

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
BOARD OF DIRECTORS
MINUTES OF Monday July 18, 2011 MEETING**

Board Members Present: Thomas Deller, Chairperson; Jerome Williams; Stephen Durkee; Michael Lewis; Maureen Martin, Anna Liebenow; Mayor Scott Avedisian; and Margaret Holland McDuff.

Also Present: Charles Odimgbe, Chief Executive Officer; Steven Richard (Outside Counsel); Maureen Neira; 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 June 20, 2011 Meeting Minutes

Mr. Deller called the meeting to order at 1:35 p.m. and asked if the Board members had an opportunity to review the minutes of the meeting held June 20, 2011. The Board members indicated that they had and Mr. Lewis made a motion to approve the minutes of the meeting as presented. Mr. Williams seconded the motion. The minutes of the meeting held June 20, 2011 were unanimously approved as presented.

Agenda Item 2: Public Comments

Mr. Deller asked for public comments and recognized former RIPTA Board Chairman Bob Batting. Mr. Batting distributed copies of a NY Times article to members of the Board which discussed an SEC investigation of Rhode Island bonds and the city of Central Falls. He stated his feelings regarding the personal liability and fiduciary responsibilities of Board members and said this was of particular concern to him when he was on the Board.

Mr. Batting commented on the Rhode Island pension system in general and RIPTA's pension funds in particular and said in his opinion the pensions are at risk. He suggested the Joint Pension Board zero in on the criteria used by RIPTA's actuaries, particularly the mortality table which he called woefully outdated.

Finally Mr. Batting questioned the rate of return on funds invested by Prudential Securities. Mr. Batting feels the rate of returns should be higher and suggested that RIPTA compare itself to other pension funds. He said it is his opinion that the pension investment advice RIPTA receives is appallingly unsound and the Board needs to focus on this.

Next Paul Harrington, President of the Amalgamated Transit Unit spoke saying he is concerned that many of the routes which may be affected by service adjustments are in the City of Pawtucket. Mr. Harrington feels public hearings should be held in this city. He then spoke passionately in opposition to the cuts saying mass transit is

not a luxury but a necessity and a lifeline for Rhode Islanders, particularly senior citizens and students and that it is vital to economic growth. Finally he said transit is important for small business growth and to reduce stress on the environment.

Marjorie Rogers spoke next and said if the buses end service by 10:00 pm as has been discussed it will affect her ability to visit friends and for those who work at nursing homes and hospitals to commute to work.

Next Mr. Deller recognized former RIPTA Board member Barry Schiller. Mr. Schiller said he is a transit advocate, an environmentalist and a passenger and said the financial problem RIPTA is facing is because it is not funded properly. He said the Board needs to understand that this is not a short term problem and until a steady revenue stream is identified RIPTA will continually face budget shortfalls.

Mr. Schiller said RIPTA needs to develop a political strategy to identify and lobby for new funding and we need to get all stakeholders involved in this effort. He is in support of judicious cuts like lowering overtime costs and suggested the unions work with RIPTA by relaxing some of the work rules regarding overtime to achieve savings. He also suggested that passengers who use the park and ride lots and those commuting longer distances pay a higher fare and that those who receive free bus passes be charged a

nominal fee so as to cut down on frivolous rides.

Finally Mr. Schiller said RIPTA is facing a revenue stream problem, as is RIDOT, because of the gas tax funding and the failure of those involved with the Blue Ribbon Commission and social services agencies to work together.

Retired RIPTA employee Bill McGee spoke next and said this company is over budget because upper management gets better pensions and they retire earlier than ten years. He then alleged that certain employees had worked in other areas of state government prior to joining RIPTA. He believes the Authority's employees are disgusted and don't want to hear about any givebacks. He said the CEO runs the company the way he wants it run and Mr. McGee has called the Governor and Mr. Licht about this. He then asked the Board members if they'd like to ask him any questions. They did not.

Grant Delgarian spoke next saying he is a transit advocate although he has not attended a Board meeting in some time. Mr. Delgarian said he would like to be notified which Board members intend to attend which of the upcoming public hearings. He said he has remarks prepared and will decide which meetings to attend based on which members will be in attendance.

He said that RIPTA runs on Providence, meaning the City of Providence must help RIPTA. He then said RIPTA is a bus service and

he is opposed to any use of taxis.

Mr. Deller thanked all the commenters for their remarks.

Agenda Item 3: Chief Executive Officer's Report

Mr. Odimgbe began his report by discussing ridership saying fixed route ridership continues to look strong when compared to this time period in 2010 and went up 4% in the month of June while paratransit ridership went up 4% when compared to this this period last year. His concern is over revenue miles and hours which continue to increase meaning we are providing more unscheduled trips to meet ridership increases. He said the implementation of the Comprehensive Operational Analysis (COA) needs to move forward and we have begun the process of developing the scope of work.

He said the KPIs indicate a positive trend in the areas of miles between failures, preventable and non-preventable accidents. The fare box recovery dipped slightly when compared to the same period last year despite increases in ridership which could indicate pass holders are using the system more for errands causing a burden on the system.

Mr. Odimgbe said we continue to work on our 2012 budget and the service adjustments up for discussion should be viewed as the worst case scenario to deal with the projected \$4.6 million dollar deficit. He

said Ms. Neira will be providing information on our 2011 budget later in the meeting and does have some positive news to report.

He said he included talking points in the Board members packages to assist them in responding to public inquiries made directly to them, that he is being diligent about service streamlining with the goal being to not isolate any communities. Mr. Odimgbe is meeting with RIPTA planners later in the week in an attempt to minimize service cuts and he said staff has been supportive in working diligently towards this end. He said no assumptions should be made as to the severity of the service cuts yet because staff is working hard to minimize same. He said he welcomes any constructive feedback from the Board or the public in this endeavor. He finished by saying he is confident in RIPTA's ability to minimize the impact.

Next he reported that contract negotiations with Labors International Local 808 continue and he will keep the Board apprised of any new developments.

Mr. Odimgbe said he supports having a Board Retreat/Planning Session as suggested by Chairman Deller and believes the Board should consider a retreat facilitated by a third party, preferably a transit expert, to assist the Board in dealing with all the challenges currently facing this organization. He believes that in light of all the new Board members, it will be prudent to work to develop a road map and clear message for this Board.

The CEO reported on training and staff development and said consistent with his commitment to improving staff knowledge, he had submitted a letter of support for Amy Pettine to participate in a Leadership APTA Program. He is confident and excited about Ms. Pettine's participation with this program and feels it will benefit RIPTA as a whole. He will update the Board regarding if she is accepted into the program.

Next he said he met with the Control Center Director for the SEPTA system in Philadelphia and will be sending some of our RIPTA system managers to visit and spend some time with their control center operators to get a feel for what the ATMS project has to offer. He believes RIPTA staff will benefit greatly by observing that operation in action.

Finally Mr. Odimgbe said he has met with members of the maintenance department to address their anxiety over proposed service reductions and will also be meeting with bus operators to discuss their concerns.

Mr. Deller thanked Mr. Odimgbe for his report and asked that he take the lead on the on the Board retreat. Ms. Martin supported the idea of the retreat and feels it would be very helpful in acclimating the new Board members particularly in familiarizing them with the recently adopted 5-year strategic plan.

Ms. Martin then asked the CEO to further elaborate on the worst case scenario cuts vis a vis the previously announced 10% cut in service. Mr. Odimgbe said the worst case scenario is where we will be if he cannot achieve additional internal savings. The said the public hearings a legal requirement and he must present all possible cuts while he works diligently with staff to minimize these cuts through other efficiencies and tweaks to existing routes. He is working to determine if there is a better way to deploy service on the street and hopefully put more service out. The COA will be a vital tool in assisting with this endeavor, but that is a long process, at least 12 months.

Mr. Williams commented that from looking at the CEO Report their appears to be a budget surplus for FY 2011 and he said in a year with rising costs this was a tremendous accomplishment and he congratulated the CEO and staff and said he appreciates the effort.

There was a brief discussion on the status of the ATMS project. Mr. Odimgbe completed his remarks by saying the ATMS project is on time and then answered a few ATMS questions.

Agenda Item 4: FY 2012 Budget Update

Ms. Neira addressed the Board with a FY 2012 budget update saying she had good news to report and would also give a recap of the FY

2012 budget to date. She said at the May 2011 meeting she reported that the budget deficit went from \$4.2 million to \$4.6 million due to the gas tax yield. Now with the June financials completed it appears we will end FY 2011 with a \$500,000 budget surplus. The surplus is the culmination of several factors including higher than expected passenger revenue and wages costing less than estimated, after factoring in unbudgeted ATU arbitration and negotiation costs. She said lesser than expected health care claims, pension payments, insurance settlements and ADA costs also attributed to the surplus. The current FY 2012 budget deficit is now down to \$4.1 million.

Ms. Neira noted that the foregoing is based on unaudited financials and the final audit will be presented at the September meeting. She then briefly discussed fuel costs.

Mr. Odimgbe reminded the Board that they were asked to vote on eliminated positions in the revised organizational chart and this also played a part in the budget surplus. He said that staff is doing more with less and commended them for their efforts.

Agenda Item 5: Accessible Taxies

Mark Therrien addressed the Board and said the state passed legislation mandating that RIPTA assist with the implementation of an accessible cab program. RIPTA administers the funds through the FTA's New Freedoms Program and this program requires grant

recipients to choose programs through a competitive bidding process and the RIPTA process prioritized the purchase of accessible cabs. Mr. Therrien described the bidding process and the resulting two bidders with Quality Van Sales of Attleboro, MA being the lowest responsive, responsible bidder.

He said the goal of the New Freedom Program is to encourage services to address the transportation needs of persons with disabilities that go beyond those required by the American's with Disabilities Act. Grant funding will provide 80% of the cost of the new cabs and cab companies will provide the remaining 20% and will hold title to the vehicles with RIPTA placing a lien on the vehicles to protect the federal assets. He said the cab companies will be responsible for all taxes and operating and maintenance costs of the vehicles.

Mr. Therrien said the Board is asked to award a bid to Quality Van Sales for 10 accessible cabs with an option for up to 10 additional cabs with a per cab price of \$36,744. Mr. Lewis asked if this program will ultimately shrink or grow and Mr. Therrien replied grow and it is hoped some providers will begin purchasing their own accessible vehicles. This is views as a "seed program". Mr. Therrien then answered questions related to the liens, approved usage, cost savings for RIPTA and training.

Following the questions and discussion Mr. Williams moved that the

bid be awarded to with Quality Van Sales of Attleboro, MA as recommended by staff. Mr. Durkee seconded the motion and the award was unanimously approved.

Agenda Item 6: Providence Core Connector Update

Mr. Deller gave a brief history of the core connector program and the initial funding for same then said Amy Pettine would take over giving the update as he had the project is set for completion this September and listed the remaining tasks as finalizing alignment, determining how service will operate, evaluating and selecting a preferred mode (bus/streetcar), local financing and the public's involvement.

Ms. Pettine said this is the core connector piece from the Transit 2020 Study and part of our long range strategic plan and gave a brief background and this project concludes in the fall. She then discussed TIGER III funding and past recipients of this funding and said the best near term use of this rare federal funding opportunity in the third round of funding is streetcar development for Providence. She said that even though these are DOT funds, other transits around the county have had great success using TIGER III to fund streetcars and similar projects. After TIGER III federal funding opportunities will become scarce. She said a 20% local match will be required for TIGER III and at least 50% of the capital costs will be covered by this project through federal funding. She said applications are due in

October then briefly described the timeline to prepare the TIGER III submission. She discussed the process and the many stakeholders involved in this project. She said RIPTA is taking the lead on the TIGER III funding opportunity and reaching out to RIDOT to support this as this will be a huge step towards RIPTA becoming multimodal. She said as this project comes together they will be coming back to the Board with further details.

Ms. Holland McDuff asked if this is the only RI project being submitted under TIGER III and Mr. Lewis commented that the Governor's office will need to weigh in on this project and the needed coordination with other entities and municipalities and other capital projects that may be of equal or better value to the state. He said it is absolutely appropriate that RIPTA move forward at this time in order to meet deadlines and RIDOT will be working with RIPTA, the Governor's office and other stakeholders on this issue to determine what is in the best interest of the state. He finished by noting we must move forward with this project while still being mindful of the Authority's budget deficit.

Ms. Pettine clarified that the financial impact of this project to RIPTA is minimal and we are not diverting any resources away from existing projects as this project relies heavily on unprecedented federal funding and private funding. Ms. Pettine noted that additional information regarding the core connector and the study itself is available on the RIPTA website.

**Agenda Item 7: Executive Session Pursuant to RIGL 42-46-5(a)(2)
for Discussions related to Collective Bargaining**

Mr. Williams said the Board would not convene to executive session.

Agenda Item 8: Adjournment

Mr. Williams asked for a motion to adjourn. Mr. Durkee 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