

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY APRIL 20, 2017**

Having been duly advertised in accordance with the Sunshine Act No. 84 of 1986, a regular meeting of the Public Parking Authority of Pittsburgh was held at 10:04 a.m. on April 20, 2017, 2017 at 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Jeff Cohen, Matt Barron and Aradhna Oliphant. Present from staff were: David Onorato, Anthony Boule, Christopher Speers, Chris Holt, Jo-Ann Williams, John Fournier, Pat Konesky, Tracy Sowinski, Bill Conner, Debra Meyer, Philip Savino, Janet Staab, Kathryn Van Why and Bob Wilson. Also present were Jason Wrona of Buchanan Ingersoll, Joe White of Carl Walker Construction, Jay Sukernek of Riverlife, Sally Stadelman of the City of Pittsburgh, Office of the Mayor and Bill Stewart of Strategic Communications.

MINUTES

Mr. Cohen asked for approval of the minutes from the March 16, 2017 meeting.

Upon motion by Mr. Barron and seconded by Ms. Oliphant, the minutes were approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes.

PUBLIC COMMENT

Mr. Cohen asked if there were any public comments.

Mr. Sukernek of Riverlife addressed the Board regarding the Mon Wharf Switchback project, stating that with the last phase of construction now begun he wanted to acknowledge the contributions of Parking Authority personnel. He said that without the work and cooperation of the Authority staff, this project would not have been possible.

Mr. Cohen asked if there were any additional members of the public who would like to speak.

There were none.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato updated the Board on the South Side Parking Enhancement District program, stating that the program began on March 17, 2017 and that the Authority has been issuing warning tickets since that date. He advised that the program is in effect on Friday and Saturday nights at all South Side street meters and surface lots, with the hours of enforcement extending through midnight. He advised that beginning this weekend enforcement officers will begin issuing actual tickets for violations encountered. He advised that \$16,000 in additional meter revenue was received during the expanded enforcement hours on those six weekends. He noted that a City of Pittsburgh police officer is assigned to ride with our enforcement officers during this time period and said that, to date, we have not experienced any issues with the public.

Mr. Cohen asked if the Authority could determine if this program has made more parking available.

Mr. Onorato responded that we have not been able to determine that as of yet, but said that we are monitoring the program's impact. He noted that we have not seen any change in usage patterns, even with the removal of the time limits. He also advised that with its use of more LPR vehicles, the Authority is able to obtain a more accurate count of parked vehicles.

Mr. Onorato discussed the Finance Report, stating that the straight-line budget shows that we are within about six percent of budget, whether for the month or year to date. He noted that the cash flow budget identifies when the Authority anticipates cash being collected during the month, adding that both reports show a positive trend.

Mr. Onorato discussed the Parking Court Report, stating that the budget for the year was \$10.2 million and at one quarter of the way through the year we are on target to reach that amount.

Mr. Onorato discussed the Enforcement Report, stating that the Authority is right on budget and that 65 percent of tickets issued are for meter violations. He noted that street-cleaning enforcement begins in April and runs through November and said that next month's report will reflect this activity. He advised that the Authority is currently working with the City to work out plans for coverage.

Mr. Onorato discussed the Meter Reports, noting that the revenues are up for both the month and the quarter.

Mr. Onorato discussed a few of the Quarterly Reports, noting that the Utilization Report, which shows utilization at specific times throughout the day, indicated that the majority of Authority garages are above the 90-to-95 percent utilization threshold. He noted that the Shadyside, Second Avenue, Smithfield/Liberty and Grant Street Transportation Center facilities are reporting lesser volume but said that these locations have been holding steady or increasing so utilization rates are moving in the right direction.

Ms. Oliphant asked about usage of the Shadyside Garage, noting that the 2:00 pm time period shows a decrease.

Mr. Onorato responded that the Authority looked at the activity on Walnut Street and found that there has been a slight decline in businesses operating in that area. He said the four to five unoccupied store fronts are likely contributions to this decrease.

Mr. Onorato discussed the Quarterly Revenue Report, noting that revenues did increase for the first quarter of 2017 and are trending in the right direction. He noted that the Transaction Report, which is the number of vehicles using the garages, shows that the number of transactions increased and therefore would be a direct reflection on the revenues.

Mr. Onorato discussed the Downtown Housing Report, which shows a current lease total of 246 and stated that the Authority made a conscious effort to increase their number as an assist to the City. He said Smithfield/Liberty, Mellon Square and the Grant Street Transportation Center are the most frequently utilized locations for downtown housing leases.

Mr. Onorato discussed the Multi-Space Meter Revenue Report, which show the number of meters and spaces the Authority has as well as the revenue for the first quarter. He noted that of the period's \$4.8 million in revenue, 90 percent is being realized through credit card and payments. He advised further that 54 percent of those revenues are paid directly at the meters and 35 percent is through the Pay-by-Phone application.

Mr. Onorato discussed the Revenue-Per-Space-Report, a standard industry measure, which shows an increase from 2016 to 2017.

Mr. Onorato discussed the Pay-By-Phone Report, which shows that 23 percent of transactions through the meters have been made using the application since its inception but with usage during the last four months being above 30 percent. He stated that the average pay-by-phone transaction amount is \$2.73 compared to the \$2.31 average for direct payment at the meters. He stated that out of the 2.4 million transactions through the phone application, 29,000 or approximately 29 percent, involve extensions of parking time, and are not therefore counted as separate transactions.

Mr. Cohen cautioned that if some of the garages continue to show a decline we need to look closely at garage utilization and revenue and not just at the total numbers because they may not always show an accurate overall picture. He stated that the Authority has a very good first quarter and thanked staff for its work.

Mr. Onorato responded that this is the reason why the Authority also monitors the transactions and not just revenues.

Mr. Onorato asked if there were any questions.

There were none.

RESOLUTION NO. 19 OF APRIL 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO, ON BEHALF OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH, A FIFTH AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT"

WITH AAA EAST CENTRAL FOR THE COMMERCIAL RETAIL SPACE IN THE MELLON SQUARE GARAGE, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that West Penn AAA has been a good tenant since 1990 and said this Fifth Amendment to the Commercial Leases will extend their contract through December 2019. He stated that while the space contains 4,990 square feet it includes an unusable mezzanine so the space being used is just 3,513 square feet. Mr. Onorato reported that the rent equates to \$18.80 per square foot based on the entire area and approximately \$25.00 per square foot based on the first floor alone. He stated that the monthly rent will remain unchanged at \$7,500, bringing the yearly total to \$90,000.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Oliphant, Resolution No. 19 of 2017 was approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes.

RESOLUTION NO. 20 OF APRIL 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE ADDITIONAL VEHICLES AND EQUIPMENT NECESSARY FOR ONGOING OPERATIONAL MAINTENANCE AND SNOW REMOVAL AT ITS GARAGE FACILITIES AND LOTS, was read by Mr. Cohen and considered by the Board.

Mr. Onorato said that in a continuous effort to maintain our garages, we would like to purchase an additional sweeper/scrubber unit. He advised that the Authority currently has seven sweeper/scrubber units and this eighth one would be housed at Mellon Square Garage.

Mr. Cohen inquired if the Authority has personnel trained to use this equipment.

Mr. Onorato responded that garage union personnel are trained to use the equipment.

Mr. Cohen asked if adding this one piece of equipment would make a difference in the overall maintenance or would increasing the amount of equipment purchased be more beneficial.

Mr. Speers responded that his wish list would be to have a sweeper/scrubber unit for each of our facilities. He noted that in the private sector every facility has its own on-site cleaning equipment. He said that these units are much more efficient than manually sweeping the facilities. He stated that the Authority currently has four sweepers and said this purchase will be the fourth combo unit, which has sweeper capabilities as well as a scrubbing component. He advised the Board that Parking Services purchased a trailer in 2013, giving us the ability to transport this type of equipment from one facility to another but noted that it is difficult and laborious to hook up and transport units.

Mr. Cohen asked the cost of a sweeper unit.

Mr. Speers responded that the average cost of one sweeper is \$45,000 and the sweeper/combo units are approximately \$60,000.

Mr. Cohen asked if we would be able to receive a discounted cost per unit if we were to order more than one.

Mr. Speers noted that because we are purchasing these units through the state Co-Stars program it is already a low-cost bid price. He said he would talk to the vendor to see if the cost would be reduced based on multiple units being ordered.

Mr. Cohen suggested that we double up on the quantity purchased for the next year or two to get us to the level we desire to be. He said this appears to be a long process for something that is necessary and he stated that he doesn't believe that this is that much of an investment to keep our garages clean. He asked if we knew the average life span of one of these units.

Mr. Speers responded that he has had Tenant machines that lasted over 20 years. He stated that they are well-built machines.

Mr. Barron inquired if this was the only unit the Authority anticipated purchasing this year.

Mr. Speers responded that we have already purchased one unit for the Grant Street Transportation Center and said this purchase would bring the total to two units this year, both of which are in our 2017 capital budget.

Mr. Cohen asked that we look at where the Authority is with the capital budget and see if we could possibly expand by purchasing one or two additional units at this time.

Mr. Barron said he agreed and stated that over the years the purchase might actually pay for itself in cost savings from operational efficiencies.

Ms. Oliphant stated that she is in support of infrastructure maintenance but recommended that the Authority conduct an analysis, noting that we need to be mindful of the advances of technology so our purchases are not outdated a few years from now.

Mr. Cohen stated that Ms. Oliphant made a good point and asked if the technology would be changing on these units.

Mr. Speers stated that the only technology is that the vehicles are now moving towards being powered electrically instead of by propane. He stated that the problem that he has heard in the industry is that these units are about the weight of a car and when a ramp with a steep slope is involved, their ability to move rapidly is limited.

Mr. Speers said that in the past the Authority was farming out the sweeping and scrubbing operations and the cost was very expensive. He noted that the average cost to sweep First Avenue was \$1,250 and scrubbing was \$25,000 and stated that at that time we would scrub a

garage once a year but now that we have the ability to do it ourselves we are scrubbing almost every weekend. Mr. Speers said that bringing the function in-house saves the Authority a lot of money.

Ms. Oliphant agreed that there is a benefit to doing this in-house and stated that she believes we should order at least one more unit at this time.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron Resolution No. 20 of 2017 was rejected as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes.

RESOLUTION NO. 21 OF APRIL 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT PROPOSALS FOR ANNUAL GARAGE INSPECTIONS, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised the Board that the current contract with Desman expires this year and said we are asking permission to solicit bids for a new three-year contract for an engineering firm to complete the annual garage inspections that are required.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 21 of 2017 was approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes

RESOLUTION NO. 22 OF APRIL 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO CARL WALKER CONSTRUCTION, INC. FOR THE REPAIR AND PREVENTIVE MAINTENANCE OF THE FORT DUQUESNE AND SIXTH PARKING GARAGE, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised the Board that this is Phase 2 of the rehabilitation of the Fort Duquesne and Sixth Garage, covering the replacement beams, columns, deteriorated decks as well as replacing the exterior façade. He advised that there were two bids received for this project and we are seeking approval to award the contract to Carl Walker Construction in the amount of \$7,687,020. Mr. Onorato stated that while the mandatory pre-bid meeting was well attended he believes that the aggressive schedule for completion of the project was the reason only two bids were received. He advised the Board that this tight timeline was discussed with both firms that

submitted bids and both committed to having the project substantially completed by the end of the year.

Mr. Barron asked for an explanation of the add alternate on the bid tab sheet and why it is separate.

Mr. Holt responded that this an additional scope of work to include supplemental support of the decking.

Mr. Barron asked if there was a design determined for the façade improvement.

Mr. Onorato responded that we do have a design in mind but said its approval by the City's Planning Commission is required. He stated that the Authority met with the neighborhood groups to share our initial thoughts with them and said that we anticipate some changes being made based on their response.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 22 of 2017 was approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes

RESOLUTION NO. 23 OF APRIL 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE FOUR LICENSE PLATE RECOGNITION (LPR) SYSTEMS FOR INSTALLATION ON AUTHORITY ENFORCEMENT VEHICLES, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the Authority currently has three LPR systems and is looking to expand their use. He noted that we use these mainly for enforcement of residential permit areas as they are most efficient for that purpose. He stated that it could also be expanded to the meter enforcement area as well as to collect usage data. He advised that the additions will be purchased on a sole-source basis through the gtechna service.

Mr. Barron asked why this purchase would be sole-sourced.

Mr. Fournier responded that gtechna has been working to create our software environment and has created customized software packages that match our current LPR system to our enforcement server to permit communication with our handhelds. He said that if we were to acquire different LPR technology from a different company we would need to have that company create a separate software system that would work with the existing gtechna system, creating a significant additional expense.

Mr. Barron asked if the Authority was receiving a good price.

Mr. Fournier stated that the technology package that we will buy is comparable between firms but that we are realizing a significant savings on the software portion.

Mr. Fournier stated that last year the Authority purchased two new enforcement vehicles and plans to buy two additional vehicles this year. He said the new LPR systems will be installed on these vehicles.

Mr. Cohen asked if this technology would be changing in the near future.

Mr. Fournier replied that LPR technology is rapidly changing, noting that the systems we are purchasing today are far more advanced than those we purchased a few years ago and is a reason we purchase a small number of units. He stated that the units we have in operation currently are working fine and still provide huge operational efficiencies. He stated that as an example all of the residential permit parking zones in the city have time restrictions limiting the stays of vehicles without permits, to either one hour or two, and officers need to go through an area once to record all of the license plates and then come back in a very brief timeframe to see if vehicles are still parked legally. He stated an LPR vehicle driving down the street to record license plates numbers is more efficient than an officer walking and recording the same data. He said that an alarm sounds in the vehicle if a parked vehicle is detected to be on the boot eligibility list.

Mr. Fournier added that our enforcement personnel use the LPR vehicles for meter enforcement as well. He noted that it is difficult to find operational efficiency with meter enforcement because the officer still needs to get out of the vehicle and place the ticket on the windshield, but with the new software features that were developed by gtechna, the Authority can drive an LPR vehicle down a metered street and the system will transmit its enforcement data to the handheld device of an officer walking the same street. He said that by assigning one officer to drive the vehicle and another to walk the same street, the one on foot would just need to print the ticket and place it on the vehicle. He stated that he believes that practice will bring a lot of operational efficiency to our enforcement function.

Mr. Fournier also mentioned that a few months ago when the Board approved the new solid state blade servers for our IT Department, this is one of the improvements that we can now implement because of the server upgrade. He stated that the constant enhancements of our IT infrastructure can provide huge operational efficiencies to our Enforcement Department.

Mr. Cohen asked if the system dictates our hiring process.

Mr. Fournier stated that the system is not complicated, noting that he believes that if you can operate a smartphone, then you can operate this system. He stated that gtechna schedules training for Authority personnel who in turn can schedule training with individual officers. He stated that the officers are technologically able to handle this equipment.

Mr. Cohen asked if enforcement of meters and residential zones are done at the same time and if this purchase was accounted for in our Capital Budget. He also asked how long it would take to receive the systems.

Mr. Fournier responded that there are separate details for residential permit parking and meter enforcement and said the purchase was provided for in the Capital Budget.

Mr. Savino stated that it would take about four weeks to receive the equipment and then we would arrange for a technician to install it in our vehicles. He estimates the entire timeline of implementation to be between four and six weeks.

Mr. Barron asked if there was any type of warranty or was this the Authority's responsibility.

Mr. Savino responded that there is a strong warranty on both the hardware and the software.

Mr. Cohen asked if there were any additional questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 23 of 2017 was approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes

RESOLUTION NO. 24 OF APRIL 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE TWO (2) NEW FLEET VEHICLES, BOTH 2017 CHEVROLET CRUZE, FOR THE DEPARTMENT OF ENFORCEMENT FROM DAY CHEVROLET INCORPORATED, was read by Mr. Cohen and considered by the Board.

Mr. Onorato stated that part of our capital plan is to replace two vehicles in our enforcement fleet. He noted that currently 17 vehicles are used for enforcement and there are 33 vehicles total in the Authority's entire fleet. He stated that we are replacing vehicles 107 and 307 with those described in the resolution, both being 10 years old and in poor condition with more than 50,000 miles and considerable wear and tear. He said those vehicles will be taken to auction.

Mr. Barron noted that there were a few other vehicles noted as being in poor condition and asked if we anticipated replacing those next year.

Mr. Onorato responded that we do try to stagger the purchase of vehicles so that we do not have a large expense commitment at any one time.

Mr. Cohen asked the life expectancy of these vehicles and if the cost of keeping them running is a large expense.

Mr. Onorato responded that a 10-year lifespan is good for this type of vehicle and said they experience a lot of wear and tear with different drivers using them.

Mr. Fournier noted that he instituted a new policy that every officer was required to wipe down the inside dashboard of the vehicle as well as clean any trash out of the vehicle on a nightly basis. He said they are required to sign off on those steps, adding that we take the vehicles weekly to have the inside vacuumed and the exterior cleaned.

basis. He said they are required to sign off on those steps, adding that we take the vehicles weekly to have the inside vacuumed and the exterior cleaned.

Mr. Cohen asked if the officers were permitted to smoke in the vehicles.

Mr. Fournier responded that we have a no smoking policy in both the buildings and all vehicles and he noted that the officers are pleased and thankful that this policy is in effect and enforced.

Ms. Oliphant mentioned that she recalled a conversation from the past where the Board asked for the pros and cons on leasing vehicles as opposed to purchasing and wanted to know the outcome of that review.

Mr. Onorato stated that this was evaluated and said it is better financially for the Authority to purchase vehicles because we keep them so long.

Mr. Cohen stated that if the Authority did a better job of maintaining these vehicles and is not putting a lot of miles on them, it might be better to lease these types of vehicles at a low monthly rate.

Mr. Fournier noted that when we install LPR systems on these vehicles it voids the warranty because we need to drill through the vehicle for mounting. He stated that unless the vehicle is involved in an accident our maintenance costs remain low.

Mr. Cohen stated that he would like to see the Authority purchase new vehicles earlier rather than investing thousands of dollars to repair an older vehicle so that it passes inspection.

Mr. Barron stated that we do recoup or get some payback when we take the vehicles to auction.

Mr. Cohen asked if there were any additional questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 24 of 2017 was approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes

RESOLUTION NO. 25 OF APRIL 2017, "A RESOLUTION TO ACCEPT THE PUBLIC PARKING AUTHORITY OF PITTSBURGH'S FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 WITH INDEPENDENT AUDITOR'S REPORT AS RECOMMENDED BY THE AUDIT COMMITTEE, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that an Audit Committee included Ms. Oliphant, Mr. Barron, Ms. Williams and himself was formed and met with the auditors both prior to the commencement of the audit and upon its completion. He said the audit findings led to an unmodified opinion, which is the highest that a business can receive and said that there was also no management letter issued. He

Ms. Feick of Maher Duessel, introduced herself and advised that Maher Duessel met with the Audit Committee to review the audit in detail. She mentioned that they issue a few things in conjunction with the audit including a written communication for those in charge of governance; Maher Duessel's opinion on the Authority's Financial Statement; and an opinion on certain provisions of the Trust Indenture as to whether any issues of non-compliance were noted. She stated that the Authority received a non-modified opinion on the financial statements, which is the best type of opinion that can be received under auditing standards. She also stated that the Maher Duessel Auditing team received excellent cooperation from everyone on the Authority staff and certainly appreciated that level of assistance. She stated that the audit went well and there were no audit adjustments to report, nor was there any management letter and no issues of non-compliance reported on the Trust Indenture. She asked the Board if it had any questions.

Mr. Barron thanked Maher Duessel's audit team, Ms. Williams and the Finance Department and the Authority staff for their cooperation during the audit. He stated that the Audit Committee reviewed the Audit in detail, including the new GASB rules that are going into effect.

Mr. Cohen thanked Ms. Oliphant and Mr. Barron for volunteering to be on the Audit Committee and stated that with the size of the organization, it is a positive that an audit can be completed without any issues. He thanked the PPAP staff, especially Ms. Williams and the Finance division.

Mr. Cohen asked if there were any additional questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 25 of 2017 was approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes

OLD/NEW BUSINESS

Mr. Cohen asked if there were any new or old items for discussion.

Mr. Onorato updated the Board that the Authority is being pro-active on customer service training and recently completed a formal Customer Service Training Program for the Authority employees and scheduled a few additional sessions over the next few months touching upon Sensitivity Training and Conflict Resolution.

Mr. Onorato also informed the Board that Wes Pollard had resigned from the Authority and he wanted to publicly thank him for the work he did here at the Authority, especially overseeing the installation of the pay-by-plate meter system.

Mr. Cohen asked if there were any additional questions.

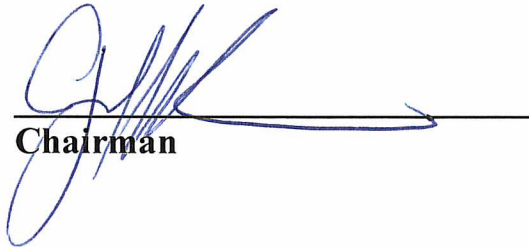
There were none.

There were none.

The next Board meeting is scheduled for Thursday, May 18, 2017 at 10:00 a.m.

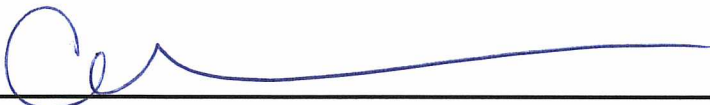
The meeting was adjourned at 11:15 a.m. with all Board Members in approval.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval