

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, JUNE 27, 2014

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, June 27, 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.  
Constance Parker  
David White  
Rob Kania  
Jeff Letwin  
D. Raja  
Joel Lennen, General Counsel

**Media:**

Alex Zimmerman, City Paper

**Port Authority Staff:**

Ellen McLean, chief executive officer, Keith Wargo, assistant general manager Engineering and Technical Support, Bill Miller, Chief Operations Officer, Jim Ritchie, Communications Officer, Mike Cetra, assistant general manager Legal and Corporate Services, Peter Schenk, chief financial officer, Barry Adams, assistant general manager Human Resources, John DeAngelis, manager Contract Administration, Amy Silbermann, data analyst, Tom Noll, director Technical Support, Darcy Cleaver, supervisor Passenger Amenities, Ed Typanski, senior analyst Capital, Fred Mergner, assistant manager scheduling and service planning, John Beeler, manager Customer Service, Sheila Dillard, director Internal Audit, Denise Henderson, director Bus Operations, Dana Barber, manager Benefits Administration, Megan Anthony, Marketing and Public Relations associate, Joe Joyce, senior analyst reporting, Sean Trageser, senior analyst operating, Breen Masciotra, Communications coordinator, Dan DeBone, Government Relations representative, Tony Trona, director Purchasing and Materials Management, Diane Williamson, executive assistant

**Other**

Jim Robinson, ACTC President, Rodney Akers, Commonwealth of Pennsylvania, Ryan Herbinko, City of Pittsburgh Controller's Office, Joan Natko, ACTC, Carolyn Lenigan, Molly Nichols, PPT, Maryanna Rowsick, Baldwin Borough, Rebecca Fonzi, Baldwin Borough, Karen Smith, Baldwin Borough, Dennis Simon, Chester, Austin Davis, County Executive's Office, Patricia Davis, CVG.

The Chairman called the meeting to order and apologized for the delay.

Following the recital of the pledge of allegiance, recommendation was made for approval of the minutes of the May 30, 2014 Regular meeting. A motion was moved, seconded and passed.

Before calling on the first speaker for public comment, the Chairman reminded everyone that each speaker scheduled to address the board this morning has three minutes to speak, and

remarks will be timed. Also, as per our policy, the Board will not engage in discussion. If you would like us to continue the discussion at another date, please put that in writing, and we will respond accordingly.

The Chairman called on Ms. Karen Smith from Baldwin Borough for remarks. Ms. Smith stated that she was here today to urge Port Authority to re-establish the 51B and D routes in Baldwin Borough. As a lifelong resident, she has been riding buses since she was 12 years old. Buses took her family and friends to movies, shopping, part-time jobs, to college and to and from work. The City of Pittsburgh property line is just at the bottom of her hill, yet since their public transit was cut, she can't get into the city without walking a mile and a half to Brownsville Road.

Ms. Smith continued stating that her retirement dreams of taking her great nephews to cultural events, theater matinees, to shop or attend ball games, or for her to volunteer or take classes are now compromised because of the additional expense of driving and parking. The alternative is to walk by herself [or with small children] to Brownsville Road to catch a bus. Walking on streets without sidewalks through some unsafe neighborhoods on hilly terrain is not an option. Just the experience for children to ride a bus and catch a trolley to South Hills Village isn't possible for us. Not having bus service for the handicapped and seniors is not just an inconvenience; it is the loss of a lifeline.

Ms. Smith stated that borough residents pay heavy taxes but don't reap the benefits of public transit like other communities. We demand and deserve service. She witnesses working neighbors walking in the dark in awful weather on dangerous streets to catch a bus on Brownsville Road where they are often passed up by overcrowded buses. Would you want your co-workers or family members to face this situation every day?

Ms. Smith closed her remarks by saying that Port Authority of Allegheny County needs to closely review our situation and restore our buses to service our neighborhoods. While she knows Port Authority is working to improve our region's environment and air quality, the lack of buses in Baldwin contributes to congestion and air pollution. Plus, there is the loss of revenue to the City of Pittsburgh and Allegheny County. If we can't get there, we can't boost the economy. We need the service restored.

Mr. Hurley thanked Ms. Smith for her remarks and noted that he, along with the CEO, have received a number of letters concerning the Baldwin routes, and we will be responding accordingly to those letters.

The Chairman called on Ms. Maryanna Rowsick for remarks. Ms. Rowsick stated that she is also here to express her concerns about the lack of public transit in North Baldwin. She noted that she is calling it North Baldwin because Baldwin Borough is a large borough. [We're more the city part of Baldwin]. She also noted that South Baldwin has wonderful service as they use the busway.

Ms. Rowsick continued her remarks by saying that living close to Downtown Pittsburgh and having access to public transit has always been very important to her. She has always lived within six miles of Downtown Pittsburgh. She moved to Baldwin 36 years ago because of the

bus service, never thinking the buses would be discontinued. As a result, the North Baldwin community, as well as the surrounding communities of Brentwood, Carrick, Mt. Oliver and South Side, has been negatively impacted. Like many residents, she depends on public transportation. She needs to get to work by commuting to downtown. She had to reduce her hours and she often misses work and she has neighbors who are unable to obtain jobs because of the transportation issue.

Ms. Rowsick continued her remarks by saying that she also struggles to get to medical appointments and has to rely on others to go grocery shopping and to attend events in Downtown Pittsburgh.

Ms. Rowsick stated that she works for the Pittsburgh Cultural Trust. She brought her niece to the Children's Festival on her first bus ride. It was such a joy to see a four-year-old's perspective of riding a bus. The lack of transportation in our area has really created a hardship for everyone. She noted that even if you do have a car, you have the expense of parking and gas.

The Chairman called on Ms. Patricia Davis, property manager for the Churchview Garden Apartments. She stated that there are 144, multifamily apartments located at the end of Churchview Avenue Extension.

Ms. Davis continued her remarks by saying that the bus used to run through the complex and pick up residents from building to building. Since this service has been cut, people are isolated. A lot of tenants don't drive and 25 percent are low income housing. It has impacted the elderly who cannot walk the two plus miles to Brownsville Road without sidewalks and there are a lot of high school students graduating this year who are unable to attend the fine colleges in the area.

She continued by saying that this property has been there since 1972. There are people that have lived there for 30 to 35 years. She finished her remarks by urging the Board to reconsider restoring this service.

The Chairman called on Ms. Molly Nichols from Pittsburghers for Public Transit for remarks. Ms. Nichols stated that the group has been in regular conversation with Port Authority staff and very much appreciate their willingness to speak with them and other residents about their transit concerns. She is aware that Port Authority is taking steps toward being more inclusive of the public, the recent ULI panel and the mind-mixer forum are examples, but there are some limitations to that online platform.

Ms. Nichols stated that there were a total of 433 participants on the forum which is just two percent of daily ridership. The majority was men and 85 percent were between the ages of 25 and 34. We know that Port Authority is aware that other steps can be taken to engage broader segments of the county's population, and we look forward to participating.

Ms. Nichols continued by stating that during the recent Stakeholder Relations Committee meeting, the group appreciated that the public had the opportunity to ask questions. PPT was especially interested in the assertion that while Act 89 may not be able to restore all the service

that has been lost, the Service Planning team is currently discussing ways to add service, and this is great news.

Ms. Nichols reiterated that many communities have been reeling from the effects of losing their service, and while we may not be able to fix that problem all at once, taking steps to do so should be Port Authority's and the County's top priority for transit.

She stated that PPT facilitated a community meeting in Baldwin on June 18. A total of 80 people showed up to discuss their concerns about the lack of transit service in their neighborhood. Many of these concerns have been shared at this Board meeting today. Many residents have also decided to ensure their voices are heard by sending letters to decision makers as Mr. Hurley referenced. She noted that Mr. Fitzgerald is also getting those letters.

Ms. Nichols continued her remarks by saying that while PPT affirms that our public transit system should meet the needs of every community in Allegheny County, we began this campaign to restore service in Baldwin for a number of reasons such as North Baldwin is part of an inner ring suburb just six miles from Downtown Pittsburgh; the community is only a few miles from transit assets including the West Mifflin Garage and the South Busway; there's currently an exceptionally large service gap and many residents have to walk at least two miles to the nearest bus stop; the 50 Spencer bus before it was cut had a ridership level of over 500 people per day; and close to 500 residents have demonstrated that they want their buses back through surveys and they're putting forth an effort to make that happen.

Ms. Nichols concluded her remarks by saying that these reasons strongly demonstrate the need and viability of transit service in North Baldwin. PPT hopes that Port Authority staff, elected officials and the public can all get behind this campaign to restore service in Baldwin and subsequently every community that needs it.

The Chairman called on the final speaker, Ms. Rebecca Fonzi. Ms. Fonzi stated that she wanted to speak for the senior citizens of Churchview Garden Apartments located in North Baldwin. A lot of these people just simply do not have transportation to doctors, grocery shopping, malls or going out for leisurely outings such as dinners and shows.

Ms. Fonzi noted that when you do take ACCESS, they give you a window frame for when you can be picked up, and it is hard to give them a time when you have no idea how long you're going to be at the doctor's office or how long it will take you to do grocery shopping.

There is a lot of events downtown that the senior citizens could enjoy, i.e., the Arts Festival, the performing arts, the farmers market or Station Square.

Ms. Fonzi concluded her report by saying that there are a lot of things the seniors could do if they had bus service, reiterating that absolutely there is no way they could walk to Brownsville Road without sidewalks.

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 Thursday, June 19, 2014, and the minutes from the previous meeting were approved by the Committee.

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

It was reported at the meeting that total operating income was below budget this month primarily due to the ACCESS-Shared passenger revenue, which was approximately \$200,000 below budget.

It was also reported that total expenses once again are under budget. This positive variance was mainly attributable to the savings on fuel and gas under the Materials and Supplies expense category.

In regard to a year-to-date perspective, it was reported that total operating income is under budget by \$1.3 million which is attributable to Passenger Revenues and ACCESS-Shared Revenues both being below budget.

Total gross expense levels year-to-date continue to be below budget by \$17.3 million.

It was reported at the meeting that the cash position for the Authority through May is approximately \$66 million.

Ms. Parker continued reporting that there were four resolutions reviewed at the meeting and are being recommended by the Performance Oversight Committee for approval:

The Committee first reviewed seven 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 for award the seven items outlined in the Board packet in the total amount of \$2.7 million.

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 amend and restate Port Authority's Cafeteria Plan.

It was explained at the meeting that the purpose of the Plan is to offer certain welfare benefits on a pre-tax basis to eligible employees, and to offer reimbursement accounts for certain medical expenses and dependent care expenses under healthcare and dependent care spending accounts.

Port Authority wishes to amend and restate the Plan effective July 1, 2014 to allow for a \$500 carryover of healthcare spending account amounts as permitted under recent IRS guidance and to make other clarifying changes which reflect this change.

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 an agreement with the Department of Homeland Security for the federal FY 2014 Transit Security Grant Funding.

The U.S. Department of Homeland Security has developed a National Infrastructure Plan and a National Strategy for Transportation Security and provides funding for transit projects which meet the national goals to strengthen the security of the nation's transit systems.

Port Authority was notified in April that funding was available and it is eligible to compete with other transit properties for total funds of \$90 million for capital projects.

The Authority has developed proposals to request a total of \$688,634 to further enhance the security of our bus and rail system. This will include funding for police emergency training services and to add CCTV surveillance in the North Shore Connector Tunnel.

Ms. Parker reported that it was noted at the meeting that federal funding is provided for 100 percent of total project costs and does not require a non-federal match.

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 file grant applications with PENNDOT for Section 1513 State Operating Assistance and Section 1514 for State Capital Assistance of Act 89 available in FY 2015.

The Commonwealth of Pennsylvania provides operating assistance and asset improvement assistance to transit operators under the provisions of Act 89 of 2013.

Port Authority must submit applications to PENNDOT throughout the year to obtain the funds available to the Authority.

This resolution authorizes the filing of grant applications with PENNDOT to receive operating assistance in the amount of \$212,449,588 and capital assistance in the amount of \$115,057,000.

This resolution also authorizes the Authority to request appropriate local match and execution of contracts with PENNDOT for these funds upon approval of the applications.

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 concluded her report by stating that the Performance Oversight Committee was updated on the performance audit of the ACCESS ePurse System. In July 2009, ACCESS began using the ePurse system for payment for services provided. The system provides a personal account to each customer and allows them to deposit money into their ePurse accounts in advance of using the services.

Ms. Parker reported that it was determined that payments deducted from customer accounts were for services that were actually provided, the payment amounts were accurate and were accurately deducted from accounts. It was also determined that payments for cancelled services were properly credited to customer accounts and other entities such as PENNDOT and Allegheny County were paid the correct amount for trips taken.

This concluded the report of the Performance Oversight Committee.

At this time, Mr. D. Raja inquired about the \$5 million difference under the Preventive Maintenance category in the budget. He also noted that it appears that we received \$3 million more from the state than budgeted.

Mr. Peter Schenk, Port Authority's Chief Financial Officer responded that as of June 30, we will have the full Preventive Maintenance grant, which was just approved by the FTA. Mr. Schenk also confirmed that we are getting an extra \$5 million from the State in FY 2015 as part of Act 89, adding that the \$5 million was not in the budget, but the Preventive Maintenance was fully budgeted.

Before moving onto the Planning and Stakeholder Relations Committee report, the Chairman commended staff for working through the Cafeteria Plan. It's a very important thing for staff when they budget their healthcare expenses to be able to carry that money forward and not lose it.

Ms. Parker added that she wanted to commend the staff for the support they give to the members in helping to put these reports together so successfully.

The Chairman called on Mr. Tague for a report of the Stakeholder Relations Committee. Mr. Tague reported that the Planning and Stakeholders Relations Committee met earlier this month and he has one resolution for the Board's consideration later in his report. Before that, he reported that the committee heard a report from staff about the City of Pittsburgh's bike lane project on Penn Avenue and the impact it will have on bus service.

Mr. Tague thanked Representative Dom Costa for introducing a House Resolution to support and celebrate Port Authority's 50<sup>th</sup> anniversary. The resolution was unanimously approved by the

House this week, including members of the county delegation, and recognizes Port Authority and its role in supporting the community.

Mr. Tague continued reporting that the majority of the Planning and Stakeholder Relations Committee meeting was focused on the FY 2015 operating budget and capital budget. It's important to point out that the budget does not include a fare increase for the coming year. The budget does offer modification to some service and addresses issues such as overcrowding and on-time performance.

Mr. Tague announced that the Authority's proposed capital budget for the coming year provides for an ongoing bus purchasing program and other significant system improvements. The committee members asked a variety of questions on the proposed budget and requested additional information prior to today's meeting which has been provided by management.

The resolution being presented today would authorize approval of the FY 2015 operating and capital budgets for the year July 1, 2014 through June 30, 2015. The operating budget totals \$388,533,787 and the capital budget totals \$183,546,249. Both budgets balance expenses with anticipated revenues and grants.

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

Before a vote was taken, Mr. Hurley wanted to echo John's remarks regarding the budget. We started with two public meetings and the Board asked considerable questions of staff, and they provided very good answers. He stated that he thinks we still have some things we would like to consider as a Board, but as we stand here today, we have an obligation to have a budget approved and presented to the state as we end our fiscal year, and that is the intent of the resolution today for these two budgets.

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

The Chairman commended staff on the work they did on the FY 2015 budgets that were just passed.

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

The Chairman reported that we have one new item under new business and then he has one other issue he would like to discuss with the Board and the public as we move forward.

Under new business, Mr. Hurley requested authorization to amend the Collective Bargaining Agreement with Local 85, Amalgamated Transit Union, as noted on the meeting agenda. This item is consistent with last month's business and reflects another very positive development relative to labor relations and collective bargaining.

Mr. Hurley commented that the unions have been superb in working with management over the last year in working to bring the collective finances of this organization in line.

Port Authority's Collective Bargaining Agreement with Local 85, Amalgamated Transit Union, covering terms and conditions of employment for rank-and-file employees, including certain represented Maintenance and Facilities personnel, was ratified in August 2012 for the period August 1, 2012 through July 31, 2016.

Representatives of the Authority and Local 85 have been engaged in good faith bargaining since ratification of the 2012 Collective Bargaining Agreement concerning potential amendments to certain work rules in the agreement that pertain to represented Maintenance and Facilities personnel with a cooperative effort with Local 85 to make the employee pick process more efficient and to ensure the requisite skills to perform various Maintenance job responsibilities and functions. The terms of these Maintenance work rule changes are summarized in Exhibit A to the proposed resolution in your meeting packet. The term sheet, including the detailed language changes to relevant sections of the agreement, is attached as Exhibit B.

Local 85 recently notified Port Authority that its membership has ratified the proposed terms and conditions for an amended agreement that will incorporate these Maintenance work rule changes. Port Authority management, along with Port Authority's labor counsel, have reviewed the terms and conditions of the proposed amendment and affirmatively recommend that the Board also approve and ratify the proposed terms and conditions.

This resolution would authorize Port Authority to amend and ratify the proposed Maintenance work rule changes and amend the current agreement between Port Authority and Local 85 as summarized in Exhibit A and more fully detailed in Exhibit B. This resolution would further authorize appropriate Port Authority management to amend and execute the Collective Bargaining Agreement, in a form approved by counsel, to fully incorporate the terms and conditions set forth in Exhibit B.

Mr. Hurley respectfully requested approval of the resolution as presented.

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

Before adjourning the meeting, the Chairman reiterated that the Board through its committees has deliberated considerably on the budget. We have a few items we would like to bring to this budget. We're going to call for a special session of the Board to consider a few other items, more specifically the BRT funding, within the next two weeks. If there is agreement on some funding for the BRT, we will ask for an amendment of the budget. We want to put that out publicly so everyone is aware of that. If you wish to be a part of that meeting, please watch the newspapers, as we will be advertising that meeting according to our bylaws.

The next regularly scheduled meeting of the Board is Friday, July 25, 2014.

As there was no more business to be conducted by the Board, the meeting was adjourned.