

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JULY 28, 2017

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, July 28, 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 (via phone)
Senator Brewster
Representative Dom Costa
Rob Kania
Michelle Zmijanac
Joel Lennen, General Counsel

Media:

Theresa Clift, Tribune Review
Shelley Bortz, WPXI
Jack Klinginsmith, WPXI
Elaine Effort, KQV

Port Authority Staff:

David Donahoe, interim chief executive officer, Bill Miller, chief operations officer, 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, Adam Brandolph, Public Relations representative, Chris Walker, associate service planner, Fred Mergner, assistant manager Service Planning and Scheduling, Melissa Rubin, Public Relations coordinator, Deborah Skillings, Community Outreach coordinator, Breen Masciotra, TOD project manager, Darcy, assistant manager Passenger Amenities and Service Planning, Todd Stoker, director Claims, Sheila Dillard, director Internal Audit, Tony Trona, director Purchasing and Materials Management, John Beeler, manager Customer Service, Maria Nickerson, senior internal auditor, Tom Noll, director Technical Support and Capital Projects, Amy Silbermann, data analyst, Diane Williamson, executive assistant.

Other

Carolyn Lenigan, Chandana Cherukupalli, PPT, Jim Robinson, ACTC, James Keener, Laura Wiens, PPT, Ms. Mischelle McMillan, Cathy Williams, ACCESS, Deanna Garcia, WESA, Mamadou Ndiaye, Braddock Borough, Nickole Nesby, City of Duquesne, Chuck Farkas, ITA, Kathy Stefani, SPC, Dave Totten, SPC, April Delacruz, Emily Gwash, Crystal Jennings, PPT, Glenn Walsh, Charles Brannigan, IAS, Karen Hoesch, ACCESS, Greg Evashavik, outside counsel, Kim Morewood, ACCESS, Nicole Sled, Edith Bell.

After the recital of the pledge of allegiance, a recommendation was made for approval of the minutes of the June 30, 2017 Regular Meeting. A motion was made, seconded and unanimously passed.

The Chairman called on Mr. Donahoe for a report of the interim chief executive officer.

Mr. Donahoe reported that even though the Board will hear a summary of the financial reports from the Committee Chair, he wanted to commend both the Board and staff for the fiscal discipline that

went into a good year-end report. While there are always hits and misses in financial projections, the Authority remains on target with the strategic objectives adopted to comply with Act 89.

Mr. Donahoe stated that during the last month, he continued his visits to Port Authority facilities and saw the extensive renovations being undertaken at garages, including new storage tanks, vehicle lifts, crew's rooms and others. System-wide, some 80 capital projects are now active, some having just been given the green light in the FY 2018 budget. He said that the visits also gave him a chance to meet additional line staff including trainers who are working with a contingent of nine new maintenance employees and a class of 23 operators which are scheduled to turn in on September 23. Mr. Donahoe noted that the financial stability he referred to earlier permits the Authority to invest uninterrupted in human and equipment assets. It also keeps Human Resources and our dedicated training staff very busy.

Mr. Donahoe reminded the Board that he spoke last month about issues with the ConnectCard System that were delaying implementation of the light rail fare policy change. Despite these challenges, and compared to May of last year, transactions on our ticket vending machines and use of the ConnectCard have risen. We saw a 50 percent rise in transactions in May and validator taps have increased by 33 percent. It is clear the financial and convenience advantages in using the ConnectCard system is moving customers to these electronic products. He mentioned that work is continuing to resolve the hardware and software issues related to the ConnectCard System. Although progress has been seen, Management has not set a start date for proof of payment on the light rail.

Another issue Mr. Donahoe wanted to bring to the Board is that work continues on readying the BRT project for submission under the Federal Small Grants project. Following some numerous public input sessions on everything from routes to station location, the project partners, who include the URA, City of Pittsburgh, Allegheny County and Port Authority, have submitted a request to the Southwestern Pennsylvania Commission for inclusion of the project in the area Transportation Improvement Plan. This allows the proposal to go through the SPC evaluation process in time for it to be submitted to the FTA in September. He explained that now the application is about getting into the pipeline for capital funds for the next funding round.

Other service related issues concurrently being worked on by the partners include the ability of ACCESS vehicles to serve paratransit riders in the BRT corridor in a way that is consistent with current policy. This topic has been on the radar since before Mr. Donahoe started, however, meetings were held in July with stakeholders and staff, as well as elected officials, to discuss this issue as well as other concerns related to stop placement. This work is proceeding.

The second issue is reviewing service patterns to minimize the connections for customers who prefer one-ride commutes. Much of this was accomplished through the route selection process but additional work is needed and is underway. As service changes are considered, we will share them with the transit council and the public for input before final decisions are made.

Mr. Donahoe concluded his remarks with a monthly service highlight. Much of our time together is spent on bids and contracts and leases and grants, however, there is always need to remind ourselves of what is produced through all of these actions. This month he has chosen ACCESS.

Mr. Donahoe reported that ACCESS is among the largest and most successful coordinated systems in the entire country, providing 5,000 trips on an average weekday, or 1.5 million trips a year. It provides door to door, advance reservation, shared-ride transportation service throughout Allegheny County and to destinations in adjoining counties within 1.5 miles of Allegheny County line.

He noted that ACCESS was the first paratransit system in the United States to go paperless, with drivers using an onboard tablet as a manifest and navigation tool. Riders automatically receive a phone call 10 minutes prior to vehicle arrival. Rides are cashless and all vehicles are equipped with video recording devices for safety. Mr. Donahoe noted that he has visited the ACCESS office and has seen the work that goes into connecting the population it serves to life.

Mr. Donahoe concluded his remarks by stating that even with all of these amenities, ACCESS has the lowest cost per trip of any urban paratransit system in the nation and an on-time performance rate of just over 96 percent. Pittsburgh invented the model and did it right.

That concluded the report of the interim chief executive officer.

Before calling on the first speaker for the public comment period, the Chairman asked everyone to please respect the three-minute time limit so that everyone has a chance to speak.

There were a number of speakers who expressed their concerns over the possible impact of the proposed bus rapid transit system with complaints such as feeling left out of the planning process. Braddock and Duquesne residents claim the current plan would make commutes into the city more expensive and less convenient.

Ms. Laura Wiens, director of Pittsburghers for Public Transit, said its members recognize that the BRT brings some benefits to riders and commuters, such as better traffic flow and improved pedestrian and bicycle routes, but stands along with the Committee for Accessible Transportation and City of Pittsburgh-Allegheny County Task Force on Disabilities in opposing the BRT plan until concerns around accessibility and equity are addressed.

There were also a few speakers, including Ms. Chandana Cherukupalli, who expressed their concerns with the proposed new fare enforcement policy on the light rail system. Ms. Cherukupalli stated that the testimony should be compelling enough argument to decide to use the civil enforcement process instead of a criminal one.

That concluded the public comment section of the agenda.

The Chairman then 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, July 20 and the minutes from the previous meeting were approved by the Committee.

The financial results for the month of June were reported at the meeting. It was reported that Total Operating Income was \$221,467 over budget predominantly due to Passenger Revenue exceeding budget. Total Operating Expenses for the month were approximately \$1.2 million under budget mainly due to lower employee benefits and total subsidies for the month were \$8 million under budget.

From a year-to-date perspective, it was reported at the meeting that Total Operating Income was \$174,058 under budget and Total Operating Expenses were approximately \$22.9 million under budget.

Ms. Zmijanac stated that the unaudited financial results currently show the Authority ending the prior year with \$16.2 million which will be subject to change based on post-closing financial entries.

There were four 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 the three items outlined in the resolution for award for the total amount of approximately \$1.1 million dollars.

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 award a construction contract for the Potomac Avenue Grade Crossing Improvements project.

To perform the work for the contract, bid documents were prepared and publicly advertised and two bids were received. It has been determined that the bid of Balfour Beatty Infrastructure, in the amount of \$331,911.25, is the lowest responsive bid from a responsible bidder meeting the Authority's specifications for the contract.

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 next resolution reviewed by the Committee was authorization for settlement of a public liability claim. An accident occurred involving a Port Authority bus on February 12, 2014 on Penn Avenue near the intersection with Penn Circle West. The bus stopped to avoid hitting the car in front of it causing a patron to fall resulting in injuries. The parties have reached an amicable agreement to fully and finally settle the claim in the total amount of \$106,000.

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 presented the final resolution authorizing the Authority to enter into a First Amendment to its Agreement with Carnegie Mellon University.

Since 2001, Port Authority and CMU have been parties to a series of agreements providing eligible CMU students, faculty and staff with free access to, and use of, the Authority's public transit system in exchange for certain fees paid by CMU as part of the U-Pass Program. Among other terms and conditions, the agreement provides that CMU pay the Authority 50 percent of the base fare per card tap, which is currently \$1.25 per card tap.

As the agreement expires on July 31, 2017, and per recent negotiations between CMU and Port Authority, the parties have agreed to extend the agreement for one year through July 31, 2018. The First Amendment would also provide that both parties designate representatives to review monthly ridership data and work towards a means to convert CMU to a compensation method solely based upon card taps.

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.

Mr. Raja questioned the ACCESS revenue being down \$1.2 million from the budget. Port Authority's Chief Financial Officer, Peter Schenk, replied that the shared ride revenue is somewhat mitigated by lower ACCESS expenses of about \$1.8 million for the year. And in terms of the cost of contracting, there is a 30-day delay in invoicing ACCESS so that could be one of the post-closing adjustments.

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

Mr. Tague reported that last week the Planning and Stakeholder Relations Committee met and there are five resolutions that the committee is recommending for approval.

The first resolution requests authorization to accept funding and enter into an agreement with the Department of Homeland Security for FY 2017 Transit Security Grant Funding. The Federal Transit Security Grant Program provides funding for transit projects that meet the national goals to strengthen the security of the nation's transit systems.

Mr. Tague continued reporting that Port Authority developed a proposal requesting a total of \$965,571 to enhance the security of the Authority's bus and rail facilities. The proposal also seeks funding for police emergency drills, anti-terrorism training and an armored emergency rescue vehicle.

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.

The second resolution authorizes the Authority to confirm direct recipients for the Section 5307 Urbanized Area Formula Program funds. As the largest public transit provider in Southwestern Pennsylvania, the Authority serves as the designated recipient and must authorize other regional transit agencies to directly apply for and receive Section 5307 Urbanized Area Formula Program

funds from the FTA. Mr. Tague explained that Port Authority is being asked to update the list of eligible agencies due to a recent consolidation and new eligibility.

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.

The third resolution authorizes the Authority to accept funding and enter into an agreement with the Federal Transit Administration for federal FY 2017 Low or No Emission Program funding. This program permits transit agencies to partner with private bus manufacturers to seek funding for capital projects that reduce emissions.

Mr. Tague reported that the Authority developed a proposal for \$2,510,625, in partnership with New Flyer of America, Inc. If awarded, the funding would cover the cost difference between five 40-foot diesel buses and five 40-foot electric buses, as well as two charging stations and training.

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.

The fourth resolution authorizes the Authority to apply for and accept congestion mitigation air quality, or CMAQ, funding from the Pennsylvania Department of Transportation. The CMAQ Program funds transportation projects that improve air quality and address traffic congestion problems. This resolution authorizes the Authority to develop and submit an application during the grant application period which begins August 4 and concludes September 8, 2017.

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.

The final resolution for approval is an authorization to enter into a third amendment to an office lease agreement with 623 Smithfield Associates. The Downtown Service Center currently located at 523 Smithfield Street has a lease set to expire on December 31, 2017, and the building owner does not wish to renew the lease.

Port Authority staff has been working with the real estate consultant to locate a new space that is more suitable to meet the growing needs of our customers and our employees. The identified space will accommodate relocating the Customer Service Center and the Customer Service Department/ Call Center into one location for a better customer experience.

This resolution authorizes the Authority to enter into an agreement, the details of which are set forth in Exhibit A to this resolution, and take all necessary actions to relocate the Authority's Downtown Service Center. This resolution further authorizes the Authority to enter into a short-term extension of the existing lease while the build-out of and relocation to the new space is completed.

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

It was moved, seconded and agreed that the resolution be approved as presented with one abstention from Mr. Letwin.

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

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

The next Regular Meeting of the Board will be Friday, September 29, 2017.

Approved