

**CRANSTON SCHOOL COMMITTEE
TRANSPORTATION SUB-COMMITTEE MEETING
JUNE 19, 2012 – 5:00 P.M.
William A. Briggs Building
(Reed Conference Room)
845 Park Avenue**

Minutes

The sub-committee meeting started at 5:05 p.m. with the following members present: Chairman Lombardi, Mr. Bloom, Mr. Archetto, Dr. Lundsten (in place of Mr. Nero), Mr. Jordan, Mr. Balducci, and Mr. Votto. Mr. Edward Ferry was also present. Absent were: Mr. Zisseron, Ms. Luciano and Mrs. McFarland. A quorum was present.

Mr. Lombardi stated – for the record I received notification from Councilwoman Luciano who indicated that she was ill and not able to make this meeting. I also heard from Mr. Zisseron whereas it is his mother's 98th birthday. My understanding is Mrs. McFarland it out on business tonight.

Mr. Lombardi stated – on the agenda tonight – the first item is – it looks like the last time we were beginning to review all area identified as objections and/or concerns by the laborers union, the city, school, or committee members. Where were we on that? Arthur you were beginning to discuss...

Mr. Bloom stated – one of the issues I have notes here...one of the issues was whether or not the analysis that Joe (Balducci) and initially compared was complete and had...I don't know if you remember this...it had the bus runs on it from Bain and Gladstone. Joe sent out an email on the 16th of March to Gail (Macera) who forwarded it to everyone on this committee (see attached email for reference). This email included the Flahive analysis, it included all the runs that are in there and Mr. Flahive responded.

Mr. Archetto stated – going over my notes I have objections – Arthur – I had objections there were non-standard routes, summer runs, field trips were underestimated, is that correct? Mr. Jordan responded yes. Gym runs are not included. East gym runs to be more specific. Field trips, PTO and PTA, twice as much for field costs. Average cost of field trip; I think that was brought up. Objections made by First Student. Parking buses for runs on the east-side of the city at Park View. Any insurance costs to the district were brought up.

Mr. Lombardi stated – let me interject for a second. Joe, we should probably hear from you first because you initiated it and let us know where you stand in terms of this and maybe we can reconcile some of the differences and narrow the issues.

Mr. Balducci stated – as a little bit of history, when Mr. Flahive was hired by the district he sat down with me, Peter Nero, Ray Votto, and

Joel Zisseron to obtain information as best he could to arrive at the operations in house. So we provided Mr. Flahive with a number of pieces of information and I believe some of the concern was the odd runs, the gym runs, the field trips and so forth and so on. So we provided Mr. Flahive all of that information i.e., Joel Zisseron did, and based on that documentation Mr. Flahive prepared the specifications and then the bidder responded accordingly. Based on the bidder's responses he then created this tabulation sheet, this analysis to define who the low bidder is. I believe, and Steve is correct, one of Arthur's concerns was – was those odd runs factored into the bid, did the vendors bid accordingly based on those runs. So I reached out to Mr. Flahive for him to share his analysis and I provided that to Gail and it was forward to the committee on March 16, 2012.

Mr. Jordan stated – my objection rose to the fact that when I went through a lot of the documentation that was submitted to me from Joe I found in one which I passed out to you guys, it said, and I didn't prepare it, it said, hours and mileage exceeds the contract (see exhibit A). Why would the document say that? And no one has ever said to me like how, why, it says, Summer Recreation, 8 buses – 240 trips and then in parenthesis, which I didn't prepare, it says (hours and mileage exceeds contract). No one has ever explained to me how much did it exceed by. My other question was and I don't have an answer, maybe you guys do...where it says...paid by grants, does the grant still exist when you go with a private company? What happens

to that grant money? Is that taken off our expenditures for our budget? If we budgeted for the money and then the grant eliminated that expenditure, what happens and are you still eligible for grants if you have a private company doing it?

Dr. Lundsten responded – grants usually run in a three year cycle and every time there is a grant they look at the criteria and they list in the grant whether it will cover the transportation, food costs, whatever. For example for the summer program at Bain, she is in the last year of that grant. We don't know if we will get it next year or not. We have a list that states what we can bill for. Generally for some programs they do expect we are going to but busing is for field trips and to get the kids home, that sort of thing. So, what she does is she will go to Joel and say, okay, I have fifteen trips, this is where we are going, this is the number of hours, and he tells her how much to put in for that amount of money.

Mr. Jordan stated – so we figured our expenditures when we got the grant money. Does that then get reduced from our overall expenditures to the transportation budget?

Mr. Balducci stated – our operating budget is only responsible for those runs, the typical runs and so forth. If there is a program outside of the district's main transportation operations then that expense is born by the grant. That is a netted by the amount of grants received.

Mr. Lombardi asked Mr. Balducci – what about Arthur's second

question on the hours and mileage exceeding the contract? Do you know what that means?

Mr. Balducci replied – I unfortunately do not. This document was prepared out of Joel’s office so I honestly do not know what he meant by that. Mr. Lombardi suggested that we get an answer from Joel.

Mr. Ferry stated – on the summer recreation program – they got down four hours, forty miles a trip. Rec Program actually has you do it in the school system is seven hours. They pick up the kids at the bus stops and go to the playground and from there it is six hours to four-thirty, three-thirty. You go back and they go all over the state. The problem with that is First Student is going to charge you for eight buses at \$326.00 a day and then charge you six hours at \$51.00 an hour. Mr. Bloom stated – but that is included in these numbers here. Mr. Ferry stated – no it’s not. Your summer rec program....Mr. Bloom asked – well why isn’t it? Mr. Jordan stated – because that is where they got into this where it says, hours and mileage exceeds contract. Mr. Bloom asked – so these numbers here for summer transportation, are not ...(It should be noted at this point documents were being reviewed and not able to be viewed by this recorder). Mr. Lombardi asked if we could reflect these numbers differently in order to include this information in the record.

Mr. Ferry continued – they have on here trips, \$545,000 and in 2012- \$583,000 – all those numbers are going by what they received in the pamphlet for the summer rec program, 240 trips, 4 hours, 40 miles, 960 hours, 9,600 miles if you add them all hours. They are 3 hours

short on our program because we pay for 7 hours but may be 2 hours short for them and there are no budget for busing which is going to cost an additional \$75,000 just to get them to the playground. Then they are going to sit there for six hours at \$51.00 an hour.

Mr. Balducci stated – again, it is my understanding that Mr. Flahive in his analysis accounted for those runs.

Mr. Bloom stated – I guess what I don't understand is where is...this is what the summary analysis; this is what is getting rolled up into Joel's whole analysis so where is this different from what it is supposed to be?

Mr. Ferry stated – on the East gym run you are being charged for two hours. Mr. Bloom stated – hold on, what we need to do is tie these total numbers back to something else so that we know...we can't just talk about a line, we need to talk about the summary so we can go back and find out where the discrepancies is. So he's got 72,580 miles for this school year...Mr. Lombardi interjected – for the sake of the record, we need to refer to what we are talking about and go through this.

Mr. Bloom continued – this is Mr. Flahive's document (see attached). This is what Joe sent to us on March 16th. He has trip cost per mile 72,580 is what he is showing for the total and of course that is what he keeps carrying forward so that is in his summary analysis and

that's what the total is here on this summary sheet (on the miles). And, he got 5,664 hours on the total so this number here and here is the consulting report that ties back to the summary. So now you are saying that...

Mr. Ferry responded – this number, East gym run they have down 180 trips at 2 hours, 30 miles per trip at 360. The gym run is 5 hours, not 2. Mr. Bloom stated – so what you are saying is this is understated by 3 hours. This one requires 5. So this can be presented to Joel for him to comment.

Mr. Bloom stated – the first one to be answered is the East Gym run. The estimate is understated by three hours. What about Gladstone/Bain afterschool. Mr. Ferry stated – that one is where it belongs. Mr. Bloom asked – what about Edgewood/Arlington? Mr. Ferry stated – that one there has got me baffled. Mr. Bloom stated – 150 trips at 2 hours and 30 miles per trip. Mr. Ferry stated – he sends one bus to two schools; that's what he does. If you hand a contract to First Student you're going to get one bus for each school at one hour a day. Its three hours...

Mr. Lombardi stated – the goal here is to have a legible list of issues so we can present those issues to Joel. For the record the third issue is (second issue is okay – Gladstone/Bain). The third issue is Edgewood/Arlington. What is the disagreement for Edgewood/Arlington?

Mr. Ferry stated you got 2 hours/2hours for two days a week. That's

going to be four hours. But on contract it's one bus each school. Mr. Bloom stated – okay let me look at it this way – right now he has 300 hours on it which is 150 trips at 2 hours and you're saying it's going to be 2 buses each. So this would be understated 300 hours total or off by at least 50%. Contract would require one bus per school and Joel had one bus for two schools.

Sports – that was okay per Mr. Ferry.

Summer Rec Program – Mr. Ferry stated – 240 trips at 4 hours. Our drivers are being paid for 7 hours, we start at 8:30 in the morning and pick the kids up at the bus stops and they go to the playground from 9:30 to 3:30 they take them all over. Mr. Bloom stated – so this one is understated by 3 hours per trip correct? Mr. Ferry stated – as far as that is going, my problem is that's how we do it because we don't charge to pick up kids at a bus stop and bring them to school or bring them anywhere. Mr. Lombardi stated – for the purpose of this exercise they are giving you 240 trips at 4 hours, we really do 240 trips at 7 hours. Mr. Ferry stated – correct. Mr. Bloom stated – so this is understated. Mr. Ferry are they going to charge you for buses? Mr. Lombardi asked – you said something about an additional \$75,000 in addition, what's that? Mr. Ferry stated – you need 8 buses to do the Rec Program. These kids are going to go out and stand on a bus stop; the bus is going to pick these kids up at the bus stop and take them to the playground now are they going to charge you like they're going to school? Pick the kids up at the bus stops, bring them to the

school, drop them off. Now, they go on a field trip and that changes to \$51.00 an hour so they are going to charge you \$326.00 dollars a day for eight buses for thirty days so that comes to about \$75,000 - \$80,000 dollars. Mr. Lombardi stated – the question is to Summer Recreation, there are two issues. One they are 3 hours short at 240 trips and the second issue is are they going to be billing for additional transportation like they do for schools which could amount to an additional \$75,000. Mr. Ferry responded, right.

Mr. Lombardi stated – related to that, when you got to the Bain Summer Program – there is at least the question that Arthur raised about whether or not grants can be awarded to a private entity. Mr. Lombardi further stated – I think the question should be the amount of that grant, and whether it is forfeited as a result in this analysis. Mr. Bloom added – and we should probably ask...the grant's going to come to us. We are paying for a service, whether the service is a purchased service or whether it is one that is generated in-house. Response was – that is right.

Mr. Lombardi asked if there were any other issues. Mr. Jordan stated – where is says Vocational Summer – it doesn't list what would be the transportation. It says paid by grants, it that one bus, no buses? Dr. Lundsten explained – last summer the summer program at Bain would go to the CAC&TC three mornings a week so they paid for that bus out of a grant. This year, they are not going so it varies year by year. This was last summer that was paid through a grant to the

CAC&TC back to Bain. This summer they are not going to Career & Tech. Next summer they could; depends on the grant and who the collaborators are because all of the grants have to be between multiple partners. Mr. Lombardi asked – is that a fair question to ask, intertwined with the other question about theDr. Lundsten stated – I will ask her what the grant states in regards to the busing.

Mr. Archetto stated – I initially put in a resolution for a bond for two million dollars for a twenty year period and Bob Strom stated we would be at a disadvantage to do that because of the finances of the city and the long term. He felt a lease to purchase would be more expedient and less costly on the city so I amended the original resolution to this (see handout #1) and it passed the Finance Committee and Bob Strom, Joel Zisseron and myself sat down and found out what it would cost for large buses and small buses and this would probably help with 20-25% of the fleet I guess so this is something we will need in the future. What I just noticed is I don't like the language and don't want to put pressure on this committee and I see in line 32-33 – that language scooted by me. Discussion ensued regarding the time-frame and the need to be expeditious in this endeavor. This \$600,000 figure would be in next years' budget. Mr. Lombardi stated – I think that this brings an interesting question to Joel, that if this reflects 20-25% of the fleet then Joel should probably have an idea of what he would intend to do if he was presented with the option of having 25% of his fleet being state-of-the-art buses. Mr. Bloom stated – his original proposal and that's the one we have been

deliberating over was to replace the fleet over a three year period, 1/3, 1/3, and 1/3. So this is 25% with the rest unidentified. I guess what we should do then is come up with a plan, what do we do with the other 75%. The average age of all the buses is in excess of 15 years and the last analysis which I believe is dated last year we were like 135,000 (miles) for the average so we're going to be at 150,000 (miles) does that sound about average? Mr. Ferry stated that sounds about right. Mr. Bloom continued – I think we need to come up with something even more so than what the City Council has addressed. We've been asked to put together a 10 year plan, I don't think we are going to replace 25% of the buses in that 10 year time frame so if we're not going to do 1/3, 1/3 and 1/3 as Joel has recommend then I think we have to come forward with an alternate plan that might do 25%, 25%, 25%, 25%. The plan has to include the replacement of all of the buses because they are all....

Mr. Jordan stated – I had an intern work for the Laborers' Union and they found in Missouri a Randall Charles, he is the superintendent there (see handout #2). He breaks down what they did. They were outsourced before. They have 95 buses we have 80 something. It was decided Mr. Bloom would be calling Mr. Charles for further information.

Mr. Bloom stated – I have done some quick calculations based on what Joel has proposed. The large buses were used with an average age of somewhere between 5 and 7 and at this point the longest term that Bob Strom has recorded and I might suggest that we ask Bob to

come to the next meeting just to confirm a few more things or maybe he can do it via email is that they are not willing on used buses to finance anything over 3 years so we're ending up and the analysis that was distributed on the 12th, our average cost per year is about \$600,000 to replace 95 buses verses what it is saying here. If you average it (see handout #3). It goes from \$205,000 –that too low, I took that one off, and then it goes to \$518,867, \$813,733, \$711,600 – those numbers average out to about \$600,000 a year which is about \$80,000 more than this estimate here of \$419,000 and I will talk to them to get further clarification.

Mr. Jordan stated – what we would have to do is also do an analysis of what would be the savings on the repairs that we are currently doing that would offset that cost(s). Mr. Balducci stated - if you go back (referring to handout #3 – see arrow) to the area under In House Operations, Expenditure Category, footnote 3) – Gradual reduction in fuel & maintenance costs beginning in year 2013-2014 moving toward a maximum of 15% in year 2017-2018 and thereafter. As that line continues to fluxuate, we also factored in the reduction. Discussion ensued regarding regular maintenance on the buses and the validity of as the buses are phased in that there will be fewer maintenance situations. Mr. Balducci stated he was comfortable with the 15% estimate.

Mr. Bloom stated – I have two comments, right now - the layoff costs and unfunded pensions contributions are shown in 2012-2013 and I would like to suggest that we move that one year back to 2013-2014

because we are talking about making a decision for the year 2013-2014 and that will better match what the costs are for each year. Mr. Lombardi stated – the \$316,977 and \$488,000. Mr. Bloom stated – that is correct. Move that into 2013-2014 so that it better matches when a potential decision will be made. Mr. Bloom continued – the second thing I would like to suggest is we have been tasked to do a study for 10 years so if you count the first year at 2013 – so 2022-2023 with the same assumptions have been carried forward so we have our ten year analysis. It was suggested that Mr. Balducci add 2022-2023 to the grid for the 10 year analysis and update the analysis.

Mr. Ferry stated – in regards to the salaries in 2012-2013 and 2013-2014, it keeps going up so in the next ten years you're getting a 30% pay raise? Mr. Balducci stated – again, if you look at assumption 1) – 2% raise every 3rd year and 1.1% step incr. each year. It was explained that is a step, not a raise. Mr. Ferry continued – you didn't show any drop or any savings that you have from this year alone. We were short 17 drivers this year. Mr. Balducci stated – if you go to the area of concessions (see Transportation Analysis: in-house versus Outsourced Cost-Benefit Analysis – numbered page 4) we did as part of the analysis back them negotiate that. Concessions for both 11-12 and 12-13. Mr. Ferry stated – I'm not talking about concessions. I'm talking about you lost 17 drivers this year. Mr. Jordan stated – the salary budget that we are working off of is way overinflated if we have 17 less people. Mr. Ferry stated – you had 9 drivers short in September, they were making \$17.00 an hour when they left. They

were getting 14 paid holidays, full benefits, and four weeks paid vacation across the board you were paying them 215 days a year. You are hiring new drivers at \$14.00 an hour, no vacations, no longevity for ten years and only 10 holidays and only 10 sick days that they can't accumulate, and no medical for the year. Mr. Lombardi asked – Joe are those numbers reflected anywhere on this page. Mr. Balducci stated – if you look at the same page, if you look under Other Operating Related Costs – toward the bottom = Employee Turnover Allowance (1 bus aide); Allocation of Health coverage (transportation director); we did factor in some savings. Mr. Ferry stated but the mechanic is not listed.

Mr. Bloom stated – Joe went back and spoke to Mr. Flahive and got a report and it was sent to everybody and we really don't know if this is the first time that we have gotten down and identified that the discrepancy was three hours. We need to make the right decision for the city. Eddy just raised a great issue and said the mechanic isn't here. There is no question to answer because if Joe comes back and says everything is included what are we going to do?

Mr. Lombardi stated – respectfully, if Joe says everything is included then insofar as the School Committee Sub-Committee of Transportation we have to take Joe's numbers. However, the transportation folks/the Laborers have raised valid concerns.

Mr. Bloom stated – what I am trying to say right now for your benefit is we have to be very specific to try to identify so your concern is

legitimized. Because otherwise if you are raising, just in general terms, the mechanics aren't here and Joe comes back to this meeting and says they are, your concern may not be recognized.

Mr. Lombardi stated – for the purposes, that is why I have been trying to take this down a certain path. We have itemized all the areas of disagreement which have to be answered by both Joel and Joe including and I think that Eddy's concern is rather specific. I think that Joe can quantify Eddy's last concern about attrition about change in salaries, change in benefits, absence in certain employees, absence of office personnel. Joe has that. I think we are going down a path now where I think we are coming to the end of this in that issue.

Mr. Jordan stated – just so you understand where my frustration is coming from – let's get back to where we were. We are telling you there are like 15 less employees, right? Okay when I sat across the bargaining table I told this school district that they didn't need Grey Goose if they doubled a couple of runs they could save themselves that \$75,000. I argued for six weeks. I was shut down for six weeks. You're doing it now so I was right. That it could've been done. How many other ones of that are there Steve? I didn't write on a piece of paper it exceeds the contract. No one's answered me that question for six months.

Mr. Bloom stated – what I would suggest you do in this particular case because the issue that you are raising is a very good one and I

have first-hand experience. I get emails from Roxanne Murphy the principal at Barrows because I am at Barrows and on their list-serv that the bus runs have been doubled up because we can't find the drivers so we are doing that. What you are saying is very true and if the district can do it that way then that's what we should do. I'm not advocating anything. The only thing I am advocating is that we make the right decisions so what I would like to suggest that you do is write a memo to this committee and copy Joel and let's get an answer if this is the way that we can do things.

Mr. Jordan stated – this is my point. At that time when we were negotiating prior to when we were comparing First Student to our in-house services which I said from the beginning and you beat three other private companies, okay, that was number one, I said if four people retired we could double just a few runs and save that outsourcing you did at least....

Mr. Lombardi stated – what I would suggest, those items such as the double runs and the Grey Goose are easily (First Student know as stated by Mr. Jordan)...well First Student are easily obtainable because you have the Ward, Fisher work. While don't we generate those concerns to Joe in a memo to this committee regarding the mechanics of running the bus system and what savings would be recognized in-house and proposing them to Joe and then we will be ready for the next meeting. Mr. Jordan replied – okay. Mr. Bloom asked that Joe also include that in the analysis.

Survey – Mr. Boom will be sending out the survey to the Transportation managers.

Mr. Lombardi suggested to Mr. Balducci that he and Joel read over these minutes and act upon them accordingly.

There being no further business to come before the sub-committee the next meeting will be July 18, 2012, 4:30 p.m.

Respectfully submitted,

**Frank S. Lombardi
Chairperson**