

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, November 19, 2012 MEETING

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

Absent: Michael Lewis

Also Present: Raymond Studley, Interim Chief Executive Officer; Clare Sedlock, RIPTA Resource Team; Todd Gleason, Outside Counsel; Ellen Mandly; and other members of RIPTA's staff and the Resource Team and members of the public whose names are on the sign-in sheet.

Agenda Item 1: Vote on October 23, 2012 Meeting Minutes

Mayor Avedisian called the meeting to order at 1:45 p.m. and asked if the Board members had an opportunity to review the minutes of the meeting held on October 23, 2012. The members indicated that they had and Ms. Martin made a motion to accept the minutes of the meeting held October 23, 2012 as presented. Mr. Williams seconded the motion. The motion to approve the minutes of the meeting as presented was unanimously approved.

Agenda Item 2: Public Comment

Mayor Avedisian recognized former RIPTA Board member Bob Batting. Mr. Batting commented that he'd seen RIPTA Board member and RIDOT Director Michael Lewis on television discussing Rhode Island's gasoline tax and callers asked for clarification on the gas tax proceeds. Mr. Batting then requested (and said he will follow-up by putting his request in writing) clarification on what the federal and state tax is on gasoline in Rhode Island, how that tax is distributed, what is the total actual dollars received by RIPTA and what is the percentage of the gas tax as a percent of the annual RIPTA budget (for the last two years). He said the last time he looked at these figures RIPTA received \$30 million dollars in gas receipts which was raised by then by Governor Carcieri to \$40 million dollars. He would like to receive clarification on the dollar receipts and distribution.

Mr. Batting asked about ridership next and said riders are shown on a trip basis as opposed to the actual individuals so it is shown as a number of rides, not individuals. He asked how many of these individuals actually pay a full fare. He also wanted to know what the discounts are major groups such as seniors, handicapped, students, both city schools and universities.

Finally Mr. Batting thanked the Board for fulfilling a request he made at a previous Board meeting for information about lobbyists employed by RIPTA. He said there are two lobbyists who are each paid \$2,000 monthly.

Julius Kolawole spoke next and said he was representing the African community. He said it has been four months and much has been said in the news and the community would like feedback about the status at of Charles Odingbe and he said it is high time the public is given some feedback, whether it be good, bad or indifferent. He said it is especially important to get information about the cameras being covered and he wants to hear from the Board on this issue.

Mr. Kolawole said in the last few days there had been talk in the community about RIPTA and the feeling is that anyone who comes from outside the State of Rhode Island and tries to make any agency more efficient seems to be run out of town. He said this does not present a good image for RIPTA or Rhode Island.

Lisa Buteau spoke next regarding an incident she experienced on a RIPTA bus on September 22, 2012. Ms. Buteau said she had written to Mayor Avedisian about this incident and she asked for a meeting with Colonel Studley to discuss the issue and also security concerns she has about students who ride the bus on the Elmwood line. She added that more service is needed on this line as the buses are routinely overcrowded. It is Ms. Buteau's opinion that overcrowding on the Elmwood line buses is creating a serious safety issue and she went on to tell a story about a women riding with her 3-year old child who could not get a seat on the bus and finally disembarked because was uncomfortable.

Ms. Buteau said she is not able to afford a car and RIPTA is her only means of transportation and she is concerned about the unruly behavior of young passengers. She understands how difficult the bus operator job is, and for this reason she feels bus operators need additional training in how to handle unruly passengers who harass other riders on the bus and at what point the bus operator should make the decision to call police for assistance.

Next Ms. Buteau suggested marketing RIPTA bus services better by posting signs in Kennedy Plaza to make riding easier for travelers and convention center visitors. She asked when the Kennedy Plaza bathroom renovations will be complete. Ms. Buteau finished by thanking Mayor Avedisian for responding to her letter and she then relayed an incident where she felt she did not get proper assistance from a Street Supervisor. She said she would discuss the Street Supervisor issue directly with Colonel Studley at their appointment.

Paul Harrington President of the Amalgamated Transit Union spoke next and commended management on their handling of super storm Sandy and said he had also reached out to Colonel Studley to offer assistance with the storm preparations. Mr. Harrington commented on Ms. Buteau's remarks and said he appreciates her recognizing in her comments about how hard the bus operator jobs are.

Mr. Harrington thanked Colonel Studley and the resource team and said they are doing an excellent job and are promoting positivity at RIPTA. He then referenced remarks made by commenter Julius Kolawole about Mr. Odimgbe and others new to Rhode Island being run out of town when they tried to enforce efficiencies. He said he disagreed with this statement and this did not happen to prior General Managers Beverly Scott or Al Moscola.

Randall Rose of the RIPTA Riders group spoke next first Mr. Rose said he would have liked to receive a copy of the draft budget so he could make comments. Next he discussed the service guidelines which are on the agenda for discussion later in the meeting. He said the RIPTA Riders met with the COA consultant and he feels it is not clear that the COA should consider new routes and the language about added service is vague. Mr. Rose said a COA is not undertaken very often and he feels it would be useful to add language about where new routes should be added, even if the money to fund the new service is not available, this information will be useful in showing patterns and demand for service. He said the COA is a good way to see where routes are overcrowded or underused.

Finally Mr. Rose said the Kennedy Plaza bathrooms being closed is a big problem. RIPTA needs to open the bathrooms and keep them open, particularly because people need indoor shelter during bad weather.

Almas Kalafian a RIPTA rider and ATAC member spoke next and said she appreciates the way Colonel Studley is collecting data from the public to give to the Governor. She said last February she did a presentation for CTC and Michael Lewis and that she and former RIPTA Board member Barry Schiller testified on Frank Ciccone's bill about taking boards seriously. Ms. Kalafian said she was a member of Governor Almond's statewide commission for RIde and that RIde is a lifeline for people. She feels the current problem with the RIde program is that it has been reinvented, not at the RIPTA Board level, but by Senator Ciccone and George Nee who don't come to the Board meetings to hear the issues with the service.

Ms. Kalafian then spoke at length about the Flex service being redefined and the unacceptably long amount of time users of the service spend waiting to get through to the call center. Ms. Kalafian then gave various examples of bad customer service she has experienced or been made aware of by others. By the time Ms. Kalafian finished her remarks she was visibly upset and she addressed Mayor Avedisian directly and said using the service is too much of a struggle.

Agenda Item 3: Chief Executive Officer's Report

Mayor Avedisian asked Mr. Studley for the Chief Executive Officer's report. Mr. Studley asked Vinny Reina, Chief Information Officer to give the ATMS update report. Mr. Reina began his report by going over the timeline contained in the document given with the Board package. He went over the notes in red on the timeline illustrating which tasks were completed and discussed upcoming milestones.

Next Mr. Reina gave an update on progress since the report at the last Board meeting saying the fourth iteration of schedule data was forwarded to Xerox, the wireless network was installed at the Elmwood and Newport facilities, the mini-fleet installs are completed and have been tested for voice and data. Mr. Reina said there are some workmanship and quality issues with the mini-fleet installs which led to some failures which need to be addressed before the remaining fleet is installed. He finished by saying operators and dispatchers have been trained for voice communication. He said the remaining bus installs will happen over the next four weeks and AVA is scheduled for November. He remarked that this is a very tight schedule.

Mr. Reina then addressed some of the issues they are focusing on including getting a date scheduled for completion of the dispatch office construction. Originally the dispatch office was to have been finished by November 2012, and since it is not, all the new equipment has to be stored until the dispatch center is ready. There is still some ongoing discussion about where the new dispatch center should be located and Mr. Reina talked about the 3 possible locations and designs.

Mr. Reina discussed some issues with the customer information signs in Pawtucket, Newport and at the Providence train station. Finally he said there are issues with the Supervisor laptops and customer information signs needing cell modems. The budget can pay for the modems, but cannot pay for the monthly user fees.

Mr. Reina answered questions from the members about locations and potential delays, and voice announcement testing. Mr. Williams reiterated that as soon as testing is completed and successful we need to roll out as fast as possible as this issue has been outstanding for a long time.

Bill Rush, Director of Finance spoke next and gave a brief update on ARRA saying all State and Federal ARRA reports have been submitted as required. Mr. Rush said the solar roof contract has been awarded and a meeting with the vendors is scheduled. He said it is an aggressive schedule and the completion date is weather dependant.

Mr. Rush said they are also working on the interconnectivity agreement with National Grid. He then updated the Board on the Rapid Bus project. He said there was a pre-bid construction management meeting held the previous Friday and another meeting construction pre-bid meeting is scheduled for December 1st. This project is moving forward and they are trying to get as much data and costing information as possible and develop a timeline. He said they are uncertain how the recent Superstorm Sandy may affect some product availability but are monitoring the issue.

Amy Pettine addressed the Board next to give an update on the Comprehensive Operational Analysis and the draft Service Guidelines. Ms. Pettine said that draft service guidelines are being presented to the Board today along with major deliverables for the COA project. She said the draft service guidelines were given to the Board this month to give the time to review and they will next be fully vetted at the Strategic Planning Committee meeting scheduled for December 6th. She said the guidelines have been of interest to the subcommittee since its

inception and also came up during the strategic planning process. She said it is a meaty document and they have widely disseminated it for review and comment. The guidelines will be presented to the Board for final approval at the December Board of Directors meeting with any approved Committee suggestions incorporated.

Next Ms. Pettine discussed the route evaluations and noted that all evaluations end with a new service options and all options cannot be undertaken, the options are “either/or” and need to be reviewed and choices made. She said at the time the project was kicked off the initial completion date for final recommendations to the Board was January or February 2013. That date is now being pushed back to February or March and the final results will likely come before the Board at the March board meeting. Ms. Pettine said the originally timeline did not anticipate that the public hearing process would occur during the holidays, not a good time for the process, therefore the public hearings will be pushed to January. Additionally they are digging deeper on Kennedy Plaza and the downtown Pawtucket hub and this has been added to the project.

Following Ms. Pettine’s presentation Mr. Durkee said the Strategic Planning Committee will review the service guidelines in detail and make a recommendation on approval to send to the full Board.

Agenda Item 4: Finance Committee Report

Mayor Avedisian asked Jerry Williams to give the report on the Finance Committee meeting. Mr. Williams said that at the October Board meeting the Board asked the Finance Committee to review the budget in detail and determine if it was ready for submittal to the State. He said the key to the budget was hearing what the resource team had put forth for reductions, acknowledging what could be done internally and what required external forces (legislative approval, meeting with unions, etc). The Finance Committee met on November 9th with members of the resource team and Maureen Neira and discussed the resource team reduction recommendations. He said a major focus was reducing the budget deficit as much as possible. In the current year FY 2013 regarding OPEB they decided to not include anything more that what was previously budgeted, however the Finance Committee felt strongly that for FY 2014 we need to start funding the OPEB liability as it is not going away.

Mr. Williams continued saying there will be a budget deficit for FY 2014 and there needs to be significant discussion with the State on a new funding structure that will allow RIPTA to operate without worrying yearly whether or not there will be a deficit that impedes our ability to provide service. He said some of the changes recommended by the resource team gives us more flexibility in regard to cash flow, but only out to May. He said this gives us more time to have conversations about how to fund RIPTA and reduce expenses, but we are not out of the woods.

He said no one is happy about submitting an FY 2014 budget with a deficit, but we needed to submit the budget and did so with a caveat that discussions are continuing with the State and with the unions. Mr. Williams asked Mr. Hannon if he had anything to add. Regarding

OPEB Mr. Hannon said he plans to meet with Marc Leonetti to discuss how to fund OPEB on an ongoing basis and he hopes to give a progress report on this issue at the next Board of Directors meeting. Regarding the budget as a whole, he said the resource team attempted to identify areas for immediate change in FY 2013 and anticipate some changes to FY 2014. Mr. Hannon quickly went over various meetings with staff and the Finance Committee where they vetted proposals and said this was a good exercise to go through to come up with additional ways to fund some of the deficits, increase revenue, and bridge some of the gaps.

Mr. Williams expressed his appreciation to the resource team and Maureen Neira on what they have been able to do. He said it took meeting with all the units within RIPTA to come up with the level of reductions that they have, but we still have a way to go. Mr. Hannon responded that resource team appreciates divisions within RIPTA who came back with good impact statements that identified why we could or could not make certain changes.

Mr. Durkee asked what the current deficit is and Mr. Hannon responded that for FY 2013 the deficit was brought down to approximately \$1.5 million including all changes, even legislative, etc. Ms. Liebenow asked that all Board members be given a copy of all the proposals. Mayor Avedisian asked Mr. Hannon to get him the proposals and he would forward them on to the Board members.

Regarding the audit Mr. Williams reported that there was good discussion relative to the footnotes to the audit. As he reported last meeting, there were things in the audit which they felt needed more disclosure in the audit particularly two subsequent footnotes regarding subsequent events and projected operating budget cash flow shortage. He said they were able to come to agreement with Braver on the language in the first footnote (#17 subsequent events). On the second footnote, projected fiscal 13 operating deficit, there was one section at the end where we felt it was important to provide disclosure. Mr. Williams feels strongly that this language should be in the footnotes not somewhere in the financial statements and the last he knew we provided language which Braver and the State wanted to soften. Mr. Studley said he, Mr. Hannon and Mr. Gleason communicated with Mr. Prescott from Braver and resolved this issue. Mr. Studley and Ms. Neira signed the management letter which has been sent to Braver. Mr. Hannon said our only concern was the management letter and he felt Braver was leaning towards allowing our footnote language, which Mr. Williams said was only appropriate since it is our representation to the auditors.

Mr. Hannon followed up on footnote 18 and said that initially they were troubled about the going concern issue, but at this point he feels that they will not be looking at a going concern even with the stronger language. Mr. Hannon opined that the notes put in by the Board and the way the cash flow was presented made it easier for Braver to say okay. Mr. Williams asked when this issue will be finalized and Mr. Hannon said he will follow-up with Braver again today to determine if they are okay with the letter and get a timeline when it will be finalized. Mr. Gleason confirmed that the audit as completed includes the footnotes. Mr. Williams said based on the foregoing he is comfortable that we are providing the appropriate disclosure relative to RIPTA.

Agenda Item 5: IFB 13-04 Security Fencing

Roger Mencarini and Jim Caroselli from Cataldo Associates addressed the Board to discuss the agenda item for IFB 13-04 Security Fencing. Mr. Mencarini said the Board is asked to award a contract to Cardi Corporation of Warwick, RI to supply, deliver and install upgrades to the fencing at RIPTA's Elmwood Campus. The cost of this project is \$329,281.70 and includes a 10% construction contingency.

Mr. Mencarini discussed the bid process saying there was great participation with five bids received and of the five bids Cardi Corporation was the lowest responsive and responsible bidder. Mr. Mencarini introduced Mr. Caroselli who helped design the scope of work for this project. Mr. Caroselli gave a brief description of the scope of work which included two new gates, and one rehabbed gate. He described the gates and how they are powered. In addition to the installation of the new materials, the project also includes removal and disposal of the existing chain link fence and sliding gates, installation of electronics and power cables and concrete parking lot repairs and installation of bollards. Mr. Caroselli said that due to the time of year the underground work needs to get underway as soon as possible to avoid delays due to inclement weather. Mr. Mencarini said certificates of insurance are also included as part of the bid submittal.

Mr. Durkee asked about the financing for this project and Mr. Mencarini said that 80% of this project cost will be funded from grants and the remaining 20% is included in this year's operating budget. Mr. Williams asked about projection against potential change orders and Mr. Mencarini said the 10% contingency would cover any changes orders. Additionally Cardi Corporation owns all its own plants and equipment which provides cost advantages.

Mr. Mencarini's remarks Mr. Durkee moved to approve the award of the contract to Cardi Corporation for the supply, delivery and installation of fencing and other services as recommended by staff. Ms. Holland McDuff seconded the motion and it passed unanimously.

Agenda Item 6: IFB 13-07 Towing Services

Next Mr. Mencarini and Bernie Harwood Director presented the agenda item for Towing Services. Mr. Mencarini said the Board of Director's is request to award a contract to Town Line Towing and Recovery of North Providence, RI to provide towing services for RIPTA. Based upon historical experience and the rates submitted, the estimated annual cost of this contract is \$85,000. The term of this contract is one year with up to four annual renewals to be exercised at the sole discretion of the Authority

Mr. Mencarini discussed the bid saying there were two qualified bidders and Town Line Towing and Recovery's bid was the lowest responsive, responsible bid. Mr. Harwood commented that Town Line has provided towing services to the Authority in the past and he has been pleased with their service.

Following this conversation Mr. Williams made a motion to approve the award of the contract to Town Line Towing and Recovery of North Providence, RI as recommended by staff. Mr. Durkee seconded the motion and the motion was unanimously approved.

Agenda Item 7: **Executive Session to consider, discuss and act upon such matters as may be closed to the public pursuant to R. I. Gen. Laws 42-46-5(a)(1) [job performance of an employee], R. I. Gen. Laws 42-46-5(a)(2) [potential litigation related to security breaches] R. I. Gen. Laws 42-46-5(a)(3) [security status updated], and R. I. Gen. Laws 42-46-5(a)(4) [preliminary investigative report by appointed overseer of agency's operations and controls], as may be appropriate**

Mayor Avedisian asked for a motion to convene to executive session to consider, discuss and act upon such matters as may be closed to the public pursuant to R. I. Gen. Laws 42-46-5(a)(1) [job performance of an employee], R. I. Gen. Laws 42-46-5(a)(2) [potential litigation related to security breaches] R. I. Gen. Laws 42-46-5(a)(3) [security status updated], and R. I. Gen. Laws 42-46-5(a)(4) [preliminary investigative report by appointed overseer of agency's operations and controls], as may be appropriate. Mr. Williams read the law to go to executive session and made the motion. Mr. Durkee seconded the motion and a roll call vote was taken. The motion to adjourn to executive session passed unanimously.

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

Agenda Item 8: **Adjournment**

Mayor Scott Avedisian asked for a motion to adjourn the meeting. Mr. Durkee made the motion which was seconded by Ms. Martin. The motion was unanimously approved and the meeting was adjourned.

Respectfully submitted,

Ellen M. Mandly
Recording Secretary