

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, February 24, 2014 MEETING

Board Members Present: Mayor Scott Avedisian, Chairperson; Jerome Williams; Director Michael Lewis; Stephen Durkee and Peter Ginaitt

Absent: Margaret Holland McDuff and Maureen Martin

Also Present: Raymond Studley, CEO; Wayne Hannon, Resource Team; Todd Gleason, Outside Counsel; Benjamin Salzillo, In-House Counsel; Marie DiToro, Recording Secretary; and other members of RIPTA's staff, and members of the public whose names are on the sign-in sheet.

Agenda Item 1: Approval of January 27, 2014 Meeting Minutes

Mayor Avedisian calls the meeting to order. He states that Ms. Martin would join them as soon as she can. He asks for a motion to accept the January 27, 2014 minutes as presented to the board. Mr. Ginaitt makes a motion to approve the minutes and Mr. Durkee seconds the motion and it passes unanimously.

Agenda Item 2: Public Comment

(Board members take public comments under advisement, but do not respond except for clarifications. Members may follow-up on public comments in writing post-meeting as permitted by applicable law.)

Mayor Avedisian asks if there is anyone here who would like to speak under the public comment portion of the meeting.

Mr. Harrington would like to address something that the CEO brought up last month which is the Surface Transportation Reauthorization Bill that presently is in Washington. This Bill will have a drastic impact on the State of Rhode Island. As Director Lewis would know it has been stagnant for some time. When the committee met in DC they formed four panelists which consisted of the Governor of Oklahoma, the Mayor of Atlanta, the CEO of Caterpillar and the President of the International Amalgamated Union. The Governor of Oklahoma was fabulous and her testimony stated that not only do her roads and highways need help, but also what it meant to transportation in her state. The interesting thing is that the CEO from Caterpillar stated that he would not reinvest or build new machinery if the bill did not pass and if it stayed stagnant. This bill is not only important to the department of transportation but agencies are fighting back in this country due to the recession by cutting service or raising fares or both and as a result this has a drastic impact on transit dependent people in this country. Mr.

Harrington looks forward to this bill getting approved upon which would result in additional money for transportation. There will be a march on Washington in May to ask Congress to pass this legislation and everyone is welcome to join him.

Secondly, Mr. Harrington would like to say he wishes that this CEO was given the opportunity to take over RIPTA sooner for one reason which is the presence of Real Time Information. It is a first in 19 years that the Authority has taken a lead with On-Time Information during a snow event and using social media to notify the public of service changes due to the inclement weather. The CEO and staff not only communicate well with the public, but also with the other State agencies and within the Authority itself. Everyone has done a wonderful job with this. Thank you.

Ms. Paula Bradley states that she is an advocate for the elderly. She has been a senior advocate for almost 20 years. She would like to call the Authority's attention to the many short comings in transportation for the elderly in the State. She has the opportunity to visit the elderly where they live, senior centers and clubs where they gather. She tries to reach out to all sections of the population and many issues that come to her are in regards to transportation. She knows it may be a small part of a whole picture, but it is an important part because these people are at risk and have no alternatives. Ms. Bradley believes passes should be given in places where the seniors feel safe and that should not be Kennedy Plaza. In regards to the RIde Program there is too long of a wait, they have to call a month in advance and there is no emergency service and if someone has to get to a doctor there is no way for them to get there except by a cab if they can afford it. Those kinds of things are very important and she feels when a new building is built for the elderly sometimes it is not close to a major route and that causes a lot of problems. This occurred last month in East Providence where the seniors do not have a bus at their disposal and cannot walk to a bus stop. Another thing that was brought up to her last week was that a woman was brought to Miriam Hospital and she was supposed to be picked up at the same door she was dropped off at and that did not happen. RIde Service would not send someone back to get her to bring her to West Warwick. She had to take public transportation and had to change buses at Kennedy Plaza which scared her to death and she was traumatized.

Ms. Bradley would like to bring to everyone's attention that Rhode Island is leading the Nation per capita in elderly over 85. This statistic was brought out a couple of years ago. The elderly have to depend on authorities at different institutions if they do not have family to help them get what they need and transportation is a major factor to help them live a quality life. She hopes representatives from RIPTA will attend a transportation forum, if one occurs this year. Thank you for your time.

Ms. Ele Felaco states she has been coming to board meetings since she found out about the Comprehensive Operational Analysis and at the same time the Kennedy Plaza extreme make over or take over, whatever you want to call it. The first thing that troubled her was making the Warwick Mall a transportation hub forcing her to get off the bus and grab a transfer to CCRI which has been her final destination riding the 30. She

takes a course at CCRI in order to use the computer lab because she does not have a home computer. RIPTA is coming into the social media more and more and notifying people by email of possible bus detours and she cannot get to CCRI without a detour through the Warwick Mall in order to get there. If the bus picking her up is late then she has to wait 40 minutes for the next one to arrive. The Warwick Mall does not want responsibility for that hub. It was not even shoveled clear during some of the snow storms. She was standing on the ice in the dark waiting for the bus to show up. Ms. Felaco is still complaining about the 30. The people who own the house where the bus stop is supposed to be had the stop moved because they didn't like having people sitting on their front steps. Ms. Felaco goes on to say that they never shoveled their walk anyhow and this forced her and others to stand in the street to wait for the bus. The local authorities are supposed to enforce the law that walkways in front of people's homes are supposed to be cleared for pedestrians; however the snow and ice are still there.

Ms. Felaco goes on to discuss Kennedy Plaza and there was an article last week regarding two bus shelters being moved to Exchange Terrace. Her line is one of the two lines that is being discussed eliminating from Kennedy Plaza so the space can be shared with people who will make Kennedy Plaza a destination where people come to Imagination Center that is only opened a couple of hours a week during the summer. What is the point of luring people into this place when trying to make it safe? How will it be safer by bringing more people in? She goes to Kennedy Plaza to transfer to another line not to go to Burnside Park, of which is being taken over by buildings and walkways and who is paying for this? She was invited to attend a state planning meeting through the RIPTA Riders although she is not an official board member; they gave the RIPTA Riders twenty minutes and had to leave. They asked why she was in attendance and her response was that she is concerned about taking government federal funds to eliminate bus lanes in Kennedy Plaza she was told this was a bond issue. She does not know what the truth is. As a public citizen she objects to taking federal funds to take the buses out of Kennedy Plaza. She will continue to say this month after month. Thank you.

With no further public comments, Mayor Avedisian moves on to the CEO Report and asks Mr. Studley to begin.

Agenda Item 3: CEO Report

Mr. Studley stated that the expenditures are still down and the revenue is still lagging behind due to federal draw downs. CMAC application is in and RIPTA has not yet begun to draw down on that. The overall passenger revenue is up however the monthly revenue is down for January most likely due to college students being out half the month along with the weather.

Karen DiLauro will discuss in further detail the adjusted budget. Initially, Providence Schools had planned on asking RIPTA to participate in a pilot freshman program that was approximately \$300,000 however they have pulled back from that program and that will be one of the reasons for the adjusted FY14 Budget presented today. RIPTA did make up that difference in increased ridership.

The management team at RIPTA met with Brian Daniels from the Office of Management and Budget last week to discuss different performance measures and the KPI's came up. One thing that was discussed internally was to have separate KPI's for the R-Line because that is the first Rapid Bus line RIPTA will have and it carries such a high percentage of our ridership on a daily basis it is a good place to start. This will allow RIPTA to test the efficiency and effectiveness of this program.

Mr. Studley states that Ms. Lilly Shuey Picchione will speak on what Mr. Harrington mentioned earlier regarding the Federal Funding. Ms. Picchione states that there is a lot of uncertainty about federal transportation funding at this point and will speak about it from a transit perspective and what steps RIPTA is taking in response. The Highway Trust Fund is made up of funding from taxes from fuels and within this account there is a highway account and a mass transit account. The bulk of that revenue is coming from 18.4 cents per gallon on the gasoline tax and a little more from the diesel fuels. There is less money than there used to be due to a weak economy and greater fuel efficiency. The second part is that there is no new law beginning as of October 1, 2014 to continue where Map 21 leaves off as of September 30, 2014.

In terms of how RIPTA uses these federal funds; the Federal Transit Administration (FTA) creates grants and RIPTA spends those grants over several years. 20% of RIPTA's operating budget is federal which is used as reimbursements for activities like planning and maintenance. Also, 80% of RIPTA's capital budget is Federal.

The major concern with Map 21 revolves around the fact that it accepts programs that are more costly than the revenue they have coming in. That is the heart of the issue that the expenses are higher than the dedicated accounts and there is not a clear agreement on how to increase funding or decrease expenses at this time.

The congressional budget office is showing that the Mass Transit account will hit its reserve at the end of this fiscal year. Currently, USDOT is showing it hitting its reserve prior to the end of the fiscal year. There is a conference in March that should give updates on that scenario.

Ms. Picchione states that RIPTA has looked through some scenarios and what that means for RIPTA. It is difficult to imagine a scenario in which there is no new transportation law but it is also hard to see a solution at this point too. Given the uncertainties she would like to walk through a few scenarios.

The first, FTA gets through reserve amount without another source of funds and it is possible that reimbursements could come back more slowly.

Another option is FTA discontinues servicing those grants. It may slow approval for FY2014 grants. Finance took a look at what that would mean and how long could RIPTA run through the reimbursements and their conclusion was that RIPTA could get halfway through next year.

Ms. Picchione mentions that they are drafting grants quickly to be first in line when funding does become available. If those grants do come in then RIPTA would be fine through the end of the next fiscal year taking RIPTA out a year and half from now.

The issue will become October 1st of this year if there are no 2015 grants. There are a couple of scenarios that could happen; Congress could do a short term continued resolution; or delay the conversation until after the elections; or a new law with a new source of funding between now and October 1, 2014. That still brings a lot of uncertainty for there is no way of knowing whether the funding would be increased or decreased. Would the negotiations in the programs look different? There will be a lot of uncertainty going into the discussions about the budget year starting in 2016.

In conclusion, Ms. Picchione would like to say that our Congressmen are very supportive. Their staff is great, fully informed, and full of information and that is not where the issue is.

Director Lewis states that Ms. Picchione is correct and would like to add a little more information on the subject. As everyone knows getting laws through congress requires the House, Senate and then the President to sign it. The Senate tends to be very supportive of investment in transportation in a bi-partisan way, they may not know exactly how to pay for it, but are in support of it. The House is the challenge. The chair, Bill Shuster gets the importance of investing in transportation, however there are a wide range of views within his own party and has the democrats to contend with as well. There was a republican caucus early this year and out of that caucus Shuster came out and said there is no time to talk about gas tax increase and last week this was reiterated. He also said that no solution will increase the debt of the country. The deficit is about \$15 billion a year. So, the Highway Trust Fund will go bankrupt this summer and that is irrespective of whether they pass or don't pass the reauthorization. Historically, congress will pass a continuing resolution and that is great because it will allow them to collect revenue again, however currently there is no money in the trust fund to pay out. To further the Shuster problem is the battle within the Republican Party, right or moderates who may want to invest more in transportation have to worry about the primary. There could be nothing that happens until the primary in June occurs and what comes out of that is the question and that is just within one party. Then something has to work with both parties and an election in November. It is very difficult to see a solution that can work politically in this environment. He is talking about a deficit in investment in the country of \$55 billion next year and that will have a clear economic impact on labor, the industry and all of us. It is hard to see a scenario that Congress doesn't do something and yet the solution is significant tax increase or transfer from the general fund with a zero debt increase however that will cause cuts in other programs. Uncertainty is the buzz word.

With no further questions, Mayor Avedisian moves on to the ATMS update. Mr. Studley announces that he, Mr. Ben Salzillo and Mayor Avedisian did meet with Xerox last week. Mayor Avedisian reiterates that they did meet and that they wanted to know what was not happening on the schedule that was laid out and where the actual status of the project is at. He welcomes Ms. LeClerc to provide the Board an ATMS update.

Ms. LeClerc states that the report she completed was done prior to the meeting they had with Xerox. She states it is still difficult to set a final go live date because there are still discussions about functionality going on. She did revamp the status report to layout what is currently being worked on and what the hold ups are. She is hoping the training will be done by the end of next week. When she wrote this report there were just about 100 operators left to be trained. They are making headway with that.

There is a lot of other training that has not been received yet for example the ADA which adheres to the Audio Visual Announcements. RIPTA still does not know how to use that system to its full functionality at this point and that has been a great challenge in finalizing the announcements. Only one person has had formal training on this system. She will need to push Xerox to train the department that will own it and that would be in the Planning Department. A new Form has been created and an example of that is in this report. It is being handed out to the drivers every morning and they are being asked to report back what is working or if it is working fine every day. There is no report on this yet for it just started in earnest last week, but going forward there will be a report of how many were returned and how it is doing.

Ms. LeClerc states that the maintenance training has not started yet. Street Supervisors received training; however they need the equipment to begin using.

The customer information signs at Kennedy Plaza are being tested and there are some problems. Xerox is working on the cause of these problems. She is in the middle of discussions with Planning on how to revamp Kennedy Plaza with the changes coming. Hopefully, next month there will be more information that will provide better customer information for the riders than what is currently set up.

There is still a lot of testing and bugs within the equipment itself that is being worked out. She needs to layout what should be in the full acceptance test. The original requirement metrics were for 3024 items that Xerox had to deliver and she is working on determining what has been delivered and what is acceptable.

Mr. Studley states that on the second page of the report it discusses the 5% functionality. When the contract was initially signed the vendor was ACS. A short time after the contract was signed, Xerox bought out ACS. At that point and time, Xerox came to RIPTA and required a 13 month delay. The management at that time felt that was unacceptable and entered into a Change Order apparently telling Xerox RIPTA would accept about 95% functionality for the core build. Mr. Studley states that Ms.

LeClerc spoke about the 3024 items that they were suppose to guarantee RIPTA and when he, Mr. Salzillo and Mayor Avedisian met with Xerox they asked them what is the 5% and what that exactly means. RIPTA's position was that meant Xerox would give RIPTA interim functionality. Xerox said it is permanent functionality that they were giving RIPTA just another version of functionality that was in the original scope of the contract. RIPTA's position in regards to the "about 95%" is to make sure to get the system at a point where RITPA can use it and then worry about the remaining issues. There are still a host of issues that Ms. LeClerc and Mr. Tierney will take the lead and move forward on.

Mayor Avedisian states there are a lot of questions that are still unanswered mostly on how the Change Order came to be and it doesn't seem to have been approved by the Board at that time. He thinks there are issues internally that need to be worked though and then the Board needs to make a policy decision on whether 95% functionality is appropriate or not. He thinks with the new eyes and hands moving this process forward are exactly what are needed. There doesn't appear that there was good communication amongst staff that the past couple of years in regard to this. It is not great news, but definitely moving forward.

Ms. LeClerc states that the internal communication is something that was recognized as a problem and she has started to meet with other departments that will ultimately own the functionality for example planning with the ADA Announcements. Security regarding the radios and cameras on the buses and so on. Her goal is to have a more concrete calendar and timeline for next month.

Mr. Ginaitt states that training is looking to be finished in a couple of weeks from now, however he fears that all the training will be done and what will be lost in the meantime until they are able to actually use the system.

Ms. LeClerc responds that she wants to work on an explanation to the Board on all the different functions of the system and who touches what. When the drivers are trained they can start using the system. She will lay out what features are available now and what is coming down the road. Ms. LeClerc is a strong believer that when a new system is implemented that training should be done again a few months later because after they use the system for a few months they will know what questions to ask.

Mr. Ginaitt states that many people end up having the same questions and suggests setting up an internal system that people can go to where frequently asked questions and answers can be accessed easily.

Mayor Avedisian thinks that Xerox can help with that as well. The meeting was very positive in regards to they need to give feedback to Mr. Studley as to where progress is, what their needs are and what can RIPTA do to make the process better.

Mr. Williams states he would feel better if he felt they were moving forward in a collaborative effort and Mr. Studley states that Xerox is just as frustrated as the Board and he is and believes they are willing to work together going forward.

Mr. Ginaitt would like to see a bus next month to understand this better.

Mr. Williams states that this is a far more detailed report than they have seen in the past and appreciate this. It may not be a great report, but it is more detailed and very helpful. When he sees so many things on here not started is discouraging. He would like to see a projected timeline. He is concerned because he thought the third party monitoring was going away and that would save money, however the longer this goes on the more money is being spent on this. Regarding the 95% functionality, he too, does not remember seeing a change order come to the Board for approval. He appreciates and is glad they had a chance to meet with Xerox because it was long overdue.

Mr. Durkee states he is confused by the 95% functionality and does not exactly understand what that means and Mayor Avedisian responds that no one can really know what that is. That would be the problem and they are working on making different decisions with Xerox going forward.

Mr. Ginaitt asks if there is an ongoing outreach to Xerox and Mayor Avedisian responds that there is now. It is much better now after the Xerox meeting last week.

Mr. Salzillo states that Xerox's position in regards to the 95% functionality is that a letter signed by the former CEO in 2012 relieved them from the obligation to provide 100% functionality. The document is poorly drafted and very ambiguous. RIPTA does not agree with their position at all. It is a propriety system which means we cannot fix it ourselves or hire someone else to. In the interest of moving this process forward, RIPTA will table this dispute and get everyone on same page to get this to a conclusion. Then RIPTA and Xerox work something out to get to an agreement regarding the 5%.

Mayor Avedisian states the discussion was how to get the process moving and program working and then the two companies will iron out all the other issues.

Mr. Gleason states that one of the positions RIPTA took with respect to the 95% was that the entire Change Order was premised on the HPD Component of the System. The 95% deliverable was therefore a modification solely to the HPD functionality and not the whole ATMS System. That is the fundamental misinterpretation between their position and RIPTA's position. HPD is just a component to the system.

Mayor Avedisian also adds that everyone at Xerox is new as well so that is another factor that does not help the situation. Mayor Avedisian states there is an open

discussion with Xerox right now regarding what staff they can dedicate to bring this online. There has not been an answer to this as of yet, but the discussion is ongoing.

With no further questions on the ATMS update Mayor Avedisian states that in the Board Packet under the CEO Report there is the proposed Ride Vehicle Design. He States that Mr. Therrien is holding up an example of it now. Mayor Avedisian states that the goal is to have the Ride Vans look like RIPTA buses so that there is a continuity of the two divisions under one big program.

Mr. Durkee asks if this was done through the Bus Company and Mr. Therrien responds no, it was done through a local design group. There were three designs and in the end this was unanimously decided from the departments and by Mr. Studley.

Mr. Ginaitt asks if these are coming in this year and Mr. Therrien responds yes most likely in the fall. He states that they have not even gone out to bid yet, however this goes into the bid spec.

Mr. Ginaitt states that he and Mr. Studley have had conversations regarding the Ride Program stressing great concern with the ambulance services and wheelchair transport that RIPTA won't end up with a total inability to provide service because all the current providers are pulling out of business of doing transport.

With no further questions on the CEO report, Mayor Avedisian moves onto item number four, Proposed Amendment to FY14 Budget.

Agenda Item 4: Proposed Amendment to FY14 Budget

Mr. Hannon states that the document that Ms. DiLauro put together shows certain lines in the budget that they wanted to adjust to properly reflect where the expenditures are projected to be. The bottom line is pretty close to the same; however they want this to be an annual process where adjustments to the budget would be brought to your attention sooner than later.

Mayor Avedisian states this is great because he had not seen updated budget documents in the past. Mr. Hannon responds they do the best they can with each division however things change and in some cases there were deficiencies in some lines and they were able to find money in other places to balance those deficiencies.

Ms. DiLauro states this was the first year Federal Funds were budgeted separately. There were a few areas these came out of balance especially in Centralized Maintenance. There was a large in and out where the repair parts got budgeted to the federal line it does get reimbursed but not through federal.

Mayor Avedisian states this gives them a much more detail of where the budget stands at this time.

Mr. Williams asks if it is too early to decrease the settlement amount and Ms. DiLauro responds that she met with Mr. Stanziale and as of now it looks like this is a very safe number because there are several large settlements that will go into FY15 and not be settled this year.

Mr. Ginaitt asks what a choose up is and Ms. DiLauro responds that several times a year the employees choose where they want to work. With the COA it created five new positions for drivers so that is included in the adjustments.

Mr. Ginaitt states that the Providence Police detail is up \$148,000 is that for Kennedy Plaza? Ms. DiLauro responds that it is not; originally this was to be eliminated as of September 2013, however without the staff to provide onsite security for the Elmwood Campus the expenditures had to continue till March of this year. That is why it ran higher than expected.

Mr. Studley adds that currently RIPTA is currently working on providing our own security and that entire budget should go away.

With no further comments or questions on the proposed amendments to the FY14 budget Mayor Avedisian asks for a motion to approve. Mr. Williams makes a motion to approve the amended FY14 budget. Mr. Ginaitt seconds the motion and it passes unanimously.

Agenda Item 5: RFP: 14-12 Expense Management & Revenue Review

Mayor Avedisian states that he and Mr. Studley met with this company awhile ago, however they were not sure it was the best thing to do. Mr. Hannon started negotiating with them, discussing what they would do and he will let Mr. Hannon make his report.

Mr. Hannon states that they went out to bid to see what interest is out there for this type of service. They were the only bidder that came back with a proposal. He believes this could be because RIPTA didn't want to spend money upfront but rather rely on actual savings with a percentage of that for the vendor's fee. Mr. Hannon states that the number still seems a little high; however it is a one year savings. If they give us recommendations that RIPTA implements, of which they will help us implement, they would get a 40% fee associate to that savings for one year and one year only.

TransPro believes they can come up with \$8-10 million dollar savings in that time. Mr. Hannon doesn't see how this is possible, however that is what they propose.

A concern Mr. Hannon has is how RIPTA comes up with the estimated savings. How will RIPTA come up with what legitimate savings that can be quantified. One of their

ideas is to use a Transit Group to help RIPTA come up with the benchmarks for RIPTA's savings and once everyone is in agreement TransPro will come in and help RIPTA implement these changes. The savings that do materialize within the one year period will be what their fees will be based on. If it is based on savings it could be a win-win for everyone. This could be a great way to dive into some areas that have not been looked at yet. This would look at the big picture of the Authority because they will look at both revenue and expense.

Mr. Durkee states that this sounds like the classic case of the devil's in the details. Mr. Hannon agrees with that.

Mayor Avedisian states that when they first met they proposed a contract with RIPTA paying them a certain amount per year and now it is based on what they can actually save RIPTA.

Mr. Studley states it is a performance metric for them. RIPTA will pay them based on their performance.

Mr. Durkee states that it requires RIPTA to participate and effectively implement and it can get dicey.

Mr. Hannon states that at least they will implement with us to make sure it does get one and the savings do happen.

Mr. Durkee thinks the process is very valuable it is just important to make sure the contract is clear.

Director Lewis would like to ensure that the estimated savings are only recognized once they become actual savings and nothing gets paid out till that point is achieved.

Mr. Hannon responds that is a good point. Initially the discussions were a two year period and he thinks they got to the point where they felt they could save us a significant amount of money in one year so they backed off of a longer contract.

Mr. Ginaitt has concerns where they say RIPTA have to follow their recommendation for savings. If it is not in the best interest of RIPTA does RITPA have a say in that. He would like to make sure that this does not end up in litigation.

Mayor Avedisian states that the recommendations have to be agreed by the management and Board.

Mr. Salzillo states that he understands this is a RFP; however he would like to look at this more closely and get a specific contract put into place because there are enough

ambiguities here. The estimated savings versus the realized savings is very different. Unless there is an urgency to move forward on this now he proposes waiting a month and going to them with a detailed contract.

Mr. Hannon states that he has had this discussion with them and the next phase of this would be to sit down and iron out the contract with their people and with Mr. Salzillo. He did not want to move forward with that if RIPTA's Board was not interested in pursuing this avenue.

Mr. Durkee wants to be clear that he does not expect this company to look at the routes that RIPTA has spent that last two and half years working on with the COA.

Mr. Hannon states that conversation was had as well and it was made very clear that a lot of work has been done the past few years and even if some things are in the works that they cannot receive the credit for those cost savings.

Mr. Studley states an example would be Customer Service and how would they quantify their changes prove a cost savings to RIPTA. It will be RIPTA's decision as well to agree to the changes they propose.

Mr. Durkee states this is like a management version of the COA.

Mr. Ginaitt states that if they say a cost savings will be had if RIPTA hires four more people for customer service and \$250,000 gets added to RIPTA's expenses how do they equate this? Is it from the net savings? This definitely needs to be looked at more.

Mr. Hannon states that the idea of today was to get the principal agreed on and then he would go to the next level and negotiate the contract. Today's approval would be to move forward to the next level with TransPro.

Mr. Williams has had experience with these types of firms in the past he would like to say up front that he is not a fan. The devil is in the details. The issue it comes down to is to calculate the baseline because some things they will come up with will be difficult to calculate a baseline. He appreciates the fact that Mr. Hannon stressed that it has to be approved by RIPTA before moving forward. He has never seen one of these work that provides the level of savings that they say they can achieve and a lot of that has to do with making recommendation in losing four people will make it more efficient and that is not the direction RIPTA will want to go.

He gives kudos to the team because they have already taking a lot of the expense out of the management side of this operation. Maybe this is a different type of firm and he has no problem moving forward to find out the specifics, but he is not a fan.

Mr. Hannon states that is exactly what today is about. To have the Board allow him to move forward and negotiate a contract to bring back to the Board. Mr. Studley states

that once we sit with them again they may decide before even presenting to the Board that this is not the best for RIPTA.

Mayor Avedisian states that Mr. Hannon may proceed without a vote to gather more information to present to the Board next month.

Mr. Gleason would like to advise significant caution with these types of arrangements. He has had clients with these efficiency experts who have had very bad experiences. The consensus is the same that everyone has said today and it is completely projected and none of it is based on realized savings and he suspects that there will be significant push back if in the contract it states the payment obligation does not accrue until the actual savings are realized the deal will most likely not work under that format for TransPro. His recommendation is to proceed with real caution and make sure the language of proposed contract is specific.

Mayor Avedisian states that there is consensus to gather more information and bring it back to the Board next month.

Agenda Item 6: Commercial Property Insurance Policy

Mr. Stanziale is requesting the Authority to renew the Commercial Property coverage in the amount of \$156,570. He has Mr. Gary Primavera, RIPTA's broker, present if there are any questions. With no questions, Mr. Ginaitt made a motion to approve the renewal of the Commercial Property Insurance as presented today. Mr. Williams seconds the motion and it passes unanimously.

Agenda Item 7: Kennedy Plaza/Providence School Department Update

Mayor Avedisian, Mr. Studley and Mr. Therrien met at the Corner of Douglas and Branch Ave and walked to Classical High School with a group of other people. The Providence Student Union wanted to explain their displeasure with the City of Providence and the Public Schools policy that if students do not live more than 3 miles from their school students have to walk to school and the proposal is to change it to two miles. Mayor Avedisian went on to say it was to understand what it was like to walk to school. He would like to make it very clear that RIPTA is not in favor or oppose this decision and that it is a local decision that has to be made on their transportation policy. He states that what they currently pay does not cover all the costs of transporting school children in the City of Providence. Ms. Pettine and Mr. Therrien and staff have been working on what the cost would be to add that service. Most likely looking at about \$3 million as a conservative number between what they are now paying for current services and the additional services they are looking for. There would also be a need for more buses. RIPTA is willing to be part of the discussion and wants to help find a solution, however RIPTA does not have the ability to take on losses with the change of

school policy. There will be a letter going to the school department summarizing RIPTA's concerns. RIPTA will be part of the discussion, but cannot subsidize this.

Mayor Avedisian moves on to discuss Kennedy Plaza. There have been numerous presentations from a number of groups regarding proposals to alter Kennedy Plaza. He would like to be up front that he and Mr. Studley have been very direct about that fact that RIPTA has a finite amount of money that has been set aside to be part of this process.

Ms. Pettine starts up a PowerPoint presentation regarding Kennedy Plaza. She is here today to provide an update on two items. The first being the City's Project for Kennedy Plaza and second the study RIPTA has going on to look at the Multi-Hub system and really rethinking downtown transit service.

Ms. Pettine shows the redesign RIPTA did back in 2002 and it was roughly \$11 million federal investment to make huge improvements on how RIPTA serves Kennedy Plaza.

This past year, the City has taken the lead to use the Downtown Circulator Phase III money which is the reconstruction of Emmett Square and turning one way streets to two way streets; they have also expanded their Scope to include Kennedy Plaza. This summer the City is doing approximately a \$10 million reconstruction in downtown Providence and a portion of those monies, which are local bond monies, is going toward the reconstruction of Kennedy Plaza. The City has been working with RIPTA to have an agreement of what the plaza would look like. The concept and rendering were unveiled last spring and this is considered the first money down on a longer revamp on the future of the greater Kennedy Plaza area. Nelson Nygaard was brought on last fall to help RIPTA feel comfortable with the number of berths in the downtown area and they brought in KMDG, a design firm out of Boston, to help RIPTA with the R-Line Designs. Ms. Pettine explains a concept that RIPTA is working towards with the City of Providence. The big idea for RIPTA is that the City wanted to infill the inner bus berths in the plaza, and instead of a giant concrete concourse, RIPTA is proposing to plant trees on the Washington Street edge as part of that infill to create a more pleasant environment for riders. RIPTA came up with sheltered treatments in terms of wanting to have a longer shelter canopy on Fulton in response to the riders not liking to leap frog along the plaza.

Ms. Pettine states it would be a net loss of four berths with the same volume of buses. With the COA changes RIPTA is able to schedule more efficiently in the plaza and is able to exist with less berths without reducing bus volume. RIPTA will still maintain nine berths around the plaza with those inner berths going away. A berth will be added along the Trolley stop in-between the Skating Rink and Burnside Park. Another berth will be added behind the Q- Stop across from the Post Office. The big addition is the two berths on the top of Exchange Terrace. RIPTA agreed to be in that location in part because the Downtown Providence Parks Conservancy got a major private foundation grant to rework the corner entrance to the park which will include better foot paths for the passengers coming down to the plaza.

The front page story last week was referencing relocating two bus shelters to Parcel 12. Those berths would actually be the Park and Ride Service during Peak Hours and none of the local bus routes would go up there. The reason to relocate them is to create a more multi use space in the plaza. Every new bus berth will have shelter, lighting, real time information, and there will be ticket vending machines in the Plaza.

RIPTA has roughly \$700,000 going into this project and it is being spent on passenger amenities. Mayor Avedisian states that is all the money RIPTA has on this project, correct? Ms. Pettine responds that is all the monies that have been programmed for this project. Tomorrow RIPTA will be giving their comments on the City's 50% design submissions and funding is definitely an issue as the funding is not at the number the City would like it to be. She thinks there will be some conversations about what happens next. Mayor Avedisian responds that they are looking for a commitment from RIPTA for a lot more than the \$700,000 and RIPTA needs to remind them that this is all RIPTA has to fund this project.

Ms. Pettine states that there are a few big issues in the plaza, one being the snow melt system. It is currently budgeted for that is partly why the number is so large. In the current plaza there is a snow melt system underneath all the pedestrian areas and RIPTA has been very clear with the City that for any of the infill RIPTA wants the snowmelt expanded under the new areas. Due to the liability, safety of the passengers and maintenance issues it needs to remain. Mayor Avedisian asks seeing how RIPTA used FTA money to put the system is there a requirement to pay that money back or has the shelf life expired on that. Ms. Pettine states that they defer back to RIPTA to maintain the investment that was made back in 2002 or deem it insufficient to meet the needs of the riders today. It is an easy argument to make that it is time for some upgrades to meet the new level of ridership. RIPTA needs to put this in writing to the Regional Administrator from Mr. Studley and if FTA wants to come down and visit and ensure their investment is protected then that is what they will do.

Mr. Studley adds that currently RIPTA is not certain the boiler system can hold additional snowmelt system due to the fact it is running at full capacity already.

Mayor Avedisian asks if the City is going to take some of the snowmelt system out will they accept the liability in that area if someone gets hurt. There needs to be some sort of agreement made with the City if this happens.

Ms. Pettine states that everything is moving on a fast timeline, the City wants to be out to bid next month and RIPTA is moving with them regularly now. Mr. Therrien states that RIPTA does feel that the changes coming forward are better for our customers which would include the snowmelt, improved sheltering and other things. Mayor Avedisian responds that RIPTA would not sign off on it until we are certain the snowmelt system will be addressed one way or another.

Mr. Ginaitt states that he and Mr. Studley have spoken about this before in regards to identifying funding for high security receptacles in Kennedy Plaza.

Mr. Studley states that with the 50% design meeting coming up tomorrow, Ms. Pettine met with the different departments at RIPTA to find out what their needs are at Kennedy Plaza. For instance, she met with Mr. Pereira, Head of Security in regards to cameras at Kennedy Plaza. She said that she can go into greater detail with each department and one item of discussion can be the trash receptacles.

Mayor Avedisian states that the Board needs real details in regards to what they are proposing.

Ms. Pettine goes through a slide of what they would like the layout to look like- clean, level ground plan, no tripping hazards and curbs are raised and reset as needed. Enhanced Wayfinding signs will replace the lollipop poles that are currently there. They are looking at a flexible shelter family for the area. They are looking at repurposing the existing shelters.

Mr. Ginaitt asks if possibly by repurposing the shelters maybe this could be a revenue generating area. Ms. Pettine responds yes and she thinks that is their idea and desire and it would be the Parks Conservancy role to come in and program that space.

Director Lewis asks if there is power in the shelters now and Ms. Pettine responds yes there is.

Mayor Avedisian asks where the ticket vending machines will go and Ms. Pettine responds there will be five in the plaza. A couple by the building, another one further out in the plaza, one at the Trolley Stop and one at the Q-Stop.

Mayor Avedisian would like to make clear that it is important that RIPTA is very direct with them that there is only X amount of money that is committed to it and they should not think there is another pot of money to find this project.

Ms. Pettine will move on to the Multi-Hub Study that is going on now. The COA was extended to help with the berths and the circulation and design of Kennedy Plaza and then extended it again to look at a Multi-Hub transit Service. It may be time to think of a Multi-Hub system. RIPTA with the consultants, a Stakeholder Group, and other State entities is evaluating why would RIPTA want to do this and how it would address long term operational concerns at Kennedy Plaza and then making sure it is a fundable project. They came up with three alternatives: looking at Kennedy Plaza and the Train Station, Kennedy Plaza and somewhere in the Jewelry district and lastly Kennedy Plaza and the Garrahy Courthouse. RIPTA has been trying to stress this is not just about hubs but improving downtown service. The study also looked at locations in-between those three centers and how in general RIPTA can make it more convenient to get around.

Mr. Ginaitt states that he hopes with the I95 redevelopment project that RIPTA is meeting sooner than later to set the foundation for potential stops versus laying curb and RIPTA missing a great opportunity. Director Lewis responds that the road paving project is already past that point.

Director Lewis and Mr. Durkee both feel strongly on a potential hub in the Jewelry District being focus on Garrahy Courthouse. Ms. Pettine states that there is not a lot of service to the Jewelry district now and this could provide us an opportunity to service this area better.

A more direct service to downtown locations is what RIPTA is trying to achieve with the multi-hub system and certainly intermodal connections and there is a lot to be said about the commuter rail growth. Certainly there would be an impact to KP although still serving Kennedy Plaza, however it would act like a super stop and the hold times and layovers would diminish. The idea would be to create more places outside Kennedy Plaza to transfer so the passenger volume would go down. Director Lewis confirms that all buses would still go through Kennedy Plaza though so it would still have a convenience for those wanting to travel to Kennedy Plaza. Ms. Pettine responds yes that is correct.

Mayor Avedisian asks what the operating costs would be and Ms. Pettine responds they are currently working on those numbers. She states that they are looking at the hub layout at each location as part of the consultant's task as well.

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With no further questions, Mayor Avedisian states that the next item of business is to move into Executive Session.

Agenda Item 8: 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) to discuss the job performance of Raymond B. Studley, CEO of the Rhode Island Public Transit Authority.

Mayor Avedisian asked for a motion to convene to Executive Session.

Mr. Williams reads the law to go to Executive Session and made the motion. A roll call vote was taken. The motion to convene into executive session passed unanimously.

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

Mayor Avedisian states that there is one item to report back to open session and that was in executive session a motion was made to give the CEO of RIPTA his fourth quarter bonus for last year.

Mr. Ginaitt stated that George Shuster was cleaning one of RIPTA's Bus Stops. He had noticed that there was broken glass and he was cleaning it up. He would like a thank you note to go out to Mr. Shuster for this and also would really like RIPTA to look at Adopt-A-Stop.

Mayor Avedisian mentions the Lamar Contract is currently being looked at for the expiration is up in 2016.

Mayor Avedisian and Mr. Studley recap the extensive walk they took earlier in the day.

Mr. Williams would like an update on the RFP for the Joint Pension Board soon.

Mayor Avedisian asks for a motion to adjourn the meeting. Mr. Durkee makes a motion to adjourn and Mr. Williams' seconds. The motion was unanimously approved and the meeting was adjourned.

Agenda Item 9: Adjournment

Respectfully submitted,

Marie DiToro
Recording Secretary