

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, MAY 26, 2017

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, May 26, 2017, 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:**

Jeff Letwin, Chair  
Jennifer Liptak  
Ann Ogoreuc  
John Tague  
Rob Vescio  
D. Raja  
Rob Kania  
Michelle Zmijanac  
Joel Lennen, General Counsel

**Media:**

Ed Blazina, Post-Gazette

**Port Authority Staff:**

Ellen McLean, chief executive officer, Bill Miller, chief operations officer, Keith Wargo, assistant general manager Engineering and Technical Support, Jim Ritchie, Communications officer, Barry Adams, assistant general manager Human Resources, Mike Cetra, assistant general manager Legal and Corporate Services, Ed Typanski, director Grants and Capital Programs, Catherine Terrill, Professional Services contract specialist, Tony Trona, director Purchasing and Materials Management, Adam Brandolph, Public Relations representative, Jermaine Ward, manager Professional Services, Dan DeBone, Community and Government Relations Officer, Breen Masciotra, TOD project manager, Jeff Faddis, Professional Services contract specialist, Anna Marie Koenig, contract specialist, Robert Sechler, Professional Services contract specialist, John DeAngelis, manager Contract Administration, Sheila Dillard, director Internal Audit, Diane Williamson, executive assistant.

**Other**

Steve Palonis, President ATU Local 85, Molly Nichols, PPT, Glenn Walsh, Carolyn Lenigan, Chandana Cherukupalli, PPT, Ken Zapinski, Sarah Schneider, WESA, Mel Packer, PPT, Michael Palombo, CDBP&M, Andrews Hussein, Erica Fooks, PPT, David Thurston, WSC, Creighton Rab, James Love, Maria Green, PPT, Dean Mougianis, PPT, Jim Gordon, GAI, Tom Vena, HNTB.

A recommendation was made for approval of the minutes of the April 28, 2017 Regular Meeting. A motion was made, seconded and unanimously passed.

The Chairman called on Ms. McLean for the report from the chief executive officer. Ms. McLean stated that as many of you know, Wednesday will be her last day at Port Authority, so this is her final board meeting.

She continued stating that since joining the Authority in 2010 as chief financial officer, and having served as chief executive office since 2013, she has been privileged to work with many dedicated and

caring individuals whose top priority has been, and continues to be, to provide great public transportation for the residents of Allegheny County.

Beginning in 2013, soon after being appointed interim CEO, she and local officials worked hard to ensure Act 89 would benefit the residents of Allegheny County. Act 89 indeed gave the Authority the ability to stabilize our financial position.

Across the system, much-needed infrastructure projects from facility improvements, bridge repairs, ramp rebuilds to rail and signal upgrades are underway. The capital project pipeline is filling, and with it, employee morale and community confidence are high.

Ms. Mclean continued reporting that the renewed fiscal position has given management the opportunity to put key policies in place to govern operations into the future. Through a strong labor management committee, thanks to President Steve Palonis and Financial Secretary, Sam DiNardo, we negotiated a four-year contract with ATU Local 85 that puts our current deficit position \$19 million less annually than our 2015 projections, and management intends to continue that effort to contain costs and to continue to grow revenues.

In June 2015, the Board adopted transit service guidelines which will be used on an ongoing basis to evaluate, adjust and improve services as demand and conditions change. And our transit-oriented development guidelines will assist in developing land around fixed guideways and promote transit as part of a regional economic development policy.

More recently, Port Authority implemented the first phase of a fare policy change that, for the first time in more than 30 years, has reduced fares to some riders.

She concluded by saying that Port Authority has done so much over the last years. As she comes to the end of her tenure here, she can look back and confidently say I leave the Authority in a better position than when she started, stating that, "our strategic plan and our financial forecast, as well as our key policies, should safeguard the fiscal health of this agency into the future."

Ms. McLean thanked the staff, ATU Local 85, our drivers, our police officers, maintenance workers and Board members. It has been an honor to lead such a dedicated, talented and professional team. From the very beginning, you inspired me to work hard and to work fast to preserve this fundamental, necessary public service. She noted that she had spent some time with Mr. David Donahoe over the last couple of weeks, and knows that the Authority is being left in capable hands.

That concluded the report of the chief executive officer.

Mr. Letwin thanked Ellen for her report and said that the Board was planning to thank her later in the meeting under new business.

The Chairman did, however, call on Mr. Palonis, President of ATU Local 85. Mr. Palonis stated that on behalf of Local 85 and the residents of Allegheny County, thank you for the work that you did. It was a pleasure working with you. Your work ethic is above anyone else. Thanks so much.

The Chairman moved to the public comment by calling the first speaker, Mr. James Love. Mr. Love expressed his concerns regarding the need to start working on getting Class III, IV and V systems with Class II Port Authority and across the state with Class I SEPTA in Philadelphia.

He thanked Senator Randy Vulakovich and State Representative Bryan Barbin for working very hard for a June 30 meeting to approve a possibility of two more Amtrak trains out of Harrisburg. Mr. Love added that we also need the Allegheny Conference, Port Authority Board and SPC to start working on cutting out the overlapping with Amtrak.

The next speaker, Mr. Andrew Hussein, stated that he was very happy to see that the Authority is considering giving Mifflin Estates some sort of bus service back, and thanked the Board as well as the Planning Department staff.

One of his concerns is with the upcoming changes to the 74 route. He does not necessarily have a problem with seeing it streamlined, however, his hope is that there is a way to have the route still connect people to the East Busway, as it currently does, because people do utilize that connection coming and going. Mr. Hussein is also glad to see that the 56 is doing so well; well enough that it's going to be extended possibly to seven days a week.

Mr. Hussein concluded his remarks by giving his farewell to Port Authority's CEO. He stated, "Ellen, you've definitely done an amazing job in your tenure here, both before being CEO and during. You're going to be greatly missed. In my opinion, you are one of the best CEOs Port Authority has had in my lifetime, and I honestly, sincerely mean that. I wish you all the best in any future endeavors and thank you for all you've done for the Authority and the amazing work and changes you've made possible."

The next speaker, Ms. Erica Fooks, thanked the Board for extending service to the Mifflin Estates this September. She also thanked elected officials and PPT for helping the community get its bus service restored.

The next speaker, Ms. Maria Green, also from Mifflin Estates, thanked the Board for restoring bus service to their area and promised to use it.

The Chairman called on Ms. Molly Nichols and Chandana Cherukupalli from Pittsburghers for Public Transit for a report. Ms. Cherukupalli stated that PPT is thrilled that Mifflin Estates now has bus service. She stated that we appreciate the Board for the decision to extend the 55 route, and also wanted to thank all the residents for being amazing and for all their hard work.

Next Ms. Nichols wanted to briefly acknowledge Ellen's leadership and a lot of the improvements that have happened while she's been here. One that we really want to highlight is the establishment of the service guidelines, which we really see as a model for other agencies across the country.

Next Ms. Nichols mentioned that the transit oriented development guidelines that have happened under Ellen's leadership have been really important to pay attention to how significant it is to have smart community development near fixed guideways.

The real-time rollout was also a big deal. PPT hears from riders a lot about what a difference it makes to know when your bus is coming.

Ms. Nichols next reported on the service report this year that was released. There were over 2,200 service requests between 2015 and 2016, which really signals the kind of demand that's out there, and we think it is really important for us to look at those and figure out what it means to secure the funding required to get service or find other solutions to make sure the folks who can't get the fixed route service some kind of option for them to get the ACCESS.

Finally, Ms. Nichols shared her concerns regarding the proof of payment policy. Now that we've seen it, we still think a lot of our concerns have not been addressed. We appreciate the agency's willingness to sit down and talk with us about that and we look forward to that meeting, but we want to reiterate that we don't think the policy should be implemented until these concerns are addressed.

The next speaker, Mr. Gabe McMorland, is the incoming director of the Thomas Merton Center. They are one of the groups that have been working with Pittsburghers for Public Transit, the Alliance for Police Accountability and Casa San Jose in regards to the new proof of payment policy on the T. The group has been having monthly conversations with Port Authority, mostly through the newspaper, about this policy and Mr. McMorland feels it would be good to get into a room together to hear the people's concerns.

The final speaker, Mr. Creighton Rabs, addressed his concerns with the Bus Rapid Transit project. His first concern is when Port Authority reorganized the routes under the TDP, the plan was for all 61 and 71 series routes to have the potential to be converted into the BRT, and now we're only seeing Highland Park and Squirrel Hill/Greenfield benefiting at the expense of other places.

Mr. Rabs stated that he has not seen any reports or public data online. He also suggested that it would be in Port Authority's best interest to at least, reconsider not cutting off the East End suburbs from their one-seat rides that they get on the 61s and 71s.

In regards to funding, Mr. Rabs feels that since this project is almost exclusively within the City of Pittsburgh, that the bulk of the funding should come from there. He stated that it is not fair for taxpayers or residents in Sharpsburg or the North Hills or South Hills pay for it when it only benefits city residents.

The Chairman called on Ms. Zmijanac for a report of the Performance Oversight Committee. Ms. Zmijanac reported that a meeting of the Performance Oversight Committee was held on Thursday, May 18, and the minutes from the previous meeting were approved by the Committee.

The financial results for the month of April were reported at the meeting. It was reported that Total Operating Income was \$683,389 below budget primarily due to lower ACCESS Shared Ride Revenue. Total Operating Expenses were \$252,708.02 over budget primarily due to a \$3.45 million pension catch-up payment based on the Calendar Year 2016 actuarial valuation for the ATU, Local 85 Pension Plan.

From a year-to-date perspective, it was reported at the meeting that Total Operating Income is \$890,286 under budget for the fiscal year due to ACCESS Revenues and Passenger Revenues being under budget.

Total Operating Expenses are \$19.1 million under budget due to a six month wage freeze for ATU employees and lower expenses for diesel fuel, and materials and supplies. Total Operating Subsidies are \$1.74 million ahead of budget which is due to the timing of receipts.

There were 10 resolutions reviewed by the Performance Oversight Committee for consideration by the Board.

The Committee first reviewed three procurement actions and found the bids to be in accordance with the Authority's procurement policies and procedures, the prices to be fair and reasonable, and the bidders to be responsive and responsible. The Performance Oversight Committee therefore recommends for award the three items outlined in the resolution in the total amount of approximately \$1.8 million.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac reported that the Committee then reviewed a resolution requesting authorization to award a construction contract for the replacement of a retaining wall and the widening and resurfacing of the asphalt pavement at the Avalon Loop Bus Layover Facility, and slope stabilization and drainage improvements at the Collier Garage. Bid documents were prepared and publicly advertised and nine bids were received.

After review of the responsive bids, it was determined that the bid of Brayman Construction Corporation, in the amount of \$816,639.00, is the lowest responsive bid from a responsible bidder meeting the Authority's requirements for the contract.

The Performance Oversight Committee therefore recommends awarding the contract to Brayman Construction Corporation in that amount, subject to completing all pre-award requirements.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac stated that the Committee then reviewed a resolution authorizing the Authority to enter into a contract to provide environmental-related consulting. A Request for Proposals was prepared and publicly advertised and five proposals were received.

The proposal submitted by Chester Engineers, Inc. has been determined to be the highest rated proposal.

The Performance Oversight Committee therefore recommends entering into an agreement with Chester Engineers, Inc., in an amount not-to-exceed \$600,000, to be allocated on an as-needed basis through task specific work orders, for an initial three year term with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac reported that the Committee then reviewed a resolution authorizing the Authority to enter into agreements for General Architecture and Engineering Contract Services. The services under the proposed agreements include two categories: Roadway and Site Work Design and Building and Structure Design.

A Request for Proposals was prepared and publicly advertised and four proposals were received for each of the categories. The proposals submitted by Gannett Fleming, Inc. and AECOM Technical Services, Inc., have been determined to be the highest-rated proposals for the performance of the services in both categories.

The Performance Oversight Committee therefore recommends entering into agreements with Gannett Fleming, Inc. and AECOM Technical Services, Inc., for the identified categories, for a total not-to-exceed amount of \$6 million, to be allocated on an as-needed basis through task specific work orders, for an initial four-year period with the option to extend the term of the agreements up to one additional year at the sole discretion of the Authority.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac reported that the Committee next reviewed a resolution authorizing the Authority to enter into agreements for Inspection and Engineering Services. The services under the proposed agreements include two categories: Inspection and Engineering Services for Repair and Engineering Services for Rehabilitation or Replacement.

A Request for Proposals was prepared and publicly advertised and five proposals were received for each of the two categories. The proposals submitted by GAI Consultants, Inc., and SAI Consulting Engineers, Inc., have been determined to be the highest-rated proposals for the performance of the services in both categories.

The Performance Oversight Committee therefore recommends entering into agreements with GAI Consultants, Inc., and SAI Consulting Engineers, Inc., for the identified categories, for a total not-to-exceed amount of \$11 million, to be allocated on an as-needed basis through task specific work orders, for an initial four-year period with the option to extend the term of the agreements up to one additional year at the sole discretion of the Authority.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac then stated that the Committee next reviewed a resolution authorizing the Authority to enter into agreements for Light Rail Transit Systems Contract Services. The services under the proposed agreements include two categories: LRV and LRT Systems Design and Way and Facilities Systems Design.

A request for proposals was prepared and publicly advertised and three proposals were received for each of the two categories. The proposals submitted by Parsons Brinckerhoff, Inc., and Mott MacDonald, LLC, have been determined to be the highest-rated proposals for the performance of the services in both categories.

The Performance Oversight Committee therefore recommends entering into agreements with Parsons Brinckerhoff, Inc., and Mott MacDonald, LLC, for the identified categories, for a total not-to-exceed amount of \$7 million, to be allocated on an as-needed basis through task specific work orders, for an initial four-year period with the option to extend the term of the agreements up to one additional year at the sole discretion of the Authority.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac stated that the Committee then reviewed the FY 2018-19 Internal Audit Work Plan. By resolution dated November 21, 2007, the Board adopted an Internal Audit Department Charter.

In accordance with the Charter, the Authority's Internal Audit Department staff has conducted various audit and oversight activities over the past several years pursuant to a Board approved 18-month Internal Audit Work Plan, including the finalization and reporting of certain audit reports directly to the Board. To continue these efforts, and to further strengthen the transparency and fiscal oversight of the Authority, the Performance Oversight Committee recommends adopting and implementing the FY 2018-19 Internal Audit Work Plan.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

The Committee then reviewed a resolution authorizing the Authority to Settle a Public Liability Claim.

An accident involving a Port Authority bus occurred on March 16, 2016 on Grant Street near its intersection with Fifth Avenue in Downtown Pittsburgh. Kathleen Masley began crossing Grant Street when she was struck by a Port Authority bus as it was making a left hand turn from Fifth Avenue onto Grant Street.

Ms. Masley's estate put the Authority on notice of the estate's intent to file suit in the Court of Common Pleas of Allegheny County seeking monetary recovery for injuries and damages sustained as a result of the accident. The parties have reached an amicable agreement to fully and finally settle all claims for the total settlement amount of \$235,000.

The Performance Oversight Committee therefore recommends authorizing a settlement payment in the not-to-exceed amount of \$235,000 to fully and finally settle this claim.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac reported that the Committee then reviewed a resolution authorizing the Authority to enter into an Integration Agreement with Amalgamated Transit Union, Local 85. In August 2014, Local 85 filed a petition with the Pennsylvania Labor Relations Board seeking to have the Maintenance Training Specialist and Maintenance Technical Trainer job classifications added to the first-level supervisory collective bargaining unit.

Following proceedings before a Board hearing examiner, an order was issued that held that the positions were non-managerial in nature and therefore should be included in the first-level supervisory collective bargaining unit represented by Local 85.

Therefore, the Performance Oversight Committee recommends entering into an Integration Agreement with Local 85, under the terms and conditions set forth in Exhibit A attached to the resolution.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution.

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

Finally, Ms. Zmijanac stated that the final resolution reviewed by the Performance Oversight Committee seeks authorization to amend existing agreements to provide Information Technology Consulting Services. The Authority's Board previously awarded agreements to the firms listed in the resolution to provide Information Technology Consulting Services for a total not-to-exceed amount of \$4,339,000. The Authority's need for Information Technology Consulting Services has been greater than originally planned.

The Performance Oversight Committee therefore recommends increasing the previously authorized total not-to-exceed amount for the Agreements from \$4,339,000 to \$8,078,840.

On behalf of the Performance Oversight Committee, Ms. Zmijanac 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. Tague for a report of the Planning and Stakeholder Relations Committee.

Mr. Tague reported that last week on Thursday, May 18, the Planning and Stakeholder Relations Committee met. The Committee received one resolution and two presentations.

Mr. David Wohlwill of the Planning Department presented a resolution to authorize and support the Regional Transportation Alliance of Southwestern Pennsylvania's seven principles for a better transportation future and better mobility for all. RTA has developed seven principles for success, and they are asking Port Authority to formally endorse and support these principles.

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 continued reporting that the first presentation was on the preliminary FY 2018 budgets. Mr. Schenk and Mr. Typanski presented the preliminary FY 2018 operating budget of \$420 million and the preliminary FY 2018 capital budget of \$133 million.

Mr. Tague explained that a few significant factors impacted the operating budget. This will be the first full fiscal year with the \$2.50 flat fare. State Act 89 operating assistance will be increased by \$5 million. County operating assistance increased by \$743 million. Mr. Tague thanked Mr. Schenk and Mr. Typanski for putting together this report. He realizes that there is a tremendous amount of time that goes into developing our budgets.

Ms. Amy Silbermann, also from the Planning Department, presented the 2016 Annual Service Report. Port Authority accepted major service requests throughout the year. All requests are evaluated based on three categories. The report, which is available publicly online and by request, includes recommendations to existing routes.

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

At this time, the Chairman asked Ms. McLean to come up to the front of the room for a resolution he wanted to present. He stated that the resolution highlights her career and talks about her years with the Urban Land Institute and the Murphy administration. It highlights all Ellen has done and some of the things outlined in her report from her involvement in getting Act 89 and the great relations that Ellen has developed with the Labor Management Team.

Mr. Letwin stated that the best testament of everything is the fact that not only is Mr. Steve Palonis here to acknowledge all you've done, but that the people who come to these meetings, who sometime come to beat us up, sometimes to thank us, recognize Ellen as well is a great testament.

He continued by saying that he and Mr. Tague were on the Board when Port Authority first hired Ellen as CFO in 2010, and although you were told you only had to do the interim CEO position for a few months, Ellen has done a tremendous job as CEO and we appreciate it. Mr. Letwin then presented Ms. McLean with a plaque as a sign of the Board's appreciation.

At this time, Mr. Letwin invited any of the other Board members to speak if they wished.

Mr. Raja commented that he would like to publicly thank Ellen for her exceptional and outstanding role as CEO. And I totally concur that you are leaving the Port Authority in a better place than when you started. And like Mr. Letwin said, in the role of a CEO of an entity like Port Authority, it's hard to

please everybody. It is great to see this great feedback from the employees, the management, the union, the citizens, the riders and the taxpayers. So, on behalf of the Board, thank you. It's truly been exceptional and best wishes as you go forward.

Ms. Liptak stated that she has known Ellen for some time when she worked with her when she was the budget director for County Council and Ellen was CFO. She said that she has always found Ellen to be extremely professional and a very nice person, and we have gotten along well over the years.

Ms. Liptak wanted to add that being in public service sometimes is not easy, but for someone who stays in public service and gets to the level of Ellen should be commended because sometimes public service workers are not appreciated for hard work. Ellen has worked hard and she has a career thus far that has been amazing and she should be commended for that. We will miss you Ellen.

Ms. Zmijanac also added that Ellen guided the Board through some tough financial times. You've demonstrated leadership and exceptional expertise through the financial challenges that we had. So I thank you for your leadership. And, yes, you do leave the Port Authority in a better place than when you first moved up into the CEO seat, so I thank you for that.

There being no further business to conduct. The meeting was adjourned.

The next Regular Meeting of the Board will be Friday, June 30, 2017.