

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, February 28, 2011 MEETING

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

Absent: Stephen Durkee

Also Present: Charles Odimgbe, Chief Executive Officer; Susan DeBlasio Leach (Outside Counsel); 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: Vote on January 24, 2011 Meeting Minutes

Mr. Rupp asked if the Board members had an opportunity to review the minutes of the meeting held January 24, 2011. The members indicated they had and Mr. Kennedy made a motion to approve the minutes as presented and Mr. Deller seconded the motion. The minutes of the meeting held January 24, 2011 were unanimously approved as presented.

Agenda Item 2: Chief Executive Officer's Report

Mr. Rupp asked Charles Odimgbe to give his Chief Executive Officer's report to the Board. Mr. Odimgbe gave a verbal presentation this month and began by saying Steve Levy from Sprague Energy was scheduled to attend the next day's E-TEAM meeting to give a presentation on the growth and changes in fuel markets and to discuss various methods of tracking and purchasing fuel. He discussed the current price of fuel versus RIPTA's budgeted price and said a lengthy discussion on fuel had been held at the RIPTA Finance Committee meeting last week. Currently the rise in fuel prices has caused us to go over budget \$700,000.

Mr. Rupp asked if fuel consumption was being tracked vis a vis ridership and Mr. Odimgbe said it was and directed his attention to the KPI's in the CEO Report. Mr. Odimgbe noted that we are actually doing better than at this same time last year. He noted that the CEO Report historically has run two months behind and he is working with staff to get this down to one month so as to have more current information available.

Mr. Rupp suggested tracking fuel tax to try to determine if the yield is dropping because we need a better way to estimate our revenue stream. Mr. Williams asked if staff had sent a letter to the state budget office requesting more frequent information on the gas yield as was suggested at a Finance Committee meeting. Ms. Neira said

the letter was sent to the Department of Revenue who would only agree to twice yearly information updates. Mr. Williams suggested that Mr. Odimgbe and Ms Neira request a meeting with the Department of Revenue and Department of Administration to make the request personally as this information is critical to RIPTA. Mr. Odimgbe said he would do so and let the Board know if he experienced any further difficulty.

Mr. Odimgbe proceeded to go over the new KPI's in Section D of the CEO Report and take questions on same from the Board members. Mr. Lewis complimented the CEO saying the information in the KPI's is very helpful.

Mr. Odimgbe announced that he wished to correct a misconception regarding RIPTA employees attending the Board meetings. He said the meetings are open to the public and if an employee has time available they are free to attend the meeting, with the exception of the executive portion.

The CEO referenced the ATMS project status document contained in the Board package and said Paul LaFlamme had presented this document at last week's Finance Committee meeting and had also given an updated timeline.

Mr. Odimgbe said ARRA funding and reporting is on track then briefly discussed the document in the Board package entitled the

President's FY 2012 Budget – FTA Analysis and Implications for RIPTA.

Lilly Picchione interjected from the audience and answered questions about her analysis of the President's FY 2012 budget proposal. She also discussed the fact that to fund the government beyond March 4, legislators are working on an agreement to cut current programs, including the TIGGER II program, which includes RIPTA's solar energy project. Mr. Field asked that RIPTA work to fund it in another manner and Ms. Picchione indicated that staff would look into this.

Agenda Item 3: Finance Committee Report

Mr. Field reported that the Finance Committee met on Friday, February 25, 2011 and the first agenda item reviewed was the pension and benefits for Alfred Moscola and Henry Kinch which were heard and approved at the Joint Pension Board meeting held earlier today. This was simply to review the documents ahead of the JPB and make sure they were properly documented and in the case of Mr. Moscola consistent with the contract.

He said the Committee discussed rising fuel prices and the options for bulk diesel fuel storage in Rhode Island. Hearing there was no number one diesel fuel storage facility in the state the committee suggested investigating this possibility.

Mr. Field said the Committee reviewed the Elmwood Paratransit Facility punch list and outstanding bills for same. The talked about outstanding issues in the building, such as the roof leaks during heavy rain. The Committee suggested that staff meet with Mr. Burke the Clerk of the Works during the building phase to make arrangements for completion of any outstanding punch list work, and also to document any issues before the end of the one year warranty period.

Next Mr. Field reported that Paul Laflamme gave an ATMS status report and distributed a revised timeline for the project. When asked Mr. LaFlamme reported that about \$60,000 - \$70,000 for use for consultants remained from the total approved by the Board about a year ago. Mr. LaFlamme answered various other questions from the committee regarding the ATMS project.

Agenda Item 4: Kennedy Plaza Asphalt Failure

Next Mr. Odimgbe reported on the ongoing issue of the failure of the asphalt at Kennedy Plaza. He briefly described the history of the project and the subsequent failure of the substance used to pave the bus berths, which was of a unique composition. Mr. Odimgbe said that unfortunately the asphalt substance will continue to fail and the bus berths will have to be repaired as needed until RIPTA can find the money to repair the berths with an industry proven cement substance. This method would have been used originally, however at

that time the Authority did not have enough money and a decision was made to use a lesser known mix which failed under the severe bus weight and weather conditions.

Mr. Field remarked on the frequency of issues like this in Rhode Island. Mr. Odimgbe went on to describe the preferred and proven method he would recommend once the money is available.

Agenda Item 5: RIPTA's General Property Insurance

Roger Mencarini Director of Procurement and Gary Primavera from Starkweather and Shepley Insurance addressed the Board to discuss the procurement for General Property Insurance. Mr. Mencarini said the Board is requested to award a contract to Chubb Insurance Company for the provision of RIPTA's General Property Insurance. The cost is \$107,245 – a decrease of \$2,955 or 2.6% compared to last year's price.

This policy covers all buildings, contents, rolling stock, computer and dispatch equipment, and mechanical breakdown for all risks including fire, windstorm, water damage, theft, earthquake, etc. Mr. Primavera answered a few questions from the Board members and after a brief discussion Mr. Deller moved that the contract for General Property Insurance be awarded to Chubb Insurance Company as recommended by staff. Ms. Lee seconded the motion and it passed unanimously.

Agenda Item 6: IFB 11-18 Trash Disposal Service

Mr. Mencarini addressed the Board to discuss the details of the staff summary for Trash Disposal Services and said the Board is requested to grant an award of a contract to Allied Waste Services of Fall River, MA to provide trash disposal services to the Authority at an estimated average annual cost of \$38,020. This is a three year contract with up to two annual renewal options.

Mr. Williams moved for approval of the award of the contract to Allied Waste Services to provided trash disposal services as recommended by staff. Mr. Deller seconded the motion and it passed unanimously.

Agenda Item 7: RFP 11-06 BRT Branding Consultant

Roger Mencarini and Mark Therrien addressed the Board to discuss the request to award a contract to McMahon Associates of Taunton, MA to provide Bust Rapid Transit (BRT) Branding Consultant Services to the Authority at a cost of \$79,920.31.

Mr. Deller asked about the various proposals and how the award to McMahon was determined. Mr. Therrien described the proposal process saying three had been received and deemed responsive. He gave a brief background on the responsive review and finished by

saying they used McMahon before and found them to be very responsive. Mr. Mencarini added that their project manager also has direct experience with RIPTA.

Following this discussion Mr. Deller moved for approval of the award of the contract to provide BRT Branding services to McMahon Associates as recommended by staff. Mr. Lewis seconded the motion and it passed unanimously.

Agenda Item 8: Alternative Analysis and Environmental Assessment

Next Roger Mencarini and Mark Therrien addressed the request by staff for the Board to approve a change order to the contract with HDR Engineer of Boston, MA for the Alternative Analysis and Environmental Assessment Study for the Providence Metro Study Corridor Analysis. The cost of the change order is \$200,000. Award of the contact is contingent upon receipt of the pending FTA Grants.

Mr. Therrien said that RIPTA and its partners the City of Providence, Brown University and Rhode Island Hospital recently received funding to extend our analysis to include additional technical components to enhance the project and this change order is for additional technical work on the Alternatives Analysis and Environmental Assessment Study.

Ms. Lee asked who would own the study once complete and Mr.

Deller said RIPTA would. Mr. Field asked if this would meld into the streetcar study and Mr. Deller said it would.

Following the discussion Mr. Deller moved for approval of the change order to the HDR Engineer contract as recommended by staff. Mr. Field seconded the motion and it passed unanimously.

Agenda Item 9: Upgrade to RIPTA's Hastus Software

Mr. Mencarini said the planning department is requesting an upgrade to RIPTA's Hastus Scheduling Software from Verizon 2002 to Verizon 2011 at a cost of \$194,035. Mr. Mencarini then briefly explained the Hastus Software, how it is used by the planning department and some benefits of the upgrade to the 2011 version.

Following Mr. Mencarini's remarks Mr. Deller moved for approval of the upgrade to the Hastus Scheduling Software as requested by staff. Mr. Williams seconded the motion and it passed unanimously.

Agenda Item 11: Public Comment

Mr. Rupp moved ahead in the agenda and asked for public comment and recognized Steve Farrell President of the Amalgamated Transit Unit. Mr. Farrell remarked that he is excited about the new 5-year Strategic Plan and asked about the targets. Mr. Deller responded that the targets are on the agenda for discussion at the next meeting of

the Strategic Planning Committee in March.

Mr. Farrell then asked about sustainable funding for the plan and Mr. Deller described the bill proposed by the Coalition for Transportation Choices (CTC). Finally Mr. Farrell suggested that when the Authority is able to move the project forward they repair the bus berths one at a time to cause less chaos in the Plaza.

Bob Batting was recognized and spoke next requesting that the RIPTA Board and management take the initiative to look more closely at the Authority's pension plans. He stated that the SEC is investigating fraudulent activity in the office of RI General Treasurer Gina Raimondo. He wanted to know if the investigation will also cover quasi state agency pension funds. Mr. Batting said that when he was a member of the RIPTA Board he found that the Angell Pension group was using obsolete mortality tables and he called this explicit fraud. In addition, he said that the rates of return quoted by Prudential were not as high as quoted. Mr. Rupp said RIPTA has since made adjustments. Finally he again referenced the SEC/RI Treasurer investigation and said the state is also being investigated for unsound accounting practices.

Next Mr. Rupp recognized Almas Kalafian. Ms. Kalafian complimented Mr. Odimgbe saying she appreciated the level of detail in the CEO's monthly report.

Finally Anna Liebenow from the ATAC group noted that the snow has begun to melt but remains an issue for some. She asked that RIPTA remain vigilant about clearing snow from bust stops.

Agenda Item 10: Executive Session Pursuant to RIGL 42-46-5-(a)(1) for Discussions and/or Action Relating to the Job Performance Character or Physical or Mental Health of a Person

Mr. Deller made a motion to convene an executive session as noticed on the agenda under RIGL 42-46-5(a)(1) to discuss the job performance, character, or physical or mental health of a person. Mr. Lewis seconded the motion to convene an executive session and a roll call vote was taken. The motion to convene to executive session under RIGL 42-46-5(a)(1) passed unanimously.

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

Agenda Item 9: Adjournment

Mr. Deller made a motion to adjourn the meeting. Mr. Lewis seconded the motion and it was unanimously approved and the meeting was adjourned.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary