

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, APRIL 29, 2016

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, April 29, 2016 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  
Senator Jim Brewster  
Jeff Letwin  
John Tague  
Rob Vescio  
Tom Donatelli  
Robert Kania  
Michelle Zmijanac  
D. Raja  
Representative Dom Costa  
Joel Lennen, General Counsel

**Media:**

Tom Fontaine, Tribune Review  
Ryan Deto, Pittsburgh City Paper  
Elaine Effort, KQV

**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, Barry Adams, assistant general manager Human Resources, Tony Trona, director Purchasing and Materials Management, John Beeler, manager Customer Service, Amy Silberman, data analyst, Deborah Skillings, Community Outreach coordinator, Breen Masciotra, Communications coordinator, Dan DeBone, Communications and Government Relations officer, Tom Noll, director Technical Support and Capital Programs, Andrea Elcock, community planning coordinator, Diane Williamson, executive assistant.

**Other**

Molly Nichols, PPT, Steve Palonis, ATU, Carolyn Lenigan, Brian Krul, Tran Systems, James Love, ACTC, Nugent Laing, HDR, Jonah McAllister Erickson, PPT, Carol Hardeman, Consensus Group, Glenn Walsh, Jonathan Robison, ACTC, Jim Robinson, ACTC, Regina White, Stu Strickland, ACTC, Jeff Hans, HDR, Sarah Schneider, WESA.

The Chairman called the meeting to order. Following the recital of the pledge of allegiance, recommendation was made for approval of the minutes of the March 18, 2016 Regular Meeting. A motion was moved, seconded and passed.

The Chairman called on Ms. McLean for a report from the chief executive officer. Ms. McLean reported that the agenda today includes consideration for two major achievements for Port Authority, our Transit Oriented Development Guidelines and Fare Policy. She stated that when combined with the approval of last year's Service Guidelines, these represent significant

achievements for our transit system and we feel a smarter approach to doing business. Just as the Service Guidelines changed how we make decisions about our major service changes in a data-driven, transparent, physically responsible manner, our TOD Guidelines will change how we will work with developers to benefit our community as well as grow ridership and revenue. The Guidelines are the first of its kind in the region.

Ms. McLean continued reporting that the Fare Policy, also under consideration today, is driven by research findings that show what our customers really want. The proposal would implement a combination of enhancements for our fare structure that help maximize the ConnectCard, encourage ridership, discourage fare evasion, and simplify what currently is an overly complex fare payment system, adding that it needs to be easier and this proposal moves us in that direction.

She said that while we've achieved a great deal in the last couple of years, these three items certainly are atop the list. Ms. McLean commended Port Authority staff and management for their input and their hard work on these efforts. She then thanked the Board for their guidance, participation and support in reaching these goals.

Ms. McLean continued reporting that people may see in their travels throughout Allegheny County in the coming weeks and months Port Authority in Spanish. As we all know, Port Authority serves a diverse ridership including some who do not speak or read English. This not only is a concern for our agency, it is a concern nationally and something that the Federal Transit Administration has asked us to address. You will see advertising for Port Authority in some areas where we know the greatest population of Spanish speaking residents resides.

She stated that over the last year, we've implemented some changes to help communications with those who do not speak English. Our Customer Service Call Center now has the capability to bring in third-party translators on the line and do so very quickly. Our internet site offers instant translation of content on our web pages. Our True Time System allows for the use in Spanish, and we're launching a marketing campaign that targets our Latino population.

Ms. McLean concluded her remarks by reporting that we plan to expand this program in the coming years to reach a growing population in Allegheny County. We not only want Port Authority to be an easy-to-use system, we want it to be friendly and inviting for everyone.

The Chairman called on the first speaker for public comment, Mr. Jonathan Robison. Mr. Robison thanked Port Authority for the service policy guidelines, for restoration of service and augmentation of service meeting rider needs. He noted that restoration and more augmentation are needed, and we all know that the major constraint is money. Therefore, we need additional funds to support the proper restoration and needed service.

Mr. Robison concluded his remarks by stating that he is happy to see that affordable housing is in the goals and principles of the TOD, noting that it needs to be a mandate, not just a suggestion.

The next speaker was Mr. Glenn Walsh. Mr. Walsh stated that his comments today are his own and do not reflect those of any organization. He started his remarks by stating that today, if you approve the new Fare Policy as is with no amendments, you will be increasing the normal base fare between Mount Washington and Downtown Pittsburgh on both the Duquesne and Monongahela Inclines from \$2.50 to \$3.50. This will be due to the fact that the new Fare Policy includes the elimination of continuation transfers.

He continued his remarks by saying that for decades Port Authority has understood that the fare between Mt. Washington and Downtown should be the same whether traveling by incline or by bus. This is why a free CT had been given for people who ride the inclines. He asked why now disadvantage and discourage incline ridership. Mr. Walsh stated that although there was a public hearing, this fare increase was hidden among many changes as a CT elimination, and there was no publicity or even mention that there would be an incline fare increase, noting that all of the publicity said there would be no fare increase and suburban riders would get a fare decrease. He stated that to this day, he is sure that most Mt. Washington residents have no idea that the new Fare Policy will include a fare increase in January.

Mr. Walsh urged the Board that before approving the new Fare Policy, an amendment be approved to provide for a free electronic continuation transfer on the ConnectCard for all people who ride the inclines between Mt. Washington and Downtown Pittsburgh.

The Chairman called on the final speaker, Mr. Jonah McAllister-Erickson. Mr. McAllister-Erickson stated that he would like to comment mostly on the Fare Policy that will more than likely be approved today.

First he stated that the reduction of costs for the ConnectCard from \$2 to \$1 is a step in the right direction as is the elimination of Zone 2 fares and the all-day pass. He also noted that he is also glad to see that affordable housing was included in the TOD Guidelines, although he wished that the language was a little bit stronger.

In regards to the Fare Policy, he commented that the proposed cash surcharge and the elimination of paper transfers all significantly increase the cost for public transit riders who are least able to pay; the rider who uses two buses to get to his or her job five days a week would see their costs increase by \$20 a month.

He also commented on the fact that people simply need to get a ConnectCard to avoid additional expenses, which is easier said than done. ConnectCard availability, especially in the low to moderate income communities and zero card census tracks, is very low. This is highly problematic and severely hinders the ability of riders to acquire a ConnectCard. He suggested that Port Authority consider partnering with libraries, community centers, the YMCA, health clinics, churches, senior centers, etc., to install ticket vending machines and explore other strategies to get more cards to riders, such as allowing social service agencies to distribute free cards to their clients.

Mr. McAllister-Erickson concluded his remarks by urging Port Authority to engage in a massive rider education program to both raise awareness of the Fare Policy change and to encourage

those riders who have not gotten a ConnectCard to acquire one. This would help ridership feel more comfortable with the other changes such as rear exit and always paying on entering.

That concluded the public comment portion of the agenda.

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 last Thursday and he has a few items to report along with two major resolutions to offer for consideration.

Mr. Tague reported that at the Planning and Stakeholders Relations Committee meeting, staff presented an overview of the Transit Oriented Development Guidelines. The Guidelines establish a framework for working with future transit-oriented development projects with the goal of working with developers in a way that benefits transit ridership and revenue.

Mr. Tague presented the first resolution for consideration at this time. He reported that in order to enhance TOD efforts and provide a framework for the Authority's future involvement in TOD advocacy and design, including joint venture projects, Port Authority developed TOD Guidelines that set forth TOD objectives. This resolution will authorize the Authority's adoption of Guidelines, subject to future amendments deemed necessary by the Authority's Board, and further authorize staff to fully implement and utilize the Guidelines in future TOD efforts.

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

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

Mr. Tague discussed a resolution passed in January when the Board authorized the Authority to hold a formal public comment period, including public hearings, regarding proposed fare policy changes. The Authority accepted public comments for a 60-day period in February and March and held public hearings for two days. Public comments also were accepted by U.S. mail and electronically.

Mr. Tague commented that the proposed fare policy changes include several significant changes to the Authority's current fare structure. Key aspects of the proposed changes include changing to a single zone, require payment upon entering, maintain the base fare for customers using a ConnectCard, and also transition to a cashless proof of payment on the rail system.

Mr. Tague noted that the Authority received more than 1,400 individual comments about the proposal. One aspect of the initial proposal was modified in response to input. The proposed change for the ConnectCard fee has been reduced from \$2 to \$1. Mr. Tague reported that this resolution authorizes the Authority to implement the fare policy changes on the respective effective dates, which are detailed in Exhibit A, or on dates thereafter deemed operationally and technically feasible, and to take all other actions that may be necessary to carry out the intent of this resolution.

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

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

Mr. Tague concluded his report by thanking City Planning Director, Ray Gastil, for updating the Committee last Thursday regarding the Bus Rapid Transit project.

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

The Chairman commented that he would like to echo what Mr. Tague and Ms. McLean mentioned earlier, that both of these resolutions presented by Mr. Tague are major changes to the service that the Authority provides. Mr. Hurley commended staff for doing a great job in working through the public process as well as informing the Board. So congratulations to the staff as well as to our riders. He noted that there was a lot of input that came in that did help us form the decision and for that the Board is thankful.

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 21, 2016, and minutes from the previous meeting were approved by the Committee.

The financial results for the month of March 2016 were reported at the meeting. It was reported that the Authority's total income exceeded budget by \$181,282, predominantly due to a \$150,000 reimbursement for the Retiree Drug Subsidy Program. Total expenses for the month exceeded budget by \$1.08 million due to the annual retroactive pension payment that totaled \$2.4 million. Mr. Letwin noted that this is due to the actuarial valuations being conducted on a calendar year basis.

It was also reported at the meeting that total subsidies for the month were \$887,248 below budget due to a timing issue on State Operating Assistance. From a year-to-date perspective, it was reported that total operating income is \$1.3 million above plan due to passenger revenue exceeding budget by \$473,000 and advertising revenue exceeding budget by \$584,000.

It was noted at the meeting that total operating expenses continue to trend below budget by \$15.2 million and total operating subsidies are \$578,000 below budget due to lower cost of contracting reimbursements.

From a year over year perspective, it was reported at the meeting that total operating income is \$922,000 ahead of last fiscal year through March principally due to higher advertising revenue. Total operating expenses are approximately \$12 million higher than last fiscal year due to higher wage and benefit expense. It was also reported at the meeting that total operating subsidies versus last fiscal year are \$7.1 million higher due to higher state operating assistance and preventive maintenance draw downs.

Finally, it was reported at the meeting that the Authority's cash balance at the end of March was \$69.2 million.

Mr. Letwin continued his remarks by reported that there were seven resolutions reviewed at the meeting and are being recommended by the Performance Oversight Committee for consideration.

The Committee first reviewed seven procurement actions and found the 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 seven items outlined in the resolution in the total amount of \$15,909,447.50.

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 reported that the next resolution will authorize the Authority to enter into a Memorandum of Understanding with the Municipality of Bethel Park.

In accordance with applicable Federal Highway Administration and Pennsylvania Department of Transportation Guidelines, the Authority is planning to perform certain upgrades to pavement markings, signage and audible signalization at existing rail crossings in Bethel Park.

To assist in the timely and efficient completion of the project, representatives of the Authority have negotiated a proposed Memorandum of Understanding with Bethel Park, subject to review and approval by this Board.

This resolution authorizes the Authority to enter into the Memorandum of Understanding with the Municipality of Bethel Park containing the material terms and conditions set forth in Exhibit A to the resolution.

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.

Similar to the previous resolution, Mr. Letwin presented the next resolution that will authorize the Authority to enter into a Memorandum of Understanding with the Borough of Dormont. In accordance with applicable Federal Highway Administration and Pennsylvania Department of Transportation Guidelines, the Authority is also planning to perform certain upgrades to pavement markings, signage and audible signalization at existing rail crossings in Dormont.

To assist in the timely and efficient completion of the project, representatives of the Authority have negotiated a proposed Memorandum of Understanding with Dormont, subject to review and approval by this Board.

This resolution authorizes the Authority to enter into the Memorandum of Understanding with Dormont Borough containing the material terms and conditions set forth in Exhibit A to the resolution.

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 award construction contracts for General, HVAC, Plumbing and Electrical for the Authority's Facility Improvements Project. The Authority is undertaking a Facility Improvement Project for renovation work at the Collier Garage, East Liberty Garage, Manchester Main Shop, Pitt Tower, Ross Garage, South Hills Junction Buildings 1 and 2, South Hills Village Rail Center Cash Handling Building, Operations Contract Center and Maintenance Facility and the West Mifflin Garage.

To perform the work for the Project, bid documents were prepared and publicly advertised. Two bids were received for the General Contract, four bids were received for the HVAC Contract, four bids were received for the Plumbing Contract and five bids were received for the Electrical Contract.

The bid of Arcon Contracting, Inc., in the amount of \$5,737,000, for the General Contract, the bid of Wayne Crouse, Inc., in the amount of \$3,440,000, for the HVAC Contract, the bid of W. G. Tomko Incorporated, in the amount of \$1,062,486.63, for the Plumbing Contract and the bid of Merit Electrical Group, Inc., in the amount of \$1,301,000, for the Electrical Contract were the lowest responsive bids from responsible bidders for these Contracts. The respective bids of Arcon Contracting, Wayne Crouse, W.G. Tomko and Merit Electrical are recommended for award of the Contracts.

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 enter into an agreement with Scheidt & Bachmann USA, Inc., for Automated Fare Collection System Software Services. In November 2008, Port Authority's Board authorized the Authority to enter into an agreement with Scheidt & Bachmann to provide the Authority with a new Automated Fare Collection System to replace the then aging and outdated system.

With the adoption of the Fare Policy Changes, the Authority now requires certain software updates for the AFC System end user equipment, web portals and back office support modules. The software for the AFC System is proprietary to Scheidt & Bachmann and the Software Update Services therefore can only be performed by Scheidt & Bachmann. This resolution would authorize the Authority to enter into an agreement with Scheidt & Bachmann for Software Update Services in a not-to-exceed amount of \$1,349,870.

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 convey real property to the Pennsylvania Department of Transportation. PENNDOT owns and operates the Liberty Tunnels in Mt. Washington and has advised Authority that it intends to rehabilitate the fan house facilities that support the operations of the tunnels. PENNDOT has requested that the Authority convey a parcel of property owned by the Authority on the hillside above the tunnels and adjacent to the fan house facilities.

This resolution authorizes the Authority to convey the property to PENNDOT, in consideration for PENNDOT agreeing to take full ownership and maintenance responsibility for the property.

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 reported that the final resolution will authorize the Authority to enter into an Agreement with the Department of Homeland Security for Federal FY 2016 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 that 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 it is eligible to compete with other transit properties for the total funds available for capital projects. Staff developed proposals to request a total of \$176,483 to further enhance the security of the Authority's bus and rail system for Police Emergency Service Unit training, drills, exercises and operational packages.

It was noted at the meeting that Federal funding is 100 percent of the total project and does not require a local match.

This resolution authorizes the Authority to submit proposals and to enter into an agreement with the Department of Homeland Security for Federal FY 2016 transit security funding.

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.

There was no further business to conduct.



The next Regular Meeting of the Board will be Friday, May 27, 2016.

The meeting was adjourned.

Approved