

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

Minutes of the Special Meeting held Wednesday, June 2, 2010 @ 10:00 a.m.

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

Absent: Thomas Deller and Rochelle Lee

Also Present: Richard Licht (Outside General Counsel); Roger Mencarini; and Ellen Mandly and members of the public whose names are listed on the meeting sign-in sheet.

Agenda Item 1: GM Consultant Company Candidates Presentations

Roger Mencarini explained that today's presentations are the next step in completing the General Manager Consultant procurement process. He said that after review of the five proposals submitted the Management Committee selected Gilbert Tweed International and Krauthamer Associates, Inc. as the top two candidates and asked to interview them in person. Representatives from Gilbert Tweed and Krauthamer will make verbal presentations today and followed by a question and answer session.

Mr. Mencarini introduced Stephanie Pinson and Alex Tosi the representatives from Gilbert Tweed. Ms. Pinson thanked the Board for the opportunity to address them in person and said she would try to keep her presentation brief and would answer questions at the end, but asked that the Board interject if they had any questions during her remarks.

Ms. Pinson gave a thorough history of the firm and discussed both her and Ms. Tosi's background and qualifications. She said that they are a woman owned and operated firm and that identifying diverse candidates is one of their strengths. Ms. Pinson said that she has a long and strong history with the American Public Transportation Association (APTA) and talked about the many committees she has participated in and lead as part of APTA. She stated that their close and longstanding association with APTA gives them invaluable insight and intimate knowledge and access to the country's top transit professionals.

Next Ms. Pinson discussed how they would approach the recruitment process and Ms. Tosi described some recent General Manager searches they had conducted. Mr. Williams asked about sourcing and Ms. Pinson responded that they would begin by posting an ad in Passenger Transport and they would use their contacts within APTA. She said Ms. Tosi would build the environment for the search via phone, letter and documents which they keep on sources and she

stressed that they always keep sources fresh and current.

Ms. Tosi said they typically place 2 or 3 General Managers per year, along with other top executives and therefore their market intelligence is keen before the search even begins. She added that they don't anticipate finding the RIPTA candidates via the Passenger Transport ad, though it is a good tool for getting the word out regarding the search.

Mr. Durkee asked about posting in other publications outside of the transit industry and whether many CEO's enter transit from other industries. Ms. Pinson said very few professionals come from outside of the transit world, most work their way up through the ranks at various transit agencies; however some professionals have come in through transit suppliers. She described one such executive who switched fields.

Mr. Kennedy asked on average how long a search takes and Ms. Pinson said the typical search takes 3 months from the time the job description is developed and advertised to the background check and start date. She then described the background search they would conduct and answered questions on same.

Ms. Pinson discussed their fee structure and the salary level for the General Manager position and said it needs to be sufficient to entice well qualified candidates, while keeping in mind RIPTA's financial

constraints. She added that the privacy of the job candidates is very important and most insist that their interest in the position not be made public.

Next Ms. Pinson and Ms. Tosi answered questions from the Board about formulating the job description, the quality of life in Rhode Island as a potential draw and rail service being implemented in the State in the near future.

Mr. William's asked about typical top tier candidate contract commitments and warranties. Ms. Pinson answered the typical contract offers a fixed time frame of 3 – 5 years with an annual review, possibly a merit based bonus, and a severance clause. Ms. Pinson said Gilbert Tweed warrants that they will work to find the person that satisfies RIPTA's requirements and they offer a one year guarantee. She added that typically the Board would meet and access 4 – 8 people personally.

Mr. Rupp asked that they give a sample contract to him and Mr. Licht for review against Rhode Island laws.

Mr. Mencarini introduced Gregg Moser from Krauthamer Associates, Inc. Mr. Moser began by thanking the Board for the opportunity to present in person and then briefly talked about his family's ties to Rhode Island before giving a background on Krauthamer and his personal experience and history with the firm. Mr. Moser was a

practicing attorney before joining the firm.

Mr. Moser said what differentiates Krauthamer is their succession planning abilities. He said they are passionate about the idea of succession planning and of senior management aging and how to best address this issue. He then discussed three General Manager his firm performed in the last year and how they facilitated these searches with the goal of being a partner to the transit properties that engage them.

Mr. Moser discussed how they would develop a candidate profile, the methods they use to publicize the position (which was similar to Gilbert Tweed) and the possibility of candidates being identified from outside the transit industry. He also said that internal candidates will be treated exactly like outside candidates and his firm will qualify or disqualify them and share their interest in the position with the Board.

Mr. Moser said he would narrow the candidate list down to 7 – 15 candidates and the top 5 would likely meet with the Board.

Mr. Williams asked how Krauthamer sources and Mr. Moser responded that 95% of the candidates they will look at are not currently actively looking to change jobs, but have been identified by his firm as up and comers. The process he described was similar to Gilbert Tweed's. They will look for a person with experience building rail, who is politically astute and who has the emotional intelligence to be RIPTA's next General Manager.

Mr. Moser discussed the background check process they will use for vetting the final candidates and stressed that confidentiality for the candidates is an important issue.

Krauthamer also offers a 12 month warranty, but their goal is to be so selective during the vetting process that the warranty will not be needed. He then described the typical contract, which was similar to requirements heard earlier.

Mr. Moser finished by saying he believes the successful candidate should possess self confidence, good interpersonal skills, and sound business judgment and said the search process will take about 90 – 100 days.

Agenda Item 2: GM Consultant Company Candidates Selections

Mr. William's began the discussion by asking Mr. Mencarini if he had checked the references supplied by each firm, he said he had not, but would do so. Mr. Rupp commented that it would be a tough decision as both firms seemed eminently qualified. Mr. Lewis interjected that due to a conflict, he would recuse himself from the voting.

Mr. Williams said both firms did a good job of presenting and seem to have similar and good processes. He said he would be fine with either firm. Mr. Durkee agreed that both firms seem qualified.

Mr. Mencarini read aloud the FTA guidelines governing best practices for the Board to consider when making their selection. He also stated that the firms scored very closely in the early part of the RFP process.

After discussion the Board members agreed that either firm would be an acceptable choice and then they discussed the fee structures of each firm and other costs associated with the search. Following this discussion Mr. Williams made a motion to award the contract for the General Manager Consultant Company to Gilbert Tweed International.

Mr. Kennedy seconded the motion and a roll call vote was taken. All members supported the award of the contract to Gilbert Tweed except Mr. Lewis who abstained.

Following the vote there was a brief discussion of the terms of payment and when the conversation concluded Mr. Williams instructed Mr. Mencarini to inform Gilbert Tweed that the award was contingent upon them receiving their final payment when the successful candidate is hired. He also reminded Mr. Mencarini to check their references.

Agenda Item 3: Public Comment

Mr. Rupp asked for public comment and recognized Anna Liebenow member of the RI Accessible Transportation Advisor Committee (ATAC). Ms. Liebenow passed out a document prepared by the ATAC

Committee which detailed suggested GM/CEIO qualifications. She then spoke briefly about the document and the ATAC committee which is made up of Rhode Islanders with disabilities who are actual RIPTA and Ride riders.

Ms. Liebenow said she was impressed with both firms and also impressed with the thoughtful questions from the Board members. She thanked the Board for their efforts and diligence. She was happy that Gilbert Tweed so clearly demonstrated a commitment to diverse candidates who understand the needs of the disabled community.

Mr. Rupp thanked Ms. Liebenow for her remarks and said he would like to keep an open dialog with the ATAC Committee as the process moves forward.

Agenda Item 4: Adjournment

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

Respectfully submitted,

Ellen M. Mandly

Recording Secretary