

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, March 21, 2011 MEETING

Board Members Present: John Rupp, Chairperson; Stephen Durkee; Michael Lewis; Edward Field; and Rochelle Lee.

Absent: William Kennedy; Thomas Deller; and Jerome Williams.

Also Present: Charles Odimgbe, Chief Executive Officer; Steven Richard (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 February 28, 2011 Meeting Minutes

Mr. Rupp asked if the Board members had an opportunity to review the minutes of the meeting held February 28, 2011. The members indicated they had and Mr. Field recommended the addition of the words "number one diesel" in the last paragraph discussing fuel on page two. Mr. Lewis made a motion to approve the minutes with Mr. Field's wording addition and Mr. Field seconded the motion. The minutes of the meeting held February 28, 2011 were unanimously

approved as amended.

Agenda Item 2: Chief Executive Officer's Report

Agenda Item 4: FY 2012 Budget Update

Mr. Rupp asked Charles Odimgbe to give his Chief Executive Officer's report to the Board. Mr. Odimgbe began his CEO Report by first discussing ridership saying it had declined when compared to the same period last year and since ridership has been flat, this slight decline has affected the year to date ridership. Mr. Odimgbe said RIPTA could benefit from performing a Latent Demand Study, which would determine the percentage of potential riders not currently riding RIPTA. Mr. Odimgbe then answered questions about the study, and the cost and timeline of same.

Mr. Odimgbe discussed the KPI's on the last page of the CEO Report saying he has concerns about the preventable accidents and will be paying close attention to Ride service failures versus fixed route and he will be looking at a transfer of ideas between the two departments to improve in this area. Mr. Odimgbe opined that in fixed route there is more predictability of trips therefore they should be able to improve. He feels operators need to become more cognizant of their environment.

Next the CEO, Mark Therrien and Lilly Pichionne gave an update on their trip to Washington, DC for the annual APTA Legislative

Conference. Mr. Therrien said they met with our congressional delegations in Washington, DC on Tuesday March 15, 2011 and though we have the full support of our congressional delegation, they stressed that funding for most of our capital programs for the next fiscal year may be reduced. He said that of great concern is the fact that RIPTA's operating budget is made up of approximately 24% of funds derived through conversion of some federal capital funds. Mr. Odimgbe said that Senator Reed told them RIPTA needs to develop a Plan B in readiness to any reduction in grant funds for next fiscal year and he and staff will be reviewing plausible scenarios based on feedback from our congressional representatives and providing the board with some options in response to these scenarios. He included an article from the Wall Street Journal in the board package regarding congressional responses to our requests for transportation infrastructure funding.

Mr. Therrien said all four legislators were very supportive and that many other transit agencies who attend the conference do not get to meet with their elected official's one on one. He said they are taking the warnings seriously and staff is working to lock up grants and get all allocated funds in house and protected. Ms. Pichionne added that earmarks are no longer on the table.

Mike Lewis commented that MICA is taking the position that revenue has to be identified before expenses are spent. He said congress is crafting a new bill but no funding has been identified to fund the

6-year bill and this is a very serious issue.

Mr. Odimgbe said that we convert 24% of our capital funds to operating funds and due to this issue we may have to push out our equipment replacement schedule and lower operating costs. Mr. Odimgbe and staff then answered questions from the board about the implications of losing these funds and the effect on equipment replacement such as the bus replacement schedule and RIPTA operations.

Following this discussion Mr. Field asked if ARRA funds could be used to fix the ruts in Kennedy Plaza discussed at recent board meetings and was told they cannot. The Authority will be forced to fix the ruts as needed over the next 5-years due to funding restrictions.

Next Mr. Odimgbe discussed the FY 2012 budget saying it was revised to take into account the impact of recent spikes in diesel fuel prices. He said he will continue to review our information as our conditions and environment changes to ensure we are effectively tracking potential impacts on the authority budget and that based on recent events we are now anticipating a 2012 deficit of approximately \$6.6 million. This number represents a \$1 million increase from our last projection due to the increases in diesel fuel prices in the last several months. He said at the E-Team meeting tomorrow staff will begin working on this deficit and on a multi-year budget for RIPTA. The intent is to provide the board with a good view to how the

authority potentially could be faring in coming years given all of our capital programs and anticipated increases in costs. He said the board will see all the assumptions up front.

Mr. Odimgbe said he is working with Maureen Neira, Mark Therrien, the planning department on a cost benefit analysis to address whether excessive overtime is due to understaffing or not. They will look at scheduling practices and the run cut in an attempt to make changes to minimize overtime.

The CEO said he has started to slowly implement Phase I of the re-engineering plan and at the next meeting of the E-Team he will finalize all consolidated departments and develop a time line for full implementation. At the next board meeting he will present the new upper level of the organizational chart. Mr. Odimgbe then answered questions about head counts, administrative staff changes, and salaries. He commented that going forward existing staff will have to do more and be creative.

Next Mr. Odimgbe discussed maintenance productivity saying staff is currently reviewing various fleet and inventory management software in an effort to improve our productivity percentage currently at 35% to 92%. He said we need to track individual work and the software can help. There is no timeline yet for the acquisition of this software or the funding for same.

Mr. Odimgbe reported that the Governor has convened a transportation call to action forum scheduled for April 6th and that Mike Lewis would be representing RIPTA on the panel. This will be discussed in more depth later in the meeting.

Finally the CEO reported that he will be spending time with transportation scheduling staff to assess runs and assignment allocations in an effort to adjust procedures to reduce overtime.

Mr. Rupp asked about the impact of rising fuel costs on the budget and Ms. Neira said we are currently paying about \$3.50 a gallon versus a budgeted price of \$2.80 leading to an additional \$1.6 million dollars to the deficit for 2012. Continuing with the FY 2012 budget update Ms. Neira said several updates have been incorporated into the budget including an increase in passenger revenue from of \$341,600 based on actual revenue collected in FY 2011 to date, a savings of \$297,258 in wages associated FICA due to the elimination of several positions, a reduction to the cost of the actuarial valuations and in increase in the cost of heating the facilities and a revision due to updated information from the Governor's FY 2012 proposed budget which includes a reduction of \$110,625 in debt service payments. She noted that although there was a reduction in debt service this year, over the next five years our debt service will double. This needs to be addressed if we plan to buy buses at the same rate.

She said that for FY 2011 she is assuming an overage on fuel of about

\$700,00 - \$800,000. A portion of this overage was addressed with the 1% budget reduction initiative in January, bringing the overage down to a more manageable about of about \$300,000 - \$400,000.

Mr. Durkee asked about fuel savings associated with the hybrid buses introduced into the fleet and Ms. Neira responded that those figures are not available yet and Mr. Odmigbe said the industry average is a savings of 4 – 6 miles per gallon and staff will monitor this.

Paul Laflamme gave his report on the implementation of the ATMS system saying he had met with and received preliminary design review comments from staff and many issues were raised and will be resolved by the next board meeting. The next major milestone is in May when the preliminary designed will be approved. Mr. Field asked that the board receive and executive summary similar to that accompanying the strategic plan and Mr. Laflamme said he would create one.

Mr. Therrien said he has taken over responsibility for IT and has begun supervising the ATMS implementation. He discussed some of the specific issues staff is currently addressing and said he will see that the summary is written in simple language and that the roles of those on the core team are identified.

Agenda Item 3: Strategic Planning Committee

Mr. Field reported that the Strategic Planning Committee met on March 11, 2011 and he asked Mark Therrien and Amy Pettine to elaborate. Ms. Pettine reported that staff informed the committee that the professionally printed Strategic Plan was back from the printers and would be distributed to along with a cover letter from the CEO to elected officials, stakeholders, and others involved in the process. The final plan is also prominently displayed on the RIPTA website and RIPTA will initiate soft PR by advertising on Twitter and Facebook. Ms. Pettine said that the plan will be used as a funding advocacy tool.

Ms. Pettine reported that the Committee held a discussion regarding the upcoming Governor's Transportation Forum to be held on April 6th at the RI Convention Center and she said the committee encouraged the Board members who were able to attend this important event. RIDOT Director and RIPTA Board member Michael Lewis will be one of the panelists and will address RIPTA's critical issues on behalf of the Board. This topic will be addressed later in the meeting.

She reported that Mr. Odingbe addressed the committee to give a state of the agency report and summarized his written vision for RIPTA which was distributed to the committee. She reported that the committee recommended keeping the public informed on the implementation of the new ATMS system.

Mr. Rupp asked how the strategic plan assists with the growth of business in Rhode Island and Ms. Pettine said the plan has five goals and the fourth goal addresses how the plan with assists with economic development and she briefly gave an overview of the highlights of goal 4. Mr. Durkee added that all five goals support business – this was a key focus.

Mr. Odimgbe said the key message of the strategic plan is that cutting service is not an option. We can't attract business to the state without robust public transportation. Ms. Lee noted that employment opportunities are statewide and Mr. Therrien said the plan addresses this and explained how. Mr. Odimgbe said this is another reason to conduct a latent demand and origin and destination study. He added that he wants to also target transportation for special events to maximize capacity on buses.

Agenda Item 5: Rhode Island Transportation Forum

RIDOT Director and RIPTA Board member Mike Lewis discussed the transportation forum scheduled for April 6th at the Rhode Island Convention Center which was put together at the suggestion of RIDOT to address transportation funding in Rhode Island vis a vis funding national. He said the idea came from suggestions in the Blue Ribbon Panel Report and was especially topical at this time due to the reauthorization debate which effects both RIPTA and RIDOT.

Mr. Lewis remarked that the funding model for transportation is broken and this forum was initiated to address this with the assistance of the URI Transportation Center and the Coalition for Transportation Choices (CTC) and will be hosted by the Governor's office and the Senate President and Speaker of the House will be hosts for the event.

He then gave an overview of the topics of discussion and listed the other speakers on the panel.

He said the purpose of this forum is to educate and open the dialog about transportation in general and funding. He asked that all board members who are able attend the event and noted that all members of the general assembly are invited along with municipalities and all stakeholders interested in transit. He said RIPTA will have an informational table at the event along with RIDOT and the Airport Corporation and the CTC.

Mr. Lewis said each panelist will speak for 10 minutes and attempt to put into context what is happening with Rhode Island with what is happening with transportation and funding nationally. A written document will accompany the panelist's remarks.

Agenda Item 6: 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 and Pursuant to RIGL 42-46-5(a)(2) for Discussions Relating to a Pending Personal

Injury Claim in Litigation

Mr. Lewis made a motion to convene an executive session as noticed on the agenda under RIGL 42-46-5(a)(1) and RIGL 42-46-5(a)(2) to discuss the job performance, character, or physical or mental health of a person and pending personal injury claims . Mr. Durkee 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) and under RIGL 42-46-5(a)(2) passed unanimously.

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

Agenda Item 7: Adjournment

Mr. Field asked if there was any public comment and hearing none he then 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