

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, April 19, 2010 MEETING

Board Members Present: John Rupp, Chair; Edward Field; Thomas Deller; Rochelle Lee; Stephen Durkee; and Chuck Alves.

Absent: Jerome Williams, William Kennedy, and Michael Lewis

Also Present: Alfred J. Moscola (General Manager); Richard Licht (Outside General Counsel); Henry Kinch; Maureen Neira; Mark Therrien; Ellen Mandly and other members of RIPTA's staff and members of the public whose names are on the sign-in sheet.

Agenda Item 1: Approval of the Minutes of March 22, 2010 meeting

Mr. Rupp called the meeting to order at 1:38 and asked if the Board members had an opportunity to review the minutes of the meeting held March 22, 2010. The members indicated they had and Mr. Deller made a motion to approve the minutes of the meeting held March 22, 2010. Ms. Lee seconded the motion and the minutes of the meeting were unanimously approved.

Agenda Item 2: Election of Officers of the Board of Directors

Pursuant to § 39-18-2(e) of RIPTA's Enabling Act and Article III of RIPTA's bylaws, the Board addressed the election of corporate officers. Mr. Rupp opened the floor for nominations. Mr. Field nominated John Rupp as Board Chair and Thomas Deller as Vice Chair. No other nominations were received. Mr. Deller seconded the nominations and the motion passed unanimously and Mr. Rupp was reelected Chairman of the Board and Mr. Deller was reelected Vice Chairman.

Mr. Rupp called for nominations for the position of Treasurer. Mr. Deller nominated Edward Field and Mr. Durkee seconded the nomination. No other nominations were received. By a unanimous vote, the Board reelected Mr. Field as the Treasurer.

Mr. Rupp asked for nominations for the position of Secretary. Mr. Deller nominated Rochelle Lee and Mr. Field seconded the nomination. No other nominations were received. By a unanimous vote, the Board reelected Ms. Lee as Secretary.

Agenda Item 3: General Manager's Report

Mr. Moscola reported on the fleet saying 6 of the 2004 Orion buses have experienced engine failure and are awaiting engine retrofits which the Board approved with \$1.5 million in ARRA funds. The retrofits should arrive in about 2 – 3 weeks and are much needed

because we are currently running short on buses.

He reported on the Senate Finance hearing held March 23rd and said Messrs Rupp and Lewis were in attendance to see staff do a presentation on the revised FY 2010 and FY 2011 budgets and answered questions from the Committee. Staff also briefed the Committee on the new paratransit facility and new hybrid bus purchases.

Mr. Moscola attended two conferences last week, the Rhode Island Summit on the Economy chaired by Congressman Langevin and attended by Senator Whitehouse, John Fernandez from the US Department of Commerce and Jane Oates from the US Department of labor along with leaders from throughout the State. They discussed the economics and future of Rhode Island in this all day session held at CCRI.

The General Manager reported that on April 14th he attended a one-day work shop on Global Climate Change held at Alton Jones Campus at the invitation of Director Lewis. Discussions centered on steps Rhode Island must take as a result of climate change. The issue of the recent floods that devastated Rhode Island was a primary topic as was the State's response to this disaster. Mr. Moscola also attended a follow-up executive session held by Director Lewis the next day.

Mr. Moscola asked for questions and Mr. Deller asked about the hearing on house bill # 7283, the tort reform bill. Mr. Moscola said no future study has been mentioned. Mr. Deller asked if there was a senate version of this bill and Mr. Moscola said he was unsure, but would look into it.

Mr. Field reported working with the General Manager and RIPTA staff to develop a more aggressive presence at the Providence Business Expo to be held in early May. Mr. Field asked that staff find ways to target potential new business partners, create a “wall of honor” as the back drop for our booth recognizing our current business partners, revise our current literature to have better and more information available to conference attendees and current maps of the RIPTA system.

Mr. Field said a customer survey should be developed for distribution at the Expo and that said survey should include questions to determine potential new riders and determine where they would board and disembark. He suggested distributing a free pass good for one free roundtrip ride during the next month to attract new riders to showcase RIPTA’s convenient service. Ms. Lee disagreed with the suggestion of free passes and then asked who developed the list of marketing suggestions. Mr. Field said he had worked with staff on the suggestions. Mr. Deller suggested distributing information on the Eco Pass.

Mr. Moscola discussed some of the suggestions and said members of the marketing and commuter resource departments would work on them and he welcomed any other suggestions staff or the Board may have. Mr. Deller commented that the free pass promotion is a good idea, but on a limited scale and Mr. Field suggested offering them in exchange for completing our survey. Ms. Lee suggested using approved RIPTA banners.

Mr. Deller asked the General Manager to look into a recent eye catching bus ad campaign launched in New Orleans which promotes clean transit to get ideas for marketing RIPTA. He is in the process of locating pictures and additional information to give to Mr. Moscola.

Mr. Rupp asked who will develop RIPTA's pamphlet for the Providence Business Expo and Mr. Moscola said Henry Kinch and the Planning Department are working on the pamphlet. A brief discussion was held on the budget for promotion at the Expo and the timeframe for developing the materials.

Agenda Item 12: Executive Session Pursuant to 42-46-5(a)(2) to Discuss Collective Bargaining and Litigation Matters and 42-46-5(a)(1) to Discuss Employee Job Performance Matter

Next Mr. Rupp asked for a motion to convene an executive session as noticed on the agenda under 42-46-5(a)(2) to discuss Collective Bargaining and Litigation and Prospective Litigation matters. Ms.

Lee made the motion and Mr. Durkee seconded. A roll call vote was taken and the motion to convene to executive session under 42-46-5(a)(2) passed unanimously.

Following the Board's return to open session Mr. Deller made a motion to seal the minutes of the executive session, and Ms. Lee seconded the motion, and it passed unanimously.

At this point Mr. Deller left the meeting.

Agenda Item 4: ARRA Program Upgrade

Mr. Therrien addressed the Board with the ARRA Program update and said the bid for the support vehicles had gone out. He briefly discussed the ARRA program projects sheet and said at this point there will be numerous small projects in play.

Mr. Alves asked about the "complete by" stipulation and Mr. Therrien responded that we have 22 months and already \$27 million of our \$33 million has been committed. Mr. Moscola added that the bus wash bid will be completed shortly.

Agenda Item 5: Alternative Analysis & Environmental Assessment Study

Mr. Mencarini and Mr. Therrien discussed the procurement for Alternatives Analysis and Environmental Assessment Study and said

the Board will be asked to award a contract to conduct the analysis and assessment for the Providence Metro Study Corridor Analysis. This award is contingent upon amendment of the Transportation Improvement Plan (TIP) which amendment would allow RIPTA to transfer funds into the Unified Work Program, which is an FTA instructed funding category for an Alternative Analysis. This analysis will be performed in a manner that meets FTA criteria for potential capital investment grant funding.

Mr. Therrien explained that this is the streetcar procurement but FTA does not sanction calling this the “streetcar study” because there other modes of transit and possibilities, therefore that term will no longer be used in connection with this procurement. Mr. Therrien explained that this is an 18 month process mandated by FTA prior to major corridor investment. He said potential service modes connecting the east side/College Hill area to the RI Hospital area will be reviewed for cost effectiveness, economic impacts, community impacts and service performance. Mr. Therrien then answered additional questions on the purpose of the study.

Next Mr. Therrien discussed the funding saying 70% will come from RIPTA federal funds, Statewide Planning will contribute \$100,000 and Mr. Deller has a letter from the City of Providence committing \$200,000. Mr. Therrien said FTA guidance was needed and this took a month. Mr. Alves questioned the Feds retroactively funding a project and said this is not normal in the procurement process. Mr. Therrien

said this contract will not be signed until we are in compliance with FTA rules and requirements for project funding.

Mr. Mencarini said the RFP was issued on February 2nd and two proposals were received. The proposals were evaluated by the Evaluation Committee at a meeting held on April 9th. After evaluation and scoring by the Committee staff now recommends the Board award a contract to HDR Engineering of Boston, MA to conduct the Alternative Analysis and Environmental Assessment Study for the Providence Metro Study Corridor at a cost of \$999,179 and the work is not to exceed 18 months. There was a brief discussion of the process and FTA guidelines and Mr. Alves said the minutes should reflect that the contract is contingent on federal funding.

Following this discussion Mr. Alves moved that the contract be awarded to HDR Engineering as recommended by staff and that it be noted that the contract is contingent on federal funding. Mr. Durkee seconded the motion and it passed unanimously.

After the vote Ms. Lee asked for the protocols surrounding DBE hiring mandates and local firm hiring. Mr. Therrien said a goal was established and set forth in the RFP and this firm exceeded the goal.

Agenda Item 7: Finance Committee Report

Mr. Field reported that the Finance Committee had met on April 5th and discussed fuel prices, gas tax revenues and new methods for funding RIPTA. After lengthy discussion the Committee decided that this topic should be vetted further as part of the Strategic Planning Committee.

The Committee also discussed the use of ARRA funds in the operating budget and although the concept of using the funds in this manner is not something they support, they agreed that under the circumstances there is no alternative but to use them. Mr. Rupp asked if all \$3 million in ARRA funding will be used for operating funds and Mr. Field said yes.

Agenda Item 6: Providence Foundation Presentation

Next Mr. Field disseminated a copy of the script he used to present to the Providence Foundation and discussed same. He said he elaborated on RIPTA's financial situation, the soon to be introduced Bus Rapid Transit (BRT) and the potential for streetcars. Mr. Field discussed how RIPTA will help connect bus service to the MBTA in South Attleboro and with the Warwick Airport in Skyway in November.

During his presentation Mr. Field explained that RIPTA had no response to it's RFP to operate the ferry service without a subsidy, therefore there will be no ferry this summer. He said that unless

federal funding is reinitiated, impacted towns will need to find the funding to reintroduce ferry service.

Mr. Durkee also represented RIPTA at the Providence Foundation Presentation and said Mr. Field's remarks were well received.

Agenda Item 8: FY 2011 Budget/Forecast of Future Transit Service

Agenda Item 10: RFP 10-20 Financial Audit Services

Maureen Neira addressed the Board to discuss the FY 2011 budget and forecast for future transit service. She said that after lengthy discussion at the Finance Committee staff was asked to report today on revisions to the FY 2011 budget and prepare options to cover the \$2.1 million dollar deficit. Ms. Neira then reiterated the circumstances contributing to the budget deficit and answered additional questions from Mr. Alves on the impacts of the gas tax yield and the issue of refunds.

Ms. Neira discussed the three (3) options outlined on page 5 of the staff summary in short they are 1) no fare increase and no service reductions, 2) fare increase (to \$2.00), but no service reductions, and 3) fare increase (to \$2.00) and service reductions. She discussed the details of each of these options and answered questions on same.

At this point Mr. Alves left the meeting.

Ms. Neira answered questions relating to wages and benefits, the use of ARRA funds in whole or in part, and the GASB 45 trust fund and how it will be funded and used and how retiree benefits were paid out in the past. She then took time to again expound in detail on each of the 3 options detailed in the staff summary and she and Mr. Therrien answered questions on fare increases historically.

The Board members then held a lengthy discussion vetting each of the 3 options available and considering impacts of current labor negotiations, potential reduction in the work force or regular hours in the work week, modifications versus cuts to service, and the use of ARRA funds and GASB 45. Throughout this discussion Ms. Neira was called upon for clarification and to answer additional questions.

Following this discussion Mr. Field moved for approval of Option # 2 which called for a fare increase, but no service reductions (\$1,300,000) and the use of the additional \$400,000 in ARRA funds, removal of the 2.5% State CPI (\$100,000) and reflected a savings of \$300,000 from the opening of the Pontiac Avenue bridge. Mr. Durkee seconded the motion to approve Option # 2.

After the first and second motion on Option # 2, Ms. Lee said she had a problem with the fare increase and said she'd like staff to analyze the savings from the Pontiac Bridge and GASB 45. Ms. Lee then moved onto the letter from Pinpoint Recovery Services contained in the Board package and read the 4th paragraph and asked that same

be noted in the record:

“For the 24 month period, Pinpoint reviewed roughly 33,000 transactions totaling approximately \$764 million dollars. As of this report date, Pinpoint identified 5 recovery items which amounted to \$2,266.31 in miscellaneous supplier credits owed to RIPTA. The total number of items identified and the recovered dollars were well below Pinpoint’s historic recovery rates. Our review indicated that the accounts payable function is well managed and controlled as evidenced by the lack of material findings.”

After reading this paragraph Ms. Lee congratulated Ms. Neira and staff. Mr. Field also congratulated staff on the outcome of the audit and said this was exactly the outcome he had hoped for.

Mr. Rupp noted Mr. Field moved for approval of Option #2 and Mr. Durkee seconded and he asked that the remainder of the members vote. The members unanimously voted to approve Option #2.

Ms. Neira then reverted back to the budget discussion and said public notice is required for the fare increase and she will come back to the Board in May with the exact amount of the budget deficit.

Ms. Lee asked additional questions regarding the budget deficit figures and Ms. Neira answered her questions.

Mr. Field then made a motion to accept the Pinpoint Recovery Services report as presented. Ms. Lee seconded the motion and the Pinpoint report was unanimously approved.

Agenda Item 9: ATMS Status Summary

Mr. Scott addressed the Board to give an ATMS Status Summary and said a draft of the conformed specification narrowing down the spec's to exactly what we will receive has been submitted to the ATMS vendor (ACS) and he expects the contract will be signed in the next 30 days.

Next he gave an update on the ATMS Director position saying six applications were received and four applicants were interviewed and of those four, two will be invited back for a second interview. Mr. Scott said he expects the position will be offered to one of the two candidates shortly after the second interviews. Mr. Rupp asked that the resumes of the top two candidates be sent to him and Mr. Field. Ms. Lee objected to this and asked that her objection be noted.

Mr. Scott continued giving an update on the passenger monitoring system. He said a meeting had been held at RIPTA with the administrators of Cornerstone Adult Daycare (one of the biggest providers in the State) asking if they were willing to partner with RIPTA for a demo of the system. Cornerstone suggested a focus group meeting soliciting feed back and buy-in by families of

passengers, and this meeting was held at Cornerstone. He added that a meeting will be scheduled with RiteSolutions to discuss product specification that would interface with Route Match system.

Mr. Scott said the meetings with Cornerstone went very and he respects their input and opinions. He noted that their main concern was who would have access to the information. Mr. Scott made a few more remarks regarding accessing the information on the web and answered some questions relative to security and completed his report.

Agenda Item 11: Public Comment

Mr. Rupp asked for public comment and recognized former RIPTA Board member Bob Batting. Mr. Batting remarked that on March 25th he attended a meeting of the Transportation Advisory Committee (TAC) and he objects to some of the ridership figures put forth by Mr. Therrien which he called incorrect. He discussed the Alternatives Analysis and Environmental Assessment Study (which he called the streetcar study) approved earlier and he alleged that he figures in this study are lifted from the Abrams Report which the State paid for in 2006. He then questioned paying \$400,000 for today's study.

Mr. Batting discussed declining RIPTA ridership versus Airport ridership and said expenditures are flat and the population is declining and this makes no sense. He then referenced the gas tax

revenue and thanked Messrs Moscola and Therrien and Ms. Neira for providing him with further information in response to his public comment last month. He said this year RIPTA will receive \$40 million but it will have little impact because expenses have risen so much. He said he intends to see a clear understanding for the general public of the additional \$1 million for the HDR study. Mr. Batting was asked to clarify one of his remarks and Mr. Rupp reminded those present that this is public comment and there is to be no dialog.

Next Mr. Rupp recognized former RIPTA Board member and transit advocate Barry Schiller. Mr. Schiller said he found the \$1 million cost of the study discussed earlier troubling because in his opinion it doesn't expand service choice for Rhode Islanders. He said that spending should be prioritized and this study seems premature to him. He believes it is a mistake.

Next, Mr. Schiller discussed bus service, or lack thereof, to the State House and Smith Street area and he asked that this area get a bus shelter, better bus schedule information, particularly to the Providence Place Mall and train station. He said that better marketing of RIPTA services is need to reach the State employees working at the State House and the Department of Administration. Mr. Schiller he has brought this to the attention of RIPTA in the past and he would like the issue addressed. He feels these employees are an untapped market and we need to attract their ridership with a specific theme.

Mr. Rupp asked if there was further public comment and hearing none, moved on to the next agenda item.

Agenda Item 13: Adjournment

A motion to adjourn was made by Mr. Durkee. Mr. Field seconded the motion and it passed unanimously.

After the motion to adjourn was made, seconded and unanimously passed, former employee Bill McGee asked to be recognized and the Chairman agreed. Mr. McGee spoke at length and intermittently asked the Board members and RIPTA staff if they would like to question him. No one had questions for Mr. McGee and he concluded his remarks.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary