

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, SEPTEMBER 28, 2018

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, September 28, 2018, 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  
Michelle Zmijanac  
Ann Ogoreuc  
John Tague  
Stephanie Turman (via phone)  
D. Raja  
Senator Jim Brewster  
Representative Dom Costa  
Rob Vescio  
Rob Kania  
Joel Lennen, General Counsel

**Port Authority Staff**

Katharine Kelleman, chief executive officer, Bill Miller, chief operations officer, Keith Wargo, chief Engineer, Engineering; Mike Cetra, assistant general manager Legal and Corporate Services; Pete Schenk, chief financial officer; Jim Ritchie, chief communications officer; Jeffrey Devlin, chief information officer; David Huffaker, chief development officer; Marsha McCall, associate internal auditor; Melissa Rubin, Public Relations coordinator; Maria Nickerson, manager Internal Audit; Amy Giammanco, senior training specialist; Jerimaine Ward, manager Contract Administration; Tony Trona, director Purchasing and Materials Management; Glenn Meister, senior internal auditor; Ed Typanski, director Grants and Capital Projects; Catherine Terrill, Professional Services contract specialist; Adam Brandolph, Public Relations representative; Inez Colon, director Employment; Breen Masciotra, TOD project manager; Fred Mergner, assistant manager Scheduling and Service Planning; Melissa Dunbar, Professional Services contract specialist; Deborah Skillings; and Diane Williamson, executive assistant.

**Other**

Carolyn Lenigan, Glenn Walsh, Carl Boltan, WRA, James Keener, President ACTC, Harry Liller, speaker, Brian Schull, Andrew Hussein, Josh Malloy, PPT, Damon Rhodes, Matt Erb, Tree Pittsburgh, speaker, Alicia Carberry, Mayor's Office, speaker, Lisa Ceoffe, City of Pittsburgh, speaker.

The Chair called the September 28, 2018 Regular Meeting of the Board to order.

After the recital of the pledge of allegiance, a recommendation was made for approval of the minutes of the July 27, 2018 Regular Meeting. A motion was made, seconded and unanimously passed.

The Chair called on Ms. Kelleman for a report of the Chief Executive Officer. Ms. Kelleman first acknowledged active and retired members of the Port Authority family who have passed in the last

two months. We've lost operator Ebonee McLaughlin and our retired operators Joseph Minick, Ralph Speer, Edward Thomas, Nicholas Dabruzzo, Gary Payne, Bernard Gardner, Kalman Price, George Zamborsky and Paul Lackovich. We send our condolences to their families.

Ms. Kelleman first reported on the August 5 Norfolk Southern freight train derailment landing about 100 feet from our Station Square Station platform, which derailment caused extensive damage. Because of the steep terrain, repairs were difficult for Norfolk Southern, making car removal challenging. Once the trailers were cleared, we had 1,066 feet of light rail track and over 4,000 feet of overhead electrical lines that needed to be replaced. The 5,000-pound support structure for the overhead also needed to be replaced.

The derailment also caused major traffic disruptions and impacted our service. We diverted rail cars back to our Allentown line, and thankfully, the line is in very good working condition. Although rail passengers had a longer trip, we were able to continue to provide service.

Despite these obstacles, Ms. Kelleman stated that she is extremely proud of how our Port Authority team kept service on the rails, dedicated service on the street, and crews had us back up and running on the rail system in an unprecedented 13 days.

Ms. Kelleman next reported that this week, County Executive Rich Fitzgerald and County Council recognized 19 of our employees for their hard work and dedication. Ms. Kelleman extended her thanks to the following employees as well: Danielle Hilgartner and Tod McElravy of Rail Operations; Brad Straight, Lucian Cappetta, Frank Urda, Chuck Rompala and Pat Sipes from Road Operations; Brain Dudas from our Customer Service Center; and Adam Brandolph from Communications. Every single tweet that came in was answered around the event and there were people on social media for 20 hours with good and solid responses.

Ms. Kelleman continued by recognizing Greg O'Hare, Steve Kladney, Jim LaBella, Dave Lynn, John Binsse, Paul Deiseroth and Matt Homic from Technical Support and Capital Programs. She also thanked Keith Wargo who was up for 30 hours straight making sure the contactors were doing what they were supposed to do immediately after the derailment. She also thanked Chad Snyder and Lieutenant Brian O'Malley from Safety and Security. She also mentioned that we could not forget Princess Ferguson, our off-board fare collector who was working at the station at the time of the accident and ran out of her booth toward a derailing freight train to tell people to be safe. As Ms. Kelleman has said before, we do not know if that is dedication or crazy, but we are very lucky to have staff who made the recovery possible.

Ms. Kelleman stated that clearly, our ridership took a hit in August from the train derailment. We had 21,000 average weekday ridership compared to 27,000 in 2017. Nevertheless, overall, we are still tracking three to four percent above the previous year on total ridership.

Next, Ms. Kelleman reported on the status of our tactical plan, which will improve the ability to stay on budget. We are moving swiftly on the programs and earlier this month, our leadership team met our manager staff. This enabled our management staff to get together to discuss the plan and start breaking into teams to tackle the issues ahead of us. Ms. Kelleman will continue to update the Board on this progress.

Ms. Kelleman reported that it is United Way time again. She has been a participant herself with United Way Programs and supported functions for nearly 20 years. Last year Port Authority employees raised \$113,000 and our goal this year is \$150,000. From a leadership perspective, Ms. Kelleman is looking forward to supporting these valuable programs to fight hunger and homelessness.

Finally, Ms. Kelleman reported that we just concluded the American Public Transportation Association's Annual Meeting in Nashville. For folks who have not heard about this conference, it is our industry's best of the best coming together to talk best practices, cap off what we learned in the previous year and chart our course going forward. Sessions included such topics as transitioning to electric buses and innovative procurement.

This was a great event and we will continue to share these experiences with the Board. I am now the vice chair of APTA's Mobility Management Committee, which means when we have these industry-wide conversations about what does feasibility look like, Port Authority will be at the table a lot. We will be chairing the committee in the near future and will be leading a Rail Transit Committee on Workforce Development.

That concluded the report of the Chief Executive Officer.

The Chair 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 September 20, 2018 and the minutes from the previous meeting were approved by the Committee.

It was reported at the meeting that Total Operating Income through August was approximately \$800,000, ahead of budget due to higher Passenger Revenues. Total Expenses through August were approximately \$4.1 million under budget, but Materials & Supplies is exceeding budget through August due to higher major component usage for the light rail vehicles.

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

Ms. Zmijanac reported that the Committee first reviewed three procurement items 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 bids to be responsive and the bidders responsible. The Performance Oversight Committee therefore recommended for award the three items listed in the resolution for the total amount of approximately \$1.56 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.

The next resolution sought Authorization to Award a Construction Contract for Ancillary Services. The contract provides for HVAC ancillary construction services over a three-year period for upgrades and improvements to property and facilities owned and/or operated by Port Authority. After review of the three bids received, it was determined that the bid of Quality Mechanical Services, Inc. was the lowest responsive bid from a responsible bidder meeting the Authority's specifications for the contract.

The Performance Oversight Committee recommended awarding the contract to Quality Mechanical Services, Inc. for an amount not to exceed \$553,245, subject to the completion of the 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 presented the next resolution seeking authorization to extend and amend agreements for temporary technical and clerical support services. She noted that in November 2014, the Board authorized the award of agreements for an initial term of three years for a total not-to-exceed amount of \$1 million to be allocated on an as-needed basis through work orders. The agreements also contained two option years to be exercised by the Authority in its sole discretion and in October 2017, the Board approved the first option year to extend the term of the agreements until November 30, 2018.

The Performance Oversight Committee recommended extending the term of the agreements with Marsetta Lane Temp Services, Inc., Industrial Employees, Inc. and Staffmark Holdings, Inc., for one additional year to November 30, 2019, with no increase in the previously authorized total not-to-exceed amount for the agreements.

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 next resolution sought authorization to acquire real property from the Roman Catholic Diocese of Pittsburgh. Ms. Zmijanac reported that the Authority owns a portion of the St. Anne's Park and Ride Lot in Castle Shannon Borough and the Diocese of Pittsburgh owns the remaining portion of the lot, consisting of 85 spaces. The Diocese has advised the Authority of its intent to dispose of its portion of the property which the Authority wishes to acquire so it will continue to be used for the Authority's operations.

The Performance Oversight Committee recommended proceeding with the acquisition of the property for \$149,000.

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 next resolution seeking authorization to settle a liability claim. She reported that an accident involving a Port Authority bus occurred on June 26, 2018, on Fort Pitt Boulevard at Wood Street. As the bus was attempting to make a right turn, the bus made contact with a pedestrian, Bailey Falk, who suffered injuries because of the accident.

The Performance Oversight Committee recommended approving a settlement payment to Ms. Falk in the total not-to-exceed amount of \$240,000, to fully and finally settle the 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 presented the next resolution seeking authorization to enter into a Second Amendment to the agreement with Chatham University. Ms. Zmijanac reported that Port Authority and Chatham University have been parties to a series of agreements providing eligible Chatham students, faculty and staff with use of the Authority's public transit system in exchange for fees paid by Chatham as part of the Authority's U-Pass Program.

The current agreement provides that Chatham pay the Authority a fee of 50 percent of the Authority's base fare per card tap, which is currently \$1.25 per card tap. As the agreement is set to expire on September 30, 2018, Port Authority desires to enter into a Second Amendment with Chatham University for one additional year to September 30, 2019.

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 next resolution seeking authorization to extend and amend agreements for financial advisory services. In October 2015, the Board approved entering into agreements with Public Financial Management, Inc., and Public Resources Advisory Group, to provide financial advisory services for an initial term of three years for a total not-to-exceed amount of \$500,000. The agreements also contained two option years to be exercised by the Authority in its sole discretion. The initial three-year term of the agreements expires on October 31, 2018.

The Performance Oversight Committee, thus, recommended extending the agreements with both firms for an additional year to October 31, 2019, with no increase in the previously authorized total not-to-exceed amount.

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 seeking authorization to enter into an agreement to provide chief investment officer services. It was reported that Port Authority requires the services for its Defined Benefit Consolidated Plan and Defined Contribution Plan.

A request for proposals was prepared and publicly advertised and four proposals were received. The proposal submitted by Marquette Associates, Inc. was determined to be the highest rated proposal for the performance of the services.

The Performance Oversight Committee recommended entering into an agreement with Marquette Associates, Inc., to provide the services, for the total not-to-exceed amount of \$643,930, over a three-year period 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 concluded her remarks by reporting that at the meeting, Maria Nickerson presented an audit report of the 2018 Annual Physical Inventory. In general, the audit provided reasonable assurance that inventory items were accurately counted, adjustments to on-hand quantities were recorded correctly in PeopleSoft, the cut-off process was properly followed and variances were resolved and recorded properly.

That concluded the report of the Performance Oversight Committee.

The Chair called on Mr. Tague for a report of the Stakeholder Relations Committee. Mr. Tague reported that the Planning and Stakeholder Relations Committee met last week and he had four updates for the Board.

Mr. Tague first reported that Port Authority is working with Campos, a marketing and research firm, to lead the rebranding and marketing project. A. J. Drexler, CEO and Chief Strategis from Campos, provided an overview of the process. Campos is leading the initial phase of the work and working closely with Red House Communications. Mr. Tague noted that these two companies have been working together for 25 years.

The project has been broken down into two phases. Campos is currently working to finalize the discovery phase, which includes both internal and external stakeholder interviews and data analysis. The initial work is scheduled to be done by early in the first quarter of 2019. Mr. Tague noted that he is happy to see the Authority's rebranding project moving forward.

The second update provided was on the recently expanded community outreach team. The new group has significantly increased team-building events throughout the Authority. In the past few months, Port Authority has participated in the African-American Heritage Day parade, held several events to raise money for the Authority's United Way Campaign and gathered 800 employees for the Authority's first Kennywood picnic in years.

Mr. Tague stated that he is very pleased with the efforts of this group, and he understands that we plan to continue expanding the number of employees doing community outreach work, which is good to hear.

Mr. Tague continued reporting that he attended the Committee for Accessible Transportation's and Allegheny County Transit Council's quarterly meeting on September 13. At the last meeting, ACCESS introduced a new feature on the website, realtime. You can get up to 30-minute information on your computer or your mobile device on scheduled pickup time. You can view your estimated pickup time, and once you are picked up, then you can look at your estimated drop-off time, which are great features. It lists the vehicle number and the number of stops ahead of you, so it gives you an indication of how many people are in front of you.

The ACTC committee met on September 19. This was the first meeting for the new board officers elected in July. The new board officers are James Keener, president; Jay Walker, vice president; Rose Schillings, treasurer; and Barb Simpson as secretary.

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

The Chairman next called on Mr. Vescio for a report of the Technology Committee.

Mr. Vescio reported that the Technology Committee met on Thursday, September 20 and had a few items to report.

The first is a resolution seeking authorization to enter into an agreement with TransAmerica Training Management for Oracle/Peoplesoft training services. The proposed agreement is to provide as-needed training for Oracle/PeopleSoft, which the Authority utilizes for financial and human resources functions. The agreement is for an initial three-year term with the option to extend the term up to an additional two years at the sole discretion of the Authority.

The Technology Committee recommended entering into the agreement with TransAm Erica for a total not-to-exceed amount of \$200,000.

On behalf of the Technology Committee, Mr. Vescio respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

Mr. Vescio reported that at the Technology Committee meeting, Mr. Scott Vetere, director Service Planning and Evaluation, then provided background on the digital display pilot project that had occurred over the past year. Subject to the Board's approval of the proposed contract to acquire and install additional display screens, installation of the next stage of this project will occur in the spring and summer of 2019 and continue the Authority's progress in providing digital service information displays for patron use.

Mr. Vescio then reported that as a follow-up to the presentation by Mr. Vetere, the second resolution reviewed by the Committee was for the procurement of 48 information displays of different sizes to be installed at various locations throughout the Authority's service area. The bid of CHK America has been determined to be the lowest responsive bid from a responsible bidder meeting the requirements of the contract for the procurement and installation of the displays.

The Technology Committee recommended awarding the contract to CHK for the total not-to-exceed amount of \$981,250.

On behalf of the Technology Committee, Mr. Vescio 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 Technology Committee.

The Chair turned the meeting over to Vice Chair, Ms. Liptak, for the public comment portion of the agenda.

The first speaker, Mr. Glenn Walsh, addressed the Board regarding the continued use of the Brown Line. The rail derailment at Station Square resulted in use of the Brown Line tracks without any stops along Warrington and Arlington Avenues. Residents and business owners in the Allentown-Hilltop neighborhood are now calling for restoration of Brown Line rail service.

Three speakers, Alicia Carberry, the Pittsburgh Mayor's Office, Matt Erb, Tree Pittsburgh, and Lisa Ceoffe, city forester, addressed the Board. The three speakers are members of the Tree Protection Task Force. Ms. Carberry introduced the Board to an executive order to ask internal city departments and local authorities to adopt policies surrounding tree protection passed in April by Mayor Peduto. The group has already started working with Port Authority's staff and have visited other authorities about adopting a resolution to establish policies and procedures around trees and tree protection.

The final speaker, Mr. Harry Liller, presented two North Hills Route proposals. He suggested two separate non-stop figure 8 loops connecting all North Hills shopping centers, residential areas, hospitals and colleges.

There being no further business to conduct, the meeting was adjourned.

The next Regular Meeting of the Board will be Friday, October 26, 2018.

Approved