

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, FEBRUARY 24, 2017

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, February 24, 2017, 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
Senator Jim Brewster
Ann Ogoreuc
John Tague
Rob Vescio
D. Raja
Rob Kania
Michelle Zmijanac
Jeff Letwin (via phone)
Joel Lennen, General Counsel

Media:

Ed Blazina, Post-Gazette

Port Authority Staff:

Ellen McLean, chief executive officer, Bill Miller, chief operations officer, Jim Ritchie, communications officer, Pete Schenk, chief financial officer, Keith Wargo, assistant general manager Engineering and Technical Support, Barry Adams, assistant general manager Human Resources, Mike Cetra, assistant general manager Legal and Corporate Services, Ed Typanski, director Grants and Capital Programs, Catherine Terrill, Professional Services contract specialist, Tony Trona, director Purchasing and Materials Management, Darcy Cleaver, assistant manager Passenger Amenities, Fred Mergner, program manager Scheduling, Robert Sechler, contract specialist Professional Services, John DeAngelis, manager Contract Administration, Jeff Faddis, contract specialist Professional Services, Melissa Rubin, Public Relations coordinator, Christopher Walker, associate service planner, Susie Altemus, Compensation Program manager, Adam Brandolph, Public Relations representative, Breen Masciotra, project manager TOD, Diane Williamson, executive assistant.

Other

Steve Palonis, ATU Local 85, Raymond Tyliski, Speaker, Carolyn Lenigan, Joan Natko, ACTC, Chandana Cherukupalli, PPT, Aaron Pittman, County Council, Jonah McAllister-Erickson, PPT, Allison Garcia, O'Hara Township, Julie Jakubec, O'Hara Township, Charles Vogel, O'Hara Township, Mark Mitchell, Parson Brinckerhoff, Glenn Walsh, James Simkins, Christina Castillo, Kenneth Herbold, Jordan Malloy.

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 January 27, 2017 Annual Meeting. A motion was made, seconded and unanimously passed. Recommendation was also made to approve the minutes from the Board's January 27, 2017 Regular Meeting. A motion was moved, seconded and unanimously passed.

The Chairman called on Ms. McLean for a report from the chief executive officer. Ms. McLean provided a brief update on our ongoing Fare Policy effort and stated that we continue to see positive

results from the changes implemented in January. Customer response to the change is positive and complaints specific to the Fare Policy are minimal and decreasing. We're seeing a reduction in the use of cash as more riders are using the ConnectCard. We are also seeing impressive sales on our day pass since January 1, which is a product that the public asked us to put in place. Ms. McLean stated that she is very encouraged by the initial information that we're tracking.

Ms. McLean continued reporting that a second round of changes is coming later this year on our rail system and staff is now focused on those efforts, which will make the light rail cashless and use proof of payment. In the months leading up to the change, we'll have yet another widely visible public awareness education campaign, much like we did for pay-on-enter and the ConnectCard for January 1. Our goal not only will be to make customers aware of the nature and the timing of these changes but also to make them comfortable about how the system will look and how it will feel. Some of this will be very new, and it's incumbent upon us at Port Authority to help riders through this transition, and we're very committed to do so.

A key element of this will be enforcement of the proof of payment aspect of the system. We will have officers at the station and on the rail cars checking ConnectCards. We'll also have our on-board fare collectors as the ambassadors to help riders in the initial stages and throughout.

Ms. McLean concluded her report by reporting that part of our awareness and education campaign will focus solely on letting riders know what to expect and what the penalty is for not paying. It's also vital for the public to understand that enforcement will be applied without discrimination and without profiling and that's a piece of our education plan going forward.

That concluded the report of the chief executive officer.

Before calling on the first speaker for the public comment period, Mr. Hurley reminded everyone that the Board asks that speakers keep their comments to three minutes and that the Board generally does not engage with speakers.

The Chairman called on Mr. Charles Vogel, vice president of the council for the Township of O'Hara, for his remarks. Mr. Vogel's comments related to a letter that was sent to each Board member from the Township dated January 31. On behalf of the 180 businesses and thousands of employees located in the RIDC business park in O'Hara Township, he thanked the Board for restoring bus service to the park. As a rider, he also thanked the Authority for consolidating the fares into one zone. While this may have caused short-term decline in revenues, he is confident this will attract more rides and increase fares in the long run.

Mr. Vogel stated that his request today is for Port Authority to continue providing service to the RIDC park in O'Hara. We've seen articles in the paper indicating that this route may be in jeopardy because ridership hasn't reached preferred levels.

Mr. Vogel noted that although we are not privy to detailed ridership numbers, but what we have been shown indicates an increase in volume of riders. This volume will continue to increase as more workers become aware of the convenience of bus service to their jobs. Mr. Vogel concluded his remarks by urging the Authority to continue providing service into the park.

The Chairman called on Ms. Christina Castillo for her comments. Ms. Castillo expressed her concerns about the proof of payment policy that will be implemented this summer. She is worried about the role of police departments and ICE and the policing and likely profiling of riders on the T that will be harmful to people of color and immigrants in this city, particularly undocumented immigrants. She remarked that public transit is not a border checkpoint. We would like people to ride public transit without fear of deportation. Every resident of Allegheny County needs to be able to trust that Port Authority is out to serve and protect them and defend their human and civil rights.

The next speaker, Mr. Jordan Malloy, also expressed his concerns with the proof of payment policy being implemented on the rail in regards to the black and brown community. It creates a point of worry for a lot of people and we want to know if the Port Authority is looking out for us.

The next speaker, Mr. James Simkins, also expressed his concerns with the proof of payment policy on the T. He is concerned that it will bring more contact with Port Authority police for vulnerable communities, particularly undocumented people. He thinks it is important that Port Authority continues to be a place where everyone can feel safe.

The next speaker was Ms. Chandana Cherukupalli from Pittsburghers for Public Transit. She noted that there were residents of Mifflin Estates who were not able to make it today but have continued to organize for better transit in their community. They shouldn't have to face the daily isolation of living in a community far from any real accessible transit. On another issue, we've heard from riders on the 17 that service changes will be made next month, but those changes are not to increase service to communities that need them.

Ms. Cherukupalli also expressed PPT's concerns about the proof of payment policy that will be implemented this summer. We are worried about the role of police departments and ICE and policing and likely profiling of riders on the T. We are concerned it could be harmful to people of color and immigrants in the city, particularly undocumented immigrants.

Mr. Hurley called on the final speaker, Mr. Raymond Tylicki. As Mr. Tylicki is from New Castle, and travels to and from Pittsburgh for work, like in other cities, he would like to see a single point of access for both a regional rail system and the regional bus system.

That concluded the public comment period.

The Chairman called on Ms. Zmijanac for a report of the Performance Oversight Committee. Ms. Zmijanac reported that a meeting of the Performance Oversight Committee was held on Thursday, February 16, 2017, and the minutes from the previous meeting were approved by the Committee.

The financial results for the month of January 2017 were reported at the meeting. It was reported that total operating income was \$363,699 below budget due to lower ACCESS and passenger revenues. Total operating expenses were under budget for the month by \$1.71 million. The total operating subsidies were \$1.26 million over budget resulting from higher costs of contracting and preventive maintenance grants drawdowns.

From a year-to-date perspective, it was reported at the meeting that total operating income is \$546,150 below budget for the fiscal year due to lower passenger and ACCESS revenues. Total

operating expenses are \$15.34 million below budget and the total operating subsidies are on budget for the fiscal year.

There were five resolutions reviewed by the Performance Oversight Committee for consideration by the Board. The Committee first reviewed eight 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 awarding the eight items outlined in the resolution in the total amount of \$3,392,567.43.

On behalf of the Performance Oversight Committee, Mrs. Zmijanac respectfully requested approval of the resolution.

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

The Chairman asked that the record reflect that Mr. Jeff Letwin was on the phone.

Ms. Zmijanac continued reporting that the Committee then discussed a resolution authorizing the Authority to enter into agreements with a pool of firms for Construction Management Services.

There will be five categories under the proposed agreements which are Bridges, Heavy and Highway, Garage and Facility, Way and Site Work and Systems and Electrical. The Authority intends to enter into agreements with a pool of two firms per category. Services will be authorized by the Authority through task-specific work orders on an as-needed basis and the agreements will be for a three-year period with the option to extend the terms up to one additional year.

In order to obtain qualified firms to perform the services, a Request for Proposals was prepared and publicly advertised for each category. Port Authority received five proposals for the Bridges category, five proposals for the Heavy and Highway category, five proposals for the Garage and Facility category, four proposals for the Way and Site Work category and two proposals for the Systems and Electrical category.

Hill International, Inc. was determined to be the highest rated proposer for all five categories. The proposal of SAI Consulting Engineers, Inc. was determined to be the second highest-rated proposal in the categories of Bridges, Heavy and Highway and Way and Site Work. The proposal of Management Engineering Corporation was determined to be the second highest-rated proposal in the Garage and Facility Category; and the proposal of GAI Consultants, Inc. was determined to be the second highest-rated proposal in the category of Systems and Electrical.

The Performance Oversight Committee recommends entering into agreements with the above named firms, in the categories identified, for a total not-to-exceed amount of \$18,500,000, to be allocated on an as-needed basis through task specific work orders.

On behalf of the Performance Oversight Committee, Mrs. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac stated that the Committee then discussed a resolution authorizing the Authority to award a construction contract for electrical system improvements in the Berry Street and Wabash Tunnels. Bid documents were prepared and publicly advertised and eight bids were received. It has been determined that the bid of Wellington Power Corporation is the lowest responsive bid from a responsible bidder.

The Performance Oversight Committee recommends that a contract be awarded to Wellington Power Corporation in the amount of \$3,674,000, subject to completing all pre-award requirements.

On behalf of the Performance Oversight Committee, Mrs. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac reported that the Committee then discussed entering into an Agreement to provide pension plan actuarial services. Port Authority requires a contractor to provide services such as certifying all calculations related to individuals retiring, providing an actuarial report for the pension plans, providing a projection of estimated employer contributions, modifying actuarial assumptions and providing information and recommendations pertaining to changes mandated by law that will affect pension plans.

A Request for Proposals was prepared and advertised and four proposals were received. The proposal submitted by Cowden Associates, Inc. has been determined to be the highest rated proposal for the performance of services.

The Performance Oversight Committee recommends entering into an agreement with Cowden Associates, Inc., for a total not-to-exceed amount of \$814,250.00, for an initial three-year period with the option to extend the term of the agreement up to an additional two years.

On behalf of the Performance Oversight Committee, Mrs. Zmijanac respectfully requested approval of the resolution.

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

Ms. Zmijanac stated that the final resolution discussed by the Committee authorizes the Authority to file grant applications and enter into agreements for Federal fiscal year 2017. During FY 2017, Port Authority expects to receive financial assistance from the FTA under Section 5307 Urbanized Area Formula Funding and Flex Program Funding; Section 5337 State of Good Repair Program Funding, and Section 5339 Bus and Bus Facilities Formula Program Funding.

These funds will be used for bus replacement, capital cost of contracting with ACCESS, the Administrative Facility Lease and Preventive Maintenance on Bus and Rail. Federal Funding is provided in the amount of 80 percent of the total project costs requiring a 20 percent non-federal share.

The Performance Oversight Committee recommends authorizing the Authority to file grant applications and enter agreements with the FTA, the Pennsylvania Department of Transportation and Allegheny County for the FY 2017 Capital Improvements Program.

On behalf of the Performance Oversight Committee, Mrs. Zmijanac respectfully requested approval of the resolution.

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

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

The Chairman 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 on February 16 and recommends two resolutions for approval.

The first resolution would lift the high-occupancy restrictions for the Wabash Tunnel so motorists can use it, regardless of how many people are in the vehicle. Mr. Tague reported that last month the Federal Transit Administration approved our request to permanently extend the waiver, which had been in place on a temporary basis since 2013.

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 second resolution would convey a 7.76-acre parcel of vacant land along Montour Church Road in Robinson in North Fayette Township to the Montour Run Holdings, LLC, for the amount of \$850,000. The Authority issued a request for bids for sale of the property in February 2016, and the highest bidder, Stoehr Development, was deemed unresponsive after several months of negotiation failed to reach a final sales agreement. Montour Run Holdings was the second highest bidder.

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 continued his report by commending staff on a job well done in regards to the Fare Policy. Through mid-February, the Customer Call Center received more than 15,000 calls for the month, which included riders asking questions for directions, calling about schedules, and also with complaints and accolades. Complaints about the new Fare Policy total less than one-tenth of one percent of all calls. The vast majority of those complaints were about the boarding and alighting procedures, which is being addressed by a general notice allowing all door exit effective March 1.

Mr. Tague concluded his report by acknowledging the Transit Driver Appreciation Day on March 18. The Port Authority has more than 1,200 operators who hours on end manage to keep a schedule, check fares, give directions, announce stops and more, all while safely maneuvering an extra-large

vehicle through unpredictable traffic, tough weather conditions and some really tight spaces. They deserve our thanks and appreciation.

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

Mr. Hurley reported that there is one item of new business. Mr. Hurley stated that we are proposing an amendment to the employment contract with our CEO, Ellen McLean. A recommendation was made for a motion. A motion was made and seconded. Mr. Hurley asked before we have a vote, if anyone would like to comment on the resolution.

Mr. Raja commented that he was going to vote “no” on this item but wanted to share the reason why. He stated, “I think our CEO, Ellen McLean, has done a fantastic job as the CEO. She came in at a time when, as you know, it was coming up on a time there were severe service cuts, there was unstable funding. Act 89 gave us some stable funding, but it was very limited.

In her leadership, she has done a great job in streamlining operations, providing strong fiscal management, and improving labor relations. We have so many people who come and talk to us all the time.

Also, I think she’s provided greater transparency to how the Port Authority makes decisions. You saw with the Fare Policy and you saw with the service requests how things are being handled. I think her job has been spectacular in light of the limited funds.

That’s my concern; we still have limited funds and I think our timing is not quite right to go look for a new CEO. To me, every additional dollar the Port Authority spends, we should evaluate that to see if we can improve service first. So that is sort of my main concern, and like I said, every additional dollar I would like to see targeted towards service. So my ‘no’ is just really to indicate that my preference is Ellen stay on as CEO at least for another year, and I think this will give us the time to evaluate how we can procure new funds, if that be, and also use this year to address service improvements to the extent possible.

With that said, I close by thanking Ellen for her outstanding leadership as the CEO. My vote is no, but I wanted to share with you why I’m voting no. Thank you.”

With no further comments, Mr. Hurley asked for a voice vote from each member.

Ms. Ogoreuc:	Aye
Mr. Raja:	No
Ms. Zmijanac:	Aye
Mr. Kania:	Aye
Mr. Vescio:	Aye
Mr. Tague:	Aye
Senator Brewster:	Aye
Mr. Letwin:	Aye
Mr. Hurley:	Aye

Mr. Hurley announced the vote is eight to one so therefore the motion carries to amend the CEO’s employment contract.

There was no further business to conduct. The meeting was adjourned.

The next Regular Meeting of the Board will be Friday, March 31, 2017

Approved