

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JULY 25, 2014

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, July 25, 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.
Representative Dom Costa
Senator Jim Brewster
Rob Kania
D. Raja
Joel Lennen, General Counsel

Media:

Jon Schmitz, Post-Gazette
Bob Kerlik, Tribune-Review

Port Authority Staff:

Ellen McLean, chief executive officer, Bill Miller, Chief Operations Officer, Jim Ritchie, Communications Officer, Mike Cetra, assistant general manager Legal and Corporate Services, Barry Adams, assistant general manager Human Resources, John DeAngelis, manager Contract Administration, Amy Silbermann, data analyst, Tom Noll, director Technical Support, Ed Typanski, senior analyst Capital, Fred Mergner, assistant manager scheduling and service planning, Breen Masciotra, Communications coordinator, Tony Trona, director Purchasing and Materials Management, Heather Pharo, Communications manager, Scott Vetere, director Service Planning, Deborah Skillings, Community Outreach coordinator, Terri Landis, director Advertising Sales, Diane Williamson, executive assistant.

Other

Jim Robinson, ACTC President, Joan Natko, ACTC, Carolyn Lenigan, Molly Nichols, PPT, Dennis Donahoe, PPT, Steve Palonis, ATU, Local 85, Glenn Walsh, Andre Young, Clever Devices, Mel Packer, PPT, Jonathan Robison, ACTC, Darryl Phillips, Parsons Brinckerhoff, DeVaughn Robinson, William Wagner, PAPD, Charles Porter, Hill Int., Inc., Courtney Taylor, Heinz Endowments, Mike Palombo, CDBP&M, Caroline Burnham, County Council, Aaron Pittman, County Council, Ryan Herbinko, City of Pittsburgh Controller's Office.

Following the recital of the pledge of allegiance, recommendation was made for approval of the minutes of the June 27, 2014 Regular meeting. A motion was moved, seconded and passed. Recommendation was also made for approval of the minutes of the Board's Special Meeting that was held on July 15, 2014. A motion was moved, seconded and passed.

Under the public comment portion of the agenda, the Chairman called on Mr. Dennis Donahoe. Mr. Donahoe stated that he has used transit since 1965 and now that he is a senior and could take advantage of his senior citizen pass, there is not adequate service in the Baldwin area. He noted that his two-mile walk to the Carrick bus stop to travel to the meeting this morning was not too unpleasant because the weather was nice, but for those less healthy, and during the winter, it is out of the question. Mr. Donahoe urged the Board to restore this service.

The Chairman thanked Mr. Donahoe and noted that he is meeting with Baldwin representatives next week, as well with Port Authority staff and we will take that under consideration.

The Chairman called Mr. Jonathan Robison, Vice President of the Allegheny county Transit Council for his comments. Mr. Robison stated that we know Port Authority is making some small restorations of service in a couple of months, especially where routes are overcrowded. He urged the Board to pass a resolution endorsing supporting restoration of at least 75 percent of the service that has been cut.

The Chairman called on the final speaker, Mr. Mel Packer, a Pittsburghers for Public Transit member from Point Breeze. Mr. Packer thanked the Board for paying attention to the comments of the public, both users and operators of our public transit system. In particular, he thanked the Board and staff for encouraging an ongoing and constructive dialogue with Pittsburghers for Public Transit, and especially the residents of the Baldwin area, who so desperately need restoration of basic transit services, which as it has for some time caused socialize isolation for many residents.

Mr. Packer questioned the Authority's plan to move ahead with the planning and design of a Bus Rapid Transit line from downtown to Oakland, an area already well-served by buses, while other neighborhoods have no service. The drink tax is not implemented to help an already busy transit corridor, but to give aid to the transit system as a whole. He noted that it does not sit well with a lot of people. For working-class people and senior citizens, it looks like you're being discarded, like you don't matter.

The Chairman called on Representative Dom Costa for a report of the Performance Oversight Committee.

Representative Costa reported that a meeting of the Performance Oversight Committee was held on Thursday, July 17, 2014, and the minutes from the previous meeting were approved by the Committee.

The unaudited financial results for the period ending June 2014 and the fiscal year 2014 were presented at the Committee meeting and are detailed in the Board packet. He noted that it was reported at the meeting that total Operating Income was under budget for the month of June and Operating Expenses were \$1.5 million under budget for the month.

It was also reported that total subsidies for the month were \$2.7 million over budget and it was explained that it was due to Federal grant dollars coming in later than anticipated.

It was reported at the meeting that Port Authority ended the fiscal year with an unaudited surplus of \$17.7 million and Port Authority's Chief Financial Officer, Peter Schenk, explained at the meeting that there will be a few year-end entries that should increase this number slightly.

Total Operating Income was \$2 million under budget and total expenses were \$18.8 million under budget for the fiscal year, which Representative Costa noted was due to the diligent efforts of the entire company. Total subsidies for the fiscal year were almost \$1 million dollars over plan.

The Authority ended the fiscal year with approximately \$60 million dollars in cash which is the equivalent of two months of operating expenses. Representative Costa noted that the Government Finance Officers Association recommends this as an adequate level of reserves.

Representative Costa continued reporting that there were seven resolutions reviewed at the meeting and are being recommended by the Performance Oversight Committee for approval:

The Committee first 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.

Included in the procurement bids this month is the procurement of bio diesel fuel. Representative Costa thanked the Procurement staff for the explanation of the bio diesel fuel contract at the meeting. It was explained that the contract adder which consists of overhead, freight and profit margin is four percent lower than the previous contract.

The Performance Oversight Committee therefore recommends for award the four items outlined in the Board packet in the total amount of \$24 million.

On behalf of the Performance Oversight Committee, Representative Costa 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 GIRO, Inc., to continue software licenses and maintenance and support services for HASTUS software.

Representative Costa explained that the Authority previously entered into a software license and services agreement with GIRO for certain HASTUS software modules which are mainly associated with scheduling software. It was determined that certain HASTUS software has previously and successfully been implemented and additional modules will be implemented in the near future.

It was noted at the meeting that the services are being acquired as a sole source procurement as GIRO is the only source from which the Authority can acquire the necessary licenses and maintenance and support services.

The Authority has determined that the pricing of the services is competitive and comparable to prices charged to others. The agreement will be for a term of up to five years at a total not-to-exceed amount of \$675,000.

On behalf of the Performance Oversight Committee, Representative Costa respectfully requested approval of the resolution as presented.

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

Representative Costa stated that the next resolution for consideration is authorization to extend and amend the agreement with Public Financial Management, Inc. to provide financial advisory services.

In September 2010, the Authority enter into agreements with a pool of firms to provide financial advisory services on an as-needed basis in the areas of financial planning and debt and investment management services. The agreements were for three years with the option to extend the term of the agreements up to an additional two years.

In July 2013, the Authority extended the agreement one additional year with one of the firms, Public Financial Management, Inc., increasing the total not-to-exceed amount of the agreement to \$700,000.

It has been determined that it is in the best interest of the Authority to exercise the second option year with Public Financial Management, Inc., at no increase in the previously authorized total not-to-exceed.

On behalf of the Performance Oversight Committee, Representative Costa 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 project activities.

In July 2011, Port Authority entered into an agreement with Parsons Brinckerhoff, Inc., to provide Bus Rapid Transit project activities for an initial term of two years for a total not-to-exceed amount of \$1.5 million dollars, with the option to extend the term of the agreement up to an additional three years at the sole discretion of the Authority.

The services to be performed include an alternatives analysis and a National Environmental Policy Act review in order to qualify for federal funding consideration for a proposed Bus Rapid Transit line between downtown, Oakland and other east End neighborhoods. The services also included an option, to be exercised at the Authority's sole discretion, for the performance of preliminary engineering related to the design of the project.

In June, 2013, the Authority authorized an amendment to the agreement to exercise the first of the three option years to extend the agreement one year with no increase to the previously authorized total not-to-exceed amount.

To date, certain services have been performed by Parsons Brinckerhoff, Inc., and in order to further advance the BRT project, various additional services, including the preliminary engineering work option that was not previously exercised by the Authority, need to be completed.

Representative Costa noted that the Authority is currently in the process of negotiating a Memorandum of Understanding with Allegheny County, City of Pittsburgh and the Urban Redevelopment Authority for the purpose of further pursuing the BRT project and to assist in applying for Federal "New Starts" or "Small Start" funding with the FTA.

So in order to further advance the BRT project, the Authority recommends exercising the second option year to extend the agreement one additional year to July 31, 2015, exercising the option for preliminary engineering, and increasing the total-not-to-exceed amount to \$5.5 million dollars.

On behalf of the Performance Oversight Committee, Representative Costa respectfully requested approval of the resolution as presented.

Mr. D. Raja questioned if this amount included the additional \$1,560,000 of increased funding in the Budget for the BRT project, which was approved at the Special Meeting on July 15, 2014, as he was

unable to attend the Special Meeting. Mr. Hurly advised that the resolution does include the additional money approved at the Special Meeting.

A motion was then made to extend the contract with Parsons Brinckerhoff, Inc., for the Bus Rapid Transit Project activities. It was seconded and agreed by six members to extend the contract. Mr. D. Raja abstained stating that he wanted to look at the overall picture.

The Chairman stated that with only seven of the 11 Board members present, and seven votes needed to pass the contract extension, Mr. Raja's abstention pushes the matter back to the September meeting. Mr. Hurley noted that this will not delay work on the project.

Representative Costa presented the next resolution authorizing the Authority to enter into agreements with a pool of firms to provide general marketing services.

He explained that the Authority requires a pool of three firms to provide various marketing services such as advertising, marketing and promotion; public relations; community outreach/education and social media; market research; media buying and design.

The Authority would like to enter into agreements with the pool of firms, for the identified categories listed in the Board packet, on an as needed basis, for a total not-to-exceed amount of up to \$1.8 million.

On behalf of the Performance Oversight Committee, Representative Costa 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 a lease agreement with PPG Public Parking for the Wabash HOV Parking Lot. Port Authority is the owner of the Wabash HOV Parking lot located on West Carson Street. The lot is an approximately 150-space surface lot that has been in operation, via the lease of the Wabash lot to third party operators, since 2004.

This resolution will authorize the Authority to enter into an agreement with the highest responsive bidder, PPG Public Parking, to lease and operate the Wabash Parking Lot for a term of five years, beginning January 1, 2015 and ending December 31, 2019, for total rent in the amount of \$927,600, to be paid to the Authority during this period.

On behalf of the Performance Oversight Committee, Representative Costa respectfully requested approval of the resolution as presented.

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

Representative Costa presented the final resolution authorizes the Authority to amend an agreement with Clever Devices.

Over the past years, Port Authority has made a significant investment in implementing new technology and systems. To assist in implementing such new technologies, the Authority entered into an agreement with Clever Devices, LTD to implement certain hardware and software for automated voice announcements, automated passenger counting and automated vehicle monitoring for buses.

In November 2012, the Authority amended the agreement to provide for the full deployment of a real-time passenger information system on Port Authority's bus system and a test pilot program for a real-time passenger information system on the light rail system.

This resolution will advance us to the next phase of enhancing the Authority's existing on-board Intelligent Transportation System and to provide a real-time passenger information system on the light rail system.

Representative Costa noted that 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 properly and economically interfaces with the Authority's existing system.

This resolution authorizes the Authority to amend the agreement with Clever for the acquisition of services in an amount not-to-exceed \$6.8 million.

At this time, the Chairman announced that Port Authority recently received a letter from another vendor alleging that it could provide the required services and wanted to amend the resolution requiring that the Authority shall not proceed with executing an amendment or otherwise authorize Clever to begin to provide the services until the Authority has investigated and resolved the claims raised by the vendor alleging that it could provide the services and until the results of the investigation have been reported to the Board.

On behalf of the Performance Oversight Committee, Representative Costa respectfully requested approval of the resolution as amended.

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

This concluded the report of the Performance Oversight Committee.

At this time, Mr. Raja had a couple of questions regarding the financial statements. He questioned the significant variance under the ACCESS program in June and asked if we expect this pattern to continue. Ms. McLean responded that it is largely a result of fewer shared ride services provided during the year, so in addition to seeing a reduction in the revenue side, you also see a reduction in the expense side as well. Ms. McLean noted that staff is actually meeting with ACCESS to understand a little bit better about the ridership and where they are seeing the decline.

Mr. Raja also questioned line item "Other Expense." He noted that it is almost 70 percent more than budget and asked what triggered this.

Ms. McLean replied that she will report back to the Board on what exactly is going on with this and also the ACCESS Program.

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

Mr. Tague reported that the Planning and Stakeholder Relations Committee met on July 17, 2014. While the primary topic of discussion involved an overview of the Authority's Wayfinding project that's now underway, he wanted to reference some recent and upcoming activities involving stakeholders.

As everyone is aware, we've heard from the Baldwin community about their desire for service to be restored. Staff from Service Planning, Government Affairs Communications met in Baldwin with representatives of the North Baldwin community and Pittsburghers for Public Transit on June 30, 2014. Mr. Tague noted that this will be an ongoing discussion as Board Chairman, Bob Hurley, also has agreed to meet with the group.

Mr. Tague continued reporting that other recent activities include our participation in senior health expos being held countywide by local elected officials. This is an opportunity for the Authority to get information about public transit to seniors and other potential riders. Similarly, we're also partnering with the Allegheny County Housing Authority to participate in eight Community Days events this summer.

Mr. Tague notes that we'll be participating in a VA Resource and Job Fair and Braddock Community Day event in July and in mid-August, we'll have a table at "Arrival Survival," which is when students arrive at the University of Pittsburgh campus for the new semester.

Mr. Tague also stated that CHK America offered a presentation of the Wayfinding project for the Committee. CHK is the company hired by Port Authority to develop wayfinding improvements throughout our system. CHK demonstrated various types of maps from system maps to neighborhood maps that will be considered during this project. Other possible enhancements include changes to bus stop signage and cards displaying schedules or frequency.

Mr. Tague further reported that we heard from other organizations in attendance at the meeting who also are working on community wayfinding programs about the need to integrate information and projects where appropriate. The Authority is taking steps to work with other community organizations and riders as the project moves forward. As more specific recommendations are made, CHK will return to the Planning and Stakeholder Committee to review and answer questions.

Mr. Tague concluded his report by stating that this is a very exciting project and noted that these improvements are among the most requested enhancements asked for by riders.

That concluded the report of the Stakeholder Relations Committee.

Under new business, the Chairman presented a resolution requesting authorization to adopt the Collective Bargaining Agreement with Port Authority and the Port Authority Police Association sergeants and lieutenants. As you will recall, Port Authority ratified a new Collective Bargaining Agreement with the rank-and-file police officers in May of 2014. At that time, management advised the Board they were optimistic that Port Authority could also reach a new agreement with the Port Authority Transit Police Association covering police supervisors, sergeants and lieutenants prior to its expiration of July 31, 2014.

Mr. Hurley was happy to report that the parties have agreed on the proposed terms and conditions for an amended agreement for police supervisors to be effective August 1, 2014 through July 31, 2019. The terms of the tentative agreement are documented on Exhibit A to your proposed resolution in your meeting packet. The Transit Police Association has notified Port Authority management earlier this week that the police supervisors have ratified the proposed terms and conditions for the amended agreement. Port Authority management and labor council have reviewed the terms and conditions of

the proposed amended agreement and affirmatively recommend that the Board also approve the amended agreement.

Mr. Hurley continued reporting that the resolution would further authorize appropriate Port Authority management to amend the language of and execute the Collective Bargaining Agreement, in a form approved by counsel, to fully incorporate the terms and conditions set forth in Exhibit A.

Mr. Hurley requested a motion to approve the resolution authorizing Port Authority to approve and ratify the proposed terms and conditions of the amended agreement between Port Authority and the Port Authority Transit Police Association governing police supervisors for the period August 1, 2014 through July 31, 2019, as more fully detailed on Exhibit A attached to this resolution.

Before taking a vote, Mr. Hurley commended staff for getting this done before the agreement actually expired. This brings all the unions currently within the operation of the Authority into contract. We've had a great cooperation from the union and staff, and this is just another indication that the supervisors basically agreed to the same terms and conditions as rank and file employees. So we're very happy that we've got a great group of people out there protecting our riders and it's a compliment to the Association and staff that this was able to get done before the deadline.

The motion was seconded and unanimously agreed that the resolution be approved as presented.

The next regularly scheduled meeting of the Board is Friday, September 26, 2014.

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