

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, May 24, 2010 MEETING

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

Also Present: Alfred J. Moscola (General Manager); Richard Licht (Outside General Counsel); Andrew Prescott (Labor 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 April 19, 2010 meeting

Mr. Rupp called the meeting to order at 1:46 and asked if the Board members had an opportunity to review the minutes of the meeting held April 19, 2010. The members indicated they had and Mr. Field suggested two minor changes which he gave to Ms. Mandly. Mr. Deller made a motion to approve the minutes of the meeting held April 19, 2010 with the changes suggested by Mr. Field. Mr. Lewis seconded the motion and the minutes of the meeting were unanimously approved.

Agenda Item 2: General Manager's Report

Agenda Item 5: FY 2011 Budget Deficit

Mr. Moscola reported that staff had a booth at the Providence Business Expo manned by marketing and planning department staff. He thanked staff and the Board members who attended and assisted at the Expo.

He said a House Finance meeting took place on May 11th to hear debate on Bill #7734 relative to a proposed public trust fund to raise \$67 million dollars. This bill was introduced by Representatives Handy, Ajello, Rice and Sullivan and highlights include an increase on the registration fees for cars and trucks and petroleum products gross receipts tax of 3%. The bill proposes that RIDOT receive 50% of the revenue, RIPTA receive 35% and the remaining 15% would go to cities and towns for repair of roads and bridges. A similar Bill went before the Senate on May 13th but was tabled for further study. Mr. Moscola thanked Mr. Durkee for testifying on the bills.

Mr. Moscola gave an update on the Grow Smart Power of Place Summit held May 14th at the Providence Convention Center and attended by Deputy FTA Administrator McMillan, HUD Deputy Secretary Ron Sims, and other officials and RIPTA Board members. Mark Therrien was a presenter.

Mr. Moscola reported on a press conference held at RIPTA on May 14th to announce a Homeland Security Grant of \$4.2 million to RIPTA and REMA. Senator Reed and Congressman Langevin spoke at the press conference and John Rupp acted as Master of Ceremonies. Mr. Rupp added that there were radio cost savings to RIPTA of \$19,000 per month along with other savings and this grant will allow RIPTA to connect with other emergency service agencies in to provide logistical support.

Mr. Moscola reported that RIDOT held their annual transportation week beginning May 20th and RIPTA was the recipient of the 6th Annual Excellence Award for the development of Metro Transit Study.

Mark Therrien and Amy Pettine were singled out for their contributions.

He reported that he expects the first of the new trolleys to arrive in July and all ten will be delivered by Christmas. The new hybrid and clean diesel buses will be in production in September and he expects delivery of all 63 buses by March 2011.

Mr. Moscola reported that the completion of the new building is going well and he is working with staff on punch lists and plans for the move. The grand opening ceremony will be in July and Rhode Island legislators and dignitaries will attend.

Mr. Moscola introduced Mike Burke the Clerk of the Works to give his

final report. Mr. Burke reported that construction on the new building is 98% complete and he listed those items such as concrete, metals, wood and plastic which are 100% complete. He then listed the few remaining items to be completed. Mr. Moscola and Mr. Burke described the new automated bus wash system which will be able to wash any vehicle, not just trolleys and buses.

Mr. Burke reported that the punch list has been generated and distributed to subcontractors. All state and local inspections have been done and he expects the temporary certificate of occupancy within 24 hours. When punch list items are complete a final certificate of occupancy will be issued.

Mr. Burke thanked the Board for allowing him to present during the construction process and distributed photos of the building for them to view. He submitted a list of building subcontractors and their field representatives on the site and asked that this list be made a part of the minutes. He said the subcontractors did a remarkable job and he thanked them. The list is attached hereto as Appendix A.

Mr. Burke finished his report by saying the building is on time and within budget. Mr. Williams asked if any specialized training was needed to operate new HVAC equipment in the building. Mr. Burke said much training is needed and the general contractor is setting up training schedules for HVAC equipment and also lubrication, fueling and bus wash equipment. Mr. Durkee suggested videotaping the

training sessions and Mr. Burke said taping of training is standard.

Mr. Moscola gave a brief update on the move to the new building. Mr. Williams asked if there were any major outstanding change orders and Mr. Burke said no. Mr. Williams noted the building project is almost complete and asked Mr. Moscola for a financial summary. Mr. Burke interjected then when the project is 100% complete about \$600,000 to \$700,000 will be left in the contingency fund. Mr. Kinch disputed this amount and said its closer to \$300,000 to \$400,000. Messrs Williams and Rupp asked that a final financial summary and confirmation of this figure. Mr. Williams recommend retaining some contingency funds for future building maintenance.

Mr. Burke said some items of equipment are still to be delivered and hooked up, and this will take until the middle of June. He said the final certificate of occupancy will be received by the end of June and he discussed this process. Mr. Moscola answered questions about the move and then completed his GM report.

The Board and Mr. Moscola thanked Mr. Burke and said he did a great job.

Mr. Deller asked a question about page C-2 of the General Manager report relating to an overage in March health benefits. Ms. Neira said Mr. Deller's question was related to her FY 2011 budget deficit presentation. She said that at the May 7th Finance Committee

meeting she reported that RIPTA is self insured and we typically pay an average of \$1million per month for retired and active RIPTA employee's health claims but in March claims totaled \$2.3 million. She described the serious of claims contributing to this amount, including a single claim of \$700,000. In April claims were back down to about \$1 million dollars. The overage will be carried into FY 2011 because she does not have enough time to address this issue in FY 2010.

Mr. Field referenced page A-1 of the General Manager's report related to current procurements for security lighting and energy efficient lighting upgrades in the development stage. He asked if we can use the on-call engineering and architectural procurement services on today's agenda to assist with the procurement of solar panels for the roof of the Elmwood facility. This procurement was discussed in past months as an energy efficient lighting upgrade using ARRA funds. Ms. Neira answered that we received \$345,000 specifically for energy efficient lighting as part of the TIGGER Grant this funding is 100% ARRA. The roof repairs and replacements of multiple RIPTA buildings will also be funded through ARRA.

Mr. Moscola and Mr. Field discussed their prior efforts related to energy efficient lighting and said the best building for such lighting is Chafee and they agreed to refocus on this issue and set up a meeting with Alteris Renewables. Mr. Lewis cautioned against modifying existing ARRA projects which is administratively difficult.

Mr. Field asked questions about supervisor van wheelchair lifts. Mr. Moscola answered his questions and said he will bring this procurement before the Board at the June meeting. Mr. Field asked if there funds remaining in the Keep Eddy Moving project and if there were not, could the line item be removed. Ms. Neira said it has been kept in to show the 3-year comparison. Mr. Lewis suggested removing Keep Eddy at the end of FY 2010 and Ms Neira agreed.

Mr. Durkee asked about the color and design of the new buses. After a discussion they determined they would meet privately and Mr. Moscola asked Ms. Mandly to set up a meeting with Mr. Durkee to discuss the issue further.

Mr. Williams asked a question about page D-4 under cumulative collections and monthly revenue and asked why the revenue amounts were down. A discussion ensued among the Board members and Ms. Neira commented on possible factors contributing to the decline. Following this exchange Mr. Moscola said he and Ms. Neira would analyze the issue and respond to Mr. Williams after the meeting.

Agenda Item 3: ARRA Program Upgrade

Mark Therrien and Lilly Picchione addressed the Board with the ARRA Program update and the Board welcomed Lilly back from her maternity leave.

Mr. Therrien reported that reporting extensions were given due to the

recent flooding in Rhode Island. Mr. Therrien said RIPTA did not need the extensions, but they were used anyway.

He discussed ARRA items coming in such as scrubbers, power washers, benches for Kennedy Plaza and a lot of maintenance equipment leading to increased ARRA reporting. The biggest item completed last month was changing and finalizing the hybrid bus purchase number which he said was an involved process that would lead to a change in operating funding which requires a TIP amendment and other actions.

Agenda Item 4: Finance Committee Report

Agenda Item 5: FY 2011 Budget Deficit - continued

Mr. Field reported that the Finance Committee met on May 7th to discuss the high insurance claims reported by Ms. Neira earlier. The Committee also discussed gas tax revenue and fuel prices and Mr. Moscola reported that he and his staff continue to monitor fuel prices daily and when fuel price are most advantageous, Mr. Moscola will lock in which will give us a better idea of what to budget for fuel next year.

The Committee decided to defer discussion of the budget deficit to the full Board meeting and Mr. Field asked Ms. Neira to give that report. Ms. Neira reminded the Board that at the April 19th Board meeting the deficit was at \$2.1 million dollars for FY 2011 primarily

due to the shortfall in gas tax based on the assumption made by the Department of Revenue versus the original assumption at the November estimating conference one year ago. At the April meeting the Board approved Option # 2 to close the budget deficit and she imbedded Option #2 into the FY 2011 Revised Budget/Deficit Reduction Options and read the details aloud.

At the Finance Committee meeting she reported that she had been notified of an additional series of health care claims in March that were \$1.3 million more than the typical monthly average. She reminded the Board how RIPTA's self insurance plan works and said that after being notified by United Health Care of the additional claims she contacted them for further information and verified that the claims were accurate. She said in a typical month RIPTA receives 4-5 health insurance claims, but in March there were 9 and one of them was a claims for over \$700,000.

Ms. Neira discussed the history of the claims based plan RIPTA has had in place the past six years and said claims usually average \$1 million and up until this March that amount has not been exceeded by more than \$100,000 - \$200,000.

Ms. Neira said stop loss insurance was discussed and there are two types' individual level and aggregate level and she described both types and the costs and then answered questions. Mr. Field said the general consensus of the Committee was why purchase stop loss

insurance when historically we have done well self insuring.

Mr. Lewis suggesting reviewing actual claims and trends and Ms. Neira sited confidentiality rules and a discussion ensued. Mr. Williams suggested confirming participant's eligibility.

Ms. Neira described the state billing process and reimbursements and said due to the higher health insurance claims in March which she became aware of in April the budget deficit is now about \$1.6 million. She has modified Option # 2 on page 6 of 6 in the staff summary to reflect the \$1.6 million deficit for FY 2010 and the \$2.1 million deficit for FY 2011. She then read aloud the other details contained in Option # 2 as modified and answered questions from the Board.

Following this discussion Mr. Deller moved that the FY 2011 Budget Deficit be approved with Option # 2 as modified and with the caveat that the Board will continue to look at costs in an effort to reduce them and maintain service and find ways to increase revenues. Mr. Field seconded the motion and it passed unanimously.

Agenda Item 6: Fare Increase/Service Modifications

Ms. Neira noted that the previous agenda item and approval relates to this agenda item the discussion and approval of a fare increase and service modification. She reminded the Board that last month the approval was for a fare increase only and this month it is for a fare

increase and service modifications.

Mr. Deller made a motion to approve going to public hearings for service modifications and fare increase. Mr. Kennedy seconded and the motion passed unanimously.

Agenda Item 7: Strategic Planning Committee

Mr. Field gave the report of the Strategic Planning Committee meeting held on May 6th. He said the meeting began with an extensive list of topics to discuss including a mission and vision statement, enumerating challenges and opportunities and setting goals and objectives and the time line for same. The Committee deviated from the set agenda somewhat and discussed researching strategic plans already in place at similar transportation agencies.

The Committee discussed the mission and vision statements and what level of subsidy should be paid by the riders, employers, and federal, state and local municipalities. He said this is an important topic to consider as they move forward.

Mr. Durkee added that the Committee also discussed rail, initiatives being promoted by the CTC and funding for improved service. He referenced the recent House Finance Committee meeting which he said was very well attended. Mr. Lewis opined that nationally transportation funding does not seem to be a priority and this is a

real concern because he does not believe a new transportation bill will come out of Washington any time soon.

Mr. Deller said developing a strategic plan and mission statement are vital. He said funding will always be an issue, but it will be decided by others and we must continue to focus on transit growth as an economic tool. Mr. Rupp said we need to be advocates and promote new and different initiatives like Keep Eddy Moving and get the business community more involved. Mr. Williams agreed and said a concerted effort is needed to engage businesses and demonstrate the value of transit.

Messrs Lewis and Durkee discussed the importance of supporting the initiatives put forth by the CTC. Mr. Rupp said RIPTA needs to find new and better ways to communicate our issues and Mr. Deller said we need to develop a marketing package and make it available to real estate brokers filling office space across the State. He said the first questions new businesses pose are about transit and parking. Mr. Williams suggested meeting with Chambers of Commerce and the EDC to discuss better marketing of RIPTA. Mr. Rupp asked the Strategic Planning Committee to develop a list of action items. Mr. Field concluded his report.

Agenda Item 8: Management Committee

Mr. Rupp reported that the Management Committee met on May 7th to

discuss the GM consultant company procurement process and timetables and he asked Roger Mencarini to continue with the Committee report.

Mr. Mencarini said the RFP had great participation and gave a brief overview of the procurement process and the development of the RFP. He said five top notch companies responded and after evaluation the Committee chose Gilbert Tweed Associates and Krauthamer & Associates as their top two picks and asked that Mr. Mencarini make arrangements to have these two firms give oral presentations and participate in a question and answer session at a special Board meeting.

Mr. Mencarini answered questions from Board members regarding the procurement process, firm criteria, firm experience, cost factors, candidate vetting process, and scope of work. Mr. Mencarini said the successful consultant will work on a task oriented basis with criteria and goals set by the Committee. Ms. Lee asked if the successful consultant company would set up the new administrative model and Mr. Mencarini responded that the successful candidate consultant company will take a comprehensive approach based on direction received from Management Committee.

Mr. Williams asked for clarification on the term of any potential agreement. Ms. Lee asked what would happen if the firm was unsuccessful in identifying a candidate and Mr. Williams commented

that it is common for search firms to guarantee results. Mr. Deller supported this opinion and described a search he is assisting with. He said the company that retains the firm is responsible for the final candidate decision.

Ms. Lee expressed frustration that the new management model does not exist and Mr. Kennedy also expressed his dismay. Mr. Rupp said the path the Management Committee has taken is common and reiterated the process and actions taken to date and said when the process is complete there will likely be a new organizational structure. Mr. Rupp said the next step in the process is to vet the top two consultant companies in person and give the Board an opportunity to ask questions and then vote on the GM consultant company. Ms. Lee then asked for additional clarification on the process and Mr. Mencarini reiterated the process and timeline.

Agenda Item 14: Public Comment

Mr. Rupp moved ahead in the agenda and asked for public comment and recognized former RIPTA Board member Bob Batting. Mr. Batting discussed RIPTA ridership and said it has decreased 30%. He expressed dismay that the RIPTA deficit has been plugged with “cap x” funds and he said demographics in Rhode Island are misunderstood.

Next Mr. Batting discussed the situation at the Conley Dock and

RIPTA's ferry assets which remain there. He strongly urged the Board to remove these assets before they are lost. Mr. Batting's final comment related to a recent TAC Committee meeting he attended and he said too much money has been spent on studies.

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

Agenda Item 9: ITS/Potential School Bus Transportation

Mark Therrien discussed the agenda item for ITS/Potential School Bus Transportation and read the 1-page summary of the bid issued February 19th by East Bay School Districts. The proposal seeks school transportation for East Bay communities and the bid was related to a global positioning system with automated vehicle locating. Mr. Therrien reported that Rite Solutions has submitted a bid.

Mr. Field noted that this item was put on the agenda for information purposes because RIPTA is the State's mobility manager and in the same vein he was contacted by New England Fast Ferry about providing ferry services from Providence to Newport. Mr. Field asked the Board if they would be interested in hearing New England Fast Ferry and the Board said yes. Mr. Field will make arrangements for them to present at the June Board meeting.

Agenda Item 10: RFP 10-21 Tire Leasing

Mr. Mencarini addressed the Board to discuss the next agenda item for tire leasing services. Mr. Mencarini gave a brief overview of the staff summary for the procurement of this 5-year contract to Goodyear Tire and Rubber Company to provide tire leasing services.

After a brief discussion Mr. Deller moved to award the contract to Goodyear Tire and Rubber Company for a five-year period with an estimated average annual cost of \$587,002.54, as recommended by staff. Mr. Durkee seconded the motion and it passed unanimously.

Agenda Item 11: IFP 10-25 Elmwood Exterior Lighting

Next Mr. Mencarini discussed the procurement for Elmwood Exterior Lighting and said the project consists of the furnishing and installation of new lighting throughout the Melrose facility. He then briefly elaborated on the details set forth in the staff summary and answered questions relating to energy efficiency and installation methods. There were some particular questions Mr. Mencarini could not answer, but he said he would find the answers and forward to the Board.

Mr. Field commented on what he termed a huge price discrepancy among the bidders and said he felt something was amiss. Mr. Mencarini replied that the evaluation committee sought and received

the advice of Cataldo Associates and were comfortable with the recommendation of E. W. Audet and Sons of Providence.

Following this discussion Mr. Durkee made a motion that E.W. Audet and Sons, Inc. be awarded the contract as recommended by staff to upgrade the lighting at the Melrose facility at a cost of \$63,850. Mr. Lewis seconded the motion. The motion passed by a vote of 7 to 1 with Mr. Field voting against the award.

Agenda Item 12: IFP 10-29 Printing for Marketing Department

Mr. Mencarini discussed the procurement for printing services for the RIPTA's Marketing Department and the recommended award to Cogen's Inc., of Providence to supply and deliver printed materials, primarily for bus schedules at an annual cost of approximately \$25,000.

Mr. Mencarini elaborated on the procurement process saying it had been bid twice Cogen's prices were deemed fair and reasonable by the evaluation committee. A discussion of the numerous and various sizes of the printing products ensued. Following this discussion the Board tabled this agenda item and asked staff to research standardized printing sizes and come back to the Board at the June meeting with this information.

Agenda Item 13: RFP10-32 Miscellaneous Architectural Engineering

Services

Finally Mr. Mencarini discussed the RFP for Miscellaneous Architectural Engineering Services and said this award covers miscellaneous services needed for a variety of projects as directed by the Authority, currently on projects related to ARRA.

Mr. Mencarini discussed the RFP process described and Mr. Deller asked about subcontractors. Mr. Mencarini did not have the answer to Mr. Deller's question but said he will do research and respond after the meeting. Mr. Mencarini discussed the specifics of the staff summary and answered questions from the Board.

Following this discussion Mr. Lewis made a motion to approve the award of a one-year contract with up to four annual renewals to Cataldo and Associates to provide miscellaneous Engineering and Architectural services an on-call basis. The annual cost of the contract shall not exceed \$250,000 over the life of the contract. Mr. Deller seconded the motion and the contract was unanimously approved. Following the award Mr. Moscola explained some of the contemplated services in further detail.

Agenda Item 15: Executive Session Pursuant to 42-46-5(a)(2) to Discuss Collective Bargaining and Prospective Litigation Matters

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 Prospective Litigation matters. Mr. Deller read the law and 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 Mr. Rupp seconded the motion, and it passed unanimously.

Agenda Item 16: Adjournment

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

Respectfully submitted,

Ellen M. Mandly

Recording Secretary

Appendix A