

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, JUNE 28, 2013

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, June 28, 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:**

Jeff Letwin, Chairman  
Thomas Donatelli  
Constance Parker  
John Tague Jr.  
John Brooks  
Amanda Green Hawkins  
Robert Hurley  
Mavis Rainey (via phone)  
Joel Lennen, General Counsel

**Media:**

Ed Blazina, Post-Gazette

**Port Authority Staff:**

Ellen McLean, interim chief executive officer, Mike Cetra, assistant general manager Legal and Corporate Services, Bill Miller, chief operations officer, Keith Wargo, assistant general manager Engineering and Technical Support, Jim Ritchie, Communications officer, Wendy Stern, assistant general manager Planning and Development, Deborah Skillings, Community Outreach coordinator Tom Noll, director Technical Support & Capital Programs, John DeAngelis, manager Contract Administration, Ed Typanski, director Grants and Capital Programs, Anthony Trona, director Purchasing and Materials Management, Scott Vetere, director Service Planning, Fred Mergner, assistant manager Scheduling and Service Planning, Amy Silbermann, Data Analyst, Inez Colon, director Employment, Diane Williamson, executive assistant

**Other**

Jim Robinson, ACTC President, James Love, ACTC, Jonathan Robison, ACTC, Jon Smith, ACTC, Glenn Walsh, Maria Atkinson, Sci-Tek, Annette Kroll, Andre Young, Clever Devices, Lee Ann Palumbo, Auditor General's Office, Len Stidle, MEC, Mark Wieszorek, Auditor General's Office, John Wojtyna, Angie Fink, Auditor General's Office, Austin Davis, Allegheny County Executive's Office, Carolyn Lenigan, Joe Catanese, County Council, Rodney Akers, Governor's Office, Joan Natko, ACTC

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the May 31, 2013 Regular meeting. The motion was moved, seconded and passed.

The Chairman called on Mr. Jonathan Robison for public comment. Mr. Robison started his remarks by saying that he honestly thought that we would be able to move forward in developing ideas for a new day at PAT based on Senate Bill 1. The bill had bipartisan support, was backed by businesses and community organizations, led by the Allegheny Conference on Community Development, by environmental groups, by the unions and nearly everyone in the State Senate. Jonathan thought finally we have transit funding and finally we can work on

other problems. But, unfortunately, republican leadership in the Pennsylvania House referred SB1 back to committee with directions to gut the bill passed by the Senate and produce a totally different bill, with about half the funds necessary according to Governor Corbett's Transportation Funding Reform Commission. The bill would increase 50 percent the funding required from Allegheny County and it would also mandate private operation of 10 percent of the Port Authority system. It would also mandate that the County pay for a study on further privatization. It would also eliminate prevailing wage rules for construction. It would also cut funding for bicycle and pedestrian safety. That bill seems worse than no bill at all.

Mr. Robison continued his remarks by asking, "What can we do?" We have written and petitioned, held rallies, gone to Harrisburg, distributed leaflets, pleaded and cajoled. We mobilized arguments ranging from the spiritual to the economic, as did the Allegheny Conference on Community Development and the Pittsburgh Community Reinvestment Group.

At this time, Mr. Robison offered a personal solution that was discussed at last night's ACTC Policy Committee meeting, but not yet before the ACTC Executive Committee. His suggestion is to exert leverage on some major campaign contributors of the legislators who are leading the opposition to adequately fund transportation. We can identify and contact the corporations who make the major contributions. We can tell the corporations that they are being held responsible for the elected officials who were the objects of their largess. We can discourage our friends and neighbors from patronizing their businesses until the legislature approves adequate transportation funding.

This concluded Mr. Robison's remarks.

The 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, June 19, 2013, and the notes from the previous meeting were approved by the committee.

At the meeting, it was reported that the operating income for the month of May 2013 was above the 2012 totals. The main contributor to this was an increase in passenger revenue over 2012. Total operating income is under budget by \$2.7 million due to a shortfall in passenger revenue. Total expenses for May 2013 were below the totals for May 2012. The main contributor to this is the employee benefits being below the May 2012 totals. This variance was due to Port Authority recognizing a pension expense credit from the recently completed Local 85 pension valuation. Total expenses were under budget. \$13.5 million of this variance is due to savings in pensions and healthcare. May 2013 ended with approximately \$30 million in cash.

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

The Performance Oversight Committee reviewed three procurement actions and found these actions to be in accordance with the Authority's procurement policies and procedures, prices to be fair and reasonable, and bidders to be responsive and responsible. The Performance

Oversight Committee recommends these items for award for approximately \$1.4 million 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, seconded, and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to enter into agreements with GAI Consultants, Inc., and Mackin Engineering Company, to provide inspection and engineering services. The Authority requires a pool of up to two firms to provide inspection and engineering services. After review of the proposals received, it was determined that GAI Consultants and Mackin Engineering Company were the highest rated proposals for the services. The total not-to-exceed amount of the agreement is \$6.2 million and will be allocated on an as-needed basis through task-specific work orders among the two firms. The agreements will be for a four-year period with the option to extend the term of the agreement up to an additional one year.

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

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

The next resolution authorizes the Authority to award construction contracts for the East Liberty Division Plumbing and Paving Improvement projects. After review of the bids, it was determined that the bid of W. G. Tomko in the amount of \$1,422,952.16, for the plumbing contract and the bid of Michael Facchiano Contracting, Inc., in the amount of \$3,248,998.85, for the general construction contract were the lowest responsible bidders. It is recommended that the contract be awarded to W. G. Tomko, Inc., for the plumbing contract, and Michael Facchiano Contracting, Inc., for the general construction, subject to completion of the pre-award requirements.

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

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

The next resolution authorizes the Authority to append and amend the software licensing agreement with Oracle American, Inc., to provide training services. The Authority entered into a software license and service agreement with PeopleSoft USA, Inc., which provided for the purchase of training, licensing and maintenance support services for certain PeopleSoft software modules. Pursuant to the agreement amendments, the Authority's Board approved additional training in May 2003 for a five-year period through FY 2008 and in June 2008 for a five-year period ending June 30, 2013. PeopleSoft USA, Inc. has since changed its name to Oracle America, Inc. Previously, Oracle was the only source of certified training available to the Authority and the Authority properly acquired training as a justifiable sole source acquisition. Recently however, Oracle has begun a program to train and certify additional non-affiliated companies to provide certified training and these trainers may be available to provide training for

the Authority. Since Oracle is no longer the sole source of the Authority-desired training, the Authority must utilize its competitive solicitation process to acquire training. In accordance with the Authority's Limits of Authority Policy, it is recommended that the existing agreement with Oracle America, Inc. be extended an additional six months to December 31, 2013, without an increase in the previously authorized total not-to-exceed amount, in order to allow a sufficient time to complete a new solicitation for the acquisition of training.

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

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

The next resolution authorizes the Authority to extend and amend the agreement with Parsons Brinckerhoff, Inc., for bus rapid transit. The Authority previously awarded an agreement to Parsons Brinckerhoff, Inc., to perform an alternatives analysis and a national environmental policy review for the bus rapid transit line. The initial two-year term of the agreement expires on July 31, 2013. The Authority has determined that it is in its best interest to exercise this option to extend the term of agreement an additional one year to July 31, 2014, with no increase to the previously authorized not-to-exceed amount of the agreement.

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

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

The final resolution authorizes the Authority to amend the agreement with Clever Devices. In November 2012, the Board authorized an amendment to the agreement with Clever Devices to upgrade the operating system hardware and software. The Authority desires to advance to the next phase of enhancing the Authority's existing on-board Intelligent Transportation System, and to provide customers with real time service information. Services are being acquired as a sole-source procurement as Clever is the only source from which the Authority can acquire the hardware and software that interfaces with the Authority's existing system. The Authority has determined that the pricing of the new software, and related services, is competitive and comparable to prices charged to others. It is recommended that the agreement with Clever Devices is amended for the acquisition of services in the amount of \$3.4 million.

Before approval Ms. Hawkins asked, with regards to the real time passenger information, if people are able to look at a smart phone or some application to see where buses are in that time frame. Ms. Wendy Stern, assistant general manager Planning and Development, answered that there will be an application on smart phones. It will be on the website and there will be some limited displays at high volume stations eventually that will tell you when the next bus will come. Right now, we only have scheduled information, but eventually that will tell you in real time when the next bus is due to arrive.

Ms. Hawkins asked if there would be a fee or charge to our customers for accessing the information or downloading the application. Ms. Stern replied that it is not extra, just what is part of their normal phone costs.

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

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

This concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Tague for a report of the Stakeholder Relations Committee. Mr. Tague reported that at this month's committee meeting, two resolutions were considered. The first resolution considered was to request authorization to modify the Half-fare Card Program. In accordance with the applicable Federal and State laws and regulations, Port Authority operates a Half-fare Card Program. This program allows eligible individuals with disabilities, who show appropriate identification, to utilize the Authority's fixed route bus and light rail system at half the fare charged to the general public during non-peak operating hours. As part of the ongoing phased implementation of the Authority's Automated Fare Collection System, staff has been reviewing various aspects of the Authority's fare policies and procedures, including the Half-fare Card Program. Based upon this review, staff believes that it would be in the best interest of the Authority and the eligible patrons with disabilities and the ongoing implementation of the fare collection system to lift the current peak operating hours restrictions and allow program participants to utilize the Authority's bus and light rail system at the half-fare cost at all times. The Authority has consulted with the Pennsylvania Department of Transportation, which oversees the program in Pennsylvania, and they have confirmed that there is no prohibition on the Authority expanding this program as proposed.

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

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

Mr. Tague continued reporting that the second resolution considered by the Planning and Stakeholders Committee was an authorization to adopt the FY 2014 operating and capital budgets for the Authority. The operating budget total is \$366,636,703 and the capital budget total is \$125,780,348. Both budgets balance expenses with anticipated revenues and grants. This resolution also authorizes a proposed initial FY 2015 capital budget of the Authority totaling \$121,842,435.

Mr. Tague noted that he reported on the budget highlights at last month's Board meeting but since then there were a few minor modifications noted at this month's Planning and Stakeholder Relations Committee meeting, so he reviewed the key points again. The key points of the operating budget include no fare increase planned for 2014; there are significant pension savings from increased employee contributions to 10.5 percent; there are significant pension savings from contractual agreements with the ATU Local 85 to switch from a five-year smoothing period to a 10-year smoothing period to recoup liability related to market losses; the budget assumes \$30 million in additional State operating assistance per the Governor's agreement and required County and Regional Asset District funding; medical premiums budgeted to increase by 10 percent, which includes increases for the Affordable Care Act; contract locked

in diesel fuel for the first six months of fiscal year at \$3.55; and gross expenses down approximately 1.5 percent, primarily due to pension reduction.

The highlights of the 2014 Capital budget include that it fully funds debt service, operating relief, and the purchase of 60 low-floor buses; very minimal new facility infrastructure projects; mainly second year funding for the next train, bus real time and West Mifflin three-post hoist; no funding of shop equipment replacement; no funding for any AFCS enhancements, web portal enhancements, and new commercial portal; and no funding for the PeopleSoft finance upgrade.

On behalf of the Planning and Stakeholder Relations Committee, Mr. Tague respectfully requested authorization to adopt the FY 2014 operating and capital budgets and FY 2015 capital budget for the Authority as presented.

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

Also at the committee meeting, Ms. McLean and Mr. Ritchie reported on the status of pending legislation regarding statewide transportation funding. We continue to watch this closely as June 30 fast approaches and the House and Senate attempt to pass a transportation funding bill. We were encouraged by Governor Corbett's proposal and by the version of the bill that was passed through the Senate. The version of this bill that passed through the House Transportation Committee provides funding that is closer to the levels in the Corbett proposal. However, we are working to get more specific numbers through legislators and PENNDOT. We are pleased that the elected officials are continuing discussions, but Mr. Tague stressed that a predictable and sustainable level of funding is critical for the future of Port Authority and all transportation funding throughout Pennsylvania.

This concluded Mr. Tague's report.

The Chairman reported that the Governance Committee did not meet this month.

The next Regular Meeting of the Board will be Friday, July 26, 2013.

Without any new business, the meeting was adjourned.