

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, MARCH 23, 2012

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, March 23, 2012 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 Mattola
Amanda Green Hawkins
Mavis Rainey
Joe Brimmeier
Eddie Edwards
Joel Lennen, General Counsel

Media:

Lauren Daley, City Paper

Port Authority Staff:

Stephen Bland, chief executive officer, Winston Simmonds, Rail Operations/Engineering officer, Wendy Stern, assistant general manager Planning and Development, Ellen McLean, chief financial officer, Tawnya Moore-McGee, assistant general manager Human Resources, Jim Ritchie, Communications officers, Dan DeBone, Community and Government Affairs Officer, Rich Wojnar, director Road Operations, Bob Duffy, assistant manager Road Operations, John D'Angelis, manager Contract Administrator, John Beeler, manager Customer Service, Dottie Buchanan, Smart Card Customer Service coordinator, Fred Mergner, assistant manager Scheduling Department, Denise Henderson, director bus operations, Tom Noll, director Technical Support and Capital Programs, Deborah Skillings, Community Outreach coordinator, Brenda Fink, director Internal Audit, Karen Bown, administrative assistant, Diane Williamson, executive assistant

Other

Jonathan Robison
Annette Kroll
Jim Robinson, president ACTC
Glenn Walsh
Joe Bianco, MEC
Felicia Themo, Sci-Tek Consultants
Joan Natko, ACTC Legislative Chair

Before calling the meeting to order, the Chairman introduced Port Authority's newest Board member, Mr. Joe Brimmeier. Mr. Brimmeier served as CEO for the Pennsylvania Turnpike Commission for eight years. He brings an extensive background in transportation and government, which we obviously appreciate. We look forward to working with Joe and welcome him to the Board.

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the January 27, 2012 Annual Meeting and February 24, 2012 Regular Meeting. The motion was moved, seconded and passed.

The Chairman called on Mr. Bland for a report. Mr. Bland started his report by updating the group on our fiscal crisis. He reported that we held an all-day public hearing on February 29 at the David

Lawrence Convention Center. The testimony we received from nearly 350 individuals showed the devastating impact the 35 percent cut to our service levels would have. On a positive note, Mr. Bland said that it was evident that the community is really rallying behind us and much of the testimony demonstrated how strongly this community supports public transportation and Port Authority, specifically.

Mr. Bland continued reporting that a week ago he had the opportunity to meet with Governor Corbett, along with County Executive Rich Fitzgerald and Transportation Secretary Barry Schoch, to discuss Port Authority's fiscal issues. Noting that, to the Governor's credit, the meeting was initiated at his request. Overall the meeting was very positive, but it focused on broader issues, not the specifics, and not just Port Authority, but the State transportation network in general. Everyone at the table recognizes that resolving these issues long term, and hopefully permanently, will require some very heavy lifting on the part of all the parties, including the State, the County, Port Authority, and certainly the Collective Bargaining Units. Mr. Bland promised that he will keep everyone updated on any new developments in that area.

Today, at least for one day, everyone associated with Port Authority should say this is a great day and a reason to celebrate as we are two days away from opening the North Shore Connector. He reported that discussions of this project started in 1996, so today, we are going to do a bit of a celebration, although understated, but a celebration nonetheless. At 1:00 p.m. today, we will hold our first ceremonial ride through the tunnel. We have an awful lot of folks interested in doing that, and we have well over 500 people planning to attend from community leaders, media, the business community, and leadership from all walks of life. Mr. Bland is looking forward to the start of revenue service this Sunday, when the greater Pittsburgh region will get to enjoy the fruits of our labor. For the past 15 years, Port Authority has been the implementing agency of what is a regional vision and he could not be more proud of not just our employees, but the contractors, the consultants, and the elected officials who put time in on this project. Mr. Bland stated that in his opinion, he thinks without a doubt, this is the most complex public works project in the history of Southwestern Pennsylvania.

Mr. Bland continued saying that when he is asked how Port Authority will measure the success of the North Shore Connector, his direct answer is that we built it and we will be operating it in what would be a safe, clean and efficient manner. And now what will be really interesting to see is how the region takes advantage of this tremendous asset. For example the ability to do larger events on the North Shore, the ability to expand development on the North Shore, and the ability to expand the congested parking for downtown. We have been saying for quite some time, as well as other community partners like the Pittsburgh Downtown Partnership, this facility isn't just a rail line, it is the extension of the boundaries of Downtown Pittsburgh. Downtown Pittsburgh is a very vibrant place, and this allows that very vibrant place to become bigger and even more vibrant.

Mr. Bland then reported that he and several of our staff members, including Government Affairs, have had the good fortune to work with Port Authority's newest Board member, Mr. Joe Brimmeier, in his prior life as the Executive Director at the Pennsylvania Turnpike Commission back a few years ago when we were working through Act 44. We had a number of meetings with Joe on those issues in Harrisburg and D.C. We very much appreciate Joe's experience and his transportation background and he will be an asset to this Board.

This concluded Mr. Bland's report.

The Chairman called on Ms. Mavis Rainey for a report from the Performance Oversight Committee.

Ms. Rainey reported that there was a meeting of the Performance Oversight Committee on Wednesday, March 21, 2012, and the notes from the previous meeting were approved by the committee.

First the committee reviewed the operating budget. It was reported that passenger revenues for February are up \$138,261 over February 2011, reflecting a ridership increase for the month of 10.17 percent over February 2011. Year-to-date passenger revenue is ahead of budget by \$2.7 million, largely a result of greater than budgeted farebox revenue and the sale of tickets and weekly and monthly passes. With the economy rebounding to some extent and gasoline prices increasing, our fiscal year-to-date ridership is up 0.8 percent through February, despite a 15 percent service reduction last March. Operating income through February is up approximately \$2.8 million over budget. February expenses across the board are favorable to budget by approximately \$13.8 million. Some of these savings to date are due to timing of expenses, and although we expect actual expenditures to be better than budget, we do expect to be closer than this by the end of the fiscal year. Ms. Rainey noted that we benefited from Highmark's healthcare premium freeze, reduced utility costs as a result of early price locks, savings on diesel fuel, and general cost controls across the organization. For the month ending February 29, cash on-hand totaled \$29,402,000. Currently, \$14 million is drawn on our line of credit and \$23 million in reserves.

Ms. Rainer reported that there were eight resolutions reviewed at the meeting, and the Performance Oversight Committee recommends the following resolutions for approval.

First the committee reviewed six procurement actions, listed in the board packet, in the amount of \$3,460,933.35. 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 \$3,460,933.35.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

The next resolution authorizes the Authority to enter into an agreement with Cowden Associates to provide pension plan actuarial services. Cowden Associates was determined to be the highest-rated proposal for the performance of services out of the six proposals received. An agreement for the total not-to-exceed amount of up to \$900,000 is recommended for approval, and would be allocated on an as-needed basis through task-specific work orders. The agreement will be for a three-year period with the option to extend the term of agreement up to an additional two years at the sole discretion of the Authority.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

The next resolution authorizes the Authority to file a grant amendment application with PENNDOT to receive funds through Section 1514 of Act 44. The Authority must submit applications to PENNDOT throughout the year to obtain funds available for the Authority under Section 1514, asset improvement programs, under the provisions of Act 44 of 2007. This resolution authorizes the filing of grant applications to PENNDOT to receive an additional \$5,633,582 in capital assistance during FY 2012. This resolution further authorizes the execution of contracts with PENNDOT for these funds upon approval of the applications.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

The next resolution authorizes the Authority to extend the term of agreement with Chester Engineers for the performance of environmental contract services. In October 2006, the Authority entered into an agreement with Chester Engineers to provide environmental-related consulting and other services. The agreement expires on March 31, 2012. In order for Chester Engineers to continue to provide services, and to allow for the completion of ongoing projects, the Authority has determined that it is in its best interest to extend the term of agreement to July 31, 2012, with no increase in the previously authorized amount.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

The next resolution authorizes the Authority to continue engineering services with AECOM Technical Services, Inc., for the North Shore Connector project. On July 26, 2002, the Authority's Board authorized entering into an agreement with DMJM Harris, now known as AECOM USA, to perform architectural and engineering design and support services for the North Shore Connector project. Previous amendments to the agreement authorized services for a not-to-exceed amount of \$51,180,277. The continuation of construction support activities is required through December 31, 2012, to support construction, prepare as-built drawings, start-up, and revenue operations of the project. This resolution will authorize the Authority to continue services through December 31, 2012, and to increase the not-to-exceed amount by \$400,000 for the additional services for the project. The total not-to-exceed amount of the agreement will be increased to \$51,580,277. This revised amount remains within the overall budget for the project.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

The next resolution authorizes the Authority to establish the Eight Incremental Work Program with Tri-Gold for the North Shore Connector project. The Authority entered into an agreement in February 2001, with Tri-Gold to provide project management and construction management services for the

North Shore Connector project. The current term of agreement expires on June 30, 2012. The Authority has determined it is in its best interest to extend the term of agreement to December 31, 2012. The not-to-exceed amount of the Eighth Incremental Work Program is \$800,000, increasing the total not-to-exceed amount to \$46,300,000. This revised amount remains within the overall budget for the project.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

The next resolution authorized the Authority to extend agreements for general, architectural, and engineering contract services with URS Corporation and Gannett Fleming, Inc. The Authority entered into separate agreements with URS Corporation and Gannett Fleming, Inc., in May 2009 to provide professional engineering services. Services are issued on a work order basis as they are approved to proceed by the Authority. The agreements are for a three-year period with the option to extend the term of the agreements up to an additional two years at the sole discretion of the Authority. The initial three-year term of the agreements expires on April 30, 2012. The Authority has determined that it is in its best interest to exercise its option to extend the term of the agreements for two additional years to April 30, 2014, in order to continue to utilize the services of the contractors to perform the services on an as-needed basis through task specific work orders.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

The final resolution authorizes the Authority to extend and amend agreements for light rail transit systems contract services with LTK Engineering Services and Hatch Mott MacDonald, LLC. The Authority entered into separate agreements with LTK Engineering Services and Hatch Mott MacDonald in May 2009, to provide professional engineering services. Services are issued on a work order basis as they are approved to proceed by the Authority. The agreements are for a three-year period with an option to extend the term of agreements up to an additional two years at the sole discretion of the Authority.

In June 2010 and March 2011, the Board approved an increase to these agreements by \$2,300,000 and \$2,500,000, respectively, to the current total combined not-to-exceed amount of \$6,800,000. The initial three-year term of the agreements expire on April 30, 2012. The Authority has determined that it is in its best interest to exercise its option to extend the term of the agreements for two additional years to April 30, 2014, and to further increase the total combined not-to-exceed amounts of the agreements by \$1,000,000 to a total of \$7,800,000, in order to continue to utilize the services of contractors to perform the services.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

An overview of the Authority's Disadvantaged Business Enterprise Program was given to the Performance Oversight Committee. It provided the background, eligibility requirements, and prior year data of the program.

An update of the North Shore Connector project was presented to the committee. It was reported that overall construction is 99 percent complete, on schedule and well within project budget.

Staff then provided an update on various marketing activities that are planned in March leading up to the opening of the North Shore Connector project.

As reported earlier by Mr. Bland, Ms. Rainey announced that a dedication event for the North Shore Connector project will be held this afternoon and will open again for revenue service on Sunday, March 25.

This concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Jonathan Robison for a report. Mr. Robison reported that as he has been saying for months, the main thing he wanted to say today was to call the Governor. It is clearer and clearer how essential it is to get an agreement for transportation funding statewide as SEPTA is now facing imminent problems. He added that he hears rumors that there may be some resolution afoot of the Governor's support for transportation funding, especially due to strong efforts by our County Executive, Rich Fitzgerald.

The Chairman called on Mr. Mattola for a report of the Planning and Development Committee. Mr. Mattola reported that on Wednesday, February 29, we were joined by riders, community leaders, and organizations at an all-day public hearing at the David L. Lawrence Convention Center. We accepted testimony on the proposed 35 percent service reduction and fare increases that would be required to offset a projected \$64 million budget. Diverse voices came together to make it perfectly clear that public transportation is a vital part of our lives. Two concurrent hearings were all held throughout the day to accommodate all the people who wanted to speak. A total of 357 people took time out of their busy schedules to tell us just how important this vital asset is to our region. Outside the hearing room, more than a dozen local organizations staffed tables to speak with attendees in support of public transportation. This was a tremendous show of support, and another clear sign that we all want good bus, T and paratransit service in Allegheny County.

Mr. Mattola continued reporting that all who attended the public hearing sent a message that ensuring public transportation is not a choice, it is a necessity. Stabilizing this tremendous asset in Allegheny County is a top priority. This public hearing was the forum to tell the State why this matters, that cities like Pittsburgh, and counties like Allegheny, demand sufficient public transportation to prosper. Public transportation is critical to the economic vitality of our region, and a lifeline for many of us. It cannot be compromised. Mr. Mattola noted that it was truly heart-wrenching to hear the personal stories of those involved and affected by the service changes, and the hardship that will result.

Mr. Mattola concluded his report by thanking everyone who took the time to make their voices heard. We will continue to join you in calling for the action necessary to protect public transportation in Allegheny County.

This concluded the report of the Planning and Development Committee.

The Chairman announced that the Stakeholder Relations Committee and Governance Committee did not meet this month and there is nothing to report.

There being no further business, the meeting was adjourned.

The next Regular Meeting of the Board will be Friday, April 27, 2012.

Approved