

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, APRIL 24, 2015

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, April 24, 2015, 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, Chair  
Jeff Letwin  
Representative Dom Costa  
Senator Jim Brewster  
Tom Donatelli  
Rob Kania  
Amanda Green Hawkins  
D. Raja  
John Tague  
Joel Lennen, General Counsel

**Media:**

Melissa Daniels, Tribune Review  
Molly Born, Post-Gazette  
Alex Zimmerman, City Paper

**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, Pete Schenk, chief financial officer, Keith Wargo, assistant general manager Engineering and Technical Support, Barry Adams, assistant general manager Human Resources, Tony Trona, director Purchasing and Materials Management, Tom Noll, director Technical Support, Dan DeBone, Community and Government Relations officer, Stephanie Dorman, contract specialist, Allen Meier, contract specialist, Joseph Ferko, contract specialist, John DeAngelis, manager Contract Administration, Sheila Dillard, director Internal Audit, Cathy Frye, insurance administrator, Ed Typanski, director Grants and Capital Programs, Willie Westbrook, associate Internal Audit, Diane Williamson, executive assistant.

**Other**

Jim Robinson, ACTC President, Joe Catanese, County Council, Molly Nichols, PPT, Glen Walsh, Carolyn Lenigan, Allison Garcia, O'Hara Township Council, Joan Natko, ACTC, Helen Gerhardt, PPT, Timothy Session, Speaker, Dennis Simon, Chester Engineering, Nick Coles, PPT, Jeff Petti, RIDC Business Owner, John Small, Stoneridge/Andes Capital.

Following the recital of the pledge of allegiance, recommendation was made for approval of the minutes of the March 27, 2015 Regular Meeting. A motion was moved, seconded and passed.

The Chairman called on Ms. Ellen McLean for a report from the Chief Executive Officer.

Ms. McLean had a few items to report. First, she was happy to report the successful launch of our online ConnectCard sales site on April 16. She noted that it has only been a week, but so far customers are finding and using the new feature without issue. We anticipate increased use in the coming weeks and months as promotional material hits the streets and more riders learn

about the site and how to use it. This new website allows customers to load and reload passes and store cash value onto their cards without having to use a vending machine, or go to the Downtown Service Center or visit a retail outlet.

Next, Ms. McLean reported that Pittsburgh Earth Day 2015 was celebrated this past Wednesday, and Port Authority participated in a number of green events held across the city to recognize advancements and sustainability, technology and innovation. Port Authority promoted environmental benefits of transit at events held in Market Square and Schenley Plaza. Staff distributed ConnectCards and had street teams of employees engaging people and promoting the use of public transportation. At Schenley Plaza, Port Authority hosted a children's story time, "Books on the Bus." Port Authority featured one of our hybrid electric buses, and there was story reading on the bus by a Carnegie Mellon master student.

Lastly, Ms. McLean reported that in 1937, Pittsburgh Railways Police Department Patrolman, George Washington Hough, was killed in the line of duty, noting that Pittsburgh Railways was one of the transportation providers that consolidated in 1964 to form Port Authority. Officer Hough was a motorcycle officer who was killed by a hit-and-run driver on Perry Highway, just near where our Ross Garage is today. Now 78 years later, Officer Hough's sacrifice will be added to the National Law Enforcement Officers Memorial in Washington, D.C., as well as a formal dedication here on the memorial located on the North Shore next Saturday, May 2 at 12:00 noon.

Ms. McLean commended Port Authority's Chief of Police, Steve McCauley, who has been vigilant in finding any relative of Officer Hough, and has located his daughter who is in her 90s. Our police will be picking her up as well as a great niece who will also be coming to the memorial next Saturday.

Ms. McLean concluded her report by inviting the Board to attend the dedication on May 2 and noted that even though it has occurred so many years ago and before this agency was formed, we certainly wanted to recognize Office House's ultimate sacrifice and to thank those who worked so hard to include his name on the memorial.

As part of the public comment period, the Chairman called on Mr. Timothy Session as the first speaker. Mr. Session started his remarks by stating that he is a disabled vet and just recently had a little bit of a financial crisis and needed to take the bus.

Although Mr. Session enjoyed the ride and is happy that he rediscovered the bus, Port Authority did not recognize a V.A. disability card. He noted that a lot of vets will not go outside of the V.A. system to see a civilian doctor to get the appropriate documentation. He wanted to bring this to the Board's attention during this particular time when so many of his fellow veterans and active duty soldiers are working around the world. It would be a good time to actually recognize the V.A. process as a disability and not just the civilian process you already recognize. Mr. Session urged the Board to accept the V.A. Disability card as a common process when applying for a reduced-fare card to ride the system.

The Chairman stated that we generally do not speak from the floor, but although we are required by the State to follow the process, he assured Mr. Session that he, along with staff and other Board members, will work to change this process.

Mr. Session concluded his remarks by stating that Mr. Tom Klevan of SPC is actually looking into the regulations as well.

The Chairman called on the next speaker, Ms. Allison Garcia, Councilwoman for O'Hara Township for a report regarding a case for restoring bus service to RIDC Park. Ms. Garcia stated that as requested by Port Authority, O'Hara Township has conducted a ridership study for RIDC. After distributing a handout to the Board, Ms. Garcia noted that 144 surveys were delivered, one to each RIDC business, and to date have received a 65 percent response rate. Currently 253 people ride the bus to a stop approximately one mile from their workplace. If Port Authority decides to allow the bus to travel an extra three-mile loop, approximately 10 minutes, ridership will increase to 451 people, or a 78 percent increase in ridership. She noted that this increase does not include customers, patients or other patrons of RIDC. She also noted that the survey indicated that businesses would be interested in Port Authority's Job Perks Program or they are not familiar with it. If bus service is restored, we would invite a representative from Port Authority to educate the RIDC Alliance about the program.

Ms. Garcia continued her remarks by saying that, as has been previously stated at Board meetings, we cannot stress enough the safety hazards for the current Port Authority customers because of crossing heavily traveled four-lane highways that includes walking a mile uphill on the road because there are no sidewalks. She added that the community is also interested in the environmental impact this would have by taking more cars off the road if the service is restored.

Ms. Garcia concluded her remarks by stating that restoring bus service to RIDC will benefit all of the parties involved, and the township is looking forward to working with Port Authority.

The Chairman called on the next two speakers from Pittsburghers for Public Transit, Mr. Nick Coles and Ms. Helen Gerhardt to address the Board on issues of sustainability and service priorities.

Mr. Coles remarked that PPT is pleased that Port Authority is considering sustainability as well as cost in making decisions about fleet purchases. Riders, residents, drivers and Maintenance workers all benefit when buses run cleaner improving our local air quality and we benefit again when operating costs are reduced.

He stated that fossil fuels like gas and diesel are not renewable and will eventually run out. In the meantime, they produce the greenhouse gases that drive climate change causing the extreme weather events we're witnessing around the nation and the world.

Mr. Coles stated that we understand that Port Authority is considering a major investment in buses powered by compressed natural gas, or CNG, and in the infrastructure required to fuel and maintain them. Mr. Coles then shared initial findings from PPT's research into alternatives to diesel-powered buses which casts some doubt on the wisdom of conversion to CNG. Typical

diesel buses, as we know, are relatively dirty, noisy and inefficient. Their emissions include not only the particulates we see but also the ozone and nitrous oxide that attack our lungs as well as carbon dioxide, the major culprit in global warming. Their cost efficiency is not great, averaging about three to four miles per gallon. CNG which is also a fossil fuel produces a 20 to 45 percent fewer tailpipe emission which is why it has been promoted as a cleaner fuel. In assessing environmental and health impacts, however, researchers consider not just what comes out of the tailpipe but what they call well-to-wheel emissions; that is, pollutants emitted not only during the operation of a bus but in the production and transmission of its fuel. In the case of CNG, the release of methane from drilling sites, pipelines and fueling stations offsets any gain in tailpipe emissions. Methane is a greenhouse gas 20 to 100 times more potent than carbon dioxide.

Mr. Coles noted that New York's MTA has abandoned its CNG program in favor of an investment in diesel/electric hybrids. Philadelphia's SEPTA plans to purchase 400 hybrids by the end of this year, and it claims that for them a 95 percent reduction in particulates, 56 reduction in nitrous oxide, and of course, zero methane. Increases in fuel economy range from four to 48 percent.

Hybrid buses are not only efficient and clean; they operate more quietly making them healthier for drivers and more pleasant for riders. Because they charge their batteries from the energy of braking, they are well-suited to urban centers with repeated stops. According to a study by the American Public Transportation Association, diesel hybrid buses appear to offer the greatest overall environmental advantage. Technology is evolving, and better options for sustainability may emerge. For instance, zero emissions buses powered by hydrogen fuel cells are coming online.

Mr. Coles concluded his report by urging Port Authority to be cautious of claims about the benefits of CNG and to take a closer look at the performance of its current fleet of 32 hybrids and at improvements in the latest models. Their higher purchase price may be offset by greater fuel efficiency, and their operation would not require construction of a new maintenance and fueling facility. These buses are road-ready, and their economic and environmental benefits could be significant.

Ms. Gerhardt, also from PPT, began her remarks. Ms. Gerhardt stated that PPT is pleased that Port Authority is working on developing a more transparent and inclusive process for service planning. We appreciate that you are formalizing the process for receiving service requests from the public which will be considered using a determined set of criteria. We value your attention to equity, and we expect it to be given priority in your service planning.

She continued stating that during the People, Planet, Place Performance conference last week in Pittsburgh, Angela Glover Blackwell of Policy Line asserted quote, "We have to bake in equity, not do it on the side. Equity is no longer a moral imperative. It has become a national and economic imperative." She also said, "When we solve problems for the most vulnerable, we solve problems for everyone." Ms. Blackwell provided the examples of curb cuts that were meant to help those in wheelchairs but also ended up helping parents with strollers, workers hauling equipment, travelers with luggage and cyclists. Equity in the transit system benefits everyone.

Ms. Gerhardt wanted to share one main concern that PPT has about the current process for the development of service guidelines. While we appreciate that some stakeholders have seen and provided feedback on them, we would also like the wider public to have adequate time to review them and provide input before the guidelines are approved by the Board. A document that will have such a significant impact on our public transit system should be more widely vetted.

The Chairman called on the final speaker, Mr. Jeffrey Petti, vice president of Pestco Professional Services, located in RIDC Park. Mr. Petti reiterated Ms. Garcia's remarks that the lack of bus service to the park has become an escalated issue on a few different levels. First, as Ms. Garcia mentioned, is the safety issue of our employees walking in traffic to and from work. There have actually been incidents where people have been hit while walking to their place of employment and this is definitely escalating. The safety of the employees is something that is very important and serious to us, and the bus service would definitely help in this issue.

Mr. Petti next mentioned the second issue on the recruiting side of our business. We utilize temp agencies for a majority of our hiring needs, and the first question usually asked, is bus service available. Without bus service our ability to recruit and hire potential production employees to meet our needs is seriously jeopardized. There are people that want to work but need public transportation to make that happen in RIDC Park.

Mr. Petti concluded his remarks by urging the Board to take some time to consider the very positive ramifications to all parties with restoring bus service to RIDC.

The Chairman called on Mr. Letwin for a report of the Performance Oversight Committee. Mr. Letwin reported that a meeting of the Performance Oversight Committee was held on Thursday, April 16, and the minutes from the previous meeting were approved by the Committee.

The financial results for the period ending March 2015 were presented at the meeting.

It was reported that Total Operating Income for the month of March was \$520,000 over budget mainly due to higher than expected passenger revenues. Total expenses for the month of March were \$1.75 million under budget due to savings in Employee Benefits. It was also reported that Operating subsidies for the month of March exceeded budget by \$1.75 million.

From a year-to-date perspective, it was reported at the Performance Oversight Committee meeting that Total Operating Income through March exceeded budget by \$2.2 million. Total Expenses continue to remain well under budget by \$19.2 million and Total Subsidies was reported at \$1.48 million over budget.

Port Authority's CFO, Pete Schenk, did notify the Committee that subsidies for the year do have the potential to be \$3 to \$11 million under budget due to a delay in grant processing at the FTA. The Performance Oversight Committee was also informed that from a fiscal year 2014 to fiscal year 2015 perspective, the Authority is performing well.

There were four resolutions reviewed at the meeting by the Performance Oversight Committee.

The Committee reviewed six 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 therefore recommends for award the six items detailed in the Board packet in the total amount of \$27,832,180.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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 Bank of America Merchant Services, to provide merchant bank card services to support the Automated Fare Collection System.

A request for proposals was prepared and publicly advertised and two proposals were received. The proposal submitted by Bank of America Merchant Services, LLC, was determined to be the highest rated proposal.

Mr. Letwin reported that this resolution will authorize the Authority to enter into an agreement with Bank of America Merchant Services, LLC, for an initial five-year period in the not to exceed amount of \$2.5 million with the option to extend the term of the agreement up to an additional five years at the sole discretion of the Authority.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Mr. Letwin stated that the next resolution authorizes the Authority to extend and amend an agreement with Willis of Pennsylvania, Inc., for Property and Casualty Risk Management Services. In October of 2011, the Authority entered into an agreement with Willis to provide advice and assistance regarding its property and casualty risk management programs, including the marketing of its third party insurance policies. The agreement was for an initial term of three years, with the option to extend the term of agreement up to an additional two years at the sole discretion of the Authority.

In April 2014, the Authority's Board exercised the first of the two option years, extending the agreement through September 30, 2015.

It was determined that Willis has continued to perform the services in a timely and satisfactory manner, and it was noted at the Committee meeting that Willis has agreed to provide the services for the final option year without an increase in its present yearly fee.

Mr. Letwin reported that this resolution will authorize the Authority to exercise the second and final option year and extend the term of Agreement through September 30, 2016, and to increase the previously authorized total not to exceed amount from \$560,000 to \$715,000.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Mr. Letwin advised that the final resolution authorizes the Authority to acquire real property from Rave Pittsburgh North.

For the past several years, Port Authority has utilized an approximately 4.26 acre parcel of real property owned by Rave Pittsburgh North, LLC, located at the intersection of McKnight Road and Blazier Drive in McCandless Township for park and ride and bus layover purposes.

Rave has advised the Authority of its intent to dispose of the property. Due to its critical location and a continuing need for park and ride spaces and bus layover needs in that area, the Authority has been engaged in good faith negotiations with Rave over the past several months to acquire the property.

The Authority has agreed, subject to Board approval, and negotiation of a mutually acceptable sales and purchase agreement, and conditioned upon approval of appropriate subdivision and site plans and various other pre-closing conditions, to acquire the property from Rave for \$1.6 million.

The Authority retained an appraiser and review appraiser, certified by the Pennsylvania Department of Transportation, to confirm that this amount represents the fair market value of the property, inclusive of fair market rent consideration for a period of time that the Authority utilized the property without paying rent and a \$50,000 credit due to the Authority from Rave.

This resolution authorizes the Authority to acquire the property from Rave for \$1.6 million.

Mr. Letwin reported that at their meeting, the Performance Oversight Committee agreed to recommend that the Board approve this resolution pending additional information from staff regarding Port Authority's park and rides system-wide, which was received.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

That concluded the report of the Performance Oversight Committee.

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 did not meet in April, but will be meeting in May to review the preliminary FY 2015-16 Port Authority budget. The Committee will also be taking a look at the service guidelines mentioned earlier.

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

Before adjourning the meeting, the Chairman announced that Mr. David White, who has been a member of this Board for approximately two years, has submitted his resignation, mainly due to success in his business. Mr. Hurley wanted to thank him formally for his work on the Board. Mr. White provided very valuable service and headed up our Audit Committee which was a newly developed committee to bring some transparency to how we perform as an agency. The Chairman reported that Mr. White would be replaced sometime in the next few months.

There was no more business to conduct.

The next Regular Meeting of the Board will be Friday, May 29, 2015.

The meeting was adjourned.

APPROVED