

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, FEBRUARY 28, 2014

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, February 28, 2014, 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:

Robert Hurley, Chairman
Tom Donatelli
John Tague Jr.
Senator Jim Brewster
Representative Dom Costa
David White
Robert Kania
Constance Parker
D. Raja
Joel Lennen, General Counsel

Media:

Bob Kerlik, Tribune Review

Port Authority Staff:

Ellen McLean, chief executive officer, Mike Cetra, assistant general manager Legal and Corporate Services, Keith Wargo, assistant general manager Engineering and Technical Support, Bill Miller, Chief Operations Officer, Jim Ritchie, Communications Officer, Wendy Stern, assistant general manager Planning and Development, Barry Adams, assistant general manager Human Resources Peter Schenk, chief financial officer, Heather Pharo, Public Relations & Communications Coordinator, John DeAngelis, manager Contract Administration, Amy Silbermann, data analyst, Tom Noll, director Technical Support and Capital Program, Fred Mergner, assistant manager, Scheduling and Service Planning, Tony Trona, director Purchasing and Materials Management, Deborah Skillings, Community Outreach coordinator, Sheila Dillard, director Internal Audit, Inez Colon, director Employment, Denise Henderson, director Bus Operations, Diane Williamson, executive assistant

Other

Jim Robinson, ACTC President, Jonathan Robison, ACTC Vice President, Glenn Walsh, Joe DiFiore, Parsons Brinkerhoff, Annette Kroll, Melanie Marenski, Controller's Office, Jeff Barner, Cosmos Technologies, Rodney Akers, Commonwealth of Pennsylvania, Ryan Herbinko, City of Pittsburgh Controller's Office, Joan Natko, Joe Catanese, County Council, Jim Bowser, Chester Engineering, Dennis Simon, Chester Engineering, Henry Nutbrown, Jacobs Engineering

The Chairman called the meeting to order. Following the recital of the pledge of allegiance, recommendation was made for approval of the minutes of the January 15, 2014 Special Meeting, January 24, 2014 Annual meeting and January 24, 2014 Regular meeting. An individual motion was moved, seconded and passed for each set of minutes.

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

Ms. Parker reported that a meeting of the Performance Oversight Committee was held on Wednesday, February 20, 2014, and the notes from the previous meeting were approved by the Committee.

The financial results for the period ending January 2014 were presented at the meeting and are detailed in the Board packet.

It was reported at the Performance Oversight Committee meeting that the total operating income for January was under budget due to passenger revenues ending the month under budget. This low level of passenger revenue was due to the bad weather we experienced during the month, which resulted in ridership being down 10 percent from last January.

It was also reported that expenses for the month of January were approximately \$1.3 million over budget. This was due to a large pension payment associated with the Calendar Year 2013 Actuarial Reports under the Employee Benefits category which ended the month over budget.

Despite the unfavorable financial results for the month of January, year-to-date results are favorable. The Authority has an approximate \$11.2 million surplus through the first seven months of the fiscal year.

Ms. Parker continued reporting that the Authority's Cash Reserves totaled \$40.3 million at the end of January.

There were six resolutions discussed at the Performance Oversight Committee meeting.

The following resolutions were reviewed and are being recommended by the Performance Oversight Committee for approval:

The Committee reviewed four procurement actions and found these bids to be 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 approximately \$1.6 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 a pool of firms to provide light rail transit systems engineering contract services on an as-needed basis. A request for proposals for these services was publicly advertised and six proposals were received.

As a result of the review of the proposals and interviews by the Evaluation Committee, it was determined that the proposals of Hatch Mott MacDonald, LLC, and Jacobs Engineering Group, Inc., were the highest rated proposals to perform the services.

It is recommended by the Performance Oversight Committee that the Authority enter into agreements with Hatch Mott MacDonald, LLC, and Jacobs Engineering Group, to provide services for the total not-to-exceed amount of \$4 million to be allocated on an as-needed basis through task-specific work

orders among the two firms. The agreements will be for an initial four-year period, with the option to extend the terms of the agreements up to one additional year at the sole discretion of the Authority.

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 a pool of firms to provide general architect and engineering consultant services related to the Authority's facilities and civil infrastructure. A request for proposals for these services was publicly advertised and six proposals were received.

As a result of the review of the proposals and interviews by the Evaluation Committee, it was determined that the proposals of Gannett Fleming, Inc. and AECOM Technical Services, Inc., were the highest rated proposals to perform the services.

It is recommended by the Performance Oversight Committee that the Authority enter into agreements with Gannett Fleming, Inc., and AECOM Technical Services, Inc., to provide services for the total not-to-exceed amount of \$4 million to be allocated on an as-needed basis through task specific work orders among the two firms. The agreements will be for an initial four-year period, with the option to extend the terms of the agreements up to one additional year at the sole discretion of the Authority.

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

Mr. Donatelli abstained from the vote. It was moved, seconded and unanimously agreed by the remaining Members that the resolution be approved as presented.

The next resolution authorizes the Authority to complete an application and enter into an agreement with the Federal Emergency Management Administration (FEMA) and the Pennsylvania Emergency Management Administration (PEMA) for reimbursement of flood costs.

In July 2013, Port Authority incurred significant costs for debris removal and site clean-up due to the heavy rainstorms that affected portions of Port Authority-owned property throughout Allegheny County. These costs include expenses for overtime, materials and equipment.

FEMA and PEMA have indicated to the Authority that a percentage of these costs may be eligible for reimbursement under the federal Stafford Act, subject to the Authority completing a reimbursement application and entering into an agreement to receive the funds.

This resolution authorizes the Authority to complete the application and enter into a grant agreement with FEMA and PEMA for reimbursement in the amount of \$40,467.83.

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.

Ms. Parker continued reporting that each year, the Commonwealth of Pennsylvania, through PENNDOT, provides technical assistance to transit operators across the state under the provisions of Section 1516 and Port Authority must submit applications at various times through the year for receipt of these funds. The Authority desires to submit an application to PENNDOT in the amount of \$350,000, as outlined in Exhibit A to the proposed resolution. Ms. Parker noted that these technical assistance funds will be used to support the jointly formed Healthcare Committee of the Authority and ATU Local 85 in its efforts to seek cost savings in healthcare benefits.

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

Ms. Parker abstained from the vote. It was moved, seconded and unanimously agreed by the remaining Members that the resolution be approved as presented.

The final resolution authorizes the Authority to extend the agreement with Maher Duessel for financial and pension audits services.

In March 2011, the Authority entered into an agreement with Maher Duessel for the performance of an annual single audit and financial audits for fiscal years 2011, 2012 and 2013 and the performance of an annual audit of each of the Authority's three pension plans for calendar years 2010, 2011 and 2012.

The initial three-year term of the agreement expires on March 25, 2014. It has been determined that Maher Duessel has performed the services satisfactorily and that it is in the best interest of the Authority to exercise one of its two option years at this time and to extend the term of agreement for one additional year to March 25, 2015, with an increase in the not-to-exceed amount of \$118,000 for a total not-to-exceed amount of \$461,500.

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.

Mr. Raja asked what the forecast is for the rest of the year in regards to advertising and the ACCESS program.

Mr. Ritchie replied that with the advertising revenue that you see received right now, we have \$325,000 outstanding in bills which is a little bit on the high side for us at any one given time. In terms of actual sales for the year, we're about 24 percent over our budget for the year.

In regards to the ACCESS program, Mr. Donatelli replied that his understanding is that it was all because of the bad weather.

This concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Tague for a report of the Planning and Stakeholder Relations Committee.

Mr. Tague reported that the Planning and Stakeholder Relations Committee met on February 20, 2014 and reviewed two resolutions for the Board's consideration today.

The first resolution would authorize the Authority to extend the exclusive negotiation period with Massaro Dawson for the South Hills Village.

Port Authority is the owner of an approximately 6.43 acre paved and lighted surface lot, commonly referred to as the South Hills Village Upper Lot, located adjacent to the Authority's South Hills Village Parking Facility and light rail system in the Municipality of Bethel Park, Allegheny County. In April of 2012, in cooperation with the Redevelopment Authority of Allegheny County, the Authority issued a public solicitation for development proposals to implement a transit-oriented development project on the site.

On September 19, 2012, the Authority's Board passed a resolution authorizing the Authority to engage in exclusive negotiations for a period of six months to attempt to finalize the material terms and conditions of a long-term ground lease for the site with Massaro Dawson (Massaro) who submitted the highest rated and most viable development proposal in response to the request for development proposals. Mr. Tague noted that the Board subsequently extended the Authority's exclusive negotiation period with Massaro through March 30, 2014 via a resolution passed on July 26, 2013.

Mr. Tague continued reporting that management of the Authority and Massaro representatives have continued to engage in good faith and productive negotiations towards finalizing a proposed long-term ground lease for the site, ultimately subject to final review and approval of the Board, and written concurrence of the Federal Transit Administration. Based upon this progress and additional time that will be needed to complete the appraisal and the FTA review process, management of the Authority recommends that the exclusive negotiation period be extended through December 31, 2014 to allow these negotiations to continue and to allow adequate time for further Board and FTA review.

This resolution would authorize the Authority to extend the exclusive negotiation period with Massaro through December 31, 2014.

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.

The second resolution would authorize the Authority to enter into an agreement with the Southwestern Pennsylvania Commission to participate in the FY 2015 and FY 2016 Unified Planning Work Program.

Each year, the United States Department of Transportation, through the Federal Transit Administration, makes funds available for planning activities. Receipt of these funds requires a 20 percent local match and inclusion of projects on the regional program of transportation planning activities called the Unified Planning Work Program. This program is administered by the Southwestern Pennsylvania Commission.

The program's fiscal years run from July 1, 2014 to June 30, 2015, and July 1, 2015 to June 30, 2016. The total budget for Port Authority projects is expected to be \$230,000 annually of which the local 20 percent share is \$46,000 annually and the 80 percent FTA share is \$184,000 annually.

This resolution authorizes entering into an agreement with the Southwestern Pennsylvania Commission for the Authority's participation in the FY 2015 and FY 2016 Unified Planning Work Program and to provide as the local share a not-to-exceed amount of \$46,000 annually in cash or in-kind services.

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 further reported that the final item for the Committee was a presentation about ACCESS, Port Authority's paratransit program. ACCESS is sponsored by Port Authority and is operated by ACCESS Transportation Systems, a subsidiary of Veolia Transportation. Karen Hoesch, Executive Director of ACCESS, provided the Planning and Stakeholder Relations Committee with an excellent and informative overview of the ACCESS program.

Of particular note is that ACCESS has received national recognition for its brokerage model which efficiently matches customer needs, funding programs, and service providers in order to deliver high quality service at a low cost. ACCESS provides service for multiple program sponsors, each of whom establishes the eligibility, fare and service parameters for their respective clients. Through a high level of coordination, all customers from the different programs ride together. This results in increased productivity and economies of scale while accommodating the individual needs of customers.

The Chairman commented that he was absolutely astounded by the number of agencies that feed into it, somewhere he believes in the range of 120 or 125 providing service to the residents. He noted that if you are not aware of just how well that program operates, it would be in your best interest to take a look at it because it's something that is beyond the scope of his imagination before being on this Board of how well it's run and how well Port Authority works with ACCESS. Mr. Hurley noted that we had an example yesterday as a route that was eliminated a while ago, and ACCESS is stepping in to assist with that as well as Port Authority. He acknowledged Ms. Hoesch and the ACCESS group.

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

As part of the public comment, the Chairman called on Mr. Jonathan Robison, charter member of the Allegheny County Transit Council, for his remarks.

Mr. Robison commented that he would like to share a vision now that we have funding, thank goodness, and a new CEO, congratulations. The vision is "Live car-free and carefree in Pittsburgh." Of course, he said that he is not suggesting that we expect everyone to ditch their private motor vehicles, but that we support policies and programs that will make it easier for people in the Pittsburgh area to live car-free and carefree.

Mr. Robison continued commenting that this implies a bundle of ideas of special policies and programs to move this vision forward. Of course, it means a change in the mode of transportation, more people taking public transit, and the Port Authority is obviously central to that. It makes the system better by serving more people.

It also means energy conservation with a multitude of cars all emitting exhaust which is critical to a long range strategy of clean air. Also, land use is more efficient when residential and commercial development is transit-served rather than having two models of land use.

Mr. Robison said that he understands that staff is working on the implications of the new funding, in regards to just how many of the routes that were cut for financial reasons and how much can we reinstitute. This also means not discontinuing stops. We should preserve the local routes as well because there are a lot of people with limited mobility who can't make it four or five blocks to the express stops. Another implication is not just every half hour, but you may have overcrowding in the peak hours that will require an additional bus or two during this time.

Next, we should have no more subsidies, no tiffs, and no tax cuts for development, residential or commercial, that is not serviced or at least servable by public transit. Mr. Robison noted that he sees in the paper all the time developments with some kind of public funding in areas that he knows do not have service, and this should stop. We should encourage development.

Mr. Robison concluded his report by urging this Board, the County Executive, and our new Mayor with a goal of facilitating being car-free and carefree.

The Chairman called on Mr. White for a report of the Financial Audit Committee. Mr. White reported that the Financial Audit Committee did not meet this past month, so there is no formal report.

Mr. Hurley reported that there is not a report of the Governance Committee as they did not formally meet this past month.

There was no more business to conduct.

The next Regular Meeting of the Board will be Friday, March 28, 2014.

The meeting was adjourned.