

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, MAY 30, 2014

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, May 30, 2014, 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
John Tague Jr.
Constance Parker
Senator Jim Brewster
Rep. Dom Costa
Jeff Letwin
D. Raja
Amanda Green Hawkins
Joel Lennen, General Counsel

Media:

Alex Zimmerman, City Paper
Jon Schmitz, Post-Gazette
Bob Kerlik, Tribune Review

Port Authority Staff:

Ellen McLean, chief executive officer, Keith Wargo, assistant general manager Engineering and Technical Support, Bill Miller, Chief Operations Officer, Jim Ritchie, Communications Officer, Mike Cetra, assistant general manager Legal and Corporate Services, Peter Schenk, chief financial officer, John DeAngelis, manager Contract Administration, Amy Silbermann, data analyst, Tom Noll, director Technical Support, Darcy Cleaver, supervisor Passenger Amenities, Ed Typanski, senior analyst Capital, Fred Mergner, assistant manager scheduling and service planning, John Beeler, manager Customer Service, Melinda Smith, supervisor Customer Service, Deborah Skillings, Community Outreach coordinator, Sheila Dillard, director Internal Audit, Dan DeBone, Government Relations representative, Tony Trona, director Purchasing and Materials Management, Diane Williamson, executive assistant.

Other

Jim Robinson, ACTC President, Rodney Akers, Commonwealth of Pennsylvania, Ryan Herbinko, City of Pittsburgh Controller's Office, Joan Natko, ACTC, Carolyn Lenigan, Karen Hoesch, ACCESS, Molly Nichols, PPT, Cynthia London, Vehicle Lifts & Solutions, Inc., Chick Wagner, Vehicle Lifts & Solutions, Inc., Joe DiFiore, Parsons Brinckerhoff, Bob Ieraci, Baldwin Boro, Alicia Williamson, PPT, Annette Kroll, Barb Simpson, ACTC, Jon Smith, ACTC, William Wagner, PAPD.

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 April 25, 2014 Regular meeting. A motion was moved, seconded and passed.

Before calling on the first speaker for public comment, the Chairman reminded everyone that we have a policy here at Port Authority of three minutes of speaking and you will be timed. The policy also states that the Board takes comment, but does not interact with public speakers. If

you have comments you would like the Board to respond to, please submit them in writing, and staff will get back to you.

The Chairman called on Mr. Robert Ieraci, Planning Commissioner of Baldwin Borough, for comments.

Mr. Ieraci stated that he is on the Steering Committee for the Comprehensive Plan and on the Planning Commission for Baldwin Borough, and is also associated with Pittsburghers for Public Transit.

He was there to talk about trying to get bus routes back into Baldwin Borough. There is none at the time and it is a hardship on the Borough which includes North Baldwin, Churchview Avenue, Willett and Towervue. One of the streets has no sidewalks. It is a long distance to walk to Brownville Road. The citizens would like to see those bus routes come back. Mr. Ieraci noted that if you ask any bus driver, years ago the morning and evening rush hours were always filled, and we'd like to see that come back. As far as the comprehensive plan, this is a big problem for the Planning Commission because it's actually hurting the growth of the Borough.

This is a concern for both public safety and borough growth. Baldwin Borough is still a part of Allegheny County and there's over 20,000 paying taxes and they deserve bus routes. He ended his remarks by saying that council wrote letters and tried to schedule meetings with no response.

The Chairman next called on Mr. Chick Wagner from Vehicle Lifts and Solutions, Inc. Mr. Wagner commented that he was working on the most recent bid proposal for the mobile columns that they want to put into the garages. He stated that his company has chosen to not submit a bid this time because we are not comfortable with the safety issues that are in the bid proposal. Mr. Wagner wanted to make everyone aware of his concerns.

The Chairman then called on Ms. Annette Kroll for her remarks. Ms. Kroll stated that you could consider this part two of her concerns about service to the suburbs as someone who lives in the South Hills suburbs. Ms. Kroll distributed three articles that were in the Post-Gazette in the 90's of an old route called the 44U which served Bridgeville, Mt. Lebanon, Scott Township, Dormont and Brookline. Ms. Kroll suggested that it should be brought back to eliminate overcrowding on Bower Hill buses especially during rush hour. She also suggested that it be incorporated in the BRT plans for the Oakland area to connect the people who live in the South Hills with Oakland who either work at the universities or hospitals. The old 44U only ran three or four times in the morning and in the evening Monday through Friday.

Ms. Kroll ended her report by stating that the people who rode the 44U even had annual picnics, t-shirts made and its own website. She noted that they could be a part of the past that can give some spirit to the future of public transportation in the area and especially the suburbs.

The Chairman next called on two speakers from the Pittsburghers for Public Transportation, Ms. Molly Nichols and Alicia Williamson. Ms. Williamson introduced herself and Molly Nichols [who will also be addressing the Board].

Ms. Williamson said that they are organizers for Pittsburghers for Public Transit and want to formally introduce themselves because we'll be seeing a lot of them. Pittsburghers for Public Transit is a grassroots group of transit riders, workers and supporters, and were heavily involved in the ULI process and have had a lot of good meetings with Port Authority staff recently. Ms. Williamson continued that some of the group's concerns are that riders and drivers don't necessarily seem to be treated as the primary stakeholders in the system, and given our size and stake in the system, we have a disproportionately small influence on the decision making processes. As an advocacy group we often don't know who to turn to with public concerns about transit, and we're also interested in how decision making can be inclusive and transparent. Ms. Williamson gave some basic examples such as if you go to Port Authority's website, we can see the Board's pictures, names, and committees, but there's no biographies of who you are, where you come from, how we can get in touch with you, who appointed you, etc., which would be great information for the public to have, and if it's visible, it goes a long way towards building credibility with the public. In terms of these meetings and inclusivity, we were trying to get people here, but this is a really hard time for the average working people to get to the meetings during the day.

At this time, Ms. Nichols gave her remarks to the Board stating that another one of our campaigns is engaging in mobilizing communities to help find solutions that meet their transit needs and appreciate Port Authority's willingness to work with us on these goals.

Ms. Nichols stated that it is their understanding that Act 89 only allows Port Authority to maintain their existing levels of service without the capacity to restore routes that have been cut. If that's actually the case, then the bill is inadequate, and we need to work towards funding service and funding solutions. We understand Port Authority is prioritizing improving the service that's currently here, and while addressing overcrowded buses is certainly important, we're concerned if all the attention is given to the best-served communities, it will be at the expense of those who have the least service and greatest needs, so we're working to understand what these needs are. We have developed some surveys that folks can complete to communicate them to the decision makers like the Board of Directors.

She explained that the group's pilot project is in Baldwin where a few weeks ago, 21 volunteers canvassed the streets of North Baldwin, as Bob Ieraci mentioned earlier, the neighborhood lost all its service. The 51 runs down Brownsville Road, but it's overly crowded, and for many residents they would have to walk two miles to get to a bus. While canvassing there, the group saw people hitchhiking; we heard from residents who feel stuck in their homes and some have four hour commutes. We talked to an apartment manager who loses 50 percent of interested tenants because there's no public transit in the area. We have over 400 surveys, and most of the respondents said they would take the bus if it came back, and they want to get involved to help improve their transit service.

Ms. Nichols explained that the group has been told if Port Authority restores service in Baldwin every other community is going to want service restored as well. We say we need to be fighting for adequate bus service in every community that needs it! Pittsburghers for Transit doesn't have the resources to engage every community, so we had to start somewhere with Baldwin. We're also conducting surveys in other communities such as Penn Hills and East

Pittsburgh. If Port Authority can't bring an entire route back, we're wondering if there can be flexibility in service planning to address these short-term needs.

Ms. Nichols ended her remarks by stating that our campaign is not just about restoring service. We were awarded a grant by the Pittsburgh Foundation to promote civic participation in public transportation planning. We insist that the transit system does not belong to the Port Authority, State legislators or the County or City officials. It belongs to the people of Allegheny County, and we think they deserve more of a seat at the table, and we hope that Port Authority can work with us to help make that happen.

The Chairman called on Ms. Constance Parker for a report of the Performance Oversight Committee.

Ms. Parker reported that a meeting of the Performance Oversight Committee was held on Thursday, May 15, 2014, and the minutes from the previous meeting were approved by the Committee.

The financial results for the period ending April 2014 were presented at the meeting and are detailed in the Board packet.

It was reported that total operating income was above budget primarily due to passenger revenue exceeding budget. Due to the severe winter weather, this is the first time this calendar year that passenger revenues exceeded budget.

It was also reported that total expenses for the month were below budget by \$1.5 million dollars. The primary factor for this positive variance was employee benefits ending the month below budget.

In regards to a year-to-date perspective, it was reported that total operating income is under budget by \$1.1 million dollars. Passenger Revenues and ACCESS-Shared Revenues are both below plan.

Total expense levels continue to be lower than budget by \$16.5 million dollars and it was reported at the meeting that this is due to the hard work of the entire staff keeping expenses under control.

Ms. Parker stated that it was reported at the meeting that the cash position for the Authority through April is approximately \$76 million dollars.

There were six resolutions reviewed at the meeting and are being recommended by the Performance Oversight Committee for approval.

The Committee first reviewed two procurement actions and found these bids to be in accordance with the Authority's procurement policies and procedures, prices to be fair and reasonable, and the bidders to be responsive and responsible.

The Performance Oversight Committee therefore recommends for award the two items outlined in the Board packet in the total amount of \$811,938.50.

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

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

The next resolution authorizes the Authority to amend the Pension Committee Charter.

The Authority previously established and maintains a consolidated retirement and disability allowance plan for employees not represented by a union and for employees represented by Local Union 29 of the International Brotherhood of Electrical Workers.

The Authority has previously adopted a Pension Committee Charter in order to organize a Pension Committee to formalize its operation and duties for administration of the plan and has reserved the right to amend the Charter.

The Authority currently wishes to amend the Charter to clarify that the chief executive officer has the authority to appoint interim or temporary Pension Committee members when any of the stated positions that serve on the committee are vacant or otherwise unavailable to serve until such time as the vacancies are permanently filled.

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

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

The next resolution authorizes the Authority to extend the term of agreements for legal services.

The Authority previously solicited proposals to obtain the services of a pool of law firms to provide legal services on an as-needed basis for specific fields of law.

In January 2013, the Authority's Board authorized to extend the terms of agreements with the nine firms listed in the packet which are set to expire on May 31, 2014.

The Authority has determined that it is in its best interest to extend the term of Agreements with the nine firms through December 31, 2014 in order to enable current assignments to continue and new assignments to be made while a new public solicitation for these services is completed.

Ms. Parker noted that a request for proposals was issued late May with proposals due by July 2, 2014.

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

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

The next resolution authorizes the Authority to adopt and implement the FY 2015-16 Internal Audit Work Plan.

In November 2007, the Board adopted an Internal Audit Department Charter as a statement of policy and an expressed commitment to providing financial and operational oversight to the Authority.

In accordance with the Charter, the Authority's Internal Audit Department has conducted various audits and oversight activities over the past several years, including the finalization and reporting of certain audit reports directly to the Board via implementation of prior 18-month Internal Audit Work Plans.

To continue these efforts and to further strengthen the transparency and fiscal oversight of the Authority, an 18-month Internal Audit Work Plan for the period July 1, 2014 through December 31, 2015 was prepared and described in the Board packet.

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

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

The next resolution authorizes the Authority to extend and amend the agreement with Eric Ryan Corporation.

In March 2011, the Authority issued a proposal to obtain services of a firm to provide utility consulting and administrative support services. The services include, but are not limited to, monitoring of utility bills including recommendations for cost reductions, bill approval services, assisting the Authority in energy and telecommunications procurements and energy management. At the request of the Authority, services also include an onsite energy audit of operating locations.

The Authority's Board authorized the award of an agreement with Eric Ryan Corporation to provide the services for a three-year term, with the option to extend the Agreement up to an additional two years, for a total not-to-exceed amount of \$180,000.

The initial three-year term of the agreement will expire June 30, 2014 and to date, the services performed by Eric Ryan Corporation have been satisfactory and in compliance with the Agreement. The Authority has also determined that to switch the provider at this time in the project would be operationally and financially burdensome.

The Authority has determined that it is in its best interest to extend the term of Agreement for the two additional option years to June 30, 2016, and to increase the total not-to-exceed amount of \$105,000 to a total amount of \$285,000.

The final resolution authorizes the Authority to establish the third year's budget with Veolia Transportation Services, Inc., also known as ACCESS.

In March 2012, the Authority issued a request for proposals to obtain the services of a firm to provide professional services to coordinate and administer paratransit services for individuals with disabilities and elderly persons in Allegheny County.

In May 2012, the Authority's Board authorized the award of a five-year agreement with Veolia. However, the agreement specifies that a budget be established annually by the Board for each fiscal year.

Negotiations with Veolia have concluded for a proposed budget for the third year of the agreement from July 1, 2014 through June 30, 2015, at a not-to-exceed amount of approximately \$2.4 million for the services.

It was noted at the meeting that the proposed budget represents a 3.62 percent increase when compared to the costs negotiated for the previous year. It was further noted that there was no increase to the budget from the first to the second year of the agreement.

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

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 then called on Mr. John Tague for a report of the Planning and Stakeholder Relations Committee.

Mr. Tague reported that the Planning and Stakeholder Relations Committee met earlier this month and the main topic of discussion was a review of the Authority's preliminary operating and capital budgets for FY 2015. A final budget proposal will be brought to the Board in June for consideration.

Mr. Tague reiterated that Act 89 funding does not allow Port Authority to restore routes cut in previous years. However, the proposed budget does allow for modification to some service to address issues such as overcrowding and on-time performance, and this is reflected in the budget. He continued reporting that the Authority's proposed capital budget for the coming year provides for the ongoing bus purchasing program and significant improvements to the Authority-owned bridges, right-of-ways and facilities.

Next, Mr. Tague thanked Ms. McLean for inviting the Urban Land Institute Advisory Panel to Allegheny County. The week-long event that ended on May 16 was very successful and has provided us with solid guidance as we consider the future of public transportation. The ULI event also gave countless stakeholders an opportunity to discuss public transportation with the panelists. More than 100 individuals representing numerous organizations met with the panel and we are grateful. Without these frank discussions, the ULI panelists would not have insight needed in the provision of services and their recommendations. This was a very positive

exchange and a welcome opportunity for stakeholders, and we hope we continue to build on this.

Mr. Tague continued by saying that along the same lines, the Authority's MindMixer website also has been very successful and another positive step in engaging the public on public transportation issues. There were a number of folks that are listed on the website as folks listening, and Mr. Tague is one of them. Others include CEO, Ellen McLean, County Executive Rich Fitzgerald, and fellow Board members Senator Jim Brewster and Representative Dom Costa as well. Mr. Tague stated that it has been an interesting experience reading a lot of the commentaries.

Mr. Tague wanted to take this time to talk a little bit about some of the activities that Port Authority has been involved in the community. On April 29, staff attended a presentation made by Carnegie Mellon University Heinz Public Policy students on their class project, "Evaluation of PENNDOT's Planning Process for Urban Developments." The students evaluated PENNDOT's road requirements for the proposed Almono development in Hazelwood and recommended bicycle and transit improvements to reduce the need for additional road capacity to accommodate traffic generated by the development. The transit improvement recommendation focused on improving bus service to the Almono site. Staff made comments on transit service recommendations as well.

On April 28, along with Deborah Skillings of Port Authority's Community Outreach, Mr. Tague attended a forum hosted by Transportation Information Resources Education Services. They conducted a transportation forum, and it was an opportunity to learn about available transportation resources in and around Allegheny County, as well as network with other providers. Their mission is collaboration of medical, social service, and public and private provides sharing transportation resources and advocating for transportation needs in Western Pennsylvania in an effort to improve availability and knowledge of our community transportation options. There were presentations made by SPC, the Allegheny Intermediate Unit, United Way 211, and Family Services of Western Pennsylvania.

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

Under new business, Mr. Hurley presented a resolution regarding our police union police collective bargaining agreement which expired July 31, 2013. Since that time, Port Authority management and the Transit Police Association representatives have been bargaining in good faith. Over the last several months, we've reached some progress, and Mr. Hurley was happy to report that the parties have agreed on proposed terms and conditions for an amended agreement to be effective August 1, 2013 through July 31, 2018. So effectively, we are going back and amending the agreement so the police union will have a five-year agreement.

Mr. Hurley stated that the terms of the agreement are detailed in Exhibit A in the proposed resolution in your meeting packet. The Transit Police Association has notified Port Authority management that the transit police officers have ratified the proposed terms and conditions for the amended agreement. Port Authority management and labor counsel have reviewed the terms and conditions of the proposed amended agreement and affirmatively recommend that the Board approve it.

Mr. Hurley requested a motion to accept the resolution to authorize Port Authority to approve and ratify the proposed terms and conditions of the amended agreement between Port Authority and the Transit Police Association for the period August 1, 2013 through July 31, 2018 as more fully detailed in Exhibit A of the attached resolution.

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

Mr. Hurley wanted to publicly commend the Port Authority police officers for continuing to stay on and work their shifts as this was being discussed. They are a very valuable force. They have been recognized nationally for some of their work in protecting our system, and they are professional in every extent that you can imagine.

Before adjournment, Senator Jim Brewster commented that we would be remiss if we didn't commend our CEO, Ellen McLean, Board members and Chairman Hurley, and County Executive Fitzgerald for the ULI process this past week. There hasn't been a lot of discussion about it, but it was very enlightening for some of us. For those who spoke today, it speaks to some of their issues, plus as a Board to provide a better service and get people more involved and more engaged.

As there was no more business to be conducted by the Board, the meeting was adjourned.