

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY JUNE 19, 2014**

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 19, 2014 at 10:10 a.m., 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Loralyn Fabian, Aradhna Oliphant and Cathy Qureshi. Member Jeff Cohen arrived at 10:12 a.m. Present from staff were: David Onorato, Anthony Boule, Jo-Ann Williams, Judi DeVito, Chris Holt, Wes Pollard, Patricia Konesky, Tom Vennero, Bill Conner, Janet Staab, James Smith, Elaine Russell and Jerry Kurzawski. Also present were Jacqui Lazo of Buchanan Ingersoll & Rooney, Bill Stewart of Strategic Communications, John Fournier, Guy Costa and LaTrenda Leonard of the Mayor's office and Thomas Tucker Scullin of the City Controller's office.

MINUTES

Ms. Qureshi asked for approval of the minutes from the regular meeting held on May 15, 2014.

Motion was made to amend the minutes, with a correction on the roll call vote for approval of the April 17, 2014 meeting minutes to note that as Ms. Oliphant was not in attendance at the meeting and therefore did not cast a vote.

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

PUBLIC COMMENT

There were no public comments.

Following the Executive Director's report, Ms. Qureshi welcomed Mr. Cohen who joined the meeting shortly after its start. She also re-opened the public comment section to accommodate attendees who arrived late as well.

Mr. Fournier of the City of Pittsburgh Mayor's office addressed the Board regarding the meeting agenda item involving rate increases at the Authority garages and lots and stated that this action is supported by the Mayor. He stated that a few years ago there was a lot of talk about increasing garage rates and that an increase was not pursued at that time. Mr. Fournier noted that garage rates have not been increased since 2004 and said the feeling from the Mayor's office is that it is time to increase the rates for various reasons. He stated that the private sector market rates in the city of Pittsburgh have continued to increase and increasing the rates will ensure that the Parking Authority has the necessary funds for its operations and capital improvement projects while also making sure that the City of Pittsburgh is receiving its share of

parking-related revenue so that the operations on the City side can continue as well. He summarized that the Mayor's office believes that the rate increase is an appropriate move and thanked the Board for its consideration of the action proposed.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato updated the Board on the International Parking Institute's annual conference, the largest parking conference in the US, which he, Chris Speers and Bill Conner attended last month. He advised that he had the opportunity to meet with vendors of pay-by-phone technology and parking court operations, both of which the Authority will be soliciting bids for in the near future. He advised that Pittsburgh was recognized as one of 12 cities for its marketing campaign to roll out the pay-by-plate meter technology.

Mr. Onorato advised the Board that the City will be implementing an Open Data Management Team and has asked for a representative from each of the City Authorities to participate. He advised that he will keep the Board updated as more details are received.

Mr. Onorato advised the Board that a copy of the Authority's 2013 Annual Report is included in their packet. He noted that the Authority had a good year financially and this report notes the highlights.

Mr. Onorato advised that the Authority has been working closely with Carnegie Mellon University on a pilot program for dynamic pricing on the streets immediately surrounding the CMU campus. He stated that the Authority likes the idea of dynamic pricing and has forwarded data to Professor Mark Fischman for an evaluation implementing this program city-wide. Mr. Onorato noted that there are numerous concerns that would need to be examined before broad implementation can occur.

Mr. Onorato updated the Board on the lot improvement projects which range from asphalt replacement to lighting upgrades, depending on the condition of the lot involved. He noted that the Homewood/Zenith improvements are near completion and the work at Ivy-Bellefonte lot began a week ago. He said that Douglas/Phillips is the next lot scheduled to be upgraded in 2014. Ms. Fabian asked if the Authority could share the lot improvement timeline with the Board, and Mr. Onorato stated he would distribute the schedule to the Board for its review.

Mr. Onorato updated the Board that the contractor is mobilized and on-site at the Smithfield/Liberty garage and said the customers have been notified of the construction schedule, which is estimated to take 10 to 12 months to complete.

Mr. Onorato updated the Board that the Authority together, with ABM Inc., held a Customer Appreciation Day at the Third Avenue garage to thank those that were inconvenienced during the replacement of the exit lane revenue control equipment. This equipment was purchased from the Rivers Casino at a significant savings to the Authority. He noted that with this upgrade credit cards are able to be used at both the pay stations and the exit-lanes, and said that the Authority will look to do the same type of event at the completion of the work currently underway at the Smithfield/Liberty garage.

Mr. Onorato commented on the monthly Board reports, noting that the revenues were above those budgeted and the estimated expenses were below budget both for the month of May and year-to-date. He noted that there was a decrease in revenues at the Mon Wharf during the month of May due to the loss of spaces from flooding. He advised that the Wharf was closed for two full days and since the re-opening, we are down about 30 spaces a day due to on-going cleanup efforts we are working with Public Works to complete. Mr. Onorato advised that Grant Street Transportation Center revenue is up from last year. He attributed the increase to the Convention Center's schedule of conventions and other events. Mr. Onorato noted that revenues at Ft. Duquesne and Sixth Street Garage are up due to being fully open following the completion of major construction project. Ticket fines are down compared to last year although ticket issuance volume is still above the 2013 pace.

Mr. Onorato advised that the Authority has implemented License Plate Recognition (LPR) enforcement, which will make residential parking enforcement more efficient as we are able to cover more territory in less time.

Mr. Cohen stated that he would really appreciate seeing the year-to-date comparison against the corresponding period last year, including lots. He noted that looking at trends year-to-year makes it easier to manage our business. He inquired if the Authority was up or down this year on revenues compared to last year. Mr. Onorato replied that the Authority's revenues are up from last year. Mr. Onorato told him that we would get that report and share it with the Board as soon as possible and also include this report in the monthly reports going forward. Ms. Oliphant made motion to place into the minutes the ruling that this report be added into the packets going forward. The motion was seconded by Ms. Fabian with the entire Board being in favor.

RESOLUTIONS

RESOLUTION NO. 14 OF JUNE 2014, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE ONE NEW FLEET VEHICLE, A 2014 CHEVY SILVERADO 2500 PICK-UP TRUCK, FOR THE DEPARTMENT OF PROJECT MANAGEMENT, FROM DAY CHEVROLET INCORPORATED, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that Board that this purchase is part of the Authority's capital improvement program for the fleet segment of its operations. He advised that the capital budget provides for the Authority to replace one vehicle approximately every three years. He advised that there are a total of 32 vehicles in our fleet and the attachment behind this resolution shows the vehicles assigned to the Project Management department. This resolution is seeking to replace vehicle No. 991, which is a 1999 Chevy pickup truck that has been driven more than 110,000 miles and is currently in poor condition. This vehicle will be sold at the auction through our tow pound operator, with the proceeds deposited into miscellaneous revenue accounts. Mr. Onorato advised that we do piggy-back off the government contracts for vehicle purchases. The question was asked how the condition of the vehicle is determined, other than the mileage.

It was advised that it is based on mileage, overall running condition, the amount of repairs performed or needed, and the vehicle's dependability, particularly involving safety. Expense costs are tracked every year. The Board asked if it could see a full list of the Authority's vehicles at some point in the future.

There were no additional questions or comments.

Upon motion by Ms. Fabian and seconded by Mr. Cohen, Resolution No. 14 of 2014 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 15 OF JUNE 2014, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO DESMAN ASSOCIATES, A CONSULTING ENGINEERING FIRM, TO PROVIDE ANNUAL MAINTENANCE INSPECTIONS FOR ALL AUTHORITY-OWNED GARAGES, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the current contract expires July 2014 and the Authority is required by the Trust to complete annual inspections of the garage facilities. He stated that last year's cost for this contract was \$18,000. He noted that there were five bids received in response to this year's RFP, and this being a professional service contract and not a low bid contract, the internal committee is recommending that Desman Associates, an MBE firm, be awarded the one-year contract with two-one year options in the amount \$32,000 per year.

The question was asked if the Authority had any issues with A&A Consultants while it held the contract. Mr. Holt replied that there were issues with the quality of the reports and not being proactive on identifying issues of concern. An additional question was asked if the Authority had any indication as to why there was such a significant difference in the bid amounts. The response was that numerous reasons were involved such as their hourly rates and the like.

There were no additional questions or comments.

Upon motion by Ms. Oliphant and seconded by Mr. Cohen, Resolution No. 15 of 2014 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 16 OF JUNE 2014, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO INCREASE PARKING RATES ALL AUTHORITY OPERATED GARAGES AND ATTENDED LOTS, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the last rate increase at Authority garages occurred in 2004, and that increase was mitigated by a 25-cent rate reduction in all of the full-day garage rates in 2007. He advised the Board that while there are 28,500 parking spaces Downtown, PPAP controls 7,900

spaces or 28 percent of the total available. He noted that the rates proposed today are below those contained in the proposals developed through both the monetization process and City-Council/Controllers Plan of the prior year. He also advised that the Authority had a parking rate study performed approximately two years ago and noted that the rates being proposed today are at or below the level recommended at that time. Mr. Onorato advised that the Authority evaluated the data in order to create a process to encourage parkers to utilize on-street meters for short term parking and create turnover in the first hourly parking zone in the downtown garages. Patrons who park their vehicles all day were encouraged to utilize fringe-area parking locations such as Second Avenue Plaza, as well as privately operated lots at Station Square and on the North Shore. Mr. Onorato advised that this increase is a three-year plan with increases at all garages except the Grant Street Transportation Center, where rates will remain unchanged. The first increase will occur August 1, 2014 with the second being effective in August of 2015 and the third in August 2017. He also advised that tier pricing for the evening and weekend garage parking will be eliminated and a flat rate of \$5.00 will be implemented for weekdays after 4:00 p.m. and all day Saturday and Sunday. He noted that even with the increases proposed, the Authority is still maintaining its low-cost provider status for parking in the city and, on average, the all-day rate will still be approximately 30 percent below market rate. He advised that with this rate increase, the Authority will be able to continue with its capital projects of facility repairs and technology upgrades to make our operations more efficient. He said the proposed action also considers the Act 47 recommendation to contribute more in revenue payments to the city.

Ms. Qureshi said the Board thanks Mr. Onorato and staff for their efforts leading up to this recommended rate increase. She noted that the Board was involved in reviewing the data and while this is a significant increase she believes that even though it's difficult, this is the right thing to do. She noted that the Authority's rates are far below market and will remain below market even with this increase. It's understood that phase one will generate \$5 million to the Authority and that will be directed to capital repairs, to extend the life of its facilities and to make them safer for the parkers and to purchase new technology which will also benefit the parkers. Ms. Qureshi stated that Act 47 recommendations did preliminarily pass City Council yesterday and stated that there is a note in it that states "increase parking rates at PPAP facilities and transfer revenue to the City". She stated that this is a passive transfer, when the rates are increased, the parking tax goes to the City. She said that at this time, PPAP is not expected or directed to give any additional money to the City, but the rates themselves will generate taxes of which \$1 million will be netted out to the City to assist it in what it wants to accomplish. She stated that there are two things in play and the dominant one is the Authority's financial and operational health. She said the increases are the right thing for the Pittsburgh Parking Authority.

Ms. Oliphant inquired if any general market increase occurred within the last 10 years. Mr. Onorato confirmed that there have been different increases by different operators throughout the years. He said he didn't readily have the specifics available but would estimate it to be 25 to 30 percent since 2006 on an already high rate during the year when we first starting tracking private operators rates. He noted that Alco Parking did raise its rates last year. He noted that the Authority does not track private companies' rate increases individually, but we do compile quarterly market rate surveys.

Mr. Onorato advised that the Authority did look to increase our rates within the last 10 years, feeling that it would be prudent as we would bring the Authority more in line with the market

rates and allow it to continue to self-fund its capital needs and technology improvements such as the meter and revenue control equipment upgrades. He said borrowing would be limited to a major project such as a replacement or for building a new garage. He noted that the recent upgrade at the Third Avenue Garage decreased the customer wait time for credit card processing. He also stated that recommendations for increases were made to prior Boards but they never reached the stage of being presented for action. He stated that the process would have involved a more gradual increase over time as opposed to this significant increase.

Ms. Oliphant asked for acknowledgement that some of the revenue generated by the rate increase will be used for this technology upgrades like the recent one at Third Avenue as she feels very strongly about the progress technology can enable. She also stated that this improvement in technology backs the Mayor on the ideas and goals expressed in his campaign. Mr. Onorato agreed and stated that the Authority is always moving in the direction of updating technology, as shown in the on-street meter upgrade and in updating revenue control equipment at the exit lanes to reduce customer wait times.

Mr. Onorato confirmed that the plan currently being discussed with the City will ensure that the Authority has the revenue it needs, both for its operations and future capital needs.

Mr. Cohen stated that while he does believe the Authority needs to increase garage rates he believes that not increasing rates in the last 10 years was not good for the Authority. He believes the Authority has a responsibility to the parking patrons and the businesses that have leases and feels the increase is justified but feels it should be more gradual. He noted that he would have been more comfortable with accepting the proposal that was presented to the Board for review just last week and inquired as to how much additional revenue the proposal being presented today would generate. Mr. Onorato advised that this proposal would generate \$5.6 million gross, just in the garages, and included in that is \$1.5 million for parking tax that would go directly to the City. Mr. Cohen said this brings the additional revenue to approximately \$4 million and inquired what the Authority would do with this additional revenue. Mr. Onorato advised that the Authority was able to manage its funds in a way that had us continuing to pay our expenses and still show a profit. This increase will replenish reserves and also allow us to continue to make capital improvements while possibly filtering more revenue to the City, a matter currently in the discussion stage.

Mr. Cohen asked how much revenue the Authority would have in 2014 compared to 2013. Mr. Onorato advised that revenue is higher in 2014 which he attributes mostly to completion of the projects at the Smithfield Liberty and Ft. Duquesne and Sixth Street garages. Large quantities of spaces at those facilities were unavailable in 2013 due to construction. He said he will forward the Board a report detailing the actual amount. Mr. Cohen discussed the importance of needing to know and understand the Authority's finances totally, and said he believes that it is difficult due to being newly assigned to the Board as well as still in the learning stage and not having the necessary data to fully understand where the Authority stands. He feels that after three months on the board he does not have enough information to make a major decision such as raising rates. He also stated that he does not believe that there was not very good line of communication between the Authority and the past City administration, and had there been, the Authority would have been in a better position to forward payments to the City. Mr. Cohen asked if Mr. Onorato believed that the private operators were looking closely at the Authority to see if rates were

raised, and if so if they would soon follow with increases of their own. Mr. Onorato believes that it is a possibility for private operators to raise rates should the Authority raise theirs. Mr. Cohen noted if this occurs the City would receive additional parking tax. He wants to make sure that the Authority does not price itself out of the market by raising rates, and believes that this rate increase is too much at this time, noting that a lesser rate increase would be fine while at the same time acknowledging that he understands why the higher increase was proposed. He asked if the main reason for the rate increase in the second and fourth years was strictly to increase revenues. Mr. Onorato advised that the increase was to increase revenues

Ms. Fabian stated that she appreciated that the proposal given to them today is working to create a better managed parking system, given the purview of what the Parking Authority can control within the system generally. She believes that any initiative that is coming through the Parking Authority is bettering the community as a whole. She added that she believes that it is great that there is indication that City Council is thinking about working to create the right rate adjustments for on-street parking, and looks forward to coordinating their efforts with those of the Authority.

Mr. Onorato stated that he can appreciate the Board's comments and noted that he does agree that membership on the Authority Board for just three months does present issues. He stated that the Authority staff will work with supply any data needed so that the Board can be more fully aware of the impact of its actions. He noted that the parking tax is a City tax which is set and capped at 37.5 percent and that is a tax that the Authority as well as private operators pay directly to the City.

Mr. Cohen asked if the Authority anticipates loss of lease customers directly due to the rate increase. Mr. Onorato responded that he does anticipate a slight drop in leases and that the Authority is anticipating that in our revenue projections. He noted that the Authority garages are above capacity daily and he feels that, with the rate increase most of the Authority garages will remain at approximately 90 to 95 percent of capacity.

Ms. Oliphant stated that if they impact some consumption patterns might it be greener for the city if there is less vehicle traffic. Mr. Onorato agreed and mentioned that the City is in the process of working to introduce more bike lanes in the downtown area and said the Authority is always encouraged to create bicycle parking for those customers.

Mr. Cohen commented that the Port Authority mass transit is not a good avenue for people to utilize. He believes that if you live miles outside of the city, it is more beneficial to drive into the city and utilize the garages.

Mr. Boule stated from a personal standpoint that he takes the bus to work everyday and he used to pay \$60 per month and now pays \$97.50 for a monthly pass, which he adjusted to, and noted that there is no less ridership because of the increase. Mr. Cohen noted that increases do affect everybody regardless of their income position.

Ms. Qureshi summarized the discussion by stating that both the Board and the staff have given a lot of time and thought into this issue with Ms. Oliphant always asking the right questions, Ms.

Fabian bringing policy framework to the table and Mr. Cohen struggling with it because he is looking out for the little guy, which she appreciates. She said the Board arrives at its decision honestly and thoughtfully.

There were no additional questions or comments.

Upon motion by Mrs. Oliphant and seconded by Mr. Cohen, Resolution No. 16 of 2014 was approved as follows: Mr. Cohen, no; Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 17 OF JUNE 2014, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO INCREASE LEASE PARKING RATES AT SELECTED AUTHORITY OFF-STREET METERED LOTS , was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised the Board that the Authority currently has 33 surface lots throughout the city and is proposing increasing lease rates at 15 of those lots effective August 1, 2014. He advised that the hourly charge in these lots is \$1.00 per hour, except for the Ivy Bellefonte Lot, which is \$1.00 per hour for the first two hours and \$2.00 per hour thereafter. He noted that the lots are enforced 10 hours a day and also advised that the lease rate is currently \$60.00 per month at Authority lots. Reviewing the gap between daily paying and lease customers, it was determined to close the gap between the two by increasing monthly lease rates. Mr. Onorato advised that the back-up sheet attached to the resolution shows the lots that will see an increase in lease rates those that will remain at their current rate, and the remainder where leases are not offered..

Ms. Qureshi stated that this is strictly an increase in lease rates at selected lots. She noted that while it is substantial, it is a value to have monthly parking. She noted that monthly lease rates are still lower than a monthly bus pass.

Mr. Onorato was asked if he felt that the Authority would lose lot lease customers directly due to the increase and he responded that he did not feel that would occur.

There were no additional questions or comments.

Upon motion by Ms. Oliphant and seconded by Ms. Fabian, Resolution No. 17 of 2014 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 18 OF JUNE 2014, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT REQUESTS FOR PROPOSALS FROM QUALIFIED PRIVATE VENDORS FOR THE PROVISIONS OF SERVICES NECESSARY TO OPERATE THE PITTSBURGH PARKING COURT, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the current vendor is Duncan Solutions and the last contract option

period expires at the end of 2014. He advised that we are seeking authorization to solicit proposals for the same service Duncan provides. He advised that the Authority does the enforcement and the contract awarded will be responsible for the adjudication, collection, booting and towing operations.

Ms. Qureshi asked for clarification if the reference to adjudication means the judges. Mr. Onorato replied that the Authority contracts District Magistrates as the hearing judges on a per-diem basis, noting that they are not employees of the vendor. He advised that the vendor is responsible for subcontracting out the booting and towing function.

Mr. Cohen inquired if the Authority was satisfied with the current vendor, to which Mr. Onorato replied that we are. He said they will have the ability to submit a proposal for the future contract.

There were no additional questions or comments.

Upon motion by Ms. Fabian and seconded by Ms. Oliphant, Resolution No. 18 of 2014 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

OLD/NEW BUSINESS

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

Ms. Fabian suggested that there should be a standing committee comprised of Board members that meet between board meetings to discuss business so they have more time to review and prepare. Mr. Onorato responded that according to the By-Laws, the Board cannot meet as a committee with more than two Board members present at a time. Ms. Qureshi said that if Ms. Fabian wanted to start a committee process she would recommend coordinating with Mr. Onorato. She said Ms. Lazo can check into the legality.

Ms. Lazo said that committees can be established that Board members can join, however it would become a public meeting if there was three or more Board members present. Mrs. Oliphant stated that she likes the idea and would also like to suggest reducing the number of existing meetings and then having a committee structure so that there is information being shared in between and believes this would be more efficient.

Mr. Onorato stated that he would be willing to meet with the Board individually or in groups of two as an informative session, but the Authority needs to have monthly meetings in order to keep the flow of business moving. He said he believes that as the Board becomes more comfortable in the understanding of the business the meetings will proceed more quickly.

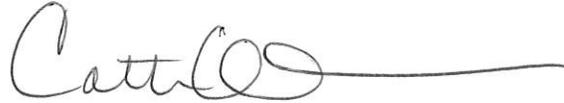
Mr. Cohen agreed and stated that he voted no on the resolution to increase the garage rates as he would like to see rates increase more slowly over time. He stated that the Board has a lot of responsibility and he wants to make sure that decisions are made for the right reasons. Having the information that he has asked for will help in determining where the Authority stands regarding finances and if we can contribute more to the City under the Act 47 recommendations. He stated that he will never make a decision that will hurt the Authority,

and knowing that the City cannot rely on any other Authority for money, because as they are not in a financial position to contribute, the Board needs to keep in mind that they must keep the Authority solvent.

The next Board meeting is scheduled for Thursday, July 17, 2014 at 10:00 a.m.

Upon motion by Ms. Oliphant and seconded by Mr. Cohen the meeting was adjourned 11:13 am.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval