

MINUTES OF THE REGULAR MEETING OF THE BOARD
PORT AUTHORITY OF ALLEGHENY COUNTY
9:30 A.M., MARCH 26, 2010

The Regular Meeting of the Board of Port Authority of Allegheny County was held at 9:30 a.m., Friday, March 26, 2010 at the Authority's Administration Offices, 345 Sixth Avenue, Pittsburgh, Pennsylvania 15222-2527, pursuant to due public notice given as required by law.

Board Members:

John A. Brooks, Chairman
Joan Ellenbogen
Richard Taylor
Jeff Letwin
Eddie Edwards
Mavis Rainey
James Dodaro (via phone)
Joel L. Lennen, General Counsel

Media:

Matthew Santoni – Tribune Review
Jim Lokay - KDKA
Lauren Daley – City Paper
Walt Golden – KQV

Port Authority Staff:

Stephen Bland, chief executive officer, Claudia Allen, chief financial officer, Bill Miller, Bus Operations officer, Winston Simmonds, Rail Operations/engineering officer, Judi McNeil, communications officer, Tawnya Moore-McGee, assistant general management Human Resources, Wendy Stern, assistant general manager Planning and Development, Jim Ritchie, director Public Relations, Mike Cetra, Legal counsel, Tony Trona, director Purchasing and Materials Management, Heather Phara, Public Relations representative, Tom Noll, director Technical Support & Capital Programs, Jeff Woodrow, chief technology officer, Dan DeBone, director Government & Civic Affairs, Deborah Skillings, Community Relations Coordinator, Audrey Snyder, director Customer Service, Mark Ferrari, manager Contract Administration, Mike Musillo, manager Inventory Controls, Chuck Reeves, assistant Manager Bus Operations, Brenda Fink, director Internal Audit, Dave Gramc, controller, Scott Vetere, director Service Planning and Scheduling, Shawn Facchiano, manager Inventory and Purchasing, Cathy Frye, Insurance administrator, Julie Leistner, administrative assistant, Karen Bown, administrative assistant, Diane Williamson, executive assistant

Others:

Jon Smith, ACTC	Diane Corey
Glenn Walsh, Duquesne Incline	Nancy Burger
Jonathan Robison, ACTC	Laura Dugan, Marsh
John Tague, CAT	Gary Meinen, Marsh
Annette Kroll	

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the February 26, 2010 Regular Board Meeting. The motion was moved, seconded and passed.

The Chairman called on Mr. Bland for a report. Mr. Bland reported that as it is a busy time of year, he does have a few items to report. First, with respect to the Transit Development Plan, we are now less

than 10 days away from the first round of changes under the TDP. We will see changes to about 60 routes beginning on April 4. It is the first of actually seven phases that will occur over the next two years.

Mr. Bland reported that we have been expanding our efforts and have become more intense over the last month with public outreach, noting that in just the past month our Community Outreach folks have met with 34 groups and handed out about 3300 brochures about the change. Our TDP web site has experienced about 25,000 hits, and staff has created and installed over 1400 bus stop sign changes. We've recently begun reaching out to our Spanish riders with translated informational brochures, and beginning that first week, we will be engaging our street teams and other efforts to try to get people acclimated to the changes as quickly as possible.

Our general sense, both from the positive remarks we've heard and some of the concerns, is that many of our riders are familiar with the changes, so hopefully our efforts to date have been paying off. However, it's really a massive change to our system, so we don't want to underestimate the confusion.

Mr. Bland then gave a brief update on the fare collection project. Mr. Tim Bach, project manager, reported to the Performance Oversight Committee that due to a technology issue, we have essentially suspended production installation of fareboxes that are being installed by Scheidt & Bachmann. We thought it was prudent to suspend installation on the remainder of the fleet until this issue was cleared up. He noted that this has no ultimate impact on our schedule and no ultimate impact on the cost of the project. Staff is working with Scheidt & Bachmann to get it corrected.

Mr. Bland then gave an update on the North Shore Connector project. Mr. Simmonds and Mr. Wargo reported to the Performance Oversight Committee that we are projecting another decrease in the final cost of the project [down about another \$10 million]. Our new projected cost estimate is about \$529.7 million [that's down from \$538.8 million]. And as the Post Gazette reported in their coverage of that item, since we did our updated cost projection for the project we brought that down about \$24 million.

Mr. Bland continued reporting that we're now approaching 70 percent completion rate on the project, and things continue to go relatively smoothly. We are on target for the March 2012 opening of that line. Although our focus is still on the construction, it is now switching to promoting and operating that service.

Mr. Bland then reported that in the past month, staff conducted our inventory process, which is an important part of our accountability structure. Our team counted 29,000 items in our inventory, with a 98.3 percent accuracy rate, which is remarkable when you consider the breadth and the volume of our inventories. Mr. Bland acknowledged Mr. Tony Trona, director of Purchasing and Materials Management and his group, along with Brenda Fink, director Internal Audit whose staff was heavily involved in that process.

Mr. Bland then gave a brief update on Act 44. He reported that still, at least to his knowledge, no decision was made on whether or not Interstate 80 will be tolled. This is a key underpinning of the state transportation funding, not just transit but highways as well. Also, as been reported before, with

or without the tolling of Interstate 80, Act 44 continues to pose challenges to the Pittsburgh region and Port Authority due to the distribution of funds.

Mr. Bland noted that President Obama signed a HIRE Act into law last week that actually extended the current transportation laws out to December 31 of this year. The importance of that issue is that now we will be able to receive a full year's worth of federal funds. It is important to note that it does not mean there's additional funding. It basically authorizes us to receive the funds that we were due to receive anyway.

Mr. Bland was happy to report that once again, Port Authority's Finance Department was presented with the Distinguished Budget Presentation Award from the Government Finance Association. We appreciate that acknowledgement and Mr. Bland congratulated Ms. Allen and her staff who were involved in that effort.

Mr. Bland reported that he normally concludes his remarks with good news, but unfortunately he has to make an exception. Yesterday we learned that Paul Dick passed away. Paul was a civic leader and a pioneer in the fight for disability rights and accessibility of public transportation, walkways, and buildings for people with disabilities. After contracting polio in 1954, he spent 56 years confined to a wheelchair. He was a past president and current member of the Board of United Cerebral Palsy of Western Pennsylvania, having spear-headed its \$6 million building fund. He was an early activist in the Pittsburgh disability movement, serving on the 504 Advisory Committee to Port Authority. He was one of the founders of Magic Carpet, the county's first paratransit system for people with physical disabilities, and then ACCESS its successor. Paul served on the Steering Committee of the Committee for Accessible Transportation since its inception in 1979. He also was active on Richard Caliguiri's Mayor's Committee for Architectural Barriers and the Allegheny County Committee for Accessible Housing.

Mr. Bland continued by saying that he actually first met Paul when he managed the transit authority in York, Pennsylvania and Chairman of the State Transit Association. Paul was involved in a statewide effort to expand the availability of public transportation to persons with disabilities throughout Pennsylvania.

Paul was a tireless advocate for causes he believed in, and he gained success through building coalitions and making his case tirelessly. With his style, he turned skeptics into advocates, and our entire community is better off for it.

Mr. Bland concluded his report by observing a moment of silence to reflect on the life and accomplishments of Paul Dick.

This ended Mr. Bland's report.

The Chairman called on Mr. Letwin for a report of the Performance Oversight Committee. Mr. Letwin reported that the Performance Oversight Committee met on Wednesday, March 17, 2010 where initially the notes from the February 17, 2010 meeting were approved by the committee.

There were several resolutions that were discussed at the meeting. The following resolutions were reviewed and are recommended by the committee.

The committee reviewed one procurement action for the purchase of liquid high positive friction modifier in the amount of \$230,470.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Ms. Ellenbogen, seconded by Mr. Taylor and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to enter into agreements with a pool of firms to provide executive search services. The Authority requires a pool of firms to support human resources functions by performing executive search services on an as-needed basis. An Evaluation Committee determined that Krauthamer & Associates, Inc., New Economy Dynamics [d/b/a Civic Solutions], and Gilbert Tweed Associates, Inc., were the highest rated proposers. The total not-to-exceed amount recommended is \$300,000 and will be allocated on an as-needed basis. The agreements will be for a three-year period with the option to extend the agreement for an additional two-year term.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Ms. Ellenbogen, seconded by Mr. Dodaro and unanimously agreed that the resolution be approved as presented.

Mr. Taylor asked for clarification on one of the firms indicating that they had a minimum \$50,000 fee for providing services. Mr. Bland explained that it would be negotiated when staff works with a particular firm for services. He stated that frankly we probably wouldn't work with a firm on that kind of minimum basis, unless the fee structure is based on the salary and the position suggested that minimum or above.

The next resolution authorizes the Authority to enter into an agreement with Parkway Parking of Pennsylvania, Inc. to provide facility management services for the South Hills Village Parking Garage. Negotiations with Parkway have been initiated and are progressing on a proposed agreement to perform services. A total not-to-exceed amount of up to \$462,000 is recommended for approval. The agreement will be for a three-year period with the option to extend the agreement for an additional two years.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Mr. Taylor, seconded by Mr. Dodaro and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to adopt and implement the FY 2010-11 Internal Audit Work Plan. On November 21, 2007, the Board adopted an Internal Audit Department Charter as a statement of policy and an expressed commitment to providing financial and operational oversight to the Authority. To continue its efforts and further strengthen the transparency and fiscal oversight of the Authority, the Internal Audit Department has prepared an 18-month Internal Audit Work Plan. The Work Plan, which is attached as Exhibit A to the resolution in your packet, was prepared with review and input from the Authority's chief executive officer, inside general counsel, other management personnel and the members of the Performance Oversight Committee. This resolution adopts the Work Plan in its entirety and authorizes relevant Authority personnel to fully implement it.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Ms. Ellenbogen, seconded by Mr. Taylor and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to extend the term and the not-to-exceed amount of the agreement with AECOM USA, Inc., for engineering services for the North Shore Connector project. The current term of agreement will expire on June 30, 2011. The Authority has determined that it is in its best interest to extend the agreement through March 31, 2012 and increase the agreement amount by \$2 million. This will allow for the continuation of construction support activities to support the construction, startup and revenue operation. The total not-to-exceed amount of the agreement through a seventh incremental work program will be increased to \$48,680,277.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Mr. Dodaro, seconded by Mr. Edwards and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to extend the term of coverage for the North Shore Connector project Owner-Controlled Insurance Program (OCIP). The current term of the agreement will expire on September 7, 2010 and the anticipated completion date of major construction activities for the project is scheduled for December 2011. The Authority has determined that it is in its best interest to extend OCIP for an additional 15 months at an increase of \$2.5 million to provide adequate coverage and protection for the project. The total not-to-exceed amount for the purchase of OCIP insurance will be increased from \$13,750,000 to \$16,250,000.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Ms. Ellenbogen, seconded by Mr. Dodaro and unanimously agreed that the resolution be approved as presented.

The final resolution authorizes the Authority to extend the term and increase the not-to-exceed amount of the agreement with Marsh, USA, Inc. for the North Shore Connector project Owner-

Controlled Insurance Program services. The current term of the agreement will expire on January 31, 2011. The Authority has determined that it is in its best interest to extend the agreement for an additional 11 months to December 31, 2011 to coincide with the anticipated completion date of the project. The total not-to-exceed amount of \$78,100 is required to continue the services. This will increase the previously authorized not-to-exceed amount from \$1,084,000 to \$1,162,100.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of this resolution as presented.

It was moved by Mr. Taylor, seconded by Mr. Edwards and unanimously agreed that the resolution be approved as presented.

Mr. Letwin noted that the North Shore Connector project update was already given by Mr. Bland. There was plenty of discussion at the meeting. It was reported that the work is progressing very well, and the savings within budget is what's impressive.

Mr. Letwin ended his report by commenting that the presentation to the committee on the Automatic Fare Collection System was actually a very positive one. Naturally, we had to hear about some of the issues because that's part of what we're supposed to do as an oversight committee. He stated that he was sort of disheartened to pick up the paper and see this big headline on the front page saying how bad the system was when really that's not what we had heard at the meeting.

That concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Edwards for a report of the Planning and Development Committee. Mr. Edwards announced that the committee did not meet this month.

The Chairman called on Ms. Ellenbogen for a report of the Stakeholder Relations Committee. Ms. Ellenbogen reported that the Stakeholder Relations Committee did not meet either this month, but nevertheless, she had a few items to report.

Ms. Ellenbogen referred to last month's Board meeting where the Board recognized Operator Robert Almond. He had asked the Board to communicate the needs of persons with disabilities to have sidewalks cleared when it snows. In that regard, Ms. Ellenbogen read a letter from Ms. Joan McNally, dated March 8, 2010.

"Dear Mr. Bland, I wanted to take this opportunity to let you know what one of your drivers did last Friday, March 5, 2010, on the outbound 46F Baldwin-Highlands. According to your schedule, it would be at Sixth and Smithfield at 4:20 p.m. I know the driver's first name is Barb and she went beyond the call of duty. We had to stop at Brownsville Road and Route 51 to pick up a young man in a motorized wheelchair with a computer mounted for communication. There was so much snow at the corner that the driver had to perform some tricky maneuvers to get the passenger on the bus. Then we arrived on Holyrood, where this young man lives, and she had to perform even trickier maneuvers to get him off the bus and unstuck his chair from the grassy area where was the only spot clear of snow and somewhat level. Then she watched as he crossed the street to his home to make sure there was no oncoming traffic.

As Barb got back on the bus, she thanked me and two other women who were still on board for our help and she apologized for the delay. At the apology, the three of us told her not to worry. We were all counting our blessings.

I hope you realize what a wonderful goodwill ambassador you have in Barb and what a truly dedicated employee she is. The compassion and empathy she showed for this young man and his disability was very heartwarming. Good people still exist. Barb is the face of the Port Authority. How lucky can you get? Kudos, Barb."

Ms. Ellenbogen continued her report by saying that it is her understanding that Mr. Bill Miller, Bus Operations officer, has received a copy of this letter and will be following up to identify Barb to present her with a proper commendation.

In other news, Ms. Ellenbogen reported that our community outreach teams continue their good work. The Collier Outreach Committee is collecting recyclable items for the "Biggest Loser" Charity Pledge Program. In February, the committee began collecting donations for troops overseas and plan to hold a blood drive in April.

The East Liberty Outreach Committee held a blood drive on February 26. They are also organizing another bench press contest to be held in September to benefit Lou Gehrig's disease.

The Harmar Outreach Committee continues to collect clothing and necessities for the Haitian relief aid. The Ross Outreach is collecting donations for the Greater Pittsburgh Food Bank. They have also collaborated with the Consortium for Public Education in collecting children's books.

The South Hills Village Community Outreach continues to collect supplies for their "Treats for Troops" project.

The Port Authority Police Department partnered with the Holy Family Children's Fund for an event held on March 12, 2010 at the Children's Museum with proceeds benefiting the newly arrived Haitian orphans.

Ms. Ellenbogen then reported on the TDP community outreach efforts. She reported that Deborah Skillings, Port Authority's Community Outreach coordinator, has been very busy with neighborhood associations and advocacy groups to communicate the TDP's April 4 route changes. Due to her efforts, the Shadyside Chamber of Commerce agreed to promote the changes to their members via email blasts and newsletters. The Greater Pittsburgh Literacy Council received copies of the route changes brochure and will begin to supply information to their clients. The University of Pittsburgh is forwarding TDP information to staff and students via email, and the Regional Chamber of Alliance of McKeesport agreed to distribute 500 brochures to their members. The TDP route changes were also presented to members of the Steel Valley Vo-Tech Employment Center.

Ms. Skillings distributed TDP brochures, displayed new route maps and answered questions for the Pressley Ridge staff and attended Representative John Pallone's Senior Health Fair.

Ms. Ellenbogen ended her report by thanking Board member Mavis Rainey, who is also the Executive Director of Oakland Transit Management Association. They will distribute 15,000 TDP brochures to

residents, businesses and organizations in their metropolitan area. OTMA also organized a brown-bag lunch-and-learn meeting at Pitt, which was very well attended, and planned a transportation fair at UPMC.

That concluded the report of the Stakeholder Relations Committee.

The Governance Committee did not meet this month.

The next regular meeting will be Friday, April 23, 2010.

The meeting was adjourned.