PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, NOVEMBER 18, 2016

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, November, 18, 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
Jeff Letwin
John Tague
Rob Vescio
D. Raja
Michelle Zmijanac
Senator Jim Brewster (via phone)
Representative Dom Costa
Rob Kania
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, Jerimaine Ward, Sr. Professional Services contract specialist, Tony Trona, director Purchasing and Materials Management, Andrea Elcock, Community Planning coordinator, Deborah Skillings, Community Outreach coordinator, Amy Silbermann, data analyst, Dante Calderone, director Marketing and Creative Services, Tim Frank, Manager Marketing, Diane Williamson, executive assistant.

**Other**
Molly Nichols, PPT, Carolyn Lenigan, Joan Natko, ACTC, Chandana Cherukupalli, PPT, Sandy Lazzara, New Allegheny, Bill Lazzara, New Allegheny, Sharon Carroll, Starr Magwood, Valerie Townsend, New Allegheny, Jala Rucker.

The Chairman called the meeting to order. Following recital of the pledge of allegiance, a recommendation was made for approval of the minutes of the October 28, 2016 Regular Meeting. A motion was moved, seconded and passed.

The Chairman noted that Senator Jim Brewster was participating by phone so we have nine members present today. He then called on Ms. McLean for a report from the chief executive officer. Ms. McLean reported that today the Board will consider the purchase of 25 60-foot low-floor articulated buses from New Flyer. The buses will arrive late next year and replace 25 buses that have reached the end of their useful life. Ms. McLean noted that this purchase is important for Port Authority as we continue to reduce carbon emissions by integrating the latest clean diesel technology into our fleet. It also is keeping the fleet's average age to industry standards, which contributes to lower maintenance costs for the company.

Approved

The Board will also consider an agreement with Goodwill Industries of Southwestern Pennsylvania which will place ConnectCard transaction machines in 17 of their locations throughout the region. This agreement will help fulfill our promise to make reloading ConnectCards more accessible by adding retail locations in underserved areas. This also furthers our goal of getting more people to switch to using a ConnectCard by making it easier for them to reload near their home. We will be in the test phase by the end of this year and we would expect that all Goodwill locations will be online and up and running by the end of the first quarter of next year.

Ms. McLean concluded her report by reminding everyone that it is "Light-up Night" to leave early, and as the Board does not meet in December, she wished everyone a happy holiday season and a joyous new year. She stated that she is excited to look forward to what's ahead for Port Authority in 2017.

That concluded the report of the chief executive officer.

The Chairman called on the first speaker for public comment, Ms. Sharon Carroll. Ms. Carroll updated the Board on the difficulties of not having public transportation in her development in the West Mifflin area. She explained how she has difficulties walking the mile and a half to the nearest transportation.

The next speaker, Starr Magwood, also stated that she was there to ask that the request for public transportation in Mifflin Estates be considered a minor change. She also spoke of the hardships of losing bus service.

The next speaker, Ms. Jala Rucker, thanked the Board for increasing the service on the 17 Shadeland. Her community is very grateful for this much needed service. Ms. Rucker stated that she is aware of the complaints about the layover of the bus and she hopes something could be done for the community making those complaints without taking away the increases of bus service in the Manchester neighborhood.

The final speaker was Ms. Sandra Lazzara from the New Allegheny Homeowners Association. Ms. Lazzara stated that she is from the layover community for the 17 Shadeland. We do not want Port Authority to stop the buses in Manchester, but we want to stop the 422 buses a week that come through our neighborhood. She explained that they are a diversified neighborhood with 83 townhouses and have 170 buses during the weekday; 28 buses on Saturdays and 21 on Sunday. She claimed that they can't sleep at night and are worried about their infrastructure because the townhouses are built on fill.

She stated that they are also a layover for the Ross Garage. They come into our neighborhood, which is a one-way street, go around our circle and exit. This puts 10 million pounds on our roads a week.

Ms. Lazzara urged the Board to read the package she distributed and invited the Board to her neighborhood to witness what she is talking about.

That concluded the public comment period.

Approved

The Chairman announced that he was going to adjust the order of the agenda and called on Mr. D. Raja for a report of the Financial Audit Committee.

Mr. Raja reported that the Financial Audit Committee held a public meeting on Wednesday, November 16, 2016. Prior to the presentation of the audit by Maher Duessel, Port Authority management recognized the diligent efforts of personnel within the Finance Department who were instrumental in the Authority once again receiving a clean audit opinion.

Mr. Jeff Kent and Mr. Dustin Starr of Maher Duessel, certified public accounts, reported to the Committee that the audit of our financial statements was performed in accordance with government auditing standards and the financial statements were found to have no significant deficiencies or material weaknesses noted. It was reported that the Authority ended FY 2016 with approximately a $14.2 million surplus, before noncash item adjustments for other post-employee benefits, pensions and depreciation.

Mr. Raja continued reporting that the Authority's total net position was down $64.4 million, mainly due to a $130.1 million decrease in the Authority's net pension liability that is related to the Governmental Accountable Standards Board Pronouncement No. 68, which went into effect FY 2015. Mr. Kent also informed the Financial Audit Committee of the upcoming Governmental Accounting Standards Board Pronouncements No. 74 and 75 that would potentially add another $500 million in liability to the balance sheet beginning in FY 2018.

On behalf of the Financial Audit Committee, Mr. Raja proposed that the Board formally accept the FY 2016 Audit Report and approve that the Chairman of Port Authority's Board and the Chair of the Financial Audit Committee sign the FY 2016 Audit Report indicating its acceptance.

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

The Chairman called on Mr. Vescio for a report of the Performance Oversight Committee. Mr. Vescio reported that a meeting of the Performance Oversight Committee was held on Thursday, November 10, 2016, and the minutes from the previous meeting were approved by the Committee.

The financial results for the month of October 2016 were reported at the meeting. It was reported that total operating income exceeded budget by $113,986, principally due to passenger revenue exceeding budget. Total operating expenses for the month of October were $1,096,531 under budget which is due to vacant positions and related contractual savings.

Total subsidies for the month were approximately $2.42 million under budget due to a timing issue with State Operating Assistance that will correct itself by fiscal year-end.

It was also reported at the meeting that, from a year to year perspective, total operating income is below last fiscal year by $780,397, due to lower passenger revenues and ACCESS Shared Ride revenue. Total operating expenses are approximately $1.4 million higher than last fiscal year due to higher healthcare medical premiums. Total subsidies are $6.9 million ahead of last year due to higher preventive maintenance invoicing this fiscal year.

Mr. Vescio reported that there were 14 resolutions reviewed by the Performance Oversight Committee for consideration by the Board.

Approved

The Committee first reviewed two 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 two items outlined in the resolution in the total amount of $441,139.75.

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

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

Next, the Committee reviewed the request for a pool of firms to provide medical case management and vocational placement services.

Mr. Vescio stated that the medical case management services include peer review services and the vocational placement services including labor market surveys and/or funded employment services. The agreements for the services will be for three years for the total not-to-exceed amount of $300,000, with an option of two additional years and the work will be assigned to the contractors via task-specific work orders on an as-needed basis.

As a result of the evaluation of the proposals received, Genex Services, LLC, Disability Care Management Professional of Western Pennsylvania, Inc., Allegiant Managed Care, Inc. and Wellco Rehab, Inc. have been determined to be the highest rated proposers for the performance of both the medical case management services and the vocational placement services. The Authority seeks to enter into an agreement with these four firms to provide the services.

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

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

The Committee then discussed an Agreement with Clever Devices, Ltd., for Software Maintenance and Support Services for certain software. Mr. Vescio advised that Port Authority has previously and successfully implemented Clever Devices software modules and hardware and that Clever Devices' system and software are copyrighted by, and proprietary to, Clever Devices and they are the only ones authorized to modify, support and service its software and system.

As the Authority requires continued maintenance and support services for the Clever Devices software modules referenced in the resolution, the Performance Oversight Committee recommends authorizing the Authority to enter into an agreement with Clever Devices for a term of up to two years at a total not-to-exceed amount of $450,903 to perform the services.

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

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

Approved

Mr. Vescio stated that the Committee then discussed Signage and Wayfinding Program services. These services include communicating consistent transit information to customers at all passenger facilities and bus stops by using high quality designs while creating a graphic brand system-wide.

In July, 2013, the Board authorized the award of an agreement to CHK America to provide these services for an initial three-year term for a total not-to-exceed amount of $900,000. The agreement also contained two additional option years.

The Performance Oversight Committee recommends extending the agreement for one additional year to April 30, 2018, and to increase the previously authorized total not-to-exceed amount of the agreement from $900,000 to $2,100,000.

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

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

Next, Mr. Vescio reported that the Committee discussed the purchase of 25 60-foot low floor articulated buses. A request for proposals was publicly advertised and one proposal was received from New Flyer of America, Inc., which was reviewed and determined to be in the competitive range.

The unit price of each 60-foot clean powered diesel coach will be $728,131, which includes features such as voice annunciators, radios, video surveillance and passenger counters. The total not-to-exceed amount recommended for approval for the agreement to purchase the buses, including training, spare major components, special tools and diagnostic equipment, is $22,887,998.00.

The Performance Oversight Committee recommends entering into an agreement with New Flyer for the purchase of 25 60-foot low floor articulated transit buses, with an option to purchase up to an additional 75 60-foot articulated buses, CNG buses, hybrid buses and BRT-styled buses.

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

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

Mr. Vescio stated that the Committee then discussed the Neville Ramp Bridge Rehabilitation project. The discussion included a resolution to award a construction contract to perform the work for the project and a resolution to enter into an agreement with CSX Transportation, Inc.

Mr. Vescio reported that the Neville Ramp Bridge is owned and operated by Port Authority and serves as an off-ramp connecting the East Busway with Oakland. Bid documents were prepared and publicly advertised and four bids were received for the construction contract. After review of the bids, it was determined that Swank Construction Company LLC, submitted the lowest responsive bid from a responsible bidder.

Approved

The Performance Oversight Committee recommends that the construction contract be awarded to Swank Construction in the amount of $5,973,460.00, subject to completing the pre-award requirements.

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

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

Mr. Vescio continued reporting that in order to complete the Neville Ramp Bridge Rehabilitation project, the Authority and its contractor will require access on an area adjacent to a portion of an active railroad line owned and operated by CSX Transportation, Inc. As such, the Authority desires to enter into a construction agreement with CSX for access during the project.

The agreement will also provide that the Authority will reimburse CSX for an amount not-to-exceed $425,000, for providing flagging and related traffic and railroad operational control services during the completion of the project.

The Performance Oversight Committee recommends that the Authority be authorized to enter into an agreement with CSX for the project.

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

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

Next the Committee discussed the demolition of the McKeesport Transit Center Building and site improvements project. As part of the capital planning program, demolition of the old transportation building and expansion of the layover area for our buses and additional parking is needed. Mr. Vescio explained that demolition of an existing salt storage dome and pavement to increase parking at the Ross Park and Ride is also part of this project.

Bid documents were prepared and publicly advertised and three bids were received. The Performance Oversight Committee recommends awarding the construction contract to the responsible bidder that submitted the lowest responsive bid, Terra Works, Inc., in the amount of $1,244,431.00.

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

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

Next the Committee discussed entering into a ConnectCard Sales Agreement with Goodwill Industries of Southwestern Pennsylvania.

Mr. Vescio stated that, as Ms. McLean stated in her report, and as part of the ConnectCard Program, the Authority is party to an agreement with Giant Eagle, Inc. and other individual retailers across Allegheny County for the sale and distribution of ConnecCard fare products.

Approved

The Performance Oversight Committee now recommends entering into a Sales Agreement with Goodwill Industries to supplement existing retail locations and further enhance the availability of ConnectCards.

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

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

Mr. Vescio reported that the Committee discussed extending and amending the agreement with Commercial Consulting for Authority's Drug and Alcohol Compliance Program. Previously, the Board authorized the award of an agreement to Commercial Consulting to provide necessary services required to maintain the Authority's Drug and Alcohol Compliance Program for an initial term of three years for a total not-to-exceed $900,000.00. The Agreement also provides an option to extend the term of the Agreement up to two additional years and in November 2015, the Board approved the first option year.

The Performance Oversight Committee now recommends authorizing the Authority to enter into the second option year with an increase of $400,000 to the previously authorized total not-to-exceed amount of the agreement.

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

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

Next, the Committee discussed entering into an agreement with GNC Consulting, Inc. The Authority requires the services of a contractor to upgrade the Authority's Oracle PeopleSoft Financials and Supply Chain Management software.

A request for proposals was prepared and publicly advertised and four proposals were received. The proposal submitted by GNC Consulting, Inc. was determined by the Authority's Evaluation Committee to be the highest rated responsive proposal for the performance of the services.

The Performance Oversight Committee recommends entering into a three year agreement with GNC Consulting, Inc., to provide the services for an amount not-to-exceed $3,040,275, with one additional option year.

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

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

Next, the Committee discussed entering into agreements for the purchase of natural gas. Mr. Vescio explained that Pennsylvania law permits natural gas customers to purchase natural gas from either a public utility or private supplier. The purchase of natural gas from a private supplier may result in a savings to the Authority depending on market prices at any given time.

Approved

In order to secure private suppliers, the Authority requested proposals from firms interested in providing natural gas to the Authority. Three proposals were received and are listed in the resolution.

As the marketplace is very volatile and suppliers will only hold their prices for a few hours, the Performance Oversight Committee recommends authorizing the Authority to enter into a five-year agreement with each of the suppliers listed in the resolution and allowing the Authority to request quotes from the suppliers to provide natural gas at a time favorable to the Authority, to lock in the lowest price quoted by the suppliers if the price is determined to be in Authority's best interest and as needed, to purchase natural gas from the suppliers.

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

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

Next Mr. Vescio stated that the Committee discussed entering into agreements for the purchase of electricity. Similar to the prior resolution, Pennsylvania law permits electrical customers to purchase electricity from either local utilities or private suppliers, and there are circumstances when purchasing from a private supplier could result in significant savings. The purchase of electricity differs from most other purchases due to the volatility of the marketplace and a supplier can only hold its price for a period of up to 24 hours.

A public notice was issued and all known suppliers were contacted. Nine firms were determined to be capable of providing electrical power and are listed in the resolution.

The Performance Oversight Committee recommends authorizing the Authority to enter into a five-year agreement with each of the suppliers listed in the resolution and allowing the Authority to request quotes from the suppliers to provide electricity at a time favorable to the Authority, to lock in the lowest price quoted by the suppliers if the price is determined to be in the Authority's best interest and as needed, to purchase electricity from the suppliers.

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

Before approval, Mr. Raja asked if we were only getting bids or are we authorizing the Authority to purchase futures, and who is qualified to do a futures contract at the Port Authority.

Port Authority's Director of Procurement and Materials Management, Mr. Trona, responded that we use our consultant, Eric Ryan. What we are doing today is actually approving potential bidders and Eric Ryan will hold the bid with these bidders once Eric Ryan does the bid process. This is similar to what we do with our diesel fuel. Mr. Trona explained that we must jump on it quickly because the window shuts very rapidly in these types of markets. Mr. Raja also asked how far into the future will they go to lock-in the price, and Mr. Trona responded for a one-year period.

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

Approved

Mr. Vescio stated that the final resolution discussed at the Performance Oversight Committee meeting seeks approval to enter into an agreement with Scheidt & Bachmann USA, Inc., for operating system upgrades. Previously, the Board authorized the Authority to into an agreement with Scheidt & Bachmann to provide a new Automated Fare Collection System, which includes the equipment to accept credit and debit card sales to load value onto customer's ConnectCards.

Because the Authority is storing encrypted credit card information, the system is required to remain Payment Card Industry compliant to protect customer information and the Authority's system needs various upgrades to ensure that the system remains compliant with the Payment Card Industry requirements.

The Performance Oversight Committee, thus, recommends entering into an agreement with S&B for the required operating systems upgrades in an amount not-to-exceed $669,081.80.

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

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

Mr. Vescio stated that the Committee received a program overview and summary of Pennsylvania's Rail Transit Safety Review Program for calendar year 2015 activities and ongoing 2016 activities. The Rail Transit Safety Review Program provides comprehensive and ongoing safety and security assessments of fixed guideway transit systems within the Commonwealth. The activities include oversight of Port Authority's light rail system, busways and the Monongahela Incline.

That concluded the report of the Performance Oversight 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 November 10 where it reviewed a resolution for the Board's consideration today. The resolution is a construction contact for the Fifth Avenue and Atwood Street Station project. The existing stop at Fifth and Atwood is the highest-used stop outside of Downtown Pittsburgh. This is an inbound stop along Fifth Avenue in Oakland, which serves 13 routes and approximately 4,000 riders a day. The station shelter will be built on UPMC property near the old Children's Hospital and will be able to accommodate two buses at a time. The new shelter will feature benches, leaning bars, overhead glass panels, two ConnectCard machines, bicycle racks, additional space for wheelchairs and lighting to help identify the shelter at night.

This resolution, as more fully detailed in the meeting packet, would authorize the Authority to enter into an agreement with Pavchak Construction Company for $1,397,800 for the station construction.

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.

Approved

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

The Chairman announced that there are two items of new business. First, Mr. Hurley appointed a Nominating Committee to propose a slate of officers for next year. He appointed Mr. Rob Kania to serve as the Chair of the Nominating Committee and the members will include Mr. John Tague and Mr. Jeff Letwin.

Mr. Hurley reported that the other item of business was the resignation of Mr. Tom Donatelli. Mr. Hurley stated that Mr. Donatelli is moving on in his career as he is beginning his retirement from his professional endeavors, so he decided it was time to resign from Port Authority's board as well. We will look to replace him sometime in 2017 with a new member. Personally, Mr. Hurley stated that he wanted to thank Tom for his diligence and his work that he put into this Board, and noted that the knowledge he brought to this Board was unsurpassed. Hopefully, we will find somebody with his dedication and skill set.

The Chairman asked if someone from the Board would consider a motion to formally recognize Tom and provide a proclamation of some type for him going forward.

Mr. Letwin made a motion for the Board solicitor to draft a motion recognizing Mr. Donatelli's service to the Board and an appropriate placard of acknowledgement of his service, which was invaluable.

The motion was seconded and unanimously agreed that this action occur.

There was no further business to conduct.

The next Regular Meeting of the Board will be Friday, January 27, 2017.

The meeting was adjourned.

Approved