

**MINUTES OF THE REGULAR MEETING OF THE  
PUBLIC PARKING AUTHORITY OF PITTSBURGH  
THURSDAY JUNE 18, 2015**

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 on June 18, 2015 at 10:04 a.m. at 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Cathy Qureshi and Jeff Cohen. Aradhna Oliphant joined by phone conference at 10:17 a.m. Present from staff were: David Onorato, Anthony Boule, Judi DeVito, Chris Holt, Janet Staab, James Smith, Tracy Sowinski, Patrick Osuch, Jerry Kurzawski, Kathryn Van Why, Philip Savino and Patricia Konesky. Also present were Jason Wrona and Ken Luttinger of Buchanan Ingersoll, Guy Costa and Debra Gibson of the City of Pittsburgh Mayor's office, William Stewart of Strategic Communications, Barbara Boylan of KDKA Radio, Marios Kritiolis of Apella Gov. Solutions/Meter Feeders, Charles Goodwin of BNY Mellon Capital Markets, Sara Davis Buss of Campbell & Levine, Antonio Misiti and Jason DiMartini of PNC Capital Markets, Ed DeTullio of Desman Associates and Robert Zullo of the Pittsburgh Post Gazette.

Mr. Onorato advised that Ms. Oliphant was going to join the meeting at the time the resolutions are presented.

**MINUTES**

Ms. Qureshi asked for approval of the minutes from the regular meeting held on April 16, 2015.

Mr. Wrona noted that the minutes cannot be approved until Ms. Oliphant joins the meeting.

Ms. Oliphant joined the meeting via phone conference at 10:17 a.m., at which time Ms. Qureshi asked for approval of the minutes.

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

**PUBLIC COMMENT**

Ms. Qureshi asked if there were any public comments.

There were no public comments.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Onorato advised the Board that the Authority has installed the Electrical Vehicle Charging Stations at Grant Street Transportation Center. He advised that this is the second Parking Authority garage to have these stations installed. He advised that there now are two

four-hour charging stations at First Avenue Garage and two dual, four hour charging stations at Grant Street Transportation Center. He advised the Board that the units at First Avenue Garage are being utilized on a daily basis and advised that utilization at both facilities will be tracked and presented as an update to the Board.

Mr. Onorato advised that the Residential Permit Parking online portal is completed and in the testing stage. He stated that with this upgrade customers will be able to purchase permits or order renewals online and not be required to come into the office to obtain them. Mr. Onorato stated that Authority management is working with the City administration on revising the visitors' pass policies which, when established, will also be available for purchase online. He noted that this module and the new procedures will require City and City Council approval.

Mr. Onorato advised the Board that, in working with the City on its implementation of Bike Share Stations, the Authority has had to relocate meters due to the determined placement of the stations. He advised that with the installation of bike share racks, 62 vehicle parking spaces were eliminated.

Mr. Onorato advised that the South Side community and its City Council representative have requested use of the 18<sup>th</sup> & Carson Street Lot for one weekend in July for the event, "Showcase on Carson".

Mr. Onorato advised the Board that the annual International Parking Institute conference will take place at end of this month in Las Vegas and said he, Mr. Speers, Mr. Conner and Mr. Cohen will be attending. He advised that Mr. Conner will be graduating with his CAPP (Certified Administration of Public Parking) degree and will be receiving his certification during the conference.

Mr. Onorato explained the Financial Reports, noting that May's actual to estimated results were slightly ahead of the budgeted pace. He said the revenue and the estimates for 2015 year to date is \$21.5 million and our budget through May 2015 was 20.7 million, so we are slightly ahead of target. He noted that the Authority is 40 percent through its budget year and is at roughly 43 percent of projected revenue and slightly one percent below the expense projections.

Ms. Qureshi asked for clarification on the total expenses for the month.

Mr. Onorato advised that the total expenses for the month are \$6.2 million and we are under budget on expenses by 4.6 percent for the year.

Mr. Cohen added that the Authority is half a million dollars below budget in the Professional and Contractual, supplies and equipment and salaries.

Mr. Onorato explained that the garage facilities report shows 2014 to 2015 comparisons. He noted that the increase is due somewhat to a rate increase which occurred in August 2014. Mr. Onorato advised that Smithfield/Liberty is the only facility that did not record an increase, but in fact showed a decrease due to the on-going construction and loss of spaces. He noted that the construction should be finished by July 2<sup>nd</sup> when the painting contractors will mobilize on-site. He stated that the timeframe for completion of the painting is eight weeks, at which time the garage will be completely re-opened.

Mr. Onorato advised that there is a resolution being presented today which, if approved, will lead to major renovations at the Third Avenue garage, which will most definitely impact the revenues in the same manner as Smithfield/Liberty did. Mr. Onorato advised that, for the year overall, revenues are up 12 percent.

Mr. Onorato stated that the year-to-date report shows the same trend. Revenues are up system-wide with the exception of Smithfield/Liberty due to the renovations and Mon Wharf because of closures due to flooding.

Mr. Onorato discussed the Enforcement Meter Report which compares 2014 to 2015 tickets issued and noted that the ticket total has declined since last year. He said this could be in part to patrons being in parking compliance as well as an understaffed enforcement group, a shortage that has been rectified by the recent hiring of six additional officers.

Mr. Cohen stated that he believes that patrons are paying for more time than they need so that they do not need to return to the meter to add additional time. He also stated that at the end of the day the Authority would rather have revenue from meter payments versus revenue received from ticket payments.

Mr. Onorato confirmed that view by stating that our system shows that 80 percent of the vehicle plates entered into the handhelds shows that parked vehicles are in compliance with payment requirements. He did acknowledge that there needs to be a visible enforcement presence to keep compliance at acceptable levels.

Mr. Onorato discussed the Street Collection Report, noting that we are showing a 22-percent increase in meter revenues for the month. He noted that additional meters were added recently in the Lawrenceville and Strip District areas, stating that since the new meters have been installed the Authority has seen a steady increase in street-meter revenue collections.

Mr. Onorato discussed the Parking Court Report, noting that revenues from tickets are down but said he anticipates final numbers to be close to budgeted numbers. He stated that the fines need to be set at a point where it is not advantageous for customers to not pay for metered parking.

Mr. Onorato asked if there were any questions on the monthly reports.

There were none.

## **RESOLUTIONS**

**RESOLUTION NO. 22 OF JUNE 2015, "A RESOLUTION AUTHORIZING AND APPROVING (I) THE ISSUANCE OF ONE OR MORE SERIES OF PARKING SYSTEM REVENUE REFUNDING BONDS, SERIES OF 2015 IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 TO FINANCE A PROJECT CONSISTING OF REFUNDING ALL OF THE AUTHORITY'S OUTSTANDING BONDS; FUNDING A DEBT SERVICE RESERVE FUND OR PAYING THE COST OF A SURETY BOND FOR**

**THE DEBT SERVICE RESERVE FUND; AND PAYING COSTS OF ISSUANCE; (II) A NEW TRUST INDENTURE TO BE DATED AS OF SEPTEMBER 1, 2015; (III) DIRECTING THE TRUSTEE TO REDEEM THE PRIOR BONDS; (IV) APPOINTING A PRICING COMMITTEE TO APPROVE FINAL TERMS OF THE 2015 BONDS; AND (V) UTHORIZING ANY AND ALL OTHER ACTIONS AS MAY BE REQUIRED TO CARRY OUT AND CONSUMMATE THE TRANSACTIONS TO BE CARRIED OUT AND CONSUMMATED BY THE AUTHORITY FOR THE ISSUANCE OF THE 2015 BONDS AND THE COMPLETION OF THE 2015 PROJECT”,** was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the Authority’s debt total is approximately \$75 million and said this resolution is asking for approval to refinance the existing amount, which covers two current bond issues. He reported that no new debt will be incurred with a cost not to exceed \$80 million and advised that, at a minimum, the savings should be three percent.

Mr. Onorato introduced members of the Authority’s financial team in attendance: Mr. Goodwin, the Authority’s Financial Advisor from BNY Mellon; Messrs. DiMartini and Misiti from PNC Capital Investors serving as Bond Underwriters; Ms. Buss from Capital Levine, serving as Bond Counsel, and Mr. Luttinger, solicitor for the Authority.

Mr. Goodwin addressed the Board and advised that since he last spoke with the Board last regarding refinancing the Authority’s debt, the market has weakened. He said he believes that the savings from a bond refinancing will still be substantial. Mr. Goodwin stated the return should be on a present value basis of \$5 million, which is well above the three-percent threshold. Mr. Goodwin advised that a meeting has been scheduled with Standard and Poor’s on July 7<sup>th</sup> to tour the Authority’s facilities and said that he has been in contact with Moody’s for a similar purpose. He advised that we should be in the market sometime in late July with a closing in early September, adding that this is the first opportunity for the Authority to be able to act on refinancing as its current bonds will be eligible for refinancing only at this time.

Mr. Cohen expressed his concern that the market might weaken further between now and September when we sell the bonds and asked Mr. Goodwin his opinion of that possibility.

Mr. Goodwin stated that July is usually a pretty good month for the tax-exempt bonds market and said there is a lot of cash flowing within the municipal bond market. He said he believes that this will be a good time to lock in the interest rates for the Authority and stated that there are a few ways that the interest rate can be hinged between now and July but they are very expensive and very complicated. He stated that his accountants are not projecting major movements so he believes that any amount we would pay to hedge would not serve the Authority well.

Mr. Cohen asked the amount of the original savings projection.

Mr. Goodwin stated that the savings projection initially was thought to be around \$6 million. He stated that interest rates on the bonds have increased and the yield on the US Treasury 10-year rate, which was down at the beginning of the year, has increased as well. He said that

increase and the general rate environment is carried over to the taxes on the bond markets, and as those rates get more expensive, the savings to the Authority go down.

Mr. Cohen stated that with the Authority's strong cash flow and the way its by-laws are written makes this a pretty safe risk so he would ask that our advisors try to achieve a savings closer to the original \$6 million. He noted that \$1 million is a big difference from what the Board was expecting one month ago and asked if there was any chance of obtaining that amount.

Mr. Goodwin responded that it would be unlikely but that there are a few things that will help get the Authority closer to the original number, one of which is the credit risk of the Authority is very minimal and will be confirmed when Standards & Poor's and Moody's reviews are completed. He stated that the financial position of the Authority is very strong and that will be clearly demonstrated to the credit agencies. He noted that the increase in interest rates caused the large difference in projected savings. Mr. Goodwin stated that he definitely will advise the rating agencies that the Board of Directors is committed to maintaining and approving this action.

Ms. Qureshi stated that she has had many conversation with Mr. Onorato regarding the current debt schedule and projections for the future and stated that her understanding, in simple terms, is that the Authority has some outstanding bonds , we are refinancing them and that, net of all fees, including those for the various financial firms in attendance today and the rating agencies, the Authority stands to save money. She stated that originally the Board was anticipating a \$6 million savings but based on Mr. Goodwin's analysis presented today, the savings will be less than anticipated but still significant. She stated that she trusts the Executive Director and the Authority's Financial Advisor to see the project through to a successful result. She noted also that the savings is over the life of the bonds, which will be through 2026. Ms. Qureshi asked if it would be advantageous to have Board presence when the rating agencies come in and offered to make herself available to attend. She stated that the participation of Board Members will show their commitment to maintaining the Authority's fiscal security.

Ms. Oliphant asked if there were any benchmarks and if the financial team is aware of the rates of savings that firms might be receiving.

Mr. Goodwin stated that he is aware of one other bond issue for the Allegheny County Sanitary Authority, which is also working to refinance existing debt and fund some new capital projects and that will complete around a similar time period of mid-to-late July with a closing in early September. He said that transaction will provide good indication of the rates the Authority could receive, but said he is not aware of an exact comparable to show. Mr. Goodwin assured the Board that it will have a detailed analysis report for its consideration.

Mr. Cohen inquired if the bonds could be packaged in a manner that would yield a better rate.

Mr. Goodwin responded that unfortunately each of these bonds are separate and unique, and that is not an industry standard.

Mr. Wrona noted that this is the first time that the Parking Authority ever solicited and underlying rate of its own. He said he believes that the Authority's position is the strongest that it has been in the last 20 years and stated that the Authority's story will be reported strongly

to the credit rating agencies to obtain the best rating possible. He stated that having Board involvement in that process is critical and stated that the pricing committee will be informed as the market changes and there will be no actions taken without its consent.

Mr. Wrona reported that, once the legal documents are in order and the bond rating is received a pre-marketing period will be scheduled to get the Authority's offering document, which basically tells the Authority's story to institutional investors for their review. He explained that the financial team's job to create as much demand for the Authority's bonds as possible so that there is competition for purchases of the bonds. He stated that he is confident the Authority bonds will be well received due to the Authority's financial position and the fact that we are not a frequent issuer, with 2005 being the last time Authority bonds went to market. He said that the market is oversaturated with companies that frequently sell bonds, but the Authority is not in that group. He stated that the only thing that the financial team is not in control of is the interest rates.

Ms. Qureshi asked if there were any additional questions or comments.

There were none.

Upon motion by Mr. Cohen and seconded by Ms. Oliphant, Resolution No. 22 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 23 OF JUNE 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ADOPT A PARENTAL LEAVE POLICY EFFECTIVE JULY 1, 2015"**, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato stated that the City passed a parental leave policy earlier and, at the request of City Council, the Authority is recommending a similar policy for non-union employees that will go into effect July 1, 2015. He noted that there will be guidelines, some of which mirror the Family Medical Leave Act (FMLA) Policy. He stated that this policy differs from the FMLA policy in that if an employee is on Parental Leave, his or her accrued time is not exhausted. Mr. Onorato added that FMLA and Parental Leave time will run concurrent. Mr. Qureshi stated that her understanding of the policy is that it gives six weeks of paid leave for non-union employees upon the date of birth, adoption or foster parenting of a child. She said unionized employees can negotiate for this benefit as part of their contract. Ms. Qureshi stated that she felt this was very generous and forward-thinking.

Mr. Cohen and Ms. Oliphant both stated that they like this policy and commended Mr. Onorato for implementing this benefit.

Ms. Qureshi asked if there were any additional questions or comments.

There were none.

Upon motion by Mr. Cohen and seconded by Ms. Oliphant, Resolution No. 23 of 2015 was

approved as follows: Mr. Cohen, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 24 OF JUNE 2015, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE PARKING ACCESS AND REVENUE CONTROL PAY STATION EQUIPMENT FROM HUB PARKING TECHNOLOGY TO EXPAND PAYMENT PROCESSING CAPABILITIES AT THE FT. DUQUESNE & SIXTH STREET GARAGE”**, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that this is part of an on-going process to update revenue control equipment at our facilities. He advised that we currently have one of these units in service at the First Avenue Garage, one on order for Mellon Square and, when Smithfield/Liberty re-opens after construction, there will be one at that location. He advised that this is a cashless pay station, much smaller in size that will accept credit cards only and will fit between the two existing pay stations in the lobby of the Ft. Duquesne & Sixth Street garage. He also noted that this equipment will be compliant with the chip and pin cards that will be required by all vendors beginning this October.

Ms. Qureshi asked if this is a sole-source purchase from this company.

Mr. Onorato responded that it is a sole-source purchase, referring the Board to accompanying the resolution detailing its justification. He noted that the Authority currently has Zeag-manufactured HUB equipment at this facility and it is the only one compatible to the existing software and equipment.

Ms. Qureshi asked what threshold is required for the Executive Director to bring resolutions to the Board.

Mr. Onorato replied that for items under \$25,000 the Authority is required to obtain three written quotes. He said those over \$25,000 need to be bid or sole-sourced with appropriate documentation presented with the resolution.

Mr. Cohen asked if the Authority was pleased with the unit already in use at First Avenue.

Mr. Onorato replied that we are satisfied with the unit at First Avenue. He noted that installing this unit not only gives customers another payment option, but helps the Authority to be in compliance with the new chip and pin regulations that are coming into place.. He stated that we do have an existing service contract with HUB and this equipment will just tie into that agreement. He advised we anticipate approximately 10 years of life for this unit.

Mr. Cohen inquired if we use all of the funds budgeted under our Capital Budget.

Mr. Onorato stated that we are pretty much on target for spending the amounts budgeted, noting that this year’s total dollar amount approximates \$11 million.

Ms. Qureshi asked if there were any additional questions.

There were no additional questions or comments.

Upon motion by Mr. Cohen and seconded by Ms. Oliphant, Resolution No. 24 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 25 OF JUNE 2015, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO NATHAN CONTRACTING, LP FOR THE REPAIR AND PREVENTIVE MAINTENANCE AT THE THIRD AVENUE PARKING GARAGE”**, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised the Board that an RFP was issued for this work and five firms attended a mandatory pre-bid meeting that included an on-site visit. He advised that two firms submitted bids with their amounts being within five percent of each other. Mr. Onorato stated that this project includes concrete slab, beam and column repairs, overhead soffit and ceiling repair, new floor drains and expansion joints and exterior façade repair. Mr. Onorato advised that once these repairs are complete, we anticipate it will add 20 to 25 years of useful life to the garage facility. He also advised that this firm is currently on-site completing repairs at the Smithfield/Liberty Garage. Mr. Onorato advised that staff met with Nathan Contracting to review the scope of work and ensure that the project timeline can be met. He said they were also advised that it is imperative that they stay within budget and not present any change orders.

Mr. Cohen asked if the scope of work on this project included any interior painting.

Mr. Onorato responded that painting is included in the scope of work.

Mr. Cohen asked that in the future, that information be included in the body of the resolution. He also asked the project’s timeline.

Mr. Onorato responded that the project is scheduled to begin in mid-August and will continue into next year, running approximately 14 months. He noted that a portion of the project’s cost is in this year’s capital budget and the balance will be incorporated in next year’s capital budget. Ms. Qureshi stated that maintaining these older structures is a costly business and said she feels that this project was bid according to an established process, done so in a thorough manner and will be managed as such.

Mr. Onorato stated that representatives from Desman Associates, the Authority’s contracted engineering firm, are in attendance at today’s meeting should the Board have any questions of them.

Mr. Cohen asked if the loss in revenue due to lost spaces during the project was accounted for in our budgeted numbers.

Mr. Onorato advised that we anticipate the loss of 200 spaces per day during the repair period and that it was accounted for in our budget calculations for both 2015 and 2016.

Mr. Cohen asked if there was a provision covering time of completion.

Mr. Holt stated that there are liquidation damages in the amount of \$5,000 per day for each day beyond the predetermined completion date.

Mr. Cohen asked if the 14 month timeframe was realistic.

Mr. Repasky of Desman Associates responded that a schedule was developed based on the specific work required and was presented to Nathan Contracting who stated that it was comfortable with the schedule and the calendar days required to meet this deadline. He stated that Desman and the Authority developed the timeframe and that leeway was built into it to account for unforeseen conditions.

Mr. Cohen asked if there was an incentive clause for early completion.

Mr. Onorato replied that a clause of that is not included in this scope of work but that is something that the Authority can consider for inclusion in future contracts.

Ms. Qureshi asked if there were any questions.

There were none.

Upon motion by Mr. Cohen and seconded by Ms. Oliphant, Resolution No. 25 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 26 OF JUNE 2015, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A SOFTWARE MAINTENANCE AGREEMENT ON BEHALF OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH WITH G-TECHNA, INC. (“GTI”)”,** was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the current enforcement software maintenance agreement is about to expire and said the Authority is looking to renew the contract with the same vendor as this is a sole-source procurement process. He advised that Groupe Techna has been the contracted vendor for over 10 years and has provided a specialized software system for our enforcement division and we are pleased with the system. He noted that part of this contract was the handheld ticket writers and printers and the Authority has separated this scope from this agreement as the ticket writing hardware is not proprietary. He stated that a separate RFP will be issued to solicit bids for the hardware. He advised that last year’s accumulated costs for repairs were approximately \$190,000.

Ms. Qureshi asked if \$190,000 was the anticipated costs for this year.

Mr. Onorato responded that we anticipate the cost to be less this year.

There were none.

Upon motion by Mr. Cohen and seconded by Ms. Oliphant, Resolution No. 26 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

## **OLD/NEW BUSINESS**

Ms. Qureshi asked if there was any old or new business.

Ms. Qureshi mentioned that with sadness she would like to note the passing of long time employee Tom Urbano. Ms. Qureshi stated that Mr. Urbano's service was recognized at this Board's first meeting, She stated that he worked for three decades at the Authority before his retirement last year. She said that his passing is terribly sad and she would like to officially recognize his service and offer condolences to Tom's wife Marsha and his daughters, Mary Kay and Marcy. Ms. Qureshi remembered Mr. Urbano as a hard worker, a character and very valuable to the Authority.

Mr. Cohen added that the Board members take their positions very seriously, ask a lot of questions and they feel they are responsible for the work that they approve. He commended his fellow Board members, Authority personnel and key support staff such as Buchanan, Ingersoll & Rooney for the teamwork in getting work accomplished on a daily basis.

Ms. Qureshi asked if there were any additional questions.

There were none.

The next Board meeting is scheduled for Thursday, July 16, 2015 at 10:00 a.m.

Upon motion by Mr. Cohen and seconded by Ms. Qureshi the meeting was adjourned at 11:04 a.m.

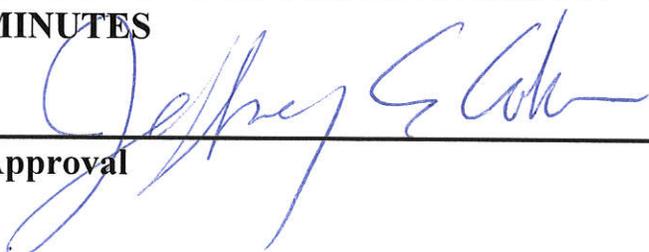
**APPROVED TO CONTENT**



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**Chairman**

**ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES**



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**Approval**