

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, MAY 31, 2013

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, May 31, 2013 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:**

Thomas Donatelli, Vice Chairman  
Constance Parker  
John Tague Jr.  
Mavis Rainey  
John Brooks  
Robert Hurley  
Eddie Edwards (via phone)  
Joel Lennen, General Counsel

**Media:**

Jon Schmitz, Post-Gazette

**Port Authority Staff:**

Ellen McLean, interim chief executive officer, Mike Cetra, assistant general manager Legal and Corporate Services, Keith Wargo, assistant general manager Engineering and Technical Support, Jim Ritchie, Communications officers, Heather Pharo, Public Relations & Communications Coordinator, Deborah Skillings, Community Outreach coordinator, Tom Noll, director Technical Support & Capital Programs, John DeAngelis, manager Contract Administration, Ed Typanski, director Grants and Capital Programs, Denise Henderson, director Bus Operations, Brenda Fink, director Internal Audit, Diane Williamson, executive assistant

**Other**

Jim Robinson, ACTC President  
Jonathan Robison, ACTC  
Glenn Walsh  
Annette Kroll  
Lee Palumbo, Auditor General's Office  
Mark Wiezorek, Auditor General's Office  
Angie Fink, Auditor General's Office  
Austin Davis, Allegheny County Executive's Office  
Carolyn Lenigan  
Aaron Pittman, County Council  
Rodney Akers, Governor's Office  
Joan Natko, ACTC

The Vice Chairman called the meeting to order and recommendation was made for approval of the minutes of the April 26, 2013 Regular meeting. The motion was moved, seconded and passed.

The Vice Chairman called on Ms. Constance Parker for a report of the Performance Oversight Committee.

Ms. Parker reported that a meeting of the Performance Oversight committee was held on Wednesday, May 15, 2013 and the notes from the previous meeting were approved by the committee.

It was reported at the Performance Oversight Committee meeting that operating income for the month of April 2013 was \$973,337 above last year. The positive variance is due to passenger revenues exceeding April 2012 totals. It was also reported that total operating income for the year is \$2.6 million under budget. Passenger revenues were \$2 million under budget and advertising revenue was \$295,000 under budget. However, revenues for the month exceeded budget by \$210,000, which is the first time this has happened since November.

It was reported at the Performance Oversight Committee that total expenses for the month of April were \$371,166 below last year's levels. This variance was predominantly due to employee benefits and ACCESS expenses being below the April 2012 totals. Total expenses are \$25.2 million under budget with every expense category under budget year-to-date. The savings were in employee benefits and material and supplies. It was also reported that Port Authority ended April 2013 with a little over \$27 million in cash.

Ms. Parker continued reporting that there were nine resolutions discussed at the meeting. The following resolutions were reviewed and are being recommended by the Performance Oversight Committee for approval.

First, the committee reviewed six procurement actions and found these bids to have been submitted in accordance with the Authority's procurement policies and procedures, prices to be fair and reasonable, and the bidders to be responsive and responsible. The Performance Oversight Committee recommends these items for award in the total amount of \$2,523,305.50, as described in the Board packet.

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

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

The next resolution authorizes the Authority to award a construction contract for the Edgebrook Avenue Bridge Rehabilitation and Replacement project. The resolution provides for the partial rehabilitation of the Edgebrook Avenue Bridge on the Authority's East Busway. The lowest bidder meeting the Authority's specifications for the contract was Mosites Construction Company in the amount of \$1,937,777.77 and it is being recommended that the contract be awarded to Mosites Construction Company subject to the pre-award requirements.

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

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

The next resolution authorizes the Authority to extend agreements with PB Americas, Inc., Management Engineering Corporation and URS Corporation to provide construction management

and engineering support services. Services are issued on a work order basis as they are needed and approved to proceed by the Authority. The agreement provided for an initial term of three years with the option to extend the term up to an additional two years at the sole discretion of the Authority. Ms. Parker noted that the Authority previously exercised its option to extend the term one additional year. The agreements originally had a total not-to-exceed amount of \$3.5 million to be allocated among the firms. The initial three-year term and first-year extension expires on June 30, 2013. The Authority has determined that given current active construction contracts, it is in its best interest to exercise its option to extend the term of the agreements for one additional year to June 30, 2014, with no increase to the previously authorized amount of the agreements.

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

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

The next resolution authorizes the Authority to amend the agreement with Scheidt & Bachmann USA, Inc., to extend the Farebox Component Warranty Services for the replacement of the Automated Fare Collection System. In November 2008, the Authority's Board authorized entering into an agreement with S&B to replace the Authority's existing farebox and cash-handling system with the electronic Smart Card-based Fare Collection System. In June 2012, the Board authorized an amendment to the agreement to include certain optional services. S&B has progressed with the installation and replacement of the Automated Farebox Collection System and it is necessary to pursue certain additional optional services to maintain, repair and keep operational the functionality, availability, reliability and performance of the Fare Collection System.

This resolution will increase the current agreement by \$3.9 million and authorize the Authority to exercise its option to have S&B perform the Extended Farebox Component Warranty Services for an initial three-year term with the option to extend the term up to an additional two years at the sole discretion of the Authority and to increase the previously authorized not-to-exceed amount of the agreement from \$37,570,000 to \$41,650,000.

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

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

The next resolution authorizes the Authority to extend and amend the agreement with a pool of firms to provide investigative services. In May 2010, the Authority's Board authorized the award of agreements to the firms listed in the Board packet to provide services for a three-year period with two option years for a total not-to-exceed amount of \$300,000, to be allocated on an as-needed basis through task specific work orders for the initial three-year term of the agreement. The initial three-year term of the agreements expires on June 30, 2013, and the Authority has determined that it is in its best interest to extend the term of agreements for the first additional option year to June 30, 2014, with no increase to the previous authorized total not-to-exceed amount with four of the five firms designated in the packet.

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

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

The next resolution authorizes the Authority to establish a second year budget with Veolia Transportation Services, Inc. In May 2012, the Authority's Board authorized the award of a five-year agreement with Veolia Transportation Services, Inc., also known as ACCESS. The agreement specified that a budget for the agreement will be established annually by the Board for each fiscal year. Negotiations with Veolia have concluded with the proposed budget for the agreement's second year, covering the period July 1, 2013 through June 30, 2014, established at a not-to-exceed amount of \$2,292,000. The proposed FY 2014 budget represents no increase when compared to FY 2013.

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

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

The next resolution authorizes the Authority to extend the revolving credit facility to finance working capital cash flow deficits. The Authority receives annual operating grants from the State and County. The Authority anticipates that it will experience temporary working cash flow deficits as a result of the timing of receipt of the operating grants. In 2011, the Authority entered into an agreement with Huntington National Bank to provide the necessary working capital credit facility. The agreement with Huntington includes the right to extend the agreement by two additional fiscal years. The Authority desires to extend the term of the Huntington National Bank credit facility by exercising its second option year and entering into a new working capital credit facility with Huntington in an amount not-to-exceed \$25 million and with a term to begin on or after July 1, 2013 and end no later than June 30, 2014, in order to finance working capital cash flow deficits resulting from the timing of the receipt of grants from the State and County.

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

It was moved by Mr. Brooks, seconded by Ms. Rainey, and unanimously agreed that the resolution be approved as presented. [Note: Mr. Edwards abstained.]

The next resolution authorizes the Authority to extend and amend the agreement with Bank of America to provide merchant bank card service for the Automated Fare Collection System. In July 2009, the Authority's Board authorized the award of an agreement to Bank of America to provide services for a three-year period with two option years for a total not to-exceed amount of \$750,000 for the initial three-year period of the agreement that expires on June 23, 2013. The Authority has determined that it is in its best interest to extend the term of the agreement for the first additional option year to June 23, 2014 and to increase the total not-to-exceed amount by \$300,000 in order for the services to continue. This resolution will authorize extending the term of agreement for one additional year and to increase the previously authorized total not-to-exceed amount of the agreement from \$750,000 to \$1,050,000.

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

It was moved by Mr. Brooks, seconded by Ms. Rainey, and unanimously agreed that the resolution be approved as presented. [Note: Mr. Edwards abstained.]

The Pennsylvania Public Transportation Law, Act 44, mandates that the Authority submit to PENNDOT an annual application for State operating assistance. The final resolution authorizes the Authority to submit an application for State operating assistance for FY 2014 in the amount of \$190,624,011.

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

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

This concluded the report of the Performance Oversight Committee.

The Vice Chairman called on Mr. Jonathan Robison for public remarks. Mr. Robison stated that the time is now for transit funding. SB1 has been introduced by State Senator, John Rafferty, a Republican and chair of the Senate Transportation Committee. It is our best hope, maybe our only hope, for the money to prevent devastating cuts in public transportation.

Three buses will be leaving from downtown and the Hill District at the David Lawrence Convention Center on Tuesday, June 4 to lobby for SB1 in Harrisburg. If Harrisburg is not feasible, please contact legislators, especially those outside of Pittsburgh.

Mr. Robison also briefly expressed concerns with Port Authority's plans to discontinue a large number of stops. Most of the riders who now use these stops can walk to another stop without too much difficulty, but some who use Port Authority, primarily elderly and persons with disabilities, will no longer be able to use Port Authority services. Mr. Robison concluded his report by asking Port Authority staff if they could provide the number of people who will not be able to get to the eliminated stops.

The Vice Chairman called on Mr. Tague for a report of the Planning and Stakeholder Relations Committee. Mr. Tague reported that at this month's committee meeting, we were provided with a preview of the preliminary FY 2014 operating and capital budgets. Mr. Pete Schenk, Port Authority's interim chief financial officer, presented a few highlights of the operating budget. They were:

1. No fare increases planned for FY 2014.
2. Significant pension savings from increased employee contributions to 10.5 percent.
3. Significant pension savings from the contractual agreement with ATU Local 85 to switch from a five-year smoothing period to a 10-year smoothing period to recoup liability related to market losses.
4. Budget assumes \$30 million in additional State Operating Assistance per the Governor's agreement and required County and Regional Asset District match.
5. Medical premiums budgeted to increase by 10 percent which includes increases for the Affordable Care Act.

6. Contract locked in diesel fuel for the first six months of fiscal year at \$3.55. There is no contract in place for the second six months of the fiscal year, but the Procurement Department continues to monitor prices for this period.
7. Gross expenses are down approximately 1.5 percent, primarily due to pension expense reductions.

The following highlights of the FY 2014 Capital Budget were provided to the Planning and Stakeholder Relations Committee by Mr. Ed Typanski, director Grants and Capital Programs:

1. The budget fully funds debt service, operating relief and the purchase of 60 low floor buses.
2. Very minimal new infrastructure/facility projects. The budget mainly includes funding for next train/bus real time and West Mifflin's three-post hoist.
3. No funding of non-revenue vehicles such as police cars, dump trucks, etc.
4. No funding of Shop equipment replacement.
5. No funding for any AFCS enhancements, such as web portal enhancements and new commercial portal.
6. No funding for any IT enhancements, such as PeopleSoft Finance Upgrade, Network Upgrade and PC replacement.

Mr. Tague continued reporting that the second item on the agenda was a resolution requesting authorization to extend the term of the lease agreement with Parkway Parking of Pennsylvania, Inc., for the Wabash HOV parking facility.

On October 23, 2009, Parkway Parking, being the lowest responsible bidder, was awarded a contract for the lease and operation of the Authority's 150-space Wabash HOV parking facility. The lease was for a two-year period in the amount of \$310,000 and included up to three one-year option periods to be exercised at the Authority's sole discretion. On November 23, 2011, the Board authorized the exercise of two of the three one-year option periods. Total rent paid to the Authority in year three of the lease was \$158,875 and the total rent in year four of the lease is \$162,847. The lease is set to expire on December 31, 2013. This request is to exercise the final option year and extend the lease until December 31, 2014, for a total additional rental amount payable to the Authority by Parkway in the amount of \$166,918.

On behalf of the Planning and Stakeholder Relations Committee, Mr. Tague respectfully requested approval of the resolution as presented.

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

The second resolution considered by the Planning and Stakeholder Relations Committee was authorization to convey real property to Eastside Limited Partnership, which is a special purpose development entity of the Mosites Development Company. Port Authority owns and operates an approximately 65,918 square foot parcel and related easements near the Martin Luther King Jr. East Busway and East Liberty Bus Station. This property had been utilized as a bus layover and turnaround area, but subsequent to the two-way conversion of Penn Avenue in 2011, it is no longer being used. Over the past several years, the Authority has been working with the City of Pittsburgh, the Urban Redevelopment Authority, Eastside Limited Partnerships III (Eastside) and related stakeholders and community members to advance development and neighborhood revitalization efforts in the East Liberty, Shadyside, and Penn Avenue corridor.

These efforts include plans for a new Transit Center and improved pedestrian access from the East Liberty Station to Penn Avenue utilizing, in part, a \$15 million Federal Tiger IV Grant awarded to the URA in June 2012. As part of these ongoing efforts, Eastside has requested Port Authority to convey the property to Eastside. This is excess property and will not be required for ongoing or future transit purposes. The sale of the property to Eastside will advance and potentially provide additional funds for the project.

Mr. Tague continued reporting that appraisals were conducted and the sale value of the property has been determined to be \$690,000. The appraisal factored in the value of a perpetual access easement that Eastside will convey back to the Authority for employee and patron access and the value of annual payments over a 20-year period that the Authority is going to receive to offset project maintenance costs. As part of a planned Transit Revitalization Investment District, TRID, plan being advanced by the city and URA, and subsequent to the approval of the Board, the proposed sale must also receive FTA concurrence.

This resolution authorizes staff to complete the proposed conveyance of property for the sale price of \$690,000 and certain other considerations, subject to FTA concurrence. It further authorizes the Authority to enter into related agreements for the perpetual access easement and for the annual maintenance payments from the TRID plan.

On behalf of the Planning and Stakeholder Relations Committee, Mr. Tague respectfully requested approval of the resolution as presented.

It was moved by Mr. Hurley, seconded by Ms. Parker, and unanimously agreed that the resolution be approved as presented. [Mr. Donatelli abstained.]

Mr. Tague concluded his report by indicating that the Planning and Stakeholder Relations Committee continues to coordinate with stakeholder groups as discussions continue statewide regarding transportation funding.

This concluded the report of the Planning and Stakeholder Relations Committee.

The Governance Committee did not meet this month and will not have a report.

Under new business, Mr. Hurley wanted to discuss Mr. Robison's question regarding the elimination of stops, noting that that decision was made over a year ago. Mr. Hurley also stated that one thing to note is that nearly 60 percent of the stops do not have any passengers being picked up or dropped off at those stops. He continued saying that he feels we should look into Mr. Robison's question with regard to disabled individuals or others with issues. Mr. Hurley noted that the Board did have a conversation regarding this issue earlier and that he believes the interim chief executive officer can give the details of that discussion.

Ms. McLean reported that of the 423 stops, 60 percent, or 255, have no riders. We have counts in the buses and over a period of time we have looked at them and no one has gotten on at 60 percent of those stops. She continued reporting that 154 of those stops, or 36 percent, have one person who gets on or off on average in a day. And then for the remaining 14 stops, or three percent, on average two people get on or off in a day. So these are stops that were not being utilized.

Ms. McLean stated that if, for some reason, we have missed someone and certainly someone with a disability, we would ask that they call and let us know through the Customer Service Department and then we would be able to address that and change it. But as Mr. Hurley mentioned, these stops have been evaluated in the Transit Development Plan and approved for removal about 18 months ago.

With no additional business, the meeting was adjourned.

The next Regular Meeting of the Board will be Friday, June 28, 2013.

Approved