr. Lewis said that staff needs to clearly articulate the goals of the original proposal and any technological downside. Mr. Field believes a modest prototype system may be the answer.

Mr. Deller disagreed saying a consultant was hired to identify RIPTA's needs, frame the approach, and evaluate the bids and the consultant has completed that work but now the process is being held up due to an unsolicited proposal that arrived out of the blue. He asked what was wrong with our proposal. Mr. Lewis said we need to determine if the proposal has fatal flaws. Mr. Rupp said the original RFP needed

more vetting and this should be done in Finance Committee.

Mr. Moscola said that the radio system was chosen because we already owned the radios and cellular would therefore be more expensive and also sometimes cellular service goes down. Mr. Scott suggested the Board reread the executive summary to the report, which illustrates that radio vs. cellular is not the only issue.

Mr. Field asked that this issue be discussed further at the December Finance Committee meeting and that he and the other members would develop questions for staff to answer at that meeting. The Rite Solutions unsolicited proposal was tabled to Finance Committee.

Agenda Item 13: Emergency Boiler Procurement

Mr. Mencarini addressed the Board to discuss the next procurement, an award to JMB Mechanical, Inc. to supply, deliver and install a boiler to replace the unit currently serving 265 – 267 Melrose Street. The cost of the contract is \$279,000.

Mr. Deller moved to award the contract as recommended by staff. Mr. Kennedy seconded the motion and it passed unanimously

Agenda Item 14: Metropolitan Transit Study

Mark Therrien and Amy Pettine addressed the Board to give a Powerpoint presentation on the Metropolitan Transit Study. Ms.

Pettine said the study is coming to a close and a report will be given to the committee but she wanted to first make the Board aware of the key recommendations of the study because some will require the input of the RIPTA Board but all will require much advocacy.

Ms. Pettine elaborated on each of the slides she which she also handed out in hard copy to the Board. She discussed the background of the study, the “story” behind how RIPTA is dependent on the gas tax and how when the price rises this affects ridership. She said that today there is transit demand in the Providence Metro area, she discussed key corridors between major activity centers, the characteristics of existing transit service, RIPTA’s fare structure and fare related programs and recent and programmed transit improvements.

The study recommended 10 areas of improvement: 1) additional buses 2) improved transit experience 3) reinvent Kennedy Plaza 4) introduce new transit hubs 5) increase park and rides 6) initiate rapid bus service 7) build Providence streetcars 8) strengthen intermodal connections 9) expand programs for commuters 10) encourage transit oriented development. Ms. Pettine elaborated on each of these recommendations and then answered questions about traffic signal priority and the area where streetcars are envisioned. She said the streetcars would be financed by the businesses along their route. She said that laying the tracks in the ground would spur development.

Next she discussed the slide which detailed the cost estimates for each of these recommendations and another slide which outlined annual expenses for our current system and the proposed recommendations and the benefits and costs of the recommended improvements. Mr. Deller commented that this is an important report that the Board should spend time vetting properly.

Finally Ms. Pettine said that the report would be released to the public at a press conference on December 10th at 10:00 a.m. at the Biltmore Hotel. She invited the Board to attend this event where Mayor Cicilline will be a speaker.

Agenda Item 15: Board Member Training (RIGL 39-18-2)

Agenda item 15 Board Member Training (RIGL 39-18-2) was tabled.

Agenda Item 16: 2010 Board Meeting Schedule

Mr. Rupp moved on to the next agenda item, proposed Board meetings for the 2010 calendar year. After a brief discussion of the dates the Board asked Ms. Mandly to change the February Board meeting date from the 15th to the 22nd. Mr. Williams moved that the 2010 Board meeting schedule be approved with the February Board meeting amended to February 22nd. Mr. Lewis seconded the motion, which passed unanimously.

Agenda Item 17: Reconvene Executive Session Pursuant to 42-46-5(a)(1) to Discuss Employee Job Performance Matters

Mr. Rupp asked for a motion to reconvene the executive session as noticed on the agenda under 42-46-5(a)(1) to discuss Employee Performance Matters. Mr. Field made the motion to reconvene the executive session and Mr. Lewis seconded. All members voted unanimously to reconvene an executive session.

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

Agenda Item 18: Adjournment

A motion to adjourn was made by Mr. Williams. Mr. Kennedy seconded the motion and it passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary