

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, MARCH 22, 2013

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, March 22, 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  
Constance Parker  
John Tague Jr.  
Amanda Green Hawkins  
John Brooks  
Mavis Rainey (via phone)  
Eddie Edwards (via phone)  
Joel Lennen, General Counsel

**Media:**

Tom Fontaine, Tribune Review  
Lauren Daley, City Paper

**Port Authority Staff:**

Ellen McLean, Interim CEO, Wendy Stern, assistant general manager Planning and Development, Bill Miller, Bus Operations officer, Mike Cetra, assistant general manager Legal and Corporate Services, Keith Wargo, assistant general manager Engineering and Technical Support, Tony Trona, director Purchasing and Materials Management, Jim Ritchie, Communications officer, Dan DeBone, senior Government Affairs representative, Brenda Fink, director Internal Audit, Chis Visconti, associate services planner, Diane Williamson, executive assistant

**Other**

Jim Robinson, ACTC President  
Jonathan Robison, ACTC  
Glenn Walsh  
Annette Kroll  
Aaron Pittman, County Council  
Lee Ann Palumbo, Auditor General's Office  
Michele Simpson, Auditor General's Office  
Angela Fink, Auditor General's Office  
Mark Wieszorek, AG  
Lawrence Moore  
Joan Natko, ACTC  
David Donahoe, ARAD

The Chairman called the meeting to order and recommendation was made for approval of the minutes of the February 22, 2013 Regular meeting. The motion was moved, seconded and passed.

The Chairman called on Ms. Green Hawkins for a report of the Performance Oversight Committee.

Ms. Green Hawkins reported that a meeting of the Performance Oversight Committee was held on Wednesday, March 20, 2013, and the notes from the previous meeting were approved by the committee. It was reported at the meeting that operating income for the month of February was down \$403,700 from last year. Total operating income for FY 2013 is \$1.9 million under budget. Passenger revenues were below last year's total by \$506,316, and all February 2013 passenger revenue categories, except annual sales, were below February 2012 levels.

It was also reported at the Performance Oversight Committee meeting that the ACCESS Program revenues were \$135,512 above February 2012 levels.

Ms. Green Hawkins continued reporting that passenger revenues are \$1.5 million under budget for the fiscal year, and that approximately \$300,000 of this variance is attributed to a timing difference related to revenue recognition with the Smart Card Program. The remaining revenue variance is due to a combination of lower ridership and lower than anticipated revenue yields from the fare increase.

Next, Ms. Green Hawkins reported that total expenses for the month of February 2013 were \$332,518 below the total of February 2012. This variance was due to materials and supplies and provisions for injuries and damages being lower than February 2012 levels. Expenses for the year continue to trend below budget by \$18.5 million, noting that a significant portion of this variance is due to favorable results to budget for employee benefits due to pension expenses and healthcare premiums trending below budget. Also contributing to the positive expense variance is the category of materials and supplies which is under budget by \$3.9 million. This savings is primarily due to diesel fuel savings from locking in prices on diesel deliveries.

Ms. Green Hawkins continued reporting that subsidies for the month of February are \$4 million below last year's level due to a timing difference in receipts. Likewise, subsidies year-to-date are \$2.4 million over budget for the same reason. The Authority had \$25,273,000 in cash at the end of February. If all receipts arrive when scheduled, the Authority should have \$42 million at year-end.

Ms. Green Hawkins presented five resolutions that were reviewed at the Performance Oversight Committee meeting that are being recommended for approval.

The committee reviewed five procurement actions and found these bids to have been submitted in accordance with the Authority's procurement policies and procedures, the prices to be fair and reasonable, and the bidders to be responsive and responsible.

The Performance Oversight Committee recommends three items for award in the total amount of \$4,054,113.20, as described in the Board packet.

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

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

The next resolution authorizes the Authority to extend and amend the agreement with Parkway Parking of Pennsylvania, Inc., to provide management services for the South Hills Parking Garage. In March 2010, the Authority's Board authorized an award of agreement with Parkway Parking of Pennsylvania, Inc., to provide general management and operation services for the garage.

The agreement was for an initial term of three years, with a total not-to-exceed amount of \$462,000, with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.

The initial three-year term of the agreement expires on April 30, 2013. Management has decided that Parkway Parking has performed satisfactorily and is in compliance with the terms of the agreement and that it is in the best interest of the Authority to extend the term of the agreement for the first additional option year to April 30, 2014, and to increase the total not-to-exceed amount of the agreement by \$180,000 in order to continue the services. This resolution authorizes an amendment to the agreement with Parkway Parking to exercise the option to extend the term of agreement one additional year to April 30, 2014, and to increase the previously authorized total not-to-exceed amount of the agreement to \$642,000.

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

It was moved by Mr. Brooks, seconded by Ms. Parker and unanimously agreed that the resolution be approved as presented.

The next resolution authorizes the Authority to file grant amendment applications with PENNDOT for additional Section 1514 of Act 44 assistance available for FY 2014. The Authority must submit applications to PENNDOT throughout the year to obtain funds available for the Authority. This resolution authorizes the filing of grant applications with PENNDOT to receive an additional \$7,002,010 million in capital assistance available for bus procurement. This resolution further authorizes the execution of contracts with PENNDOT upon approval of the application.

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

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

The next resolution authorizes the Authority to award a construction contract to Kusevich Contracting, Inc., for the Collier Garage Modification project. After review of the bids received, it was determined that the bid of Kusevich Contracting in the amount of \$789,000, was the lowest responsible bidder meeting the Authority's specifications for the contract. Therefore, it

is recommended that the contract be awarded to Kusevich, Inc., in the amount of \$789,000, subject to completing pre-award requirements.

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

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

The next resolution authorizes the Authority to amend agreements for legislative consulting and government relations services. The Authority entered into agreements with Buchanan Ingersoll & Rooney in April of 2006 and with Greenlee Partners in July of 2008 to provide legislative consulting and government relations services. On February 25, 2013, the Board approved the time extension of both agreements through March 31, 2013, with no increase to the previously authorized total not-to-exceed amount of both agreements. The total combined not-to-exceed amount of the agreements is \$2,514,800. Management of the Authority has determined that it is in its best interest to extend the term of both agreements for an additional six months to September 30, 2013, with no increase to the previously authorized current total combined amount of the agreement.

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

It was moved by Mr. Brooks, seconded by Ms. Parker and unanimously agreed that the resolution be approved as presented.

This concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. Jonathan Robison, Vice President of Allegheny County Transit Council, for remarks. Mr. Robison started his remarks by stating that we all know that the Governor has finally officially proposed funding for transportation, noting that it is much less than what his Funding Reform Commission proposed. He said there were two major questions regarding his plan. One is, will this proposal, as it stands, be adequate, meaning would it obviate the necessity of another round of service cuts for at least the next two years, after the end of the fiscal year. The second question is what is going to happen with Allegheny County funding? The proposal seems to assume that the extra money that the County put in during this current year will be continued, noting that the RAD money was a one-time deal and there is a lot of concern in the arts community about making this permanent.

Mr. Robison continued his remarks by stating that the legislatures have proposed major changes in public transportation in this area, including making public transportation regional. This is a fine concept, but there are a few details that are not ironed out in this proposal. Like, where is the money going to come from? How are we going to integrate the current small transit systems in the outlying communities, such as BCTA, what are the labor standards going to be, and what is going to be the governance of the Authority. Mr. Robison noted that what is most critical is that this must not be used as an excuse for delaying the eventual funding action. We should move forward with our own ideas and let the legislatures move forward with the

Governor's proposal, and that means not only lobbying our legislatures, but encouraging our friends and relatives that you may have who live outside Allegheny County. We have a lot of work to do.

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

First, Mr. Tague acknowledged the help and support from Wendy Stern and Jim Ritchie as this was Mr. Tague's first Planning and Stakeholder Relations Committee meeting as Chair.

Mr. Tague reported that the Planning and Stakeholder Relations Committee had a very interesting and informative meeting this month with a focus on transit oriented development projects in Allegheny County. Mr. Chris Sandvig of the Pittsburgh Community Reinvestment Group started off with a presentation on a topology that was developed to help guide community development in Allegheny County. The topology included opportunities for locations like Castle Shannon and East Liberty and provided excellent introductions to the two presentations that followed. Before providing an overview of the two projects, it is helpful to recall the six goals that the Port Authority Board of Directors identified in 2007 regarding transit-oriented development and joint development. The first is to enhance the quality of the transit system for existing riders, attract new riders, maximize usage of Port Authority's property, generate additional operating revenues, increase value of Port Authority property through private investment, and achieve cost savings by shifting maintenance and upkeep responsibilities to private parties.

The TOD projects that were discussed at the Planning and Stakeholder Relations Committee meeting embodied these principles. The first project overview and update on the Shannon Transit Village was made by a representative from the Allegheny County Economic Development and JRA Development Group. They reported that the proposed project at the Castle Shannon Transit Park and Ride will include 128 residential apartment units with 14,000 square foot of retail space to be constructed over the surface parking lot. The project investment total will be approximately \$35 million, with over \$10 million coming from a mix of public sources, including a recently approved tax and financing agreement. It was indicated that these negotiations are ongoing with the developer, JRA Development Group. It is anticipated that the proposal will be submitted to the Board and to the Federal Transit Administration for review and approval to proceed in the next three to four months.

Next the Planning and Stakeholder Relations Committee received a project overview from a representative of the Urban Redevelopment Authority and Mosites Development Company on the ongoing East Liberty Center/Eastside IV project. This project will involve substantial improvements and upgrades to the East Liberty Transit Station, including repurposing of a former busway ramp for a new street and pedestrian access way, a new pedestrian bridge spanning the East Busway and an additional phase of missed-used residential and retail development on Penn Avenue where Port Authority's old Penn Mall Loops is located. They walked us through the various designs of the station, highlighting the upgrades and improvement of the accessibility from the busway to the Penn Avenue Street level that the project will provide. The project includes substantial public and private investment, including a \$15 million Federal Tiger Award grant and a planned district plan. Staff provided details of the land transaction with the old Penn Mall Loop site, which would involve sale of a parcel to

Mosites Development Company and the use of those sales proceeds for a portion of the station improvements. A perpetual easement across the Loop site for members of the public entering or exiting the busway and a contribution from the transit reinvestment district currently estimated to provide \$70,000 for the increased maintenance costs over a 20-year term. Mr. Tague noted that staff anticipates bringing a formal agreement to the Board for its review and approval in the next two months.

Mr. Tague presented two resolutions that were reviewed and are being recommended by the Planning and Stakeholder Relations Committee for approval.

The first resolution authorizes the Authority to extend its exclusive negotiation with Massaro Dawson for an additional six months for a potential long-term ground lease to construct a residential development on the Authority's South Hills Village Upper Lot site. The property is a 6.43 acre paved and lighted surface lot located next to the Authority's South Hills Village Parking Lot and Light Rail T System in Bethel Park. In April of 2012, in cooperation with the Redevelopment Authority of Allegheny County, the Authority issued a public solicitation for development proposals to be implemented in the transit-oriented development project on the upper lot site. On September 19, 2012, the Board passed a resolution authorizing the Authority to enter into exclusive negotiations for an initial period of six months to attempt to finalize the material terms and conditions of the long-term ground lease for the site with the highest-rated and most viable development proposal from Massaro Dawson. To allow these negotiations to continue, this resolution extends the exclusive negotiation period an additional six months through September 30, 2013.

On behalf of the Planning and Stakeholder Relations Committee, Mr. John Tague respectfully requested approval of the resolution as presented.

It was moved by Mr. Brooks, seconded by Ms. Green Hawkins and unanimously agreed that the resolution be approved as presented.

[General Counsel, Mr. Joel Lennen, noted that there is a typo on the resolution listed in the packet that says November 30, instead of September 30. Staff will make sure that change is made.]

The next resolution is a request to enter into an agreement with the Southwestern Pennsylvania Commission to participate in the 2013-2014 Unified Planning Work Program. This program will provide \$184,000 of federal planning dollars and a local 20 percent match of \$46,000 in cash or in-kind services, for a total amount of \$230,000. As in past years, it is anticipated that the in-kind services will be used to provide the local match.

On behalf of the Planning and Stakeholder Relations Committee, Mr. John Tague respectfully requested approval of the resolution as presented.

It was moved by Mr. Brooks, seconded by Ms. Green Hawkins and unanimously agreed that the resolution be approved as presented.

Mr. Tague concluded his report by mentioning that the Planning and Stakeholder Committee is working with stakeholders as we anticipate more discussion and legislative activity statewide on the transportation funding. The stakeholders met last week to discuss the status of transportation funding, and it is important now that we communicate publicly and share information as these events develop. We are pleased that we have taken steps to remain connected on this issue and will be sure to encourage that this continues through this very critical period.

This concluded the report of the Planning and Stakeholders Committee.

The Chairman reported that there was no meeting of the Governance Committee, so there is nothing to report.

Under new business, the Chairman asked the Board to consider the fact that our Chief Financial Officer has stepped in to take the role of interim Chief Executive Office on a moment's notice and has effectively been balancing two jobs. In light of that, and in consideration of what we have done in past practices and what seems to be consistent with that role, he suggested increasing the compensation temporarily for the period of time from March 1, 2013 to whenever a new, permanent Chief Executive Officer is hired.

Mr. Letwin made a motion and requested a second to temporarily increase Ms. McLean's compensation for that period to \$167,500. Ms. Green Hawkins seconded the motion.

Mr. Donatelli reiterated that the temporary increase is for the period of March 1, 2013 until a new, permanent Chief Executive Officer is hired and then Ms. McLean will go back to her current salary.

The motion carries and it was unanimously agreed that the annual salary for Ms. Ellen McLean, the Authority's Interim Chief Executive Officer and Chief Financial Officer, be increased to \$167,500 to be in effect from March 1, 2013 until as long as Ms. McLean is acting as the Interim Chief Executive Officer and until such time as a new Chief Executive Officer is hired and then her salary will revert to her current salary.

There was no new business.

The next Regular Meeting of the Board will be Friday, April 26, 2013.