

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, MAY 29, 2015

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, May 29, 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
Rob Vescio
Joel Lennen, General Counsel

Media:

Jon Schmitz, Post-Gazette

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, Tom Noll, director Technical Support, Dan DeBone, Community and Government Relations officer, Ed Typanski, director Grants and Capital Programs, Amy Silbermann, Data Analyst, Deborah Skillings, Community Outreach coordinator, Robyn Taylor, manager Maintenance Training, Michelle Ramsey, Employment administrator, Fred Mergner, assistant manager Scheduling and Service Planning, Chris Walker, associate service planner, Mike Compel, assistant manager Operations, Breen Masciotra, Communications coordinator, Andrea Elcock, Communications coordinator, Diane Williamson, executive assistant.

Other

Jim Robinson, ACTC President, Joe Catanese, County Council, Molly Nichols, PPT, Glen Walsh, Carolyn Lenigan, Joan Natko, ACTC, Kim Smith, Pat Miskiewicz, Ray Miskiewicz, Jonah McAllistor-Erickson, PPT, Bob Ieraci, PPT, Donna Dunner, Ginger Rane, Mike Telium, PPT, Karen Hoesch, ACCESS, James Higgins, Christine Higgins, Kelly McCormick, Giant Eagle, Inc., Rebecca Kiernan, Moon Township, Sabatino Dinardo, ATU Local 85, Jeff DiPerna, ATU, Local 85, Dean Mougianis, PPT, Margaret Poland, Baldwin, Jim Hartman, Baldwin, Charles Vogel, O'Hara Township.

Following the recital of the pledge of allegiance, the Chairman recognized Mr. Rob Vescio. Mr. Vescio is the newly appointed member by Speaker Turzai to take the place of Mr. David White. Mr. Vescio has been working in public and government relations formerly with Allegheny

County Executive Jim Roddey and a number of other roles. He is experienced in economic development and transportation issues, and we welcome him and his expertise to our Board.

Recommendation was made for approval of the minutes of the April 24, 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 pointed out that the Amalgamated Transit Union's Black Caucus is holding its 48th Annual Conference in Pittsburgh this weekend. We're honored that the caucus has chosen to hold the annual event in Pittsburgh as it allows us to brag a bit about the improvements our transit system is undergoing. It also will shine a light on the significance of Port Authority's role as a major public sector employer in this region, noting that ATU represents a large portion of a percentage of our workforce, and we enjoy a very positive relationship with our local union leaders.

Next Ms. McLean reported that last week staff reviewed the Authority's preliminary 2016 operating and capital budgets during the Planning and Stakeholders Relations Committee meeting, noting that the preliminary budget does not call for a fare increase and no proposed service cuts. In fact, we are able to spend a limited amount of our operating dollars to enhance service in certain regions.

Ms. McLean stated that some of the spending will be used to extend existing routes to provide service in areas that are without public transportation. A portion will again be used to address overcrowding and on-time issues. Last year, we spent \$1.5 million to address similar issues, and we've seen improvements on on-time performance and increased ridership on those routes. Our budget proposal reflects the stability provided by Act 89 transportation funding and our collective desire to improve the service we offer in this community. Ms. McLean stated that a final budget will be presented at the June committee meeting and later to the full Board for consideration in June.

Finally, Ms. McLean reported that for many reasons, our police department plays a vital role in ensuring the safety of our riders, employees and the public. Sometimes it's visible with canine officers, patrols with federal agents at stations, and sometimes their presence is not so visible, yet they are there. She continued stating that in March, we were reminded how dangerous the job can be as one of our officers, Detective Sergeant Wagner, was injured during a serious incident. Also along those lines, soon we will say good-bye to our longtime Police Chief, Steve McCauley, who will retire later this year. Chief McCauley has been with us since 1987. She said "Chief, you've left your mark. You have provided us with a strong police leadership for many years through many difficult and challenging times, so congratulations."

Ms. Mclean added that our now Assistant Chief, and soon to be Chief, is Matt Porter, who is also with us today. It's significant to note that Matt has been with the department for more than 20 years and has benefited from Steve's leadership, so congratulations Matt on your new position.

Ms. McLean concluded her report by turning it over to Senator Jim Brewster and other members of the Board for a few proclamations.

Senator Brewster asked that Chief McCauley come forward and asked that Mr. Hurley, Representative Costa and Ms. Amanda Green Hawkins join them.

First, Ms. Green Hawkins said a few words and stated “I have had the opportunity and the privilege to interact with our Port Authority police officers quite frequently because I travel the busways and they have been some of the most professional people that I have encountered in law enforcement. When I’m out talking about service to people in the community as a member of Port Authority’s Board, I always mention the professionalism and the quality of the officers in the Port Authority Police Department. Chief McCauley and I were at a presentation a couple of weeks ago, and seeing how he conducts himself it is obvious why the officers are the way they are. They have a great leader. Thank you so much for your service and for your commitment to Port Authority and the people of Allegheny County.”

Senator Brewster then said, “I want to thank you on behalf of the Pennsylvania State Senate and on behalf of the people of Allegheny County for your service, and I wish you luck in the future.”

Representative Dom Costa then said, “I have a unique perspective. Chief McCauley and I worked the jobs together. I remember him as a patrol officer, then a lieutenant, when he told me he was going to match everything that I did, and that he did. There’s no finer person or more professional person that I’ve ever worked with than this man right here. The Port Authority Police Department is what it is today because of this man. People will follow the lead of their leader and they will basically be the same, live up to that integrity. We’re going to miss you, and I wish you all the luck in the world.”

Finally, Mr. Hurley stated that he had a proclamation from the County Executive similar to the other proclamations today. He said that the “County Executive sends the same good wishes and gratitude for the service you have provided and that the Chief will be missed.” Mr. Hurley also noted that “as Ellen spoke of your work and the new chief, Chief Porter, that’s a tribute to you. You got a good one to stay on the staff for 20 years and rise to the same level. Thank you very much for your service. We’ll miss you.”

Senator Brewster asked Detective Wagner to come forward and asked Chief McCauley to say a few words. Chief McCauley stated that a day back in March, Detective Sergeant Wagner was patrolling the Sheridan Park and Ride Lot when he came upon a person who seemed to be in distress in his car parked in the lot. As he walked up on him, he noticed that the person was in the midst of partaking in some illicit drugs. He tried to remove the person from the car but the suspect, who has been held for court, put his car in reverse knocking Sergeant Wagner backwards and required him to defend himself with force. The description of the suspect and car by Detective Wagner, allowed the suspect to be captured by Pittsburgh Police within 20 minutes.

Senator Brewster then stated that “the Chief noted that this was just an example of the day in the life of a policeman, but with the good working relationship we have with all departments in

the area, we were able to capture this suspect, and the most important thing is Sergeant Wagner was not seriously injured. We're grateful to have him as a supervisor in our department. He's an outstanding police officer."

Ms. Green Hawkins stated that, "what I will share with you all is that I understand that these gentlemen were quite shy about coming here and being publicly commended today, but you can see that their efforts are definitely worth some public commendation. While he may say he was just doing his job, I never saw in the terms and conditions of his employment that he would risk bodily injury and death in order to do his job. There's a difference between doing your job and going above and beyond, and that's what this officer exhibited that day in March, going above and beyond to protect the citizens of Allegheny County and to protect Port Authority, and that is worthy of commendation. Thank you so much."

Senator Brewster then stated that he also had a proclamation from the U.S. Senate. "Having been a former mayor with our own police department, we all know how difficult the job is. I think we take for granted what you do. On behalf of everyone in this room and the folks that use Port Authority's services, the Board thanks you."

The Chairman continued the meeting by stating that we have a lot of speakers today. He reminded everyone that we will need to limit the time for each speaker.

Several residents of North Baldwin, who will see an extension of bus service into their neighborhood, this summer, addressed the Board and thanked them for the service. Some said they were concerned that the extension does not include service on Willett Avenue, and Mr. Robert Ieraci, stated that he was happy and elated with the extension, but added, "you're not rid of us yet."

Mr. Jonah McAllister-Erickson from Pittsburghers for Public Transit also praised the proposed route extensions and stated that this proposal indicates the Port Authority's willingness to listen to the voices of community and to take steps to address their needs.

There were two speakers from RIDC Park in O'Hara Township, Ms. Kelly McCormick and Charles Vogel, Council Vice President of O'Hara Township. Mr. Vogel stated that, "On behalf of the Township of O'Hara, the RIDC Business Alliance, and all of the current and future bus riding employees in RIDC, I want to thank the Board and their staff for being able to restore service to the RIDC Park. I'm also happy to see that you were able to restore service to a few of the other areas that also requested it."

The final speaker, Ms. Rebecca Kiernan, sustainability coordinator for Moon Township, presented the Board with letters from township supervisors, the University, Airport Corridor Transportation Association, Mooncrest Community Center, Veolia Water Technologies and State Representative Mark Mustio, urging that riders be allowed to take return trips on the G3 Moon Flyer route. Ms. Kiernan stated that every weekday morning, buses on Port Authority's G3 Moon Flyer route make 15 trips from the township to Downtown Pittsburgh, then turn around and head back to the suburbs without accepting riders on the way. In the afternoon rush, the reverse is true. There are 16 buses that carry riders to Moon, and then return to downtown without stopping for passengers.

Ms. Kiernan stated that this slams the door on anyone who would like to take public transit to jobs at the Airside Business Park, a major township employer, and Robert Morris University. Of the 21,000 people who commute to jobs in Moon, 18,000 drive in alone and of the 5,300 students enrolled at Robert Morris, 3,300 are commuters. She concluded her remarks by urging the Board to look into reverse commute on the G3 Moon Flyer and added that bus service taking commuters and students to the township would ease traffic, cut emissions and reduce the need for paved parking lots.

Before returning to the agenda Mr. Hurley commended staff at this time. He commented to the speakers that while you're thanking the Board for their direction, the heavy lifting and all of the real work that was done was the work of staff that put in a great effort to find ways to bring resources to the table to provide this service.

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, May 21, and the minutes from the previous meeting were approved by the Committee.

The financial results for the period ending April 2015 were presented at the meeting. It was reported that total operating income was reported at \$688,000 below budget, noting that most of this variance was a timing issue related to ACCESS Shared Ride Receipts. Passenger revenues were also \$179,000 below budget.

It was also reported at the Performance Oversight Committee meeting that total expenses for the month of April were \$2.7 million under budget due to employee benefits continuing to be below budget. Total subsidies for the month were \$820,000 under budget due to preventive maintenance being under budget. It was noted at the meeting that the Authority continues to try to get a federal grant approved to fund the Preventive Maintenance Program for the fiscal year.

From a year-to-date perspective, it was reported that total operating income is \$1.5 million over budget due to higher passenger revenues and total expenses year-to-date is almost \$23 million under budget due to employee benefits and materials and supplies being \$5.1 million and \$6.3 million under budget respectively.

Total subsidies are \$660,000 over budget currently with the potential to end the year \$3 to \$11 million under budget if the grant associated with the Preventive Maintenance Program is not approved on time.

Total operating income, in comparison to FY 2014, was reported up \$1.9 million. Total expenses are \$13.2 higher than FY 2014 due to higher wages and pension expenses and total subsidies are up \$19.9 million due to higher State Operating Assistance.

There were seven resolutions reviewed by the Performance Oversight Committee for consideration. First Mr. Letwin noted that it was reported at the meeting that there were no bids received in April over the \$100,000 threshold to review this month.

The first resolution authorizes the Authority to adopt an amendment to the Collective Bargaining Agreement with the International Brotherhood of Electrical Workers, Local 29, covering the terms and conditions of employment for certain Customer Service, Benefits and other administrative personnel. The Collective Bargaining Agreement between Port Authority and IBEW expired on April 30, 2015.

After negotiations, Port Authority and IBEW have agreed on the proposed terms and conditions listed in the Board packet under Exhibit "A." It was reported at the Performance Oversight Committee meeting that Port Authority was advised that IBEW's members have voted to accept the terms and conditions of the proposed amended agreement.

This resolution seeks approval and ratification by the Board of the proposed terms and conditions of the amended agreement outlined in Exhibit A for a five-year period effective May 1, 2015 through April 30, 2020.

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

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

The next resolution authorizes the Authority to establish a fourth year budget with Transdev Services, Inc., formerly known as Veolia Transportation Services, Inc.

In May 2012, Port Authority entered into a five-year agreement with Transdev to provide professional services to coordinate and administer paratransit services for individuals with disabilities and elderly persons in Allegheny County, also known as ACCESS.

The agreement specified that a budget be established annually by the Board for each fiscal year.

Negotiations with Transdev concluded with a proposed budget for the fourth year of the agreement covering the period July 1, 2015 through June 30, 2016 in an amount not-to-exceed \$2,440,000. The proposed FY 2016 amount represents a 2.7 percent increase when compared to the costs negotiated for the previous year of the agreement.

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

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

The next resolution authorizes the Authority to enter into agreements with a pool of firms for investigative services on an as-needed basis.

After a request for proposals was prepared and publicly advertised, seven proposals were received. After review and evaluation by the evaluation committee, it was determined that proposals submitted by Specialty Private Investigators, Inc., Corporate Security and Investigations, Inc., Pittsburgh Information and Research Company d/b/a Onyshko Investigative Services and Investigations by King, LLC, have been determined to be the highest rated proposals to perform the services.

This resolution authorizes the Authority to enter into agreements with these four firms in the total not-to-exceed amount of \$300,000 to be allocated on an as-needed basis for an initial term of three years with the option to extend the term up to an additional two years.

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

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

The next resolution for consideration would authorize the Authority to extend and amend an agreement with Chester Engineers to provide environmental services. In June 2012, Port Authority authorized an award to Chester Engineers to provide environmental consulting services for a total not-to-exceed amount of \$1,200,000 to be allocated on an as-needed basis through task specific work orders for an initial three year period with an option to extend the term of the agreement an additional two years.

The initial three-year term of the agreement will expire June 30, 2015 and it was determined that the services performed by Chester Engineers have been satisfactory and in compliance with the agreement.

This resolution will authorize the Authority to exercise the first option year to extend the agreement through June 30, 2016 with no increase in the previously authorized total not-to-exceed amount.

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

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

The next resolution authorizes the Authority to extend and amend an agreement with Scheidt & Bachmann USA, Inc., to provide operational maintenance services on the replacement Automated Fare Collection System.

Previously, Port Authority awarded an agreement to Scheidt & Bachmann to provide for the replacement of the Authority's existing rolling stock farebox and related cash handling system with an electronic smart card-based Automated Fare Collection System. The agreement provided for procuring certain optional services including certain operational maintenance services.

In June 2012, the Authority's Board approved an amendment to the agreement in order to exercise the option for Scheidt & Bachmann to perform these operational maintenance services for an initial three-year period through June 30, 2015 with the option of extending the term up to an additional two years.

The Authority has determined that it is in its best interest to exercise its two option years in order to continue to utilize Scheidt & Bachmann to perform the operational maintenance services and increase the total not-to-exceed amount by \$3,800,000.

This resolution will authorize the Authority to execute an amendment to the agreement to increase the previously authorized total not-to-exceed amount of the agreement to \$45,450,000 and increase the term of the agreement by two years through June 30, 2017.

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

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

The next resolution authorizes the Authority to award construction contracts for HVAC, plumbing and electrical general ancillary services. These contracts provide for general ancillary construction services for upgrades and improvements to property and facilities owned and/or operated by Port Authority and will be identified and issued on an individual work order basis up to a total not to exceed contract amount of \$2,500,000 for each contract over a three-year period.

After bids were received and evaluated based upon pricing providing for an estimated quantity of services, it was determined that the HVAC contract be awarded to Quality Mechanical Services, Inc., the plumbing contract be awarded to SSM Industries, Inc., and the electrical contract be awarded to T.S.B., Inc., d/b/a Schultheis Electric, as these firms submitted the lowest responsive bids from responsible bidders for each of the identified ancillary service categories.

This resolution authorizes the Authority to award these contracts for a three-year period in the not-to-exceed amount of \$2,500,000 for each contract or a total of \$7,500,000.

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

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

The final resolution for consideration authorizes the Authority to enter into an agreement with the Department of Homeland Security for federal FY 2015 Transit Security Grant Funding.

The U.S. Department of Homeland Security has developed a national infrastructure plan and a national strategy for transportation security. An important component of the program is the transit security grant program, which provides funding for transit projects which meet the national goals to strengthen the security of the nation's transit systems.

The Authority was notified in April that funding for the program was available and the Authority is eligible to compete with other transit properties for total funds of \$87 million available for capital projects.

The Authority has developed proposals to request a total of \$725,034 to further enhance security of the Authority's bus and rail system. These proposals include funding for police emergency services unit training, drills and exercises and to add CCTV surveillance within the North Shore Connector tunnels.

Mr. Letwin noted that federal funding is provided in the amount of 100 percent of total project costs requiring no local match.

This resolution authorizes the Authority to submit proposals and to enter into an agreement with the Department of Homeland Security for transit security funding for federal FY 2015.

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

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

That concluded the report of the Performance Oversight Committee.

Mr. D. Raja asked for clarification on the Preventive Maintenance Program grant. Mr. Peter Schenk, Port Authority's chief financial officer, responded that we apply for this grant every fiscal year and we actually applied for it months ago. The FTA has the paperwork, but it is delayed. He explained that it is a significant portion of our grants and capitalizations budget and assured the Board that we are going to get it at some point, but we do have the expenses to offset it. Mr. Schenk will keep the Board updated on the progress of the grant.

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

Mr. Tague reported that the Planning and Stakeholders Relations Committee met on May 21. Before introducing a resolution for consideration, he wanted to report on a few items.

First, as Ms. McLean reported, staff presented the preliminary FY 2016 operating and capital budgets. The final budget proposal will be introduced at the June 18 Planning and Stakeholder Relations Committee meeting. If recommended for approval, it would be considered by the full Board at its June 26 meeting. Mr. Tague noted that the budget presentation is available online and by request.

The next item to report is that the Authority has made a proposal for improving its Service Guidelines available publicly through its website and is accepting public comment. Mr. Tague stated that we anticipate this proposal will also be presented and discussed at the Planning and Stakeholder Committee's meeting on June 18. He noted that the Authority previously has shared with stakeholders and incorporated some of the feedback heard during those sessions.

Mr. Tague then introduced a resolution for consideration. This resolution is to authorize a public comment period for a ConnectCard fee and fare policy feedback. Through the Authority's ConnectCard Program, cards have been disturbed publicly for free. Cards are used to load and reload fare products and stored value.

The Authority is proposing to start charging a fee for the purchase of a ConnectCard. The Authority wishes to seek additional public input on this proposal. The resolution authorizes the Authority to proceed with a formal public comment period and hold a public hearing for this purpose.

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

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

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

Under new business, the Chairman announced that with Mr. White's resignation, we had a vacancy on the Chair of our Financial Audit Committee. I have asked Mr. Raja to take on that role and responsibility and he has accepted it. He noted that it is a great role for him as we have all noticed in this Board meeting and in past meetings, he has a great interest and acumen in the numbers.

There was no further business to conduct.

The next Regular Meeting of the Board will be Friday, June 26, 2015.

The meeting was adjourned.