

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, OCTOBER 25, 2013

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, October 25, 2013 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, Chairman
Tom Donatelli
Constance Parker
John Tague Jr.
Senator Jim Brewster
Representative Dom Costa
Jeff Letwin
D. Raja
Amanda Green Hawkins
David White
Robert Kania
Joel Lennen, General Counsel

Media:

Alex Zimmerman, City Paper
Bob Kerlik, Trib

Port Authority Staff:

Ellen McLean, interim chief executive officer; Mike Cetra, assistant general manager Legal and Corporate Services; Keith Wargo, assistant general manager Engineering and Technical Support; Bill Miller, Chief Operations Officer; Jim Ritchie, Communications officers; Wendy Stern, assistant general manager Planning and Development; Peter Schenk, interim Chief Financial Officer; Heather Pharo, Public Relations & Communications Coordinator, John DeAngelis, manager Contract Administration, Brenda Fink, director Internal Audit, Amy Silbermann, data analyst, Robert Sechier, professional services contract specialist, Dana Bacsí, senior counsel, Susan Altemas, Compensation Program manager, Eric Wells, director, Ed Typanski, senior analyst Capital Program, Inez Colon, director Employment, Joe Joyce, senior analyst Reporting, Tom Noll, director Technical Support and Capital Program, Jerimaine Ward, professional services contract specialist, Nancy Vandling, manager Contract Administration, Fred Mergner, assistant manager, Scheduling and Service Planning, Denise Henderson, director Bus Operations; Bill Wagner, Port Authority Police Department; Diane Williamson, executive assistant

Other

Jim Robinson, ACTC President, Jonathan Robison, ACTC Vice President, Lucy Spruill, CLASS, Karen Hoesch, ACCESS, Joseph Wassermann, Golden Triangle Council of the Blind, Glenn Walsh, Ben Turin, ACTC, Lee Palumbo, Auditor General's Office, Annette Kroll, Austin Davis, Allegheny County Executive's Office, Melanie Marenski, County Controller's Office, David Donahoe, ARAD, Carolyn Lenigan

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 September 27, 2013 Regular meeting. The motion was moved, seconded and passed.

The next order of business was Public Input. The Chairman reminded everyone that Port Authority has an established, written Policy for members of the public who wish to address Port Authority's Board and can be found on Port Authority's website. The Policy has been adopted to ensure that all members of the public who wish to address the Board have time to do so while making sure the Board can conduct its regular business in an orderly fashion. Port Authority encourages members of the public to bring questions or issues they may have to the attention of staff and if they cannot be satisfactorily resolved by staff, to the Board.

Mr. Hurley noted that due to time constraints, neither members of the Board nor Port Authority staff will answer any questions during or after remarks.

The Chairman called on the first speaker, Ms. Lucy Spruill. Ms. Spruill introduced herself and stated that she is the public policy director for Community Living and Support Services, a nonprofit organization serving and employing people with disabilities in Allegheny County, many of whom use fixed route bus service or ACCESS as their primary means of transportation. She explained that the organization's mission statement is to "work toward a community where each belongs," and they have considered Port Authority's accessible fixed route service and ACCESS to be valuable allies in this mission for many years.

Ms. Spruill stated that this morning she wanted to express the organization's concern about reports of proposed or planned relocation of downtown bus stops to the perimeter of the downtown area, requiring bus riders to downtown locations to walk or push themselves three to five blocks to and from their bus to their intended destination. It would be a great hardship or impossibility for many people with sensory, intellectual and mobility impairments, manual wheelchair users, and senior citizens to do this at all, especially on snow-covered walkways. This will limit access for those individuals to all downtown headquarters of government and most of the cultural attractions in Allegheny County, which we pay taxes to support. Experience locally and nationally is that people will avoid trip requirements with two or more boardings. Thus, we think that if seniors and people with disabilities have to either walk/push themselves three to five blocks to get from/to a bus stop or take an extra vehicle that people who can easily walk three to five blocks won't need, will either stay home, take ACCESS to town, or go to a suburban mall on one vehicle. To the extent that people choose to take ACCESS to avoid the new problems getting around, will mean more vehicles trying to discharge passengers on crowded streets and higher costs to riders who are economically disadvantaged who would lose the free or reduced-cost rides the legislature and Port Authority intended them to have. We also believe that thousands of people who take buses to work downtown will drive their cars into town instead of taking the bus during bad weather, and many will not return to the buses.

Ms. Spruill concluded her remarks by stating that although this is not exclusively a disability issue, the reaction we have heard most often from people of all description who take fixed route buses to town is resentment and anger about the appearance of exclusive elements from downtown, some elected officials, and Port Authority management want to define us as undesirable and keep us out of sight. This does not seem to be on route to a community where each belongs. It seems to us that Port Authority does best with robust ridership and widespread community support. We believe this proposed plan will cause the loss of both.

The Chairman called on Mr. Joseph Wassermann for remarks. Mr. Wassermann stated that he is representing the Alumni Association of the Western Pennsylvania School of Blind Children. He also chairs the Advocacy Government Affairs Committee of the Council of the Blind and a member of the City and Allegheny County taskforce on disabilities.

Mr. Wassermann reiterated Ms. Spruill's remarks and said that the groups mentioned above certainly subscribe to the things she mentioned this morning. He continued stating that those groups subscribe to planning. We feel that planning the traffic flow in the city is very, very important. More efficiency certainly needs to be achieved by everybody interested in Downtown Pittsburgh, but we feel these groups and the Citizens for Accessible Transportation, for instance, need to be included in the planning for whatever these new routes might be. Perhaps the newspapers took an idea or two and ran away with it, which remains to be seen. And perhaps there will be shuttle service; this means transferring and waiting and that might mean waiting in inclement weather. Transferring is not very welcomed by most people, whether they are disabled or not.

Mr. Wassermann continued saying that when we talk about being included with regard to plans, it is so all groups can be heard. Probably two or three years ago, an important bus stop at Market and Fifth Avenue was eliminated, possibly because of the energies of one merchant in the Market Square area. We don't feel that is very fair. Everybody probably could complain in Downtown Pittsburgh about riffraff or crowds outside of their place of business, but for them to cause the elimination of an important bus stop, which really cut off the cultural district from Liberty Avenue down to Penn Avenue, doesn't seem to be fair.

On Monday, the above mention taskforce passed a motion, probably the letter is being worked on this very moment, to absolutely include the taskforce representation in whatever planning will be put into effect for Port Authority service in Downtown Pittsburgh.

The Chairman called on Mr. Jonathan Robison, vice president Allegheny County Transit Council, for remarks. Mr. Robison said that he is looking forward to working with an active Board, active individually and collectively, to make PAT even better and bring about a new day at PAT. Active Board is not just once a month proposition. It includes active committees that meet between meetings, work with the community and with Local 85, committees on various different projects under the leadership of the Board members chairing each committee, and we need to work with community groups, including ACTC, of course.

Mr. Robison said that he reiterates everything that Ms. Spruill said and also the Pittsburghers for Public Transit, which is meeting this Saturday at 10:00 a.m. at the United Steelworkers, Boulevard of the Allies, noting that it is a public meeting and everyone is invited. We will be discussing service and funding.

This concluded Mr. Robison's remarks.

The Chairman responded that with the indulgence of the Board, he would like to respond to the one topic of the elimination of downtown bus routes. That process is extremely early in the phase, and should not have been reported in the newspapers. It was an effort to look at what

could be done with the BRT, as well as the major construction activities taking place over the next few years in Downtown Pittsburgh. Any re-routing of bus routes will have great input from the public. So, while it may have been reported that it is in the process, which is far from the truth, we have a couple years of planning to deal with downtown construction. During the course of this planning, Mr. Hurley reiterated that the public will be brought into the process.

The Chairman called on Mr. Peter Schenk, interim chief financial officer, for a report from Finance. Mr. Schenk reported that he had one resolution for the Board's consideration authorizing Port Authority to enter into an agreement with Peirce Park Group, Inc., to provide chief investment officer services. Port Authority requires chief investment officer services for the Authority's Defined Benefit Consolidate Plan and Defined Contribution Plan. A request for proposals was publicly advertised and a total of seven proposals were received on August 16, 2013. Port Authority formed a selection committee consisting of seven voting members from Finance, Human Resources, Operations, Planning and Development and Engineering and Technical Support Divisions. Mr. Schenk continued reporting that the preliminary evaluation was based on such criteria as experience record, project work plan, project management and summary of costs. Based on the preliminary rankings, four firms were invited for formal interviews and Peirce Park Investment Management Consultants was rated the highest by eight of the nine committee members. The committee recommends an agreement in the total not-to-exceed amount of \$660,000 for 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.

Mr. Schenk mentioned that we had a DBE goal of five percent and Peirce is going to utilize Finance Integrity Research Management (FIRM). FIRM is going to handle the defined contribution portion of the analysis on a monthly basis.

Mr. Schenk respectfully requested that the Board approve the resolution authorizing Port Authority to enter into an agreement with Peirce Park Group, Inc., to provide chief investment officer services.

A motion was moved, seconded and unanimously agreed to approve the resolution as presented.

Mr. John DeAngelis, manager Contract Administration, was asked to give a report on the procurement actions. Mr. DeAngelis reviewed seven procurement actions in the total amount of \$11,888,529.69.

Mr. DeAngelis respectfully requested that the Board approve the procurement actions listed in the Board packet in the total amount of \$11,888,529.69.

A motion was moved, seconded and unanimously agreed to approve the resolution as presented.

Mr. Schenk was then asked to give a Financial Report. He reported that total operating income was \$460,206 under budget. Passenger revenue was \$287,292 under budget with ticket sales under budget at \$652,076. He also noted that the ACCESS Program service was \$109,098

under budget, but this was more than offset by ACCESS expenses being below budget. Advertising revenue was \$60,890 under budget due to a timing issue.

Mr. Schenk then reported the expenses for the month of September 2013. Total expenses for the month were \$2,308,736 under budget. Employee benefits were \$687,232 under budget due to budgeting 57 retirees and only having 15 retirees through September which resulted in retiree healthcare being \$234,175 below budget for the month. In addition, the Authority had a number of budgeted vacancies that suppressed active healthcare to \$137,204.03 below budget for the month.

Total year-to-date revenues were \$156,694 under budget. Most of this variance is attributable to ACCESS revenues being \$173,216 under budget. Total year-to-date expenses are \$6.9 million under budget. Mr. D. Raja asked about the level of revenue received through advertising sales. Mr. Jim Ritchie, Communications officer, explained that advertising sales revenue tends to come in waves and is received two to three months after the initial sale. He also explained that our Ad Sales Department staff has sold a significant level of "Station Domination" packages that are billed over several months, which means that the Department's total sales figure is much higher than the amount of revenue received to date.

The Chairman called on Mr. Mike Cetra, assistant general manager Legal and Corporate Services, for a report from Human Resources. Mr. Cetra reported that he will be presenting two resolutions this morning for the Board's approval. The first resolution for consideration would authorize Port Authority to amend and restate its Equal Employment Opportunity and Anti-Harassment Policy. Since November of 1971, Port Authority has maintained and enforced written policies concerning equal employment opportunity, the prohibition of discrimination and sexual harassment in the workplace and a procedure for the filing and investigation of such claims.

In January 2010, Port Authority's Board adopted a comprehensive Equal Employment Opportunity and Anti-Harassment Policy to consolidate prior policies into one policy reflecting Port Authority's organizational commitment to providing a workplace and work environment free from discrimination or harassment of any kind. As part of management's efforts to continually review and improve the Policy, and as part of a recent triennial review of Port Authority's overall Equal Employment Opportunity Program by the Federal Transit Administration's office of Civil Rights, management has prepared proposed amendments to the Policy as set forth in Exhibit A to the resolution in the Board packets.

Mr. Cetra continued reporting that the primary thrust of the proposed amendments is to clarify the role of Port Authority's EEO Program Manager in administering the Policy and more clearly state and recognize management's collective responsibility in ensuring that Port Authority complies with its Policy and EEO Program.

Mr. Cetra respectfully requested that the amendments and issuance of the updated Equal Employment Opportunity and Anti-Harassment Policy be approved as presented.

A motion was moved, seconded and unanimously agreed to approve the resolution as presented.

Mr. Cetra presented the second resolution for the Board's consideration which would authorize Port Authority to enter into agreements with TransAmerica Training Management, Inc., and ExitCertified, to provide training and related support services for certain Oracle/PeopleSoft software modules utilized by Port Authority's Human Resources, Finance, IT and Automated Fare Collection System personnel. These software modules include a Finance Management System, an integrated Human Resources and Benefits Management System and other database and reporting modules and functions. A Request for Proposals seeking a pool of firms to provide these training services was publicly advertised and two proposals were received. An Evaluation Committee, comprised of Human Resources and Finance personnel, was convened to evaluate the proposals and the proposals of both TransAmerica Training Management, Inc., and ExitCertified demonstrated the ability of these firms to competently provide the necessary training services at fair and reasonable costs to Port Authority.

Mr. Cetra noted that because only Oracle licensed entities can provide the training services due to the proprietary nature of the Oracle/PeopleSoft software, no Disadvantage Business Enterprise or other subcontracting goals could be established for this RFP.

Mr. Cetra continued reporting that this resolution would authorize Port Authority to enter into agreements with TransAmerica and ExitCertified, to provide the training and related Oracle/PeopleSoft support services for a term of three years, with the option to extend the agreements up to two additional years at the sole discretion of the Authority. The total not-to-exceed amount recommended for approval for these agreements is \$250,000, to be allocated via task specific work orders on an as needed basis.

Mr. Cetra respectfully requested approval authorizing Port Authority to enter into agreements with Transamerica Training Management, Inc., and ExitCertified, to provide training and related support services for certain Oracle/PeopleSoft software modules.

A motion was moved, seconded and unanimously agreed to approve the resolution as presented.

The Chairman called on Mr. Keith Wargo, Assistant General Manager Engineering and Technical Support, for a report from Engineering and Technical Support.

Mr. Wargo had two resolutions for the Board's consideration. The first resolution is requesting authorization to award a construction contract for the Third Avenue Substation Transformer Replacement project. The work for the contract includes, but is not limited to, the replacement of a transformer at the Third Avenue Substation, replacement of four vacuum switches with load interrupter switchgears at Wood Street and Steel Plaza Subway Stations, replacement of 10 AC circuit breakers at Third Avenue, South Hills Junction, Neeld and Castle Shannon Traction Power Substations, furnishing of two spare AC circuit breakers and the complete refurbishment of the existing transformer from the Third Avenue Substation. Mr. Wargo noted that there were great savings realized in the refurbishment of the exiting transformer as opposed to buying a new transformer.

Mr. Wargo continued reporting that the bid documents were publicly advertised and seven bids were received on September 30, 2013. The total bid of T.S.B., Inc., d/b/a Schultheis Electric, in the amount of \$2,405,275.00, for base bid plus option, was the lowest responsive total bid from a responsible bidder among the bids received.

Mr. Wargo respectfully requested approval for Port Authority to enter into an agreement with T.S.B., Inc., d/b/a Schultheis Electric, in the total amount of \$2,405,275.00, for the contract, subject to the completion of all pre-award requirements.

A motion was moved, seconded and unanimously agreed to approve the resolution as presented.

The next resolution for consideration is authorization to award a construction contract for the Collier Garage Fire Protection System project. The contract provides for the installation of a wet-pipe sprinkler fire suppression system and associated fire alarm system at the Collier Division Garage in the bus storage, bus Maintenance, operator layover and officer areas. Bid documents were prepared and publicly advertised and two bids were received on October 14, 2013. It was determined that the bid of Grunau, Inc., in the amount of \$748,000.00, was the lowest responsive bid from a responsible bidder meeting the Authority's specifications for the contract.

Mr. Wargo respectfully requested approval for Port Authority to enter into an agreement with Grunau, Inc., in the amount of \$748,000.00, subject to the completion of all pre-award requirements.

A motion was moved, seconded and unanimously agreed to approve the resolution as presented.

Although the Governance Committee did not meet this month, the Chairman had two resolutions for the Board's consideration.

The first resolution authorizes Port Authority to amend and restate its by-laws. Port Authority is authorized by the Second Class County Port Authority Act, as amended, to enact by-laws for the management and regulation of its affairs, and the Port Authority Act was recently amended by the Pennsylvania Legislature. The Board desires to amend the by-laws to reflect the current statutory requirements of the Port Authority Act and to make other changes for the orderly and efficient management of its affairs. Mr. Hurley noted the amended by-laws are described in Exhibit A of the resolution in the Board packets and have been made available for inspection by the Board and the public.

Mr. Hurley respectfully requested approval to amend and restate the by-laws as described in Exhibit A of the resolution.

A motion was moved, seconded and unanimously agreed to approve the resolution as presented.

The next resolution authorizes the Board to modify the Board's committee structure and responsibilities and to create a separate Financial Audit Committee. Mr. Hurley reported that in March 2008, Port Authority's Board created four standing Board Committees which were subsequently consolidated into three committees in July 2012. The new Board now desires to further modify the Board Committees' structure and responsibilities. The Board wishes to create a new Financial Audit Committee to oversee the external financial auditing and reporting processes for Port Authority, amend the functions and duties of the Performance Oversight and Monitoring Committee, and certain other revisions to the duties and responsibilities of the existing Committees as described in Exhibit A of this resolution.

Mr. Hurley respectfully requested approval to modify the Board's committee structure and responsibilities and to create a separate Financial Audit Committee.

A motion was moved, seconded and unanimously agreed to approve the resolution as presented.

There was no new business.

The next Regular Meeting of the Board will be Friday, November 22, 2013

The meeting was adjourned.