



## MINUTES of 01/15/2015 ADVISORY BOARD MEETING

### ATTENDANCE

#### Name

#### Representing

#### PRESENT

William Lehtola  
Doug Belanger  
Mark Binnall  
Jarrett Conner  
Dennis Lipka  
John Ostrosky  
David Schiller  
Luz Vega

Spencer  
Leicester  
Auburn  
Worcester  
Holden  
Shrewsbury  
Charlton  
Regional Ridership

#### ABSENT

Kelly Burke  
Leon Gaumond Jr.  
Alyssa Graveson  
Rudy Heller  
Timothy McInerney  
Kevin Mizikar  
Daniel Morgado  
Michael Pantos  
Robert Spain  
Michael Ward

Northborough  
West Boylston  
Douglas  
Brookfield  
Grafton  
Grafton  
Shrewsbury  
Rutland  
Millbury  
Clinton

1. Chairman Lehtola called the meeting to order at 8:31 a.m.
2. **Attendance**

### 3. Acceptance of Minutes

- Mr. Lehtola asked for a motion to accept the minutes for December 18, 2014.
- **Motion: I move the board accept the minutes of December 18, 2014.** Mr. Belanger made the motion and Mr. Conner seconded. All other board members voted in favor. The motion was accepted.
- 8:41 a.m. Mr. Schiller joined the advisory board meeting.
- 9:26 a.m. Mr. Belanger left the advisory board meeting.

### 4. Administrator Report

- Mr. O'Neil talked about the potential 9c cuts as an update came out of the recent MARTA meeting. Mr. O'Neil informed the board on Governor Baker's plans. He is seeking the final determination of the deficit number by next week and working on strategies to eliminate the deficit by the end of this fiscal year. Any cuts from his actions, particularly with regards to the regional transit authorities, will require legislative action. Mr. O'Neil reminded the board members that previous estimates of potential cuts would be between \$69,000 to \$70,000. He acknowledged this amount could be absorbed within the budget, but a larger sum may result in some cuts to service. Mr. O'Neil notified the board he would keep them apprised going forward.
- Mr. O'Neil commented on the fact Governor Baker appointed Stephanie Pollack from Northeastern University as head of MassDOT. He stated she has experience in transportation and Mr. Carney and I feel this is a good appointment.
- Mr. O'Neil introduced Mr. Church who provided the board with the annual FY`14 system wide performance and metrics presentation. The figures were obtained by comparing FY`13 to FY`14 from July to June in each year. Mr. Church explained on-time performance figures, ridership figures, passenger per revenue mile, passengers per revenue hour, and cost per passenger each by city, suburban and new route metrics. The WRTA Monthly Operations Report can be viewed at the following link: [WRTA December 2014 MOR.pdf](#).
  - On-Time Performance for the year was 61.5% and FY`13 was 62.8%. This is using the 1 minute early to 5 minutes late metric. We wanted to keep the metric the same as 2013 and, as you may recall in January 2014, we started reporting 1 minute early to 10 minutes late metrics. Mr. Church indicated the numbers are on par with FY`13, considering all that was happening with service after the move to the Hub in the beginning of FY`14. He projected seeing further improvements in FY`15.
  - Ridership overall went up from about 3.5 million in FY`13 to about 3.7 million in FY`14. Mr. Church explained even with the move to the Hub we saw ridership

increase. Our goal is to reach 4.6 million and while we are not at the goal yet, we are moving towards it.

- Passengers per Revenue Mile saw a slight drop in FY`14 to 2.06 compared to 2.12 in FY`13. Mr. Church informed the board these are overall figures and there were gains occurring on Sundays, while Saturdays saw a slight drop. Mr. Church explained the goal is for 2.5 Passengers per Revenue Mile as part of the metrics. There are routes we report monthly to the board that do exceed our 2.5 goal, and examples would be Routes twenty-six (26), twenty-seven (27) and thirty (30).
  - Passengers per Revenue Hour was slightly less in FY`14 to 23.7 as compared to 24.7 in FY`13. Mr. Church stated the goal is thirty (30) and we are calculating all our figures as overall averages. Again, some routes will be higher individually, as in Passengers per Revenue Mile.
  - Cost per Passenger in FY`14 was \$4.44 while in FY`13 it was \$4.43. Mr. Church informed the board that in the overall Cost per Passenger there is no overall target goal, but it is something continually monitored. Staff links these figures to the Passengers per Revenue Hour and Passengers per Revenue Mile, so if those go up, the WRTA's Cost per Passenger goes down.
- Mr. Belanger asked if we are still looking at extending service on Sunday's to match church service times. Mr. Church replied they were not looking at that right now as we are waiting for the Comprehensive Service Analysis (CSA) to be completed from URS. At that point, an action plan as to how to adjust service within a one (1), three (3), and five (5) year budgeted service plan will be developed. Mr. O'Neil interjected before we do anything else coming out of our Comprehensive Service Analysis, we will look at our metrics again and make recommendations which will be presented to the board as well as to the public.
  - Mr. Binnall asked if we have seen a decrease in ridership due to lower gas prices. Mr. Church stated not as of right now because it has only been about a week or so that gas prices have gone down. Mr. Church commented we will be monitoring this for a trend. Mr. Lehtola agreed with Mr. Binnall that the price of gas should have some trending effect on the WRTA.
  - Mr. Lehtola asked what encompasses new routes in the report. Mr. Church explained the new routes were Route eight (8), twenty-nine (29) and eighteen (18) with only six (6) months of service in FY`13. Mr. Belanger asked if the mileage numbers are affected by the suburban routes as they have been newly added. Mr. Church explained in looking at revenue miles, we do not include the closed door and dead head mileage in communities where service is through routed. Mr. Church continued to explain they do compare city routes to city routes and suburban routes to suburban routes, etc., so as to not equate heavily travelled city routes with lighter suburban routes.
  - Mr. Conner then asked if it was too simplistic to say ridership is up, but passenger per

revenue mile is down, because the overall numbers included the new service. Mr. Church agreed this is a factor.

- Mr. Church specified these are the overall main metrics we have analyzed and we will do another six-month evaluation for FY 15. This will encompass from July 1, 2014 to December 1, 2014. Mr. Lehtola specified he still thinks, as indicated previously, there is room for improvement and the board members agreed, as did Mr. O'Neil.
- Mr. O'Neil then introduced Ms. Kosterski, director of PBSI. She gave a brief introduction of herself and the Monthly Customer Service report. A copy of this report can be viewed at the following link: [December 2014 Customer Service Report](#).
- Ms. Kosterski informed the board all data reviewed comes from the software called "Salesforce". This software allows the company to keep track of all customer service and PBSI phone calls as well as all customer service functions. Customer service window requests are tallied into the computer by the customer service representatives.
- December window visit total was 7,680 with 37.5% for tickets/passes, 36.3% for information and 26.2% for paper schedules. Ms. Kosterski pointed out the projected FY 15 number for year-to-date shows a slight decrease to 78,088, as FY 14 was at 79,772. December call volume/complaints received were 59% of cases from voicemail, 12% WRTA website, 24% phone calls, and 4% e-mail.
- Mr. Binnall asked if a kiosk of some sort or machine would be in the lobby to tell you when the bus is coming. Ms. Kosterski replied we have the automated announcing system and there are three (3) buttons to walk up to on the platform for that purpose. Mr. O'Neil then interjected this is something we can look into as a possible wall unit due to space considerations in the lobby; however nothing is on the horizon. Mr. O'Neil then remarked how the established customer service under Ms. Kosterski's direction has put us light years ahead of where we were. The feedback we are getting from the public in this regard shows vast improvements.
- Mr. Ostrosky asked how the inquiries are tracked and how multiple requests are handled if they come from the same person at the window. Ms. Kosterski replied customer service has a screen for registering inquires by the type and, if multiple requests come in, they strive to separate them individually. Ms. Kosterski implied they are reporting the information as accurately as possible.
- Mr. O'Neil asked the board members to consider reviewing the minutes from the executive session from the last board meeting. The purpose was to see if anything was missed. Mr. Conner then said, just so we are clear, these are not open and are still locked in executive session. Mr. O'Neil indicated that is correct.
- Attorney Reich then addressed the Board, stating that the purpose was for the Board to have the opportunity to review the minutes, but not to discuss them at this meeting, and not to take any action on them at this meeting. Mr. Belanger then suggested, as a matter

of protocol, this be done in executive session. Attorney Reich then stated again, that the Board is not reviewing these as part of this meeting, so for that reason they will not be included as part of this meeting.

- Mr. O'Neil acknowledged there was some concern relating to whether or not we were adequately represented by legal counsel during the process leading up to the purchase and sale agreement of 42 Quinsigamond Ave. Mr. O'Neil informed the board he spoke with the WRTA's attorney, Mark Reich, in this regard. He introduced attorney Reich, who gave a brief history of the process to acquire the site, the liability position, NSTAR's position to the sale, and a recap of the accepted challenges.
- Attorney Reich spoke about the first meeting some two (2) years ago with NSTAR's real estate agents and Mr. O'Neil. He recalled how he and Mr. O'Neil were taken aback by NSTAR's philosophy for disposing of the property. Basically, NSTAR indicated it did not need to sell the property. NSTAR went through the necessary environmental processes required by DEP for an unoccupied property and collapsed the building, then fenced off the site. Having done the necessary soil testing, NSTAR was aware of the environmental conditions. NSTAR was willing to sell only to an entity with long range plans and the funding to clean the site for its needed use. NSTAR was aware of the potentially high cost for clean-up and that normally a private entity would not be able to profit from its use outside of the possible clean-up costs. Attorney Reich stated NSTAR's intention was clearly stated as being to sell the property "as is" with no clean-up responsibility for NSTAR, and to walk away from any liability concerning its environmental conditions.
- It was very clear to us this was not going to be the kind of negotiation where you go through the details of the agreement and have huge openings to make a lot of changes from NSTAR's perspective. In the course of the WRTA considering this site, we were able to negotiate and obtain the opportunity to go on the property and do some sampling in accordance with NSTAR's protocol. During that due diligence process, our environmental consultants found a significant amount of issues and presented us with a plan showing us the subsurface conditions of the site. The subsurface structures made this a very difficult site and our consultants were projecting significant numbers for the clean-up. Due to this factor, we negotiated into the purchase and sale agreement the right to terminate the agreement during the due diligence period. We spent a lot of time before the Board reviewing the circumstances of the site and making clear that NSTAR would not be responsible for the clean-up.
- NSTAR made it very clear in their documents we would take on the responsibility for all the clean-up regarding the site whether it was something that was caused by them or caused by us. We did actually negotiate the following two things: A release regarding anything that occurred on the site after the signing of the purchase and sale agreement, but before the closing was to be considered as brand-new, and they would be responsible for that. Then, with respect to off-site migration material, if any migration occurred prior to closing and involved material existing at the site when NSTAR was in ownership of the property, it would be NSTAR's responsibility and NSTAR would be accountable to

indemnify us from third-party claims off-site, based on that migration.

- The right to terminate the purchase and sales agreement was based upon concern that if, in conducting our due diligence, we wanted to get out of the agreement we would do so for any reason. As it turned out, after reviewing the conditions at the property we exercised this right, due to the extensive contamination and concerns over its cost. Attorney Reich continued by explaining that both the City and State became involved in the process. The City and State took the position that this property was a gateway property for the City and this property would not easily be remediated if it wasn't done by a public entity. The interest in making this a viable site for the City and the region with the use by the WRTA would be of a mutual benefit. As a result of this interest, the WRTA was able to obtain additional funds to get on the site and to remediate it for the benefit of all parties. We knew going into the site that the environmental considerations would be significant even with the limited information obtained from our due diligence. It is unfortunate we encountered what we have, but it is not something that was unanticipated. We simply need to address those issues.
- Attorney Reich commented on reviewing the first agreement in terms of off-site contamination. He detailed how they talked to the authorities, engineers, and environmental consultants to make the necessary determinations. We need to verify if there is any off-site contamination and whether there is any migration currently from our site onto the City's or other properties. Obviously if there is, we would then have to review NSTAR's involvement. Attorney Reich stated that it is important for the public to be aware of this information, but we have to be very careful when talking about next steps. Attorney Reich indicated in that respect that, we have rights under this purchase and sale agreement regarding off-site contamination, if what migrated off-site can be tracked back to issues on our site. This may result in a situation where the WRTA would have to seek NSTAR's involvement on the site itself to address the off-site conditions. Attorney Reich closed his remarks by commenting that the purchase and sale and ultimately closing on this property was done with eyes wide open. There was an interest in addressing these very difficulties for the greater benefit of all parties involved. He asked if the board had any questions and told them they would be given further updates as the matter progressed.
- Mr. Binnall wanted to know if there is anything migrating off-site. Attorney Reich answered we are investigating that right now. Assessments and additional testing is going to be done as ground water issues may way into this. He clarified the issue as being whether it's actually getting onto a third-party property and if it requires remediation. Board members agreed any speculation with respect to any off-site contamination or, what to do in this regard, would not be broached until facts were presented as viable.
- Mr. O'Neil interjected we are certainly pursuing the possibility of a threat there may be off-site migration and the need to go back to NSTAR. He added that even if the necessary conditions are met for litigation, it would be a step-by-step process. We should not stop the project, even with a suit pending, as this could be costly from a construction

process. The litigation, if any, would be negotiated out at some point in the future, but as to whether it will be of a monetary value or something else, remains to be seen. Simply put, a bucket of money will not be dropped at the WRTA door to help rectify this should litigation be necessary and pursued.

- Mr. Belanger commented on the fact he feels the board went into this with its eyes wide open. Part of the restrictions and requirements this board stressed to attorney Reich and Mr. O'Neil was how do we protect ourselves and how do we get city and state involvement. He stated he had not found anything shocking, but rather disappointing. We paid a lot less for the site itself and, ironically, he felt the WRTA would have a similar situation to face when selling the 287 Grove St. property if sold "as is".
- Mr. Ostrosky asked attorney Reich if the off-site migration issue impacts current use of an abutter's property and/or does it apply to future sale of that property. Mr. Ostrosky inquired if off-site contaminants are migrating to a vacant abutting property, would the WRTA be solely liable when in the future that owner sells the property.
- Attorney Reich answered the agreement does not require that the other property is devalued, although I think you could probably argue that, but it doesn't require that to bring a claim. If the DEP, for example, required the WRTA to take action because of off-site migration that would activate the clause and NSTAR would pay.
- Mr. O'Neil next introduced his presentation on sources and uses for the new maintenance and operations facility. Mr. O'Neil walked the board through some of their concerns at the last meeting relative to how much money we have, where we are with the building, and how to procure the remaining funds. The presentation can be viewed by clicking on the following link: [Jan 2015 M&O Building Source & Use Update](#).
- Mr. O'Neil indicated he fulfilled the board's request for an option for procuring additional funding. He explained a recent discussion with the Federal Transportation Administration (FTA) revealed we have the ability to borrow against future years capital 5307 dollars. The process requires a letter of no prejudice must first be sent to the Federal Transit Administration. When FTA approves, the WRTA would approach lenders similar to the process used to initiate our borrowing for operations. This process takes roughly about sixty (60) days. The interest rate would probably be less than 1%. Again, any loans would be paid back with funds from our federal capital dollars.
- As for the borrowing term, we looked at doing a five-year (5), ten year (10) and twenty-year (20) notes, but our banking consultant advised us to do a year-by-year borrowing. In other words, borrow for what you need for a specific period. So, our pitch to you today is not to borrow anything right now because we have the funds in hand to bring the building to a weather tight status by the end of this calendar year. At that point, we should have a better idea on costs since all the large components of the job will have been bid and the guaranteed maximum price will have been reached. Doing so would put us at the end of our fiscal year at which point we will come back to the board with the amount to borrow. This approach is recommended because we don't know what Grove St. will sell for and

the estimates given today are our best at this time. As we go forward, we may need to adjust the figures for borrowing slightly.

- Mr. Schiller asked how using the capital funds in advance would affect the acquisition of buses and general improvements for the WRTA. Mr. O'Neil stated this is an excellent question. Mr. O'Neil explained ordinarily big equipment items such as buses, engines, tires, shop equipment etc. would be from Mr. Carney's capital budget. We have purchased all of the equipment he needs at this time. What we would need if we expand service is vehicles. The WRTA budget has factored in no new service for FY`15 or FY`16, for the following reasons. We are awaiting the comprehensive service analysis from URS. We plan on going through and scrutinizing our present services for adjustments, thereby maximizing the value of the services presently provided before any new service is put on the street. Mr. O'Neil acknowledged some of Mr. Church's metrics show some of our routes are not performing up to expectations. So we may pull them off and put that money into other needed services. When adding service, it needs to be done from a point of long-term sustainability. We also have a union contract coming up that needs to be negotiated. Mr. O'Neil stated what the public sees right now will continue and we are not looking at buying additional buses until at least FY`17.
- Mr. Belanger commented before we decide whether to do year-by-year versus budgeted, we should have a complete understanding of both options. He felt budgeted funds for the next ten (10) or twenty (20) years was more favorable because one knows where they are and what one has for money available. Mr. O'Neil assured the board members they have a five-year capital plan. He stated the capital plan is quite detailed and is reviewed each year with Mr. Carney. Additionally, FTA requires us to report on all the capital items we purchase with federal funds. We are required to demonstrate what the useful purposes of these monies are and that's entered into the equation as well. Mr. O'Neil stated regardless of the shortfall, and even in borrowing against future capital funds, we are not looking to cut service.
- Mr. Lipka remarked it is common for everybody to get fixated on the problems and financing details while forgetting about the planning that went into vetting the site. This is where we need to focus. One of the big advantages of the site is the potential long-term savings on the operational side of the budget. The site being less than a mile from the hub and the elimination of remediation costs for the Grove Street property are cost saving factors. So, potentially we are making the capital commitment to create a more efficient building to service our fleet. This site has more substantial potential for operational savings and we could then put those savings into service in the future.
- Mr. O'Neil stated to the board the administration has given its thoughts as far as what they would recommend moving forward on the 42 Quinsigamond Ave project. To restate, we should continue on the cleanup of the site, install the piles, do the concrete and steel beam work and continue getting the building weather tight by the end of this calendar year. He added that continuing to clean the site and stop work would have costs associated with it as would the other three options presented to the board at the December meeting.

- Mr. Conner stated the option to clean up stop working and sell was not a course we should follow, but rather should be included in the universe of possible considerations going to the city manager. He said he was not suggesting it was his preferred recommendation in terms of where we should go.
- Mr. Belanger left the advisory board meeting at 9:26 a.m.
- Mr. Lipka interjected, if we do demobilize the site and stop this project, the FTA may say give us the \$39 million back. The possibility of getting funding again would not be very likely. Mr. Lipka continued by stating we would be passing up a substantial opportunity if we did not proceed with this site and the building. Mr. Schiller expressed the opinion that stopping the project was clearly not an option. His concern is not to stop long-range planning for the best possible regional transit system.
- Mr. O'Neil then spoke about the environmental process to date. He presented a picture of the individual cells on the site where contamination is and what has been dug out from each of the cells.
  - Mr. O'Neil recapped the available, expected, and other funding sources to a total of \$55,039,496 and the estimated expenses at \$63,944,359 which leaves a shortfall of \$8,904,863. Listed below is the detailed information behind the numbers presented.
  - The expected funding sources are: \$39 million from the FTA's state of good repair, \$6,140,386 from FY`13/14 (5307), \$919,230 from the FY`13/14 (5339), \$3,512,339 from FY`15 (5307) and \$467,542 in FY`15 (5339) and \$5 million from the sale of 287 Grove St. Mr. O'Neil acknowledged that the \$5 million was an estimate on the sale price of the 287 Grove St. property as we are still waiting for the appraisal of this property.
  - Funds used and obligated to date total: \$34,611,755. Mr. O'Neil stated they are looking to work the project through with existing funds to a weather tight point. If done so, this would mean that \$40,639,452 would be expended. Outstanding awards for the building include: mechanical, electrical and plumbing, roof and the skin of the building. Additionally, hvac, construction manager and management services total \$23,304,907. This leaves the estimated funding needs total at \$63,944,359 and therefore a projected shortfall of \$8,904,863.
- Mr. Lawson, the WRTA project manager, informed the board at the end of the month we are expecting to release the mechanical trade outside field bid. The WRTA has asked Skanska to bid the exterior siding and this will assist with a better understanding of where the price is going. Mr. O'Neil assured the board they would not start any work without the necessary funds in place.
- Mr. O'Neil detailed the amounts of environmental clean-up funding and the progress of

removal to date. Overall our funding is about \$16 million, with \$14 million coming from MassDOT and \$2.2 million from state's executive office of Energy and Environmental Affairs. As for the \$16 million, the WRTA has a memorandum of understanding in place between it and MassDOT, knowing that there would be a change in administration from Gov. Patrick to now Gov. Baker. As for the site, we are now trucking off-site about 800 tons of coal tar per day to Niagara Falls, New York. To date the WRTA obligated \$7,459,636 towards this remediation. Our intent is to use all of the \$16 million so we can have a clean and cleared site. Also, it is important to understand that we ran into over one-hundred (100) obstructions which had to be removed, but now we are down to less than ten (10). As for the building itself, which is about three (3) acres, all coal tar will be removed from beneath it and twenty-five (25) feet around each side. This is where all the coal tar is located. So Mr. O'Neil commented you're looking at roughly 50,000 tons of coal tar requiring removal from the site.

- Mr. O'Neil gave some details of the coal tar progress of the environmental work on the site. As of today approximately 42% of the coal tar has been removed from the building site. This factor quite frankly was causing some issues as to allowing us free movement around the site. As we continue with the removal towards Quinsigamond Ave, the depth of coal tar appears to be at about two (2) to three (3) feet down. We are hopeful this trend will increase as we progress. Mr. Lawson restated the cooperation that continues with DEP, STV, TRC and Skanska when dealing with these environmental factors, has been most beneficial. How to best handle the materials and any impact this may have on our environmental cleanup which then relates to construction is extremely important.
- Mr. Conner inquired after the discussion last meeting in regards to talking with the DEP about a modification relative to the coal tar. Mr. O'Neil replied we did approach the DEP and they approved a level by section modification, however, we chose not to take that approach. Mr. O'Neil explained the modification could leave the WRTA open to problems with cost from other on-board contractors and for the overall safety of the site as we start the concrete and steel grade beam work. When we remove all the coal tar from the building's footprint and the twenty-five (25) feet from the sides of the building, we may be able to adjust the need for the liquid boot and venting system. This would provide a cost saving, if approved by the DEP, and also gives us a healthier site long term overall. Mr. O'Neil restated the funds are available for the best possible clean-up of the site. If we obtain a savings from changing the venting system we will inform the board and likely place the saving into the building project.
- Mr. O'Neil stated the digging of a clean trench for the utilities will start when the site is cleaned and cleared. We may have to chase the coal tar from this area too. They are hopeful this digging will go with little environmental impact in regards to any further obstructions. Mr. O'Neil then informed the board they expect to start driving piles on February 5, 2015, and this opens up the building phase of the project.
- Mr. O'Neil gave his assessment of the project emphasizing we have the assets and resources to build and make weather tight the building as envisioned. Costs beyond making the building weather tight will come from FTA allocations of our capital funding.

We should stay on track, and unless I am hearing otherwise, we are going to continue on as we have been going. The plan presented does not come at the expense of the rider or future capital plans as implemented in the 2015 to 2017 budgets. Knowing we are moving forward in a timely manner is extremely important. Mr. Conner stated in terms of where we go from here he was not able to speak to that today. Mr. Conner explained the options would be presented at a meeting with the city manager which is being scheduled for very early February.

- Mr. Binnall asked if the building site will still have access to Southbridge Street and Mr. O'Neil said the building site will still have access to Southbridge Street.

#### **5. Business from the Public**

- Mr. Lehtola called for any business from the public and no one responded.

#### **6. Business from the Board**

- Mr. Lehtola called for business from the Board and no one responded.

#### **7. Adjournment**

- Mr. Lehtola asked for a motion to adjourn.
- **Motion: I move the board adjourn. Mr. Lipka motion to adjourn and Mr. Conner seconded.** All voted in favor and the motion to adjourn was accepted. The meeting adjourned at 9:50 a.m.

#### **8. Next Meeting Date**

- The next board meeting will be on February 19, 2015 at 8:30 a.m., located at the hub 60 Foster Street, Worcester, MA 01608 3<sup>rd</sup> floor.