

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, SEPTEMBER 23, 2011

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, September 23, 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  
James Dodaro  
Richard Taylor  
Jeff Letwin  
Mavis Rainey  
Eddie Edwards (via phone)  
Joel Lennen, General Counsel

**Media:**

Tom Fontaine, Tribune Review  
Jon Schmitz, Post-Gazette  
Lauren Daley, City Paper

**Port Authority Staff:**

Stephen Bland, chief executive officer, Bill Miller, Bus Operations officer, Wendy Stern, assistant general manager Planning and Development, Mike Cetra, assistant general manager Legal and Corporate Services, Winston Simmonds, Rail Operations/Engineering officer, Tawnya Moore-McGee, assistant general manager Human Resources, Ellen McLean, chief financial officer, Tony Trona, director Purchasing and Materials Management, Dan DeBone, Government Affairs Officer, Rich Wojnar, director Road Operations, Jim Ritchie, Communications officer, Tom Noll, director Technical Support and Capital Projects, Brian Dudas, supervisor Customer Relations, Sheila Winkfield, manager Internal Audit, Towana Gatewood, director of Service Delivery East Liberty, Dottie Buchanan, SmartCard/Customer Service coordinator, Fred Mergner, assistant management Scheduling and Service Planning, Debra Bonneau, Port Authority Operator (w/Grandson Davone Bonneau Jr.), Deborah Skillings, Community Outreach coordinator, Diane Williamson, executive assistant

**Others:**

Jonathan Robison, OCC  
Annette Kroll  
Jim Robinson, ACTC President  
James Love, ACTC Member  
Glenn Walsh  
Jon Smith, ACTC member  
Glenn Walsh  
John Wojtyna, GAI

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the July 22, 2011 Regular Board Meeting. The motion was moved, seconded and passed.

Before moving onto the public presentation portion of this month's agenda, the Chairman reminded everyone that Port Authority has established a written policy and procedure for the members of the public who wish to address the Port Authority Board and can be found on Port Authority's website. The policy has been adopted so that all of the members of the public wishing to address the Board have time to do so, and to make sure the Board can conduct Port Authority business in an orderly and timely fashion. Port Authority has always and continues to encourage members of the public to

bring issues they may have to the attention of staff, and if cannot be satisfactorily resolved by staff to the Board. However, if the members of the public wish to make a presentation to the Board, or to continue to have the right to do so, he or she must conform to the policy.

The Chairman explained that if anyone wishes to address the Board relevant to the work of Port Authority at a future meeting, a request must be made in writing and received at least five business days prior to the date of the meeting you wish to speak; verbal requests will not be accepted. Also as a reminder, the policy provides an individual the maximum of three minutes, or an organization which has more than one speaker no more than five minutes to ensure that all individuals and organizations have a fair and reasonable opportunity to address this Board. If the speaker feels they need more time than allotted, that person should register to speak at future meeting or put the additional comments, concerns and/or remarks to the attention of the Chairman. When the speaker's time is up, they must immediately discontinue speaking. If this request is not followed, the speaker will be asked to leave the podium. If the speaker fails to act in an appropriate manner, he or she will be escorted from the podium by Port Authority police officers or by security personnel.

The Chairman also added that in prior meetings earlier this year, we had an issue with members in the audience, who were not scheduled to speak, or those who had exhausted their allotted time, disrupting the meeting and the business of Port Authority by acting in a discourteous manner. While the Board certainly understands and appreciates that this continues to be a very important and emotional time for public transit, this type of behavior is unacceptable and will not be tolerated. If this should occur in the future, those behaving in such a manner will be asked to leave the meeting.

Mr. Brooks added that any individual or organization adhering to the policy will be permitted to address the Board and continue to do so in the future. On the other hand, failure to follow established procedures or act in an improper manner may result in further action that the Board deems reasonable and necessary to ensure that everyone has the chance to address the Board and the business of Port Authority is carried on without disruption.

The Chairman called on Ms. Joyce Jacklin for a report. After a few minutes, it was determined that Ms. Jacklin was not present in the audience.

Next, the Chairman called on Mr. Jonathan Robison, past president of the Allegheny County Transit Council (ACTC), who is now on a one-year sabbatical. Mr. Robison will be addressing the Board as a Port Authority rider.

Mr. Robison reported that first and foremost is getting adequate, dedicated funding, but had a couple of other concerns to address. The first issue of concern is accessibility. He continued reporting that the T is only partially accessible to him in a wheelchair due to the low floor stations. The second issue of concern is the success of the BRT in Oakland. He suggested that we take advantage of the construction of a few major new buildings in Oakland for quality urban bus stations for passengers. Also, we should keep some local Oakland service as well.

Mr. Robison concluded his report by saying to sum it up, what we need, all of us, is vision. We need a definite idea of how to make the quality systems that we have even better.

The Chairman called on Mr. James Love, ACTC member. Mr. Love reported that his issue is with private companies crossing Allegheny County line and serving Downtown Pittsburgh. He noted that he has some ideas that he will share with ACTC and staff.

The Chairman called on Mr. Bland for a report. Mr. Bland reported that since our last meeting in July, there has been quite a bit of effort, not just by Port Authority staff, stakeholders and Board members, but people around the State working toward a statewide transportation funding solution. With the release of Governor Corbett's Transportation Funding Advisory Commission Report in early August, the transportation stakeholders have had a lot to review. Through that period of time, we've had extensive conversations with stakeholders, legislators, PENDOT, and other transportation agencies and advocacy groups. Mr. Bland added that the Board's Stakeholder Relations Committee, in particular, has been busy with sharing information with our constituent groups. Mr. Bland was happy to report that the general take of all these groups, with respect to the findings of the commission, has been positive and that the outcome of the process provides a pretty solid basis for legislative discussion, hopefully, toward the resolution of the transportation funding crisis statewide. Unfortunately, we have yet to see anyone pick up from where the commission left off.

Mr. Bland noted that a recent article in the *Allentown Morning Call*, a paper produced in northern Pennsylvania, really cuts to the chase of the situation and quoted from the article, "More than a month after a special task force delivered its report, Governor Tom Corbett has yet to signal how he wants to pay for \$2.5 million in road and bridge needs. Lawmakers say they won't send the Governor a bill until they know what he wants."

Mr. Bland continued reporting that based on our conversations with a number of legislators and advocacy groups, that is exactly the message that we have heard back as well. So as we stand right now, we are still waiting for word from the Governor's office as to their intentions with respect to the transportation funding crisis.

Mr. Bland noted that earlier this month, the coalition, with a wide range of supporters, pushed for the implementation of the Funding Advisory Commission's recommendations, but until that movement occurs, our gloomy outlook remains the same. Beyond the current fiscal year, the service levels and fare levels are stable for the fiscal year. Next fiscal year's outlook is very grim indeed. He explained that as things stand, we currently project a \$64 million operating deficit in the FY 2013 budget. With that magnitude of deficit, if we don't see any attention from the State on this issue, we are looking at massive service reductions and employment reductions and fare increases, noting that even compared to the hardship that the riders faced this past March with the 15 percent service reductions, we may need to reduce service by 30 percent or more, twice the level that was cut in March 2011. If that comes to pass, we are looking at levels of service that could include significant curtailment of night and weekend service, shutting down the T on weekends, and the elimination of possibly as many as 40 additional bus routes. Mr. Bland stated that if anyone had any doubts in March that we were cutting into muscle and bone, the next round would result in pure amputation. Speaking for himself and everyone on this Board, it's something that we have to avoid at all costs. But we also have to start planning today for what might happen or might not happen, as a result of inaction or action by the State by the end of our fiscal year. We still remain hopeful that the Governor and the legislature use the solid framework provided by the Advisory Commission to work for a solution for roads, bridges, and transit throughout the Commonwealth of Pennsylvania, but frankly, time is running short. The legislature went back into session this week, and every session that they use is one less session day that they have to address this crisis.

He stated that we are not forgetting that State funding is certainly not the only issue that we need to address to make sure that we keep an adequate and stable level of service for our customers. We still have to address our overall labor cost structure, particularly legacy costs. A funding solution in

Harrisburg will not solve all funding problems for the Authority and put us on stable ground. Only by reaching responsible solutions, both at the bargaining table and in Harrisburg, can we guarantee our users a level of service that the Pittsburgh region absolutely needs. We continue to be hopeful that the leadership of Local 85, who has acknowledged this issue, will continue to work with us diligently toward the solutions. Mr. Bland will certainly keep the Board apprised of any movement that he hears or doesn't hear in Harrisburg.

Moving on to a bit more positive news, Mr. Bland reported that on today's agenda under the Performance Oversight Committee report there is an item that would allow us to implement interactive voice responses to customer service. It is an improvement in our phone system that will allow customers 24 hours a day, seven days a week access to basic information. It would improve the throughput of calls, allowing us to process more calls. Mr. Bland wanted to emphasize that this does not replace live Customer Service representatives. We are looking at augmenting our Customer Service over the next few months as we move into the SmartCard process, so there will absolutely always be a place for that live voice. Frankly, we would like to refocus the attention of our Customer Service representatives on those tougher questions that customers might have, particularly new customers, as we attract new riders. It is clearly valuable to improve the efficiency of the system as well as to expand the availability of the customer information to our customers at all hours of the day.

Next Mr. Bland reported that under the Governance Committee report today, we are recommending ratification of the Collective Bargaining with the International Brotherhood of Electrical Workers 29 that predominantly represents the Customer Service representatives and Treasury personnel. Mr. Bland stated that he believes that the agreement is very meaningful in that what it does for the membership of IBEW while improving the efficiency and responsiveness of Port Authority. We are estimating a net annual savings of \$300,000 a year. We also believe it is a fair agreement to the members of IBEW, and that is certainly evidenced by the fact that their membership ratified the proposal by an overwhelming vote of 34 to three. Most notably, we have been "banging the drum" for months and years over the need to rein in and curtail our legacy costs. A couple of months ago, this Board approved a change in our non-represented employee pension program to move away from the defined benefit program into a defined contribution program. As part of the recommended settlement, IBEW has also agreed to move their newly-hired members toward the defined contribution programs, so this is one more step toward reining in those long-term legacy costs.

Mr. Bland congratulated Tawnya Moore-McGee and her staff and the leadership of IBEW who showed that when we get creative and get concerned for the members of the unions and customers above all else, we can come up with very productive solutions and get things done in the proper way.

Earlier this morning, along with Bike Pittsburgh and a few other organizations, Port Authority participated in an event in Market Square called "Transportation Exploration," looking at alternative ways of transportation. Mr. Bland announced that our bus fleet is now 100 percent bicycle accessible. Over the last month or so, utilization of those racks is picking up, thanks to the great partnership with Bike Pittsburgh and the bicycle community to get this done. Mr. Bland also thanked the R. K. Mellon Foundation for contributing significant funding toward the project.

This concluded Mr. Bland's report.

The Chairman called on Mr. Letwin for a report from the Performance Oversight Committee. Mr. Letwin reported that the committee held a meeting on Wednesday, September 21, 2011 and notes from the previous meeting were approved.

The operating budget was presented at the meeting. It was reported that passenger revenues are up \$854,612 over the same period in August 2010. Approximately \$350,000 is due to fare increases and \$500,000 is due to increases in ticket and weekly permit sales. Monthly pass sales are also up \$60,000. Other income is up \$299,353 with the receipt of Medicare Part B Reimbursement of \$205,000 and reimbursement for maintenance at the First Avenue Station. In regards to expenses for this period, wages, salaries and benefits are below August 2010 expenditures reflecting our reduction in labor force. State operating assistance for July came in the month of August, resulting in the \$12.6 difference. A total of \$4.4 million of Federal flex dollars were drawn in August.

Mr. Letwin then reported that there were seven resolutions reviewed by the committee that are being recommended for approval.

The committee reviewed 12 procurement actions that are listed in the Board packet in the amount of \$3,502,307.75. 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 bidders to be responsive and responsible. The Performance Oversight Committee recommends these items for award for a total cost of \$3,502,307.75.

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

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

The next resolution authorizes the Authority to file a grant application and enter into an agreement for Federal FY 2011 Transit Enhancement Funds. The Authority expects to receive an allocation from the FTA of Section 5307 Transit Enhancement Program Funding. These funds will be used for improvements to the Authority's Monongahela Incline operation control systems and for system-wide bus and rail signage improvements. This resolution authorizes filing the grant application and entering into agreements with the FTA, PENNDOT and Allegheny County to fund their respective portions of the Authority's FY 2011 Transit Enhancement Program.

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 Mr. Mattola, and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes a settlement of a public liability claim. On October 23, 2003, a Port Authority bus attempted to drive past an automobile that was on fire when a fire hose being used to put out the fire got caught in the rear axle of the bus. Mr. Henry Greenawald, a volunteer firefighter, was injured when he was thrown from his feet due to the tension placed on the fire hose becoming stuck under the bus. As a result of the accident, Mr. Greenawald suffered permanent injuries to his right arm, wrist and hand. The Authority and Mr. Greenawald have negotiated an agreement to fully and finally settle this claim in the amount of \$110,000.

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 Mr. Mattola, and unanimously agreed that the resolution be approved as presented.

The final resolution authorizes the Authority to enter into an agreement with LogicTree Corporation for a Hosted Interactive Voice Response Service. The Authority requires the services of a contractor to provide this service. This work consists of a fully-managed and hosted multi-managed and hosted multi-channel Interactive Voice Response Center to augment the Authority's existing Customer Service Call Center. A request for proposal was prepared and publicly advertised. The proposal submitted by LogicTree was determined to be the highest-rated proposal for the performance of these services. The agreement with LogicTree will be for a total not-to-exceed amount of \$805,200, with an initial three-year period with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.

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

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

Mr. Taylor remarked at this time that he feels it is great that we are making this move to become more responsive to our customers. With the changes in routes that we have made over the last several years, and with the new SmartCard system coming online, this is crucial to our riders. He commended staff for moving this forward.

Mr. Letwin continued reporting that the committee also received the Pension Plan Quarterly Update at their meeting. The second quarter investment performance for Port Authority's Consolidated Pension Fund and the ATU Local 85 pension fund was flat at a 0.7 percent total return and 0.2 percent total return, respectively. That is mostly due to significant occurrences in the marketplace.

The committee then received a presentation of the audit of the ACCESS Transportation Systems. The Internal Audit Department performed the audit of ACCESS Transportation's employee driver's licenses, motor vehicle registrations, and state inspections. The audit was performed after an ACCESS employee was involved in an accident and it was found that the driver had been driving with a suspended driver's license. The audit concluded that motor vehicle registrations and inspections were current on all vehicles used by the seven service providers of ACCESS. A review of the employee driver's licenses revealed that three employees had suspended licenses. Each instance involving an invalid license has been addressed by management at ACCESS. As a result of the audit, several recommendations were made to improve business processes and are being acted upon by management. Mr. Letwin noted that ACCESS leadership was in attendance at the committee meeting and were very cooperative.

An update of the North Shore Connector project was given by Project Manager, Keith Wargo. It was reported that overall construction is 96 percent complete and it is on schedule and within project budget.

The committee also discussed benefits consulting and brokerage services. The Authority issued a request for proposals for employee benefits consulting and brokerage services. As with all RFPs, the Authority issued this solicitation with the expressed right to cancel or modify the process.

With the release of Governor Corbett's Transportation Funding Advisory Commission recommendations, it is clear that any state funding solution will not be sufficient to sustain the current service levels alone, and the Authority will need to secure significant and unprecedented savings from the upcoming collective bargaining process with ATU 85, where a significant portion of these savings are anticipated to come from healthcare benefits. The current and ongoing dispute between Highmark and UPMC will also fundamentally alter the landscape for employer healthcare plans in the Pittsburgh region. After a lengthy review, the committee did not believe that the original RFP adequately conveyed the significance of these issues to allow proposers the opportunity to sufficiently address their qualifications and approaches in such a challenging environment. As a result, the committee has directed staff to cancel the current RFP, reject all proposals, make several scope revisions to the RFPs reflecting these changed conditions, and issue a revised RFP for these services as soon as possible.

That concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Mattola for a report from the Planning and Development Committee.

Although the Planning and Development Committee did not meet this month, Mr. Mattola wanted to report that staff and other committees of this Board have been very active in the ongoing debate over a solution to the statewide transportation funding crisis. He continued reporting that from a planning perspective, it is also critical that we conduct "what if" scenarios based on possible outcomes. Of course, one "what if" is on the assumption that the State does resolve the funding crisis in a manner consistent with Governor Corbett's Transportation Funding Advisory Commission report. As we said all along, while this is the single largest factor on which the future stability of our current service depends, it is not the only one. We must also gain unprecedented concessions when bargaining with ATU Local 85 to just sustain current service levels. In addition, we will also have to plan for a scenario where the State does not act and we are faced with an operating deficit of over \$64 million next year. In this case, even with the cooperation of Local 85, further deep service reductions will unfortunately be inevitable. As you heard earlier, Mr. Bland discussed some of the disturbing specifics associated with such an alternative. And, finally, now that the State legislature is back in session, our time for a statewide funding solution is growing short.

Mr. Mattola concluded his report by stating that, "recognizing the absolute responsibility of this Board to assure that the Authority "lives within its means," the Planning and Development Committee has directed staff to prepare materials over the next month detailing the possible consequences of no action by the Commonwealth of Pennsylvania."

This concluded the report of the Planning and Development Committee.

In Ms. Ellenbogen's absence, the Chairman called on Mr. Taylor for a report of the Stakeholder Relations Committee. Mr. Taylor reported that the Stakeholders Relations Committee held a public meeting on September 1, 2011. As Mr. Bland mentioned in his report, the lion's share of that meeting was focused on the state transportation funding crisis and examining the recommendations from the Governor's Transportation Funding Advisory Committee. Mr. Taylor noted that we have been fortunate that we have very active and growing participation from the broad range of stakeholders from the community who are keenly interested in the outcome of this funding crisis. As Mr. Bland alluded to, and Mr. Mattola just referenced, it is absolutely critical that we address, in the next two months, our current funding structure, both on the stable funding from the State as well as addressing

our long-term legacy costs. If we do not, we are facing difficult days. He noted that addressing either of those alone will not sufficiently address the challenges facing Port Authority.

Mr. Taylor reported that he feels it is critically important that the public understand the realities of where we are and referred to a matrix that was distributed at the meeting illustrating the reality of where the Port Authority is now and in the future. It clearly demonstrates that if we are not able to address both of those challenges, the legacy costs and long-term state funding, the Authority will continue to be deeply challenged and we will have to make some very severe reductions in service and in head count, and increase in fares. Noting that the service reductions we have already undertaken are beyond those that provide efficiencies. We are now providing less transit service than this region needs and what is vital to the long-term health and growth of our region.

Mr. Taylor continued reporting that, as reported earlier, the Transportation Funding Advisory Commission has issued its report. If you look at the realities of the political season, next year is an election year, and Mr. Taylor believes if we are not able to get some concrete resolution out of our State legislature before the end of this year, the political realities are that the legislature will not address transportation funding, in a comprehensive way, during an election year; adding that timing is critical.

As we are now at the end of September, there is a narrow window, so we want to encourage all of our stakeholders, all of the people who have invested interests, and that is everyone in this region, to please prevail on the Governor to take up the recommendations of the Advisory Commission that he appointed and to provide leadership to the legislature. Mr. Taylor added that it is clear that without the Governor's leadership, the legislature will not, on its own, initiate comprehensive action on this funding matter. The consequences of that window closing on us are severe.

Mr. Taylor wanted to end his report on a positive note. We receive reports at our Board meetings from time to time on activities that our employees are engaged in giving us a better understanding of the broader impact of what the Authority does as a vital part of this community. So, since often times we are unable to be at some of those events, we have the good fortune to bring one of those events here today.

As reported at previous meetings, the 31<sup>st</sup> National Wheelchair Games were recently held in Pittsburgh. Not only did the Veterans Administration hire Port Authority to provide transportation, but our employees were actively involved as volunteers at the event. In fact, the daughter of one of our Human Resources managers sang the National Anthem to kick off the event with many chipping in and being active throughout the entire week.

Mr. Taylor said that we are pleased to have with us Port Authority Bus Operator, Debra Bonneau and her grandson Davone Bonneau Jr. to help chronicle event. [At this time, a very touching film by Davone Bonneau Jr. was played for the Board demonstrating Port Authority's vital part of the Wheelchair Games].

Mr. Taylor concluded his report by thanking Operator Bonneau, her grandson, Davone Bonneau Jr., and all of the employees that participated in such an important event.

Although the Governance Committee did not meet, the Chairman gave the following report.

The Governance Committee recommends Board ratification of the Collective Bargaining Agreement with Local 29 of the International Brotherhood of Electrical Workers. IBEW represents a number of employees in the Customer Service and Treasury Departments.

On behalf of the Governance Committee, the Chairman requested a motion for ratification of the Collective Bargaining Agreement with Local 29 of the International Brotherhood of Electrical Workers.

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

There was no new business.

The next Regular Meeting of the Board will be Friday, October 28, 2011.

Approved