

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JULY 26, 2013

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, July 26, 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:

Jeff Letwin, Chairman
Thomas Donatelli
John Tague Jr.
John Brooks
Robert Hurley
Mavis Rainey
Joel Lennen, General Counsel

Port Authority Staff:

Ellen McLean, interim chief executive officer, Bill Miller, chief operations officer, Keith Wargo, assistant general manager Engineering and Technical Support, Wendy Stern, assistant general manager Planning and Development, John DeAngelis, manager Contract Administration, Ed Typanski, director Grants and Capital Programs, Anthony Trona, director Purchasing and Materials Management, Dan DeBone, Government Relations representative, Heather Pharo, Social Media & Communications representative, Rich Wojnar, director Road Operations, Inez Colon, director Employment, Diane Williamson, executive assistant

Other

Jim Robinson, ACTC President, Maria Atkinson, Sci-Tek, Glenn Walsh, Annette Kroll, Lee Ann Palumbo, Auditor General's Office, Mark Wiezorek, Auditor General's Office, John Wojtyna, Austin Davis, Allegheny County Executive's Office, Carolyn Lenigan, Joe Catanese, County Council, Jody Akers, Governor's Office, Joe DiFiore, Parsons Brinckerhoff, Victoria Kerestes, KMA, Joan Natko, ACTC, Larry Moore, James Brown, Cosmos Technologies, Charles Porter, Hill International

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the June 28, 2013 Regular meeting. The motion was moved, seconded and passed.

The Chairman called on Mr. Brooks for a report of the Performance Oversight Committee.

Mr. Brooks reported that a meeting of the Performance Oversight Committee was held on Wednesday, July 17, 2013, and the notes from the previous meeting were approved by the committee. A financial report was given at the meeting. It was reported that the operating income for the month of June 2013 was below the 2012 amount. Most of that was due to a pension credit from the most recent pension valuation. Year-to-date expenses were under budget by \$31.9 million. With subsidies, year-to-date variance was positive at \$22.5 million. The Authority ended the fiscal year with approximately \$51.3 million in operating cash.

There were 12 resolutions reviewed at the meeting and are being recommended by the Performance Oversight Committee for approval.

The committee reviewed four procurement actions and found these actions 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 recommends the items described in the Board packet for award for a total amount of \$48.6 million.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 FY 2014 operating and capital budgets. Mr. Brooks noted that the overall budget total has not changed, however, due to delays in the passage of a Transportation Funding Bill in the Commonwealth, PENNDOT has notified the Authority that the composition of State and local operating assistance will be changing from the levels the Authority originally anticipated receiving in FY 2014. Based on the most recent notification from PENNDOT, the Authority's total combined State and local operating assistance will increase by approximately \$4 million. This will be offset by a decrease in preventive maintenance capital grant funds utilized in the FY 2014 operating budget.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 Public Financial Management, Inc., to provide financial advisory services. In September 2010, the Authority Board authorized an award of agreements to a pool of three firms to provide financial advisory services. The agreements provide for an initial term of three years with the option to extend up to an additional two years. The total not-to-exceed amount of agreements is \$550,000. The initial three-year term expires on October 31, 2013. The Authority has determined that it is in its best interest to extend the term of agreement with one firm, Public Financial Management, Inc., for one additional year to October 31, 2014, and to increase the previously authorized total not-to-exceed amount of agreements from \$550,000 to \$700,000.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 agreements with a pool of firms to provide information technology consulting services. In September 2010, the Authority's Board authorized the award of agreements to the firms listed in your Board packet to provide services for a three-year period with two option years, for a total not-to-exceed amount of \$4,550,000

to be allocated on an as-needed basis through task specific work orders for the initial three-year period of the agreement. The initial term expires on September 30, 2013 and the Authority determined that it is in its best interest to extend the term of agreement for the first additional option year to September 30, 2014, with no increase in the previously authorized total not-to-exceed amount.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 file grant applications with PENNDOT for FY 2014. The Commonwealth of Pennsylvania provides Section 1514, Asset Improvement Program and Section 1517, Capital Improvement Program assistance to transit operators under the provision of Act 44 of 2007. The Authority must submit application to PENNDOT throughout the year to obtain the funds available to the Authority. This resolution authorizes the filing of grant applications with PENNDOT and further authorizes the Authority to request the appropriate local match and the execution of contracts with PENNDOT for these funds upon approval of the applications.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 enter into an agreement with the Department of Homeland Security for FY 2013 Transit Security Grant Funding. The FY 2013 Transit Security Grant Program provides funding for transit projects which meet national goals to strengthen the security of the nation's transit systems. The Authority is developing a proposal to request a total of \$118,105 to further enhance security of the Authority's bus and rail system. This includes funding for police emergency service unit training, drills and exercises. Federal funding is provided in the amount of 100 percent of total projects costs requiring no local match.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 agreements for temporary technical and clerical support services. In November 2009, the Board authorizes an award of agreements to a pool of firms to provide temporary technical and clerical support services for a total not-to-exceed amount of \$500,000 for an initial term of three years with the option to extend up to an additional two years. In January 2011 and October 2012, the Board authorized increases in the amount of the agreements for a revised total not-to-exceed amount of \$1,250,000. The Authority has determined that it is in its best interest to exercise its option to extend the term of agreements with the firms listed in your Board book for the second option year to November 30, 2014, with no increase to the previously authorized total not-to-exceed amount of agreements.

On behalf of the Performance Oversight Committee, Mr. Brooks respectfully requested approval of the resolution as presented.

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

Mr. Brooks continued reporting that on September 19, 2012, the Authority's Board passed a resolution authorizing the Authority to engage in exclusive negotiations for a period of six months to attempt to finalize the terms and conditions of a long-term ground lease for South Hills Village upper lot with the Massaro Properties, LLC and Dawson Company, LLC. The Board subsequently extended the Authority's exclusive negotiation period with Massaro an additional six months, through September 30, 2013, via a resolution passed on March 22, 2013. Management of the authority recommends that the exclusive negotiation period be extended an additional six months through March 30, 2014, to allow negotiations to continue and to allow adequate time for further Board and FTA review.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 enter into agreements to provide construction management services. The Authority requires the services of a pool of up to three firms to provide construction management services. Of the seven proposals received for the services, Parson Brinckerhoff, Inc., Hill International, Inc., and Trumbull Corporation, have been determined to be the highest rated proposals. The agreements for services would be allocated on an as-needed basis through task specific work orders among the pool of three firms for the initial four-year period of agreements with the option to extend the term up to an additional one year for a total not-to-exceed amount of \$7.5 million.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 enter into agreements to provide legislative consulting services. The Authority requires the services of a pool of firms to provide legislative consulting services to assist in properly representing Port Authority before political bodies and similar organizations as deemed necessary by the Authority. Of the three proposals received, Greenlee Partners LLC and Buchanan Ingersoll & Rooney, PC, have been determined to be the highest rated proposals for the performance of services. The agreements for services will be allocated among the two firms for the initial two-year period of agreements with the option to extend the term an additional two years in the total-not-to-exceed amount of \$496,000.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 agreement with FSC/Jones Worley Transit Marketing, LLC, a joint venture, to provide marketing services for the Automated Fare Collection System. In November 2009, the Board authorized an award of agreement to FSC/Jones Worley Transit Marketing to provide these services. The agreement provided for an initial term of three years with the option to extend the term of agreement up to an additional two years in the total not-to exceed amount of \$1,196,240. The Authority previously exercised the first option year which expires December 31, 2013. The Authority has determined that it is in its best interest to exercise its option to extend the term of agreement for the second option year to December 31, 2014, with no increase to the previously authorized total not-to-exceed amount of the agreement.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 enter into an agreement to provide signage and wayfinding program services. Of the five proposals received, CHK America, Inc., has been determined to be the highest rated proposal. An agreement for services in the total not-to-exceed amount of up to \$900,000 for the initial three-year period of agreement with the option to extend the term of agreement up to an additional two years is recommended for approval.

On behalf of the Performance Oversight Committee, Mr. Brooks 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 called on Mr. Tague for a report of the Planning and Stakeholder Relations Committee.

Mr. Tague reported that the Planning and Stakeholder Relations Committee did not meet this month, but he wanted to take this opportunity to say a few words about a subject that so deeply affects all of our riders, the status of the transportation funding. Mr. Tague stated that he joined the Board in October at a time of hope and optimism, when through the cooperation between Port Authority management, ATU Local 85, and County and State leadership, a new collective bargaining agreement was reached that helped stave off the devastating and unprecedented service reductions that had been authorized to take effect last year. A major component of that agreement was the State's commitment of \$30 million annually for the lifetime of the contract. There has been some concern expressed in the media that this \$30 million will not be forthcoming. We firmly believe that not only will the State honor its commitment, but we also remain optimistic that a funding bill will be enacted in the fall, enabling transportation funding stability for the Commonwealth.

Mr. Tague stated that he strongly feels that we cannot become complacent. We cannot stop fighting for our dream of a smart, sustainable and accessible public transportation system. Mr. Tague ended his reported by saying that he has cherished his time here on the Board and he is grateful to County Executive, Rich Fitzgerald, for having had this opportunity to serve and thankful to his fellow Board members for their support, wisdom and fellowship.

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

The Chairman reported that the Governance Committee did not meet this month.

Under new business, the Chairman reported that although the agenda says our next regular meeting is scheduled for September 27, 2013, the Board has asked general counsel to publish notice of a special meeting to be held on Friday, August 23, 2013.

Without any new business, the meeting was adjourned.

APPROVED