

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JUNE 24, 2016

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, June 24, 2016 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, Chair (via phone)
Tom Donatelli, Vice Chair
Jeff Letwin
John Tague
Rob Vescio
Michelle Zmijanac
D. Raja
Senator Jim Brewster
Joel Lennen, General Counsel

Media:

Jason Cato, Trib
Ryan Deto City Paper

Port Authority Staff:

Ellen McLean, chief executive officer, Bill Miller, chief Operations officer, Jim Ritchie, Communications officer, Mike Cetra, assistant general manager Legal and Corporate Services, Pete Schenk, chief financial officer, Keith Wargo, assistant general manager Engineering and Technical Support, Barry Adams, assistant general manager Human Resources, Tony Trona, director Purchasing and Materials Management, Deborah Skillings, Community Outreach coordinator, Breen Masciotra, Communications coordinator, Dan DeBone, Communications and Government Relations officer, Ed Typanski, director Grants and Capital Programs, John Beeler, manager Customer Service, Andrea Elcock, community planning coordinator, Catherine Terrill, Professional Services contract specialist, Cathy Frye, insurance administrator, Tom Noll, director Technical Support & Capital Projects, Kim Zelen, manager Contract Administration, Jerimaine Ward, Sr. Professional Services contract specialist, Robert Sechler, Professional Services contract specialist, Maria Nickerson, senior internal auditor, Diane Williamson, executive assistant.

Other

Molly Nichols, PPT, Carolyn Lenigan, Jonathan Robison, ACTC, Jim Robinson, ACTC, Dean Mougianis, PPT, Joan Natko, ACTC, Annie McGowan, PPT, Charlotte Foster, PPT, Regina White, Kim Dinh, PPT, Casy Stelitano, PPT, Fred Kraybill, 350 Pittsburgh, Rachel Filippini, GASP, Andrew Hussein, PPT/ACTC/BIHL, Stacy Chandler, PPT, Warwick Powell, 350 Pittsburgh, Dawn Lane, Manager Moon Township.

The Vice Chairman called the meeting to order. Following recital of the pledge of allegiance, a recommendation was made for approval of the minutes of the May 27, 2016 Regular Meeting. A motion was moved, seconded and passed.

Mr. Donatelli announced for the record that Chairman, Robert Hurley, was participating by phone.

The Vice Chairman called on Ms. McLean for a report from the chief executive officer. Ms. McLean had a few items to report. She announced that as everyone is probably aware, a Penguins Stanley Cup parade occurred this month and Port Authority served in one day what might have been our largest number of riders in the last decade. She was happy to say that we performed exceedingly well for such an unprecedented amount of people, providing an estimated 275,000 rides on bus and light rail, which is about 50,000 more than an average weekday. Despite the increased volume, it took only about an hour to clear downtown stations and our customer service volume was at its average. Ms. McLean thanked everyone who played a role in making this go so smoothly. It was a hands-on day and a very successful one for the community. She also wanted to publicly thank the various outside organizations that really collaborated very well with us.

Next Ms. McLean announced that last Thursday, United Way presented Port Authority with its Bronze Circle Award for our 2015 campaign, which resulted in a record-setting year for the organization and the highest fundraising total in a decade for United Way. Port Authority had 806 employees pledge a total of \$134,530. This is a great accomplishment for Port Authority, our employees and the United Way, and we are very proud to be a part of this each year.

Ms. McLean concluded her report by announcing that the Board will vote today on 70 new buses, which we will replace with the buses scheduled for retirement when they're put into service next fall. The new buses are part of an aggressive fleet plan that will contribute to the reduction of maintenance costs and cleaner emissions. Because we're retiring the older buses, public transportation in Allegheny County becomes better for the environment with every new purchase.

The Vice Chairman announced that the Board will conduct its regular business before hearing public comment.

Mr. Donatelli called on Mr. Letwin for a report of the Performance Oversight Committee.

Mr. Letwin reported that a meeting of the Performance Oversight Committee was held on Thursday, June 16, 2016, and the minutes from the previous meeting were approved by the Committee.

The financial results for the month of May 2016 were reported at the meeting. It was reported that total operating income was \$64,000 under budget due to passenger revenue being below budget. Total operating expenses for May were \$1.97 million under budget and total subsidies for the month were \$3.3 million under budget which is mainly a timing issue.

From a year-to-date perspective, it was reported that total operating income continues to be slightly ahead of budget by \$349,000 due to higher advertising revenue and total operating

expenses are \$18.1 million under budget. Total operating subsidies for the fiscal year are \$3.6 million under budget which should normalize at year-end.

Before presenting the resolutions, Mr. D. Raja asked a question regarding the financials. Mr. Raja stated that he is somewhat surprised to see that passenger revenue is down from last year given the changes that we're doing. Port Authority's, Chief Financial Officer, Pete Schenk, responded that ridership is pretty static right now, reminding the Board that this is paying ridership and things like senior ridership would not necessarily reflect in revenue.

Mr. Letwin continued reporting that there were 10 resolutions reviewed at the meeting and are being recommended by the Performance Oversight Committee for consideration by the Board.

The Committee first reviewed six procurement actions and found the 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 six items outlined in the resolution in the total amount of \$3,616,125.05.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Mr. Letwin reported that the next resolution authorizes the Authority to enter into an Agreement for Property and Casualty Risk Management Services. It was explained at the meeting that the Authority requires a contractor to provide consulting services to support the Authority's property and casualty risk management programs, including, but not limited to, the design and marketing of operational insurance coverages, evaluation of insurance proposals, placement of insurance coverages and advising on insurance requirements for the Authority and its contractors and vendors.

In order to obtain a qualified firm to perform the contract services that will consist of Core Contract Services to be provided on a fixed fee basis and Special Contract Services to be provided via task-specific work orders, a request for proposals was publicly advertised.

Five proposals were received and after review and evaluation, it was determined that Aon Risk Services, Inc. submitted the highest-rated proposal for the performance of the contract services. A total not-to-exceed amount of up to \$324,000 for the provision of the contract services for the agreement is recommended for the initial period of three years.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

The next resolution authorizes the Authority to convey real property to Stoehr Development, Inc.

Mr. Letwin explained that Port Authority is the fee simple owner of an approximately 7.76 acre parcel of vacant and graded real property that fronts Montour Church Road in Robinson and North Fayette Townships.

Following efforts to explore the feasibility of various roadway improvements, including the widening and extension of Montour Church Road, funds could not be identified to complete construction of the roadway improvements.

After consultation with the FTA, due to federal monies being utilized to acquire this property, the Authority proceeded with efforts to dispose of the site. A request for bids to acquire the property was advertised seeking a responsible and responsive bidder to acquire the site for a minimum asking price of \$845,000 or the highest responsive bid received.

Two bids were received and based upon a review, it was determined that the bid received from Stoehr Development, Inc., was the highest responsive bid received from a responsible bidder.

This resolution authorizes conveying the property to Stoehr Development for the purchase amount of \$1,060,000, with FTA concurrence.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Mr. Letwin noted that as announced by Ms. McLean, the next resolution authorizes the Authority to enter into an agreement with Gillig, LLC for the purchase of 70 new 40-foot low floor buses, with an option to purchase up to 400 additional 40-foot low floor buses, CNG buses, hybrid buses, BRT styled buses and associated components, training, special tools and equipment over the next five years.

These vehicles will replace coaches that are at least 12 years old or have in excess of 500,000 miles and have reached the end of their useful lives.

Mr. Letwin continued reporting that the unit price of each 40-foot clean powered diesel coach will be \$455,415.00, which includes features such as voice annunciators, radios, video surveillance, passenger counters and other features.

This resolution will Authorize the Authority to enter into an agreement with Gillig for the purchase of 70 new 40-foot low floor buses and associated major component spares, training,

special tools and diagnostic equipment at a total not-to-exceed amount of \$34,056,710.00, with an option to purchase up to 400 additional 40-foot low floor transit coaches, CNG buses, hybrid buses, BRT styled buses and associated components, training, special tools and equipment over the next five years.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Mr. Letwin advised that the next resolution authorizes the Authority to extend and amend the agreement with Parsons Brinckerhoff, Inc., for Bus Rapid Transit Project Activities.

Port Authority previously solicited proposals to obtain the services of a contractor to perform an alternatives analysis, a national environmental policy act or NEPA review and other services in order to qualify for federal funding consideration for a proposed Bus Rapid Transit link between downtown, Oakland and other East End neighborhoods in the City of Pittsburgh.

In July, 2011, the Authority's Board authorized the award of an agreement to Parsons Brinckerhoff, Inc., to provide the services and in July 2016, amended the agreement to exercise the option for the performance of preliminary engineering related to the design of the project.

It was discussed at the meeting that although Parsons Brinckerhoff performed satisfactory, as the result of the City of Pittsburgh initiating a planning study for a different project in the Uptown area that encompasses portions of the BRT project, completion of the NEPA and preliminary engineering work has been delayed.

This resolution authorizes an amendment to extend the agreement with Parsons Brinckerhoff through December 31, 2017, with no increase in the total not-to-exceed amount, and to decrease the scope of the preliminary engineering work to only the portions of such work directly needed to support the NEPA review.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Mr. Letwin stated that the next resolution will authorize the Authority to award a construction contract for the Collier Garage Diesel Tank Replacement Project. This contract provides for the installation of two new double wall 15,000 gallon underground diesel storage tank systems replacing the three existing single wall 10,000 gallon underground diesel storage tank systems at the Collier Bus Garage. Bid documents were prepared and publicly advertised and three bids were received. After review of the bids, it was determined that the bid of The Fourth River

Company, was the lowest responsive bid from a responsible bidder meeting the Authority's requirements for the contract.

This resolution will award the contract to The Fourth River Company, in the amount of \$933,840.00, for the work, subject to completing the pre-award requirements.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

The next resolution authorizes the Authority to extend and amend an agreement with LogicTree Corporation to provide hosted interactive voice response services. In August, 2012, the Board awarded an agreement to LogicTree Corporation to provide hosted interactive voice response services for an initial three-year term for a total not-to-exceed amount of \$805,200, with two additional option years which can be exercised at the sole discretion of the Authority.

In July, 2015, the Board approved the first option to extend the term of the agreement until August 2016. The Authority has now determined that it is in its best interest to extend the term of the Agreement for the second option year.

This resolution will extend the term of the agreement with LogicTree for one additional year with no increase in the previously authorized total not-to-exceed amount.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Mr. Letwin advised that the next resolution authorizes the Authority to enter into an Agreement with The Eric Ryan Corporation for Utility Consulting and Administrative Support Services.

The Authority requires a contractor to provide consulting and administrative support services that include, but are not limited to, monitoring of utility bills, recommendations for cost reductions, assisting in energy and telecommunications procurement and energy management.

A request for proposals was prepared and publicly advertised and three proposals were received.

The proposal submitted by The Eric Ryan Corporation has been determined to be the highest rated proposal for the performance of the services.

This resolution will authorize the Authority to enter into an agreement with The Eric Ryan Corporation for three years, with an option to extend the term an additional two years, for the total not-to-exceed amount of \$170,400, to be allocated on an as-needed basis through task specific work orders.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

The next resolution authorizes the Authority to file grant applications with the Pennsylvania Department of Transportation for Section 1513 State Operating Assistance and Section 1514 State Capital Assistance of Act 89 available in FY 2017 to receive \$224,853.621 and \$106,430,000, respectively.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Mr. Letwin stated that the final resolution authorizes the Authority to enter into an agreement with Southwestern Pennsylvania Commission to participate in the FY 2017 and FY 2018 Unified Planning Work Program.

Each year, the United States Department of Transportation, through the Federal Transit Administration, makes available funds for planning activities. Receipt of these funds requires a 20 percent local match and inclusion of projects on the regional program of transportation planning activities called the Unified Planning Work Program which is administered by SPC. The total budget for projects for Port Authority is expected to be \$230,000 annually of which the local 20 percent share is \$46,000 annually 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 FY 2017 and FY 2018 Unified Planning Work Program and to provide as the local share a not-to-exceed amount of \$46,000 annually in cash or in-kind services.

On behalf of the Performance Oversight Committee, Mr. Letwin respectfully requested approval of the resolution.

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

Also at the meeting, Mr. Letwin reported that the Authority's Internal Auditing Director, Sheila Dillard, presented a detailed summary of the Audits of Employee and CEO Expense Statements

and Advances. The results of the audit were good and showed that the employees generally submitted expense statements in an accurate manner.

This concluded the report of the Performance Oversight Committee.

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

Mr. Tague reported that the Planning and Stakeholder Relations Committee met on June 16 as well and that the Committee reviewed two resolutions that he would like to introduce to the Board.

The first resolution discussed at the Planning and Stakeholder Relations Committee meeting was the Fare Adjustment Policy. This resolution will authorize the adoption of a Fare Adjustment Policy. Under the State's Act 89 of 2013, every transit agency in Pennsylvania must adopt a policy that outlines the basic principles for the adjustment of fares to meet the inflation rate.

This resolution will authorize the Authority to adopt a Fare Adjustment Policy subject to future amendments deemed necessary by the Authority's Board.

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.

Mr. Tague stated that the next resolution seeks approval of the operating and capital budgets. Staff presented the FY 2017 operating and capital budgets at the Planning and Stakeholder Relations Committee meeting last week, noting that there are virtually no changes from the preliminary budget presented publicly in May. The proposed operating budget totals nearly \$413 million and the proposed capital budget is nearly \$200 million. Both budgets balance anticipated expenses with anticipated revenues and grants.

Mr. Tague noted that the operating budget includes about \$1.3 million to pay for various service enhancements including \$600,000 to extend the 79, 89 and P17 routes. He stated that our operating support for FY 17 will be matched by \$30.7 million from Allegheny County and \$3 million from the Regional Asset District. Another \$105 million will come from passenger revenues and other Authority-generated sources.

Mr. Tague further reported that the Authority's capital budget includes numerous improvement projects to the fixed guideways, facilities and other programs and money for additional bus replacements.

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.

This concluded the report of the Planning and Stakeholders Relation Committee.

The Vice Chairman then moved onto the public comment section of the agenda by calling the first speaker, Ms. Dawn Lane, manager Moon Township.

Ms. Lane stated that she was here on behalf of the Board of Supervisors, the Airport Corridor Transportation Association and the Moon Economic Development Committee. She thanked the Board and staff of the Authority for the decision to allow the G3 Moon Flyer to provide reverse commute service from Downtown Pittsburgh to the Moon Park and Ride. As a result of this decision, transit riders from all over Allegheny County will now be connected to not only the 26,000 jobs in Moon Township but to Robert Morris University with its 3,300 commuter students.

The next speaker was Jonathan Robison, Allegheny County Transit Council charter member. Mr. Robison noted that Pittsburgh did not get the \$50 million DOT Smart Cities Challenge grant. There is however much in the package which we should, and will, continue to support. Mr. Robison also relayed his dissatisfaction for the downtown to Oakland link.

The next speaker was Ms. Rachel Filippini, executive director of the Group Against Smog and Pollution. Ms. Filippini commented that while air quality in Pittsburgh has improved over the last several decades, we continue to have some of the worst air pollution in the country, especially in terms of fine particulate matter. She stated that one source of these emissions is Port Authority buses.

Ms. Filippini continued with her remarks by saying that getting folks out of their personal vehicles and into public transit is important to improving air quality, however, to maximize air quality improvements, we must ensure that our buses are clean and utilizing modern pollution controls. She noted that they were happy to hear earlier this week that many of the oldest buses will soon be replaced with new models that will be 90 percent cleaner than the older buses they replace. Even though this is welcoming news, she stated that she would like to see all pre-2006 buses that aren't equipped with diesel particulate filters come out of service as quickly as possible. Ms. Filippini concluded her remarks by saying that ultimately, the goal for Port Authority and our region should be a fleet of electric buses fueled by renewables.

The next speakers were Kim Dinh and Casy Stelitano from Pittsburghers for Public Transit.

Ms. Dinh began her remarks by stating that today the Board is voting to purchase new diesel buses, and while these are an important improvement to having the older and dirtier diesel buses on the road, we can do better. PPT is here today to encourage Port Authority to green

its fleet. Public transit can greatly reduce the carbon footprint by helping to decrease the use of single-occupant vehicles. However, combustion of fossil fuels in transportation produces a variety of the pollutants, which contribute to the global climate change problem. Climate change affects everyone, which is why it is important that the public transportation sector is held responsible to its carbon emission.

As a volunteer of Pittsburghers for Public Transit, she voiced the organization's concern about how the current buses affect the health of pedestrians, bicyclists and transit riders in Pittsburgh. She then stated that PPT wants to emphasize that buses fueled by CNG, a fossil fuel, are not the solution. We need buses that run on renewable energy and do not emit greenhouse gases. Let's work together to secure the funding to green the fleet immediately, which will have such a positive impact on the health and well-being of our residents and our region.

Ms. Casey Stelitano stated that she was here today on behalf of the communities that PPT works with to thank the Board for voting yes to the operating budget, which includes service additions in Garfield, Penn Hills and Moon Township. She noted that residents worked really hard to come together and to highlight their need for services and we would like to thank Port Authority for establishing a transparent process for service requests and evaluation and providing that service where it is needed. This will make a huge difference in these residents' lives and we know that they are grateful that this agency is listening to their requests and responding. She noted that there are still many communities out there who desperately need more transit service, and we must all work together to secure the funding required to provide it.

Ms. Stelitano also wanted to reiterate that while PPT supports the Zone 2 fare reduction, we are really concerned about the elimination of paper transfers. We think you should delay the specific change until you are confident that all riders will have access to ConnectCards.

The final issue Ms. Stelitano wanted to address was that while Pittsburgh did not win the Smart Cities Transportation Challenge, the city has said that it still wants to move forward on the projects listed in the application. PPT is excited about the SurTrac technology which will enable traffic lights to communicate with buses to improve the flow of transit vehicles. PPT does have significant concerns about the proposed Hazelwood connector. PPT believes that only if the residents in the affected communities decide that this is a needed transit connection and that it's determined by the public that this should be a transit priority in our city, then the service should be run publicly by Port Authority, and it should result in a net increase in long-term union jobs.

The Vice Chairman called the next two speakers, Mr. Warwick Powell and Fred Kraybill, members of 350 Pittsburgh, an international climate activist organization. Mr. Powell remarked that Pittsburgh has an ambitious opportunity to be carbon neutral by 2030. Electrifying our bus fleet is part of that opportunity.

He continued saying that action by all of us is extremely urgent. Being carbon neutral needs all of us, our households, our organizations, our cities, our counties, our states, our country, and all nations, adding that we in Pittsburgh are fortunate because the three major threats from climate change, sea level rise, drought and fires, will affect us less than most other places in the United States.

Mr. Powell stated that Greening the bus fleet sends a clear message that Pittsburgh wants to be a climate change leader. 350 Pittsburgh stands with this coalition of concerned groups ready to help Port Authority be a cleaner, more attractive transit operator for itself and for the communities who rely upon it and for our environment.

Mr. Kraybill, also a member of 350 Pittsburgh, remarked that as our name indicates, 350 particles per million is the safe level of carbon dioxide in the atmosphere as determined by the scientific community, and as you may know, we have surpassed that level and we are at 400 particles per million and climbing.

He noted that public transportation is a fantastic way to reduce our carbon pollution and we feel that Port Authority has a great opportunity to reduce carbon emissions even further by buying electric buses.

He concluded his report by saying that for the past several years in the United State, most of the new electrical generation coming on line in the U.S. has either been wind, solar or natural gas, and the trend for more wind and solar continues to grow as the prices drop. So imagine powering Port Authority buses on 100 percent clean, renewable energy. It's doable.

The final speaker was Mr. Chris Sandvig, policy director for the Pittsburgh Community Reinvestment Group. He stated that Port Authority is vital to our region's prosperity. PCRG has been a long-time partner with Port Authority as it is a lifeline to opportunity for thousands of Allegheny County residents. Transit also dramatically reduces our carbon footprint and makes communities we serve healthier. Above all else, it can be the platform upon which the city realizes its goal of halving its transportation emissions by 2030.

Mr. Sandvig continues stating that while Port Authority has made significant strides in the past 10 years, and we welcome these new buses, more can be done to reduce and ultimately eliminate the damaging effects of diesel emissions. Port Authority can also be a key partner in helping fulfill Pittsburgh's COP21 stated goal of reducing greenhouse gas emissions by half by 2030 and drastically improving community health for our most vulnerable residents in the process.

He stated that those who are taking part of the Green the Fleet initiative ask Port Authority to make it a goal for the entire fleet of buses, trains, inclines and support vehicles to be fossil fuel free by 2030.

Mr. Sandvig concluded his remarks by stating that we are not here to demand change. We stand as community partners with Port Authority, the City of Pittsburgh, and Allegheny County

to change how transportation service is delivered in a way that not only reduces our carbon footprint but improves their quality of life and health outcomes for those most reliant on transit service.

That concluded the public comment section of the agenda. Mr. Donatelli thanked Mr. Hurley for staying on the line during this time.

Before adjourning, the Vice Chairman announced that an executive session of the Port Authority Board of Allegheny County has been scheduled for June 28, 2016 at 8:30 a.m. The purpose of the executive session is for the Board to discuss employment matters. The executive session will be closed to the general public pursuant to Section 707-A and 708-A-1 of the Pennsylvania Sunshine Act.

There was no further business to conduct.

The next Regular Meeting of the Board will be Friday, July 29, 2016.

The meeting was adjourned.

Approved