

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, APRIL 29, 2011

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, April 29, 2011 at 9:30 a.m. 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
Guy A. Mattola
Jeff Letwin
Joan Ellenbogen
James Dodaro
Richard Taylor
Mavis Rainey (via phone)
Eddie Edwards (via phone)
Joel L. Lennen, General Counsel

Media:

Walt Golden, KQV
Jim Lokay, KDKA-TV
Richard White, WPTS
Pat O'Keefe, WPXI-TV
Jon Schmitz, Post Gazette

Port Authority Staff:

Stephen Bland, chief executive officer, Ellen McLean, chief financial officer, Tawnya Moore-McGee, assistant general management Human Resources, Winston Simmonds, Rail Operations/engineering officer, Bill Miller, Bus Operations officer, Wendy Stern, assistant general manager Planning and Development, Mike Cetra, assistant general manager Legal & Corporate Services, Tony Trona, director Purchasing and Materials Management, Jim Ritchie, Communications officer, Tom Noll, director Technical Support & Capital Programs, Denise Henderson, director Bus Operations, Deborah Skillings, Community Outreach coordinator, David Gramc, controller, Chuck Rompala, assistant management Road Operations, Wayne Lewis, Chief Steve McCauley, Jim Bonner, Herschel Kirker, assistant to director Service Delivery Ross, Dennis Parrish, director of Services Delivery West Mifflin, Bruce Grover, director of Service Delivery Ross, Latanya Brown, Mark Noel, Angelo Faraglia, Doug Paxton, Tim Ott, Idasa Tariq, Shana McCoy, Tim Bach, project manager AFCS, Julie Leistner, administrative assistant, Karen Bown, administrative assistant, Diane Williamson, executive assistant

Others:

Chief Nate Harper, Pittsburgh Police, Sgt. Eric Holmes, Pittsburgh Police, Jonathan Robison, ACTC, Patrick McMahon, ATU Local 85, Steve Palonis, ATU Local 85, Annette Kroll, James Love, ACTC, Jon Smith, ACTC, Marty Marks, AFL-CIO, Daniel Murray, Local 85, J. Panik, ATU
Bonnie Krait, Sue Scanlon, ACTC, Joan Watko, ACTC, John Tague, CAT

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the March 25-26, 2011 Regular Board Meeting. A motion was made by Mr. Taylor to approve minutes with minor corrections suggested by Ms. Ellenbogen. The motion was seconded and passed.

The Chairman announced that we will be opening with public comment and called on Ms. Annette Kroll. Ms. Kroll stated that she realizes Port Authority received a lot of input and concerns about the cuts that were done in March, but there were also a lot of people that lost service in September that has hurt them severely, including herself. Before making a suggestion, Ms. Kroll wanted to give a few examples.

Ms. Kroll gave an example that the 36A service was cut and now Ms. Kroll has to take two buses to go to a grocery store that is a mile and a half from where she lives. While she was waiting for the bus on a Saturday afternoon, there was another woman waiting for it with a broken arm. She was getting off at the end of the line because it no longer serves Millers Run Road, so she had to walk along winter roads with her groceries with a broken arm. Ms. Kroll believes this is unacceptable.

Ms. Kroll gave another example of a guy who rides the 36A to the Home Depot in Village Square. He is now forced to go all the way into Mt. Lebanon to catch the 36A outbound crossing two zones; where his 15-minute ride now turns into an hour and a half.

Ms. Kroll then reminded the Board of the woman who spoke at the September meeting regarding the 46D Curry bus. When she misses the one bus coming back to town on the Y route, she is walking 1.8 miles. Again, Ms. Kroll feels this is unacceptable when you have hard working people going to work and they don't have sufficient transportation.

She noted that even if you live in the suburbs, you may not have a car, so she has been doing some research and feels it is time to get a little creative. She spoke to a gentleman at Denver's transit system, Mr. Brian Matthews. They've done some other things like flex service or call-and-ride services that might work for certain areas instead of running a bus. She stated that she knows the current situation of the economy, but she would like everyone to start thinking outside the box. Maybe actually speaking to other people who do the same things rather than consulting firms. Ms. Kroll noted that Mr. Matthews said that he is willing to speak with anyone here at the Authority. She also understands that they do similar things in Dallas and Chicago as well, adding that she hopes that the commission that Governor Corbett put together and as well as the Port Authority Board will take a look at some of these options. Ms. Kroll noted that she would like to stay involved in this issue as well.

Ms. Kroll ended her report by saying that she feels that one of the biggest problems public transportation riders have is with people making decisions about the bus service that don't ride.

The Chairman called on Mr. Patrick McMahon, president and business agent Amalgamated Transit Union Local 85.

Mr. McMahon stated that he stands before the Board today disappointed, but not surprised, and certainly not defeated. A month ago he came to the Board, on behalf of Local 85 members and 15,000 transit riders on the brink of losing their public transit lifeline, with \$18 million real numbers in wage and benefit concessions to find a solution to prevent the March 27 cuts. We came to you hoping and believing you would see the obvious and what was in the best interest of everyone in Allegheny County to forego the cuts while the finishing touches of the solution could be fine tuned. On Friday, we began to believe your remarks and believed you really cared about the riders and workers who faced serious life-altering hardships if the cuts were to move forward by postponing the meeting until Saturday.

For a moment on Saturday afternoon, we believed common sense had won the day, until the Board returned from an Executive Session to discuss the historic proposal that Local 85 members put on the table, and proceeded with the meeting. The Board returned without discussion and drove a stake in the hearts and hopes of riders and workers and killed public transit for 15,000 riders and laid off 280 workers. At this point, we knew certainly that this whole issue was not about money. The money was on the table to operate this system at least until June of 2012 without a doubt, by anybody's math.

Mr. McMahon continued saying that as predicted, after the cuts this system overloaded and the impact was felt. Not only by the 15,000 riders who lost all their access to service, but other riders forced to ride overcrowded buses, many were late for work as they were passed by at their stops by buses too full to stop. After the cuts, Port Authority phone lines were jammed with complaints.

Mr. McMahon continued reporting that facing the heat of public opinion, Mr. Onorato reported to the media that he would continue to negotiate with the union to find a way to restore the cuts and resolve longer term issues. Since March 27, we have met with Mr. Onorato and his team one time. We have been waiting ever since for communications with Mr. Onorato or his office. We believe Dan Onorato manufactured a budget crisis to pursue a political agenda of privatization and union busting and asked the question, "Why did you let him do this to the people of Allegheny County?" He added that one person should not be able to lead a supposedly independent body.

Mr. McMahon said don't assume because the complaint calls have subsided that the riders are satisfied. They're just frustrated with not getting a response from Port Authority, adding that many have quit complaining out of their frustration and that no one seems to be listening.

Mr. McMahon believes that management of Port Authority doesn't even listen to the Board as the Board clearly stated that these cuts are intended to be temporary, but yet management has gutted the Harmar Division. Mr. McMahon continued saying that Dan Onorato is a lame duck. He clearly has no intentions of restoring cuts or resolving problems. He has gotten what he wants and the Board has given it to him. He said, "If you continue to agree with Dan Onorato that the action you took one month ago was in the best interest of the people that you have been appointed to serve, than it is time for you to go."

Mr. McMahon concluded his remarks by saying that the Board has the opportunity to act today to resume negotiations to restore the cuts or resign. Take action today to fix what you have broken or prepare the way for someone with the courage, compassion and independence that will. We are ready to go back to the table whenever someone wants to come back, meet with us and talk about real negotiations.

Mr. McMahon exceeded the amount of time to speak allotted by Authority's Presentation Policy. After being repeatedly requested to cease speaking by the Chairman, to which request he refused to adhere, Mr. McMahon was escorted from the podium by Port Authority police officers. Mr. McMahon, thereafter, remained in the audience and continued to be disruptive at various points throughout the remainder of the meeting.

The Chairman called on Mr. Jonathan Robison, president of Allegheny County Transit Council. Mr. Robison reported that Port Authority staff just informed ACTC that the new Chief Financial Officer, Ellen McLean, will only have one meeting with council and that ACTC will not be given the chance to review the 2011-2012 budget until it is finalized for presentation to the Board. He noted that he used to speak glowingly about Port Authority's practice of sending draft budgets to ACTC before staff recommendations were finalized. When we do not see any drafts until staff has made its final recommendations to the Board, citizen participation is trivialized. This is a major step backward for citizen participation and a major missed opportunity.

Mr. Bland commented that he was unaware of this, and he believes that the old process works real well. He continued saying that ACTC's input on the budget process has always been a helpful piece

and he assured Mr. Robison that his staff will report to ACTC and the group will have the opportunity to review the budget as you've had in the past.

Mr. Robison concluded his report by announcing the sudden passing of John Weinhold, ACTC's Treasurer. There will be a memorial observation for Mr. Weinhold on May 30 at 10:00 a.m. at the Veteran's Pavilion in Beechview, where he lived.

The Chairman called on Mr. Bland for a report. Mr. Bland reported that he just had a few items to report this morning. He first reported on the statewide transportation funding crisis which has been discussed for quite some time. This community, as it has been reported by several speakers, directly felt that impact and the rest of the state is beginning to feel it.

Mr. Bland continued saying that he does not think there has been any clearer sign that the issue is just as dire beyond the borders of the City of Pittsburgh and Allegheny County as the formation of a special commission to study the transportation funding crisis by Governor Corbett which was announced in the last couple weeks. The Governor created the 35-member transportation funding advisory commission that is charged with looking at long term funding solutions for transportation, roads, highways, bridges, and transit. He added that it is a very diverse group that is lead by Secretary of Transportation, Barry Schoch. Governor Corbett has established a pretty tight deadline, and they are required under executive order to submit their report to the Governor by August 1, noting that this is a very encouraging sign, specifically in our conversations with Secretary Schoch. The focus of the commission, as the Secretary commented, the problem has been studied to death. We know what the problem is and we know the magnitude of the problem, the focus of this commission is looking for funding solutions. Mr. Bland will keep the Board and our organization informed as the process unfolds, but clearly this is a great opportunity for all of us in the community who care about transit service and who care about roads, bridges and infrastructure to join with the state in trying to address this long term issue that frankly everybody is going to have to come together on.

Mr. Bland then introduced the City of Pittsburgh Chief of Police Nate Harper. Chief Harper remarked that during these difficult times, it is about staying in communication with each other and appreciating each other. So, on behalf of the Pittsburgh Bureau of Police, Chief Harper acknowledged Port Authority's Chief of Police, Steve McCauley and Road Operations Assistant Manager, Chuck Rompala. Chief Harper presented Chief McCauley and Mr. Rompala with plaques and City of Champions Challenge Coins from the Pittsburgh Bureau of Police as a symbol of gratitude during the Super Bowl and Stanley Cup parades, Winter Classic, and other events held in the city. Chief Harper thanked them and wanted them to know that they are appreciated.

Mr. Bland thanked Chief Harper for the tremendous relationship we have with the Pittsburgh Police during these events, but also on a day-to-day basis. We work well together and it is a credit to Chief Harper's leadership and the folks working at the Bureau.

Mr. Bland added that it is very appropriate to commend these two individuals, but they have acknowledged in the past themselves that they are doing it on behalf of a very large team of people. As Chief Harper is representing hundreds of Bureau of Police employees, Chief McCauley and Mr. Rompala are also representing hundreds of Port Authority employees that are involved in making these events go smoothly; so we all understand it is a team effort.

Mr. Bland continued his report by acknowledging the passing of John Weinhold, as reported by Mr. Robison earlier. When he had heard of his passing, it really did have an impact as he does not think

there was any individual more dedicated to the cause of public transportation than John Weinhold. He assured Mr. Robison that he will be participating in his memorial service.

Mr. Bland concluded his report by acknowledging West Mifflin Bus Operator, Wayne Lewis, who has been with Port Authority since 1993. Operator Lewis was driving his bus back to the garage when he came upon a vehicle accident at the intersection of Becks Run Road. Everyone had made it safely out of one of the vehicles involved in the accident, but there was a woman still inside the second vehicle that caught on fire in the engine area. Mr. Lewis pulled over and ran to help the victim out of the vehicle and grabbed a fire extinguisher and put out the fire. Mr. Bland noted that Operator Lewis is a trained professional like many of our employees who are volunteer firefighters and emergency personnel.

On behalf of the Board and the entire organization, and not just Port Authority but as part of the community, he thanked Operator Lewis for all that he does.

The Chairman called on Mr. Letwin for a report of the Performance Oversight Committee.

Mr. Letwin reported that a meeting of the Performance Oversight Committee was held on Wednesday, April 20, 2011 and notes from the March 16, 2011 meeting were approved by the committee.

The operating budget results for the month of March were presented. Total revenue for March was favorable to budget primarily due to passenger revenues. Year-to-date revenue was also favorable to budget primarily due to advertising revenue and other income. Expenses for March and year-to-date were favorable to budget primarily due to employee benefits and purchased services.

The following seven resolutions were reviewed at the meeting and are being recommended for approval.

First, the committee reviewed seven procurement actions listed in the Board packet in the amount of \$44,367,332.96. The committee found these bids to have been submitted in accordance with the Authority's procurement policies and procedures, the prices to be fair and reasonable and the bidders to be responsive and responsible. The Performance Oversight Committee recommends these items for award for a total cost of \$44,367,332.96.

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

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

At this time, Mr. Taylor commended the Procurement staff, under Tony Trona's leadership, for their extra efforts with the Microsoft Enterprise software and service procurement. That extra effort saved Port Authority an additional \$330,000 plus. Mr. Letwin concurred with Mr. Taylor's remarks.

The next resolution authorizes the Authority to extend and amend the agreement with TranSystems Corporation Consultants for Fare Model Development Services. On May 5, 2010, the Authority entered into an agreement with TranSystems to provide services to assist with the development of fare modeling and an updated fare policy for the Authority in conjunction with the Authority's efforts to

implement its Automated Fare Collection System. The initial one-year term of the agreement is set to expire May 4, 2011. The Authority has determined that the services are an essential component of the ongoing efforts to modernize and simplify its fare collection system and ability to collect and maximize fare revenue.

The Authority desires to exercise its option to extend the term of the agreement for an additional one-year period until May 4, 2012. Mr. Letwin noted that an increase in the previously authorized not-to-exceed amount of agreement of \$50,000 will be paid directly from capital funds with no increase in the overall project budget.

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

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

The next resolution authorizes the Authority to pay a settlement of eminent domain and damages claims. A claim has been made against the Authority by Michael and Roberta Colombari for damages under the Pennsylvania Eminent Domain Code arising from a stream bank collapse on a portion of their property which abuts Saw Mill Run and occurred sometime between 2002 and 2004. A further and more extensive collapse occurred in March 2011. These collapses are alleged to have been caused by the Authority's construction and improvements made in connection with the Stage II Light Rail project.

The Authority has negotiated a tentative settlement, with no admission of fault by the Authority, to resolve the Colombari's claims. In accordance with the limits of Authority established by the Board, approval is requested for payment of the settlement in the amount of \$175,000.

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

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

The next resolution authorizes the Authority to extend the term of agreements for legal services. In accordance with its Board-adopted procurement policy and procedures for competitive negotiations for professional and technical services, the Authority previously awarded agreements in April 2006 to various firms to provide legal services.

The agreements provided for an initial term of five years with the option to extend the agreements for up to an additional three years at the sole discretion of the Authority. The initial five-year term of the agreements expires on May 31, 2011. The Authority has determined that it is in the best interest to exercise its option to extend the term of agreements an additional two years to May 31, 2013 with the nine firms listed in your Board packet.

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

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

The next resolution authorizes the Authority to amend and restate Port Authority of Allegheny County's Retirement and Disability Allowance Plan for employees not represented by a union. The Authority desires to amend and restate the Retirement and Disability Plan in order to continue to provide such benefits to eligible employees; incorporate previous amendments made to the plan; incorporate changes required by recent pension laws; disallow participation to non-represented employees and transit police newly hired on or after September 1, 2011; confirm the Authority's transit police officers participation in the plan pursuant to their Collective Bargaining Agreement; permit a one-time election for current participants to cease participation in the plan effective September 1, 2011, in order to be eligible for Authority contributions under the Port Authority of Allegheny County Money Purchase Pension Plan; and also to make other clarifying and conforming changes to the plan.

This resolution authorizes the Authority's Pension Committee and the Authority's Chief Executive Officer to take necessary actions to implement the amendments to the plan.

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

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

The next resolution authorizes the Authority to adopt Port Authority of Allegheny County's Defined Contribution Program. The Authority desires to adopt and establish a new Defined Contribution Program for non-represented employees and transit police officers; the newly established 457(b) plan and Port Authority of Allegheny County's Money Purchase Pension Plan, which shall apply only to post September 1, 2011 participants.

The new 457(b) plan will contain automatic enrollment and corresponding opt-out provisions for eligible employees hired on or after September 1, 2011. The Authority will make certain contributions under the Money Purchase Pension Plan for eligible employees hired on or after September 1, 2011 and for current participants in the Authority's Retirement and Disability Allowance Plan for employees not represented by a union who make a one-time election to cease participation in such plan effective September 1, 2011 in order to be eligible for such contributions. Subject to a three-year cliff vesting schedule, post September 1, 2011 participants who make voluntary salary reduction contributions to the new 457(b) plan will be eligible for a 50 percent Authority matching contribution up to six percent of the participant's compensation.

This resolution adopts the new 457(b) plan and the Money Purchase Pension Plan and authorizes the appropriate members of the Authority's Pension Committee and the Authority's Chief Executive Officer to implement a new 457(b) plan and Money Purchase Pension Plan and to direct transfer of assets and accounts in ICMA Plan attributable to eligible employees to the new 457(b) plan as soon as administratively feasible on or after September 1, 2011.

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

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

The final resolution authorizes the Authority to appoint a recordkeeper for Port Authority of Allegheny County's Defined Contribution Program. In order to obtain qualified companies to act as service providers to provide recordkeeping, administrative services and an investment platform for the Defined Contribution Program, requests for proposals detailing the required scope of services were publicly notified. After performing interviews with the three highest rated proposers, the Pension Committee determined that Great-West Retirement Services submitted the highest rated proposal to provide these services for the Defined Contribution Program.

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

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

Then Mr. Letwin then reported that Ms. Moore-McGee provided an overview to the committee on healthcare cost containment initiatives that Authority has undertaken over the past 14 years ranging from multi-year rate guarantees to plan design changes. These efforts generated in excess of \$48 million in costs avoidance for the Authority. Ms. Moore-McGee then introduced the Authority's benefits consultant who discussed healthcare trends and opportunities.

Following the committee's decision to recommend taking to the full Board the resolution to engage Great-West Retirement Services as the recordkeeper for the proposed new Defined Contribution Plan, representatives of Great-West provided an overview of their administration and recordkeeping services, and their newly enhanced website to the committee.

Finally, we received our monthly update on the North Shore Connector project, which is yet continuing on plan and within budget, with few injuries.

That concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Mattola for a report of the Planning and Development Committee. Mr. Mattola reported that the Planning and Development Committee did not meet this month, but had the following remarks.

He reported that without question, our riders, our employees, and those in this community who rely on public transportation, have been through a lot in the last couple of months. We're encouraged, however, by the formation of the Governor's Transportation Funding Advisory Commission as discussed earlier by Mr. Bland. The formation of that commission is a clear indication of the severity of the statewide shortfall in transportation funding.

We look forward to hearing the commission's findings after its August 1 deadline. Recognizing the state's timeframe reinforces the decision by the Board to make the available funding last beyond the end of this fiscal year.

Mr. Mattola then reported that the changes that took place in preparation for the March 27 service reductions was the result of a lot of hard work by many dedicated employees. It's not a simple thing to relocate service, parts and people from one division to another in a day or two, but that essentially

is what was done. He continued saying that I know we've already expressed our thanks to them individually for their efforts, but I'd also like to extend our thanks on behalf of the Board. It is our hope that efforts such as the state's commission will result in sustainable solutions that might allow us to restore and add service where it is most needed. So for now, our situation is far from ideal, but it is stable. Legacy costs, funding cuts, fuel costs; they all play a part in where we are today and where public transportation will be in the future. Now is our window to work on those issues, to find solutions that will help maintain a sound and reliable public transportation system.

Mr. Mattola concluded his report by reporting that review of our next fiscal year budget will occur next month. This committee and this Board will do everything possible to protect transit service in Allegheny County.

This concluded the report of the Planning and Development Committee.

The Chairman called on Ms. Ellenbogen for a report of the Stakeholder Relations Committee.

Ms. Ellenbogen reminded everyone that the Board's Stakeholder Relations Committee is scheduled to meet on May 5, 2011 at 8:30 a.m.

Ms. Ellenbogen reported that the committee did not meet in April, but because of the events of the last couple months, the Authority's interaction with community leaders and stakeholders has been extensive. There is a very real and growing desire to understand and address the issues facing this agency and its riders, and there is a very real desire to help Port Authority build on the changes it has already made to achieve key goals with sustainability being the greatest of the goals.

Despite the recent service reductions, the goals that would benefit riders and this community remain constant and there are three of them. First, transportation funding, which remains at a reduced level statewide, must be addressed. Not only is Council President Jim Burn's special committee on transit fostering productive discussions here in Pittsburgh, but as reported earlier, Governor Tom Corbett formed the Transportation Funding Advisory Committee this month. The Governor's committee met for the first time on Monday and will certainly play a significant role in determining how Pennsylvania pays for transportation programs, including transit. Ms. Ellenbogen added that we embrace this process and support the commission's efforts.

Second, and equally important, here at Port Authority we must address our legacy costs. No individual in this room today is responsible for our legacy issues, namely our retiree healthcare and pensions. This problem has been brewing for decades. Yet, we must continue working to correct this problem. If left unaddressed, our financial position will continue to deteriorate, service will continue to be cut and the benefits of public transportation to this community will fade. Our last Collective Bargaining Agreement with ATU Local 85 was a good start, but we know there is no easy fix.

Third, the Authority must remain committed to improving itself. We must continue to take the steps necessary to make our services attractive, to encourage riders, to create efficiencies, to support community growth and revitalization, and to make transit simpler to use. That's why ConnectCard, for example, is important and that is why finding better ways to get information to riders is important.

Ms. Ellenbogen concluded her report by saying that we will continue our frank discussions with people as to where we are and what must be fixed. We all hope the 15 percent reduction is

temporary and she feels it is encouraging that there's a real focus on transportation from the Governor's office.

This concluded the report of the Stakeholder Relations Committee.

Mr. Taylor commented at this time that he would like to reiterate some of the points that Mr. Mattola and Ms. Ellenbogen made.

He stated that there is a tremendous amount of passion in our community right now around the issue of our level of service and the service cuts that we had to enact if we were going to operate this system responsibly. A lot of focus is on the Board and looking at what happens with funding levels for the Authority between now and June 30, 2012. Right now, the Governor's Commission is focused on the long term funding of transportation in Pennsylvania. I think it's critically important that anyone who truly cares about funding for transit, as well as transportation in general, focus their attention in Harrisburg because the long term stability of this institution is at risk. If you care about transit, if you care about the service of the Authority beyond June of next year, focus your energy, focus your advocacy and focus your attention to Harrisburg because we can fight here in Allegheny County about what happens between now and June of next year and miss the opportunity to secure the future of this organization for many years to come.

Under the Governance Committee, the Chairman made the following report.

Mr. Brooks noted that Dr. Charles Martoni resigned from the Board earlier this month. The Authority and its riders are thankful to Dr. Martoni for his years of service on the Board as the County Council representative. As the County Council representative on this Board, he will be replaced by another member of Council. Dr. Martoni is a true community leader and we are grateful for his valued contributions and support of public transportation across Allegheny County, and this entire Board will miss him.

Mr. Brooks then made the following statement:

"As everyone in this room knows, we have been trying for many years to encourage our elected officials in Harrisburg to address long term funding for public transportation here in Allegheny County. It is an issue that its roots can be traced to the very legislation that created Port Authority more than 50 years ago. Despite some legislative issues down through the years, the dedicated and predictable source of funding for public transportation has never truly been enacted and our customers have largely suffered the consequences.

Since I joined Port Authority' Board in 1996, a year has seldom passed where we were not faced with a serious financial crisis of one magnitude or another. For many previous years, we have managed to overcome such crisis by finding ways to either become more efficient or by working with our employees, our labor unions and our funding partners to get through our problems on a short term basis.

In recent years, however, we have had to rely on, all too often, our customers to take action that directly affected our services and our operation. I am deeply troubled by the reduction in service by another 15 percent, which will have yet another profound affect on the quality of public transportation in Allegheny County. We are fast becoming a shadow of what our service levels ought to be. Five years ago, we operated more than 200 bus and light rail routes in Allegheny County. Based on what I

expect, we will be closer to half that number. That is not a trend or record that I'm proud of, but yet I believe the actions that we have taken have been responsible and well thought out.

Based on the Governor's proposed budget and the sentiments of many of our legislative leaders, I do not believe we can rely on or expect the legislators to come to our rescue anytime too soon. As a result, to delay any further service reduction at this time would have been a gamble that could have jeopardized the service to all of our customers. Most of them now will have access to some form of public transportation although not without great inconvenience.

I also want to remind everyone that our customers are not the only ones that will be affected by the service reduction as many of our employees will lose their jobs as well. In fact, many of our best and most dedicated employees will be laid off, but the sacrifice that many of our employees are being required to make is necessary for Port Authority to carry out as much of its mission as possible. More sacrifices, however, will be needed in the months and years ahead. Labor and management will need to compromise and make more concessions if we are to preserve public transportation in Allegheny County.

Contrary to what some believe, this is not about breaking the union. As a lifelong labor leader in the community, nothing sickens me more than what is recently occurring to the unions and the working men and women around the country. From Wisconsin to Ohio and other state unions and public employees in particular, are under attack and it has to stop. Men and women in both the public and private sectors deserve a respectful wage and our employees work just as hard as any other employees in any other industry. These are difficult times and we have to recognize the fight that we are in. Until our general public and elected officials fully understand and appreciate the value of public employees and of services like public transportation, we have no other choice but to adapt to the financial resources available to us.

I call on Governor Corbett and the legislators to step back and embrace the many positive impacts and contributions of public transportation to our riders and the community at large. Without public transportation, many residents will not have access to their jobs, they will lose their income, and in many cases their medical benefits, unemployment will increase, public assistance will increase and our standard of living will fall. In short, nothing good will come from the elimination of these services. Yet, I see no other responsible alternative that we can take if we are to preserve as much service as possible for as long as possible.

While we wait on Harrisburg to address the problem, this Board will continue to do all that it can do to make sure that we remain good stewards of the public investment that is made by the taxpayers. We will continue to fight for our customers and for our employees. To do anything less would be irresponsible."

This concluded the report of the Governance Committee.

There was no new business.

The next Regular meeting will be Friday, May 27, 2011.

The meeting was adjourned.