

A meeting of the Board of Directors of the Rhode Island Turnpike and Bridge Authority (“Authority”) was held at the Authority’s offices in Jamestown on June 12, 2024.

The meeting was called to order at 8:36 A.M. by Chair, James K. Salome.

Members Present

James K. Salome, Chair
Darrell Waldron, Vice Chair
Peter M. Janaros, P.E
Karen D. Pinch
Peter Alviti, Jr., P.E., Ex Officio

Members Absent:

None

Invited Guests:

Lori Caron Silveira, Executive Director
Eric Seabury, Director of Engineering
Kathryn Coleman, Director of Tolling Operations
Jeffrey Goulart, Chief Financial Officer
Stephen Cahill, Manager of Safety and Security
Remmy Villacis, Network Technician
Joseph Rodio, Rodio & Ursillo, Legal Counsel
Marianne Durgin, Executive Assistant to the Director
Jeffrey Wiggin, Assistant Project Manager
Jamie Swanberg, Manager of Tolling Operations
Frank Flowers, Manager of Maintenance

Item No. 2

Public Comment – There were no public comments.

Item No. 3

A motion made by Peter M. Janaros, seconded by Darrell Waldron, passed unanimously to approve the minutes of the May 22, 2024 Annual Board meeting and the sealed Executive Session minutes of the May 22, 2024 Annual Board meeting.

Item No. 4

Motion by Peter Alviti, Jr., seconded by Peter M. Janaros, passed unanimously to approve additional funds in the not to exceed amount of \$49,932.44 for Stantec (under Contract 19-6) for additional tasks performed for the All-Electronic Tolling (AET) Toll Collection System (TCS) implementation. Ms. Coleman stated some of the additional tasks included risk assessment of the proposed use of shared hardware for the AET roadside and back-office systems, participation in additional weekly meetings, supporting RITBA during radio frequency interference issues, and identifying concerns about Emovis’ design and testing process. Ms. Coleman also noted the documentation review activities took much longer to complete than originally envisioned. Stantec had to perform up to seven rounds of reviews of documentation. The original approved funding for this task order issued in July 2021 was in the amount of \$249,853.00. In August 2023, Stantec requested additional funding in the amount of \$64,200.00 as Stantec supported RITBA while it conducted a second full procurement of the AET TCS which resulted in additional time utilized during the procurement phase and additional tasks, including evaluating four vendor bids rather than the three that were estimated. As of May 10, 2024, \$13,219.00 remains in the budget and this supplement will allow Stantec to continue to assist RITBA with the implementation and migration to the new gantry. Director Alviti asked Ms. Coleman if she anticipates any additional services will be needed.

She answered, no. She anticipates the new gantry will go live during the second week of August. Testing will be ongoing, and this supplement will cover the testing period that will continue through November.

Item No. 5

Motion by Peter Alviti, Jr., seconded by Karen D. Pinch, passed unanimously to award a five-year contract to Gallagher Benefit Services, Inc. (Gallagher) for health insurance brokerage services at an annual fee of \$37,100, an incremental cost of \$1,667 per month, which will be offset by any commissions earned directly by Gallagher from the insurance carriers. An increase was anticipated for this in the FY 2025 budget. Gallagher will provide insurance and consulting services to RITBA that include, but are not limited to: Health, dental, vision, and life insurance. RITBA issued a Request for Proposals (RFP) on February 16, 2024 for these services. Staff posted the RFP on the RITBA website and the State of Rhode Island Division of Purchasing website and conducted outreach to various firms. On March 26, 2024, only one proposal, from Gallagher, the incumbent, was received. Chair Salome asked about the change in pricing. Mr. Goulart noted it had been fixed for five years. From Mr. Goulart's experience he finds this to be solid, fair pricing. Director Caron Silveira noted Gallagher used to be Park Row Associates whom RITBA used for many years. Anne Capezza was brought to Gallagher from Park Row Associates and has been very responsive to RITBA over the years. Director Janaros asked if it was unusual to have only one proposer, even with outreach conducted. Mr. Goulart indicated he reached out to one of the firms he had experience with at his former employer. They responded they were very busy, and that this program would be very small. RITBA has only 50 participants. The work involved in putting together a proposal and the costs associated with it, along with potentially not being chosen, likely contributed to their decision not to submit a proposal. Director Janaros clarified with Mr. Goulart that RITBA's annual fee of \$37,100 will be reduced if commissions are earned. Mr. Rodio noted this is about the lowest fee he has seen in the last five years, and he works with 8-10 clients who engage in insurance brokerage services. Mr. Rodio also noted that with 100 -150 participants it can be hard to get firms interested in submitting proposals.

Item No. 6

Motion by Darrell Waldron, seconded by Peter Alviti, Jr., voted favorably by Karen D. Pinch and Chair James K. Salome, passed to award a five-year contract to Pensionmark for Retirement Plan Advisory Services, including plan governance, design and administration, investment management, reporting, and participant communication. Director Janaros recused himself from the vote as he indicated Pensionmark has advised him on personal financial matters. RITBA issued a Request for Proposals (RFP) for these services on January 5, 2024. The RFP was posted on the RITBA website and the state of Rhode Island Division of Purchasing website, and RITBA conducted outreach to various firms. On February 13, 2024, one proposal was received from the incumbent, Pensionmark. RITBA's retirement plan currently has approximately \$6,000,000 in assets, with 80+ participants. The current pricing from Pensionmark is 0.3%. The new contract will have a guaranteed fee of 0.30% of fixed assets (0.05% lower than the current fee). RITBA does not pay these fees. They are assessed to the participants directly.

Item No. 7

There were four items approved under Item No. 7: 1) FY 2025 Operating Budget established with total revenue of \$45.3M, 2) FY 2025 Capital Budget established at \$30.2M, 3) Resolution establishing the renewal and replacement fund required under the master indenture for motor fuel tax revenue bonds at \$2,000,000 and 4) Resolution establishing the renewal and replacement fund required under the master indenture for toll revenue bonds at \$21,000,000. A motion by Peter Alviti, Jr., seconded by Darrell Waldron, passed unanimously to adopt the four items as presented.

Mr. Goulart reviewed the comprehensive budget summary he prepared for the Board of Directors which outlined the FY 2025 operating expenses and the FY 2025 capital budget. The FY 2025 operating budget has been established with total revenue of \$45.3M, up \$5.2M, or 13% from the FY 2024 budget, while operating expenses are established at \$15.0M, higher by \$1.4M, or 10% from the FY 2024 budget. Overall operating profit, defined as revenue less expenses, is set higher by \$3.9M, or 15%.

Mr. Goulart noted the projected FY 2025 traffic is 11.3M, which is 2% higher than pre-Covid levels. Traffic assumptions used in the calculation of the FY 2025 toll revenue were based on a 0.2% traffic increase over FY 2024 actual data for the period of July – April and FY 2024 budget data for the period of May – June.

Operating revenues are aggregated into four categories: Toll Revenue, Gas Tax Proceeds, Transponder Revenue, and Other. The total revenue of \$45.3M is \$6.1M above pre-Covid (fiscal year 2019) levels of \$39.2M. However, the higher toll revenue of \$8.4M is partially offset by the lower gas tax proceeds of \$2.2M. Mr. Goulart noted that in the 2024 budget, toll revenue was 63% of the total budget. In the 2025 budget, toll revenue is 66% of the total budget due to the projected lower gas tax proceeds.

Director Alviti asked Mr. Goulart to add a legend for the pie charts in the budget package.

FY 2025 budget toll revenue is higher than FY 2024 budget primarily due to a greater percentage mix of bill-by-mail customers (@\$6/car) and non-RI E-ZPass customers (@\$4/car) compared to RI resident E-ZPass customers (@\$0.83/car).

With respect to gas tax revenue, semiannually, the Authority receives a per-penny yield from the State of Rhode Island's Office of Revenue Analysis. RITBA currently receives \$0.035 per gallon. The projected revenue during the 2025–2028 fiscal years has increased by \$1.0M, or 1.8%.

With respect to transponder and other revenues, the budget assumes the sale of 30,473 transponders at a cost of \$10 each. Other revenue is primarily comprised of statement fees. E-ZPass customers who choose to receive statements by mail are charged \$1 per month.

Mr. Goulart provided a summary for each operating expense category. These are outlined in the FY 2025 budget package that will be posted on the Authority's website.

With respect to operating expenses, Mr. Goulart noted in 2024, bridge inspections were only 4% of the budget while in 2025 bridge inspections comprise 9% of the budget. Mr. Goulart also made note that in the wage category the budget assumes all positions are filled as of July 1, 2024.

Mr. Seabury shared that RITBA staff had a meeting recently with RIDOT to discuss upcoming plans for bridge inspections. Staff anticipates costs will increase as the requirements for bridge inspections will be more rigorous and there will be additional recording requirements. There will also be requirements for annual inspections of fracture-critical members of bridges. The increased costs have been accounted for in this year's budget and there will be increases in bridge inspection costs in future budgets. Director Pinch asked if the new requirements are the result of recent events or if they were already being planned. Mr. Seabury indicated they are likely a result of a combination of both, and he anticipates federal highway may require collision analysis as well, and this item is likely due to recent events. Director Alviti noted some of the recent events have caused DOT to look at the more complex bridges. While the federal government requires a certain, minimal number of inspections and particular criteria for bridges, DOT has chosen to go beyond those federal requirements and increase them voluntarily. Director Alviti asked if RITBA is rotating the consultants who do the inspections so that different companies have their eyes on the bridges over a period of years. Mr. Seabury indicated RITBA is utilizing a combination of methods, looking at quotes received, looking to see if the consultant has inspected the bridge before, and in how many rotations. RITBA staff also utilize a tracking spreadsheet to assist in choosing the best consultant for the next inspection. Director Alviti recommends giving the rotational method a bit more weight than the cost, particularly when there are slight differences in cost. DOT is finding it may be more beneficial to have a diverse look at the bridges, particularly the complex bridges. Mr. Seabury indicated the Authority is doing just that. Recently Jacobs was awarded the Approach and Main Span Inspections of the Pell Bridge, and this will be their first time inspecting them. GM2, a local firm, was awarded inspection of some

of the smaller bridges for the first time. The Authority is putting fresh eyes on its bridges. Chair Salome asked if the new bridge inspection requirements are being implemented nationwide. Mr. Seabury indicated they are. Chair Salome also asked if there are any requirements specific to RI. Mr. Seabury answered he has not seen anything specific to RI. Mr. Seabury also noted the Authority will be hiring a consultant to write individual inspection procedure manuals for the four major bridges. Mr. Seabury shared that because the Pell Bridge and the Mount Hope Bridge are funded through toll revenue, the toll bond indentures require RITBA to use nationally recognized firms to inspect those bridges and to perform capital projects on those bridges. A small, local firm based in RI could not be considered for inspections of RITBA's suspension bridges.

The FY 2025 capital budget has been established in the amount of \$24.6M. The major projects scheduled for FY 2025 include: 1) All-Electronic Tolling including roadside toll operations implementation. The project includes installing the new gantry, re-aligning the roadway, implementing the new toll operations software/equipment/implementation, and demolition of the toll plaza, 2) New Back-Office integration including a go-live date in October/November, 3) Newport Pell Bridge deck rehabilitation, dehumidification, and tower painting – In this phase the design of the deck rehabilitation is assumed to be completed and the design for the dehumidification system will commence, and 4) Mount Hope Bridge dehumidification and deck rehabilitation. This phase will include the system design for the dehumidification and the construction will commence.

Mr. Goulart confirmed for Director Alvit that \$8M of the \$137.5M in federal funding is earmarked for the Newport Pell Bridge dehumidification, deck rehabilitation, and tower painting phase of the project where the design of the deck rehabilitation is assumed to be completed and the design for the dehumidification will commence.

Mr. Rodio asked if the Auditor General allows the Authority to restrict its operating profit for capital expenditures. Mr. Goulart replied that this is part of the resolutions he will be presenting.

Mr. Goulart noted the Authority has been successful in its award of federal funding, receiving \$82.5M for the Newport Pell Bridge and \$27M for the Mount Hope Bridge. There are two pending applications, one is the Bridge Investment Program (BIP) for \$17.5M and the other is RAISE 2024 for \$40.4M. Director Pinch inquired about the timing of a response to the grant submissions. RAISE will be before November. The Authority has learned informally that it has not rated highly enough for the BIP and is now seeking a debrief. Director Caron Silveira noted the only funding left that is needed, is for the redecking of the Mount Hope Bridge. Mr. Seabury has the chip seal treatment planned for the interim and Mr. Goulart has the redecking built into the plan of finance if funding is not awarded.

Director Caron Silveria noted the tolling area is evolving with many new concepts that are being explored and this could affect next year's budget regarding tolling operations.

Mr. Goulart next presented the two annual resolutions, one establishing the renewal and replacement fund for motor fuel tax bonds and one for the toll revenue bonds. These monies are reserved in the event the Authority was unable to meet its financial needs for its capital plan and the reserves would then fund the capital projects. The motor fuel fund currently has \$2M in it and this year the Authority is recommending it maintain that level. For the toll revenue bonds, there is currently \$21M in the fund and the Authority recommends it remain at that level.

Director Alvit asked if the healthy balances in the renewal and replacement funds factor into the A+ bond ratings for the Authority. Mr. Goulart concurred that they absolutely do.

CFO Jeff Goulart – Financial Summary Report: The ten-month YTD financial performance continues to be strong. YTD Financial Statement Notes – Actual vs. Budget material variance analysis: Total revenue YTD

was higher than budget by \$6.8M or 20% primarily due to higher toll revenue. Gas tax revenue was higher than budget by \$331K or 3%. YTD Operating expenses were lower than budget by \$600K or 5%. Personnel expenses, utilities, contractual services, insurance, and repairs and maintenance were all lower than budget. Other supplies and expenses, bridge inspections, and transponder expenses were higher. Mr. Goulart continues to keep a close eye on operating expenses. Toll revenue continues to be strong.

Executive Director's Report: Director Caron Silveira noted there is no capital projects report from Mr. Seabury this month as the last Board meeting was only three weeks prior and not much has changed in the interim.

- **Federal Funding Opportunities** – An event was held on May 30th at the Mount Hope Bridge to celebrate the award of \$17M from the PROTECT grant for the dehumidification project. The Governor and the Federal Delegation were in attendance. The Director noted again the Authority is still waiting on the RAISE 2024 grant submission and should hear in the Fall. The upcoming debrief for the Bridge Investment Program submission will shed light on why the Authority will not be awarded funding from this grant submission.
- **Bridge Security and Safety – Update of Ongoing Meetings and Resources** – The Authority is continuing to work with the Northeast Pilot's Association and all the entities that would be involved if there were to be an incident in the water or on top of the bridge, including RI Emergency Management, the Coast Guard, and state and local police and fire. There will be an upcoming tabletop exercise that RITBA will participate in. Director Caron Silveira also shared that the Federal Government has reached out as it is gathering information on the crash worthiness of the bridges. Director Alviti asked if the Authority will be documenting the results and establishing a policy statement. Director Caron Silveira replied yes, noting the Authority has been compiling the best policies maintained by other entities and will make certain to include those in the RITBA updated plan.
- **International Bridge, Tunnel and Turnpike Association (IBTTA) BOD meeting and Finance and Road Use Charging conference** – The Director just returned from the conference which took place in Baltimore. The current Executive Director of the Maryland Transportation Authority spoke to the IBTTA Board of Directors and one of the topics was communication and the loss of communication during the Francis Scott Key Bridge incident. Director Caron Silveira noted these conferences are beneficial for sharing information about lessons learned and making connections with leaders from other entities. There are many takeaways from the meetings that make them worthwhile. The IBTTA is conducting a safety initiative whose theme is "Be Safe Together" which is focusing on vehicles, infrastructure, motorists and motorists' behavior, work zones, and maintenance workers and their safety. There was also discussion at the conference about a term called "Revenue Assurance," which focuses on ways to minimize lost revenue. RITBA staff have been diligent about recognizing and minimizing fraud. One issue the Authority is on top of has to do with chargebacks on credit cards. While at the conference, Director Caron Silveira was able to secure a contact with someone from Visa and Mastercard who could assist the Authority in addressing the issue of chargebacks in tolling transactions.
- **Next Board Meeting** – July 17, 2024.

A motion to adjourn was made by Peter Alviti, Jr., seconded by Darrell Waldron, passed unanimously at 9:25 am.

Lori Caron Silveira
Secretary