

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, FEBRUARY 24, 2012

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, February 24, 2012 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:

John A. Brooks, Chairman
Guy Mattola
Richard Taylor
Jeff Letwin
Amanda Green Hawkins
Mavis Rainey
Joel Lennen, General Counsel

Media:

Tom Fontaine, Tribune Review

Port Authority Staff:

Stephen Bland, chief executive officer, Bill Miller, Bus Operations officer, Mike Cetra, assistant general manager Legal and Corporate Services, Winston Simmonds, Rail Operations/Engineering officer, Wendy Stern, assistant general manager Planning and Development, Tawnya Moore-McGee, assistant general manager Human Resources, Tony Trona, director Purchasing and Materials Management, Jim Ritchie, Communications officers, Dan DeBone, Community and Government Affairs Officer, Fred Mergner, assistant manager Scheduling Department, Denise Henderson, director bus operations, Tom Noll, director Technical Support and Capital Programs, Deborah Skillings, Community Outreach coordinator, Brenda Fink, director Internal Audit, Diane Williamson, executive assistant

Other

Annette Kroll, Jim Robinson, president ACTC, Glenn Walsh, Joe Bianco, MEC, Joan Natko, CTC Legislative Chair, Jon Smith, ACTC, Holly Hudson

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the January 27, 2012 Regular Board Meeting. The motion was moved, seconded and passed.

The Chairman called on Mr. Steve Bland for a report from the chief executive officer. Mr. Bland explained that he had nothing new to report in respects to the transportation funding crisis since everything we know about what is coming out of Harrisburg has been heard and seen in the media. He then announced that as scheduled, we are holding our 12-hour public hearing regarding the proposed service reductions and fare increases on February 29, 2012, and added that the presence of the Board members is very much appreciated.

It is going to be a very challenging day as hundreds of people will make the trip to the Convention Center to tell very personal and very affecting stories about how they use public transportation in their daily lives and how the loss of those services will impact, in most cases, irreversibly in their daily lives. Mr. Bland noted that it is understandable that out of a natural

sense of frustration and a natural sense of anger over what is being potentially taken away from them, they will come angry, and may take that out on many at the head table. We understand the emotions surrounding this event and this is not a hearing that we want to hear.

Mr. Bland reiterated that there isn't a single service recommendation for reduction or elimination that anyone on Port Authority staff or Port Authority Board thinks is advisable, or necessary. Unfortunately, it is a product of the statewide transportation funding crisis. Our riders are going to come out in large numbers to tell us how devastating these cuts will be and Mr. Bland made a prediction that we are going to agree with every one of them.

On a more positive note, Mr. Bland reported that we will hear later under new business that we have reached a proposed agreement with the Steelers and Rivers Casino to add the Allegheny Station on the North Shore Connector into the extended free fare zone. Last month this Board approved the agreement with the Stadium Authority and Alco Parking to provide free fares out of the North Side Station [the station under the West General Robinson Street Garage]. This agreement, which is similar in composition, will allow the same type of benefit at the Allegheny Station. He added that the entire length of the T beginning at First Avenue Station extending through the downtown core, Steel Plaza Station, Wood Street Station, Gateway Station, North Side Station, and the Allegheny Station will be free fare. Staff will continue working toward trying to get similar arrangements at Station Square.

Mr. Bland concluded his report by announcing that the North Shore Connector remains on schedule to open for revenue service on March 25, 2012.

The Chairman called on Ms. Mavis Rainey for a report of the Performance Oversight Committee. Ms. Rainey reported that the meeting of the Performance Oversight Committee was held on Wednesday, February 15, 2012 and the notes from the previous meeting were approved.

First, the operating budget was reviewed and the following was reported. For the first seven months of FY 2012, passenger revenue is ahead of budget by \$2.2 million. Sales of tickets, weekly permits, and monthly passes outpaced the budget. Farebox revenue is up by \$192,000 and operating revenue to date was up \$2.3 million over budget.

In regards to expenses, it was reported that January expenses across all categories are generally favorable to budget. Overall through January, expenses were favorable to budget by \$11.9 million. Revenue outpaced expenses by \$13.1 million. For the month ending January 31, cash on-hand totaled \$19,675,000. Currently, \$8 million is drawn on the line of credit and \$18 million in reserves was used for operations.

There were four resolutions discussed at the meeting and the Performance Oversight Committee recommends the following resolutions for approval.

The committee reviewed seven procurement actions that are listed in the Board packet in the amount of \$1,580,588.47. The committee has found these bids to have been submitted 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 recommends these items for award for a total cost of \$1,580,588.47.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

It was moved, seconded and unanimously agreed that the resolution be approved as presented. [Mr. Letwin abstained from the award involving Waste Management.]

The next resolution authorizes the Authority to enter into an agreement with Triad USA, Inc. to provide employee benefit consulting, strategic analysis and brokerage services. An Evaluation Committee was convened to evaluate the proposals received and determined that Triad USA, Inc. was the top-rated proposer to perform these services. A total-not-to-exceed amount of \$250,000 is recommended for approval and is to be allocated on an as-needed basis through task-specific work orders. This amount includes the option, at the sole discretion of the Authority, to undertake the benefits dependent eligibility audit services. The agreement will be for a three-year period with the option to extend the term of agreement up to an additional two years at the sole discretion of the Authority.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

It was moved, seconded and unanimously agreed that the resolution be approved as presented. [Mr. Letwin abstained.]

The next resolution authorizes the Authority to enter into an agreement with the Southwestern Pennsylvania Commission (SPC) to participate in the 2012-2013 Unified Planning Work Program. Each year, the United States Department of Transportation, through the FTA, makes available funds for planning activities. Receipt of these funds requires a 20 percent local match and inclusion of projects on the regional project of transportation planning activities called the Unified Planning Work Program. This program is administered by SPC. The total budget for the Authority's projects is expected to be \$230,000, of which the local 20 percent share is \$46,000, and the 80 percent FTA share is \$184,000. This resolution authorizes entering into an agreement with SPC for the Authority's participation in the 2012-2013 Unified Planning Work Program and to provide as the local share a not-to-exceed amount of \$46,000 in cash or in-kind services.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

The final resolution authorizes the Authority to extend the term of agreement with CH2M Hill to provide light rail vehicle support services. The current agreement has a total not-to exceed amount of \$4,448,926 through March 31, 2012, which provided for contract services to support the purchase of 28 new light rail vehicles and the rehabilitation of the 55 existing light rail vehicles by CAF-USA. In order to close out the CAF-USA contract and provide for ongoing support activities, services will be required beyond March 31, 2012. The Authority has

determined that it is in its best interest to extend the term of agreement with CH2M Hill to June 30, 2012, with no increase to the previously authorized total not-to-exceed amount of the agreement.

On behalf of the Performance Oversight Committee, Ms. Rainey respectfully requested approval of the resolution as presented.

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

Ms. Rainey reported that an update on the North Shore Connector was given to the Performance Oversight Committee and it was reported that the project is 98 to 99 percent complete, on schedule, and well within the project budget.

Mr. Jim Ritchie, Port Authority's communications officer, then provided an update to the Performance Oversight Committee on various marketing activities that are being planned leading up to the opening of the North Shore Connector on March 25, 2012.

That concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Mattola for a report of the Planning and Development Committee. Mr. Mattola reported that one of the most important days in Port Authority history will play out on February 29 when we will join riders, community leaders, and numerous organizations at the David L. Lawrence Convention Center to make it perfectly clear that public transportation is a vital part of our lives. This is when we will be accepting testimony on the proposed 35 percent service reductions and fare increase. Mr. Mattola added that the number of public hearings we have held is evidence enough that the Authority's funding problems have deep roots.

Mr. Mattola announced that today, Governor Tom Corbett, and other state leaders, have an opportunity to resolve this lingering problem that puts so much at risk for so many throughout the region. Mr. Mattola added enough is enough and it is time to fix this. We are calling on those attending the public hearing to call for action to preserve this tremendous asset. We need to let it be known that stabilizing public transportation in Allegheny County is a top priority.

Mr. Mattola added that this is our chance to speak up for transit and reiterated that the Port Authority Board and staff do not want to cut this service. We are painfully aware of the personal hardships that will result with these cuts. This public hearing needs to be the forum to tell the state why this matters. It needs to get across to those in charge that cities like Pittsburgh and counties like Allegheny demand sufficient public transportation to prosper. We live and work in Allegheny County because of its great assets. Without them, this region would not consistently rank within the most livable cities in the country. Without them, many of us would no longer desire to live here, work here or raise our children here. We need to make the most of the opportunity on February 29 to speak with one voice.

Mr. Mattola announced that all of the slots have been filled for the 12-hour hearing, and we've booked more than half of the slots for the second room where testimony will also be taken. Outside of the hearing room, more than a dozen local organizations want to stand in support of public transportation, and intend to staff tables in the lobby area to speak with attendees. This

is a tremendous show of support and yet another clear sign that we all want good bus and trolley service.

Mr. Mattola concluded his report by stating that public transportation is critical to the economic vitality of our region and a lifeline for many of us. The Board encourages everyone to speak at the public hearing and we will join you in calling for the action necessary to protect public transportation in Allegheny County.

The Chairman reported that the Stakeholder Relations Committee did not meet this month and there will not be a report.

Under new business, the Chairman presented a resolution to the members requesting approval to enter into an agreement between Port Authority and PSSI Stadium, LLC, which is the Steelers, and the Holding Acquisition Company for the Rivers Casino to fund free fare at the Allegheny Station. A copy of the resolution has been inserted into the packets.

Port Authority has been actively seeking third-party sponsors to fund free fare on Port Authority's T system from the Allegheny Station to Station Square. As a part of this effort, the Board approved a resolution last month for an agreement between Port Authority and the Stadium Authority to fund free fare from the North Side Station to the First Avenue Station.

Mr. Brooks reported that through cooperative efforts and hard work of the County Executive, Rich Fitzgerald and his staff, Port Authority has reached a proposed agreement with PSI Stadium and the Holding Acquisition Company, LLC to fund free fare from the Allegheny Station to the First Avenue Station. The resolution contains an exhibit that details the specific terms and conditions of the agreement with key elements of the agreement. The agreement will be for an initial three-year term with an option to extend an additional two years upon mutual agreement of the parties.

Port Authority will receive \$200,000 in year one with \$5,000 escalators in each subsequent year. And, in addition to the \$160,000 plus \$5,000 escalators to fund free fare, the remaining \$40,000 will be allotted on an annual basis for Pittsburgh Steelers and Rivers Casino advertising in Allegheny Station and other advertising space mutually agreed upon by the parties.

In addition to increasing use and ridership on the North Shore Extension to Port Authority's T system and achieving significant operational cost savings for Port Authority, the overall benefits of a free fare zone extending from the North Shore through Downtown Pittsburgh to businesses, the public, visitors and all North Shore and Downtown Pittsburgh stakeholders are clear and many.

Mr. Brooks respectfully requested approval of the resolution as presented.

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

Also under new business, Mr. Letwin stated that as this will be Mr. Richard Taylor's last meeting as a Board member, he wanted to say that it has been a pleasure to serve with him on this Board. Richard has brought a great professionalism to the Board and is very committed to

Port Authority and spent a lot of time, while trying to run his own business, and really showed that he will do what has to be done, and make the hard decisions that we have had to make with a lot of personal sacrifice.

Mr. Mattola also stated that it has been a real pleasure working with Richard and most importantly the insight that he has brought to the Board has been a tremendous contribution and will sorely be missed. The entire Board concurred.

There being no further business, the meeting was adjourned.

The next Regular Meeting of the Board will be Friday, March 23, 2012.

APPROVED