

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
FRIDAY JANUARY 19, 2018**

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 9:56 a.m. on January 19, 2018, 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, Aradhna Oliphant and Cathy Qureshi. Present from staff were: David Onorato, Anthony Boule, Chris Holt, Jo-Ann Williams, John Fournier, Janet Staab, Bill Conner, Bob Wilson and Pat Konesky. Also present were Jason Wrona of Buchanan Ingersoll, Joe Massaro of Massaro Construction Group, Alex Somerville of ED3 Consultants, Alicia Carberry of the City of Pittsburgh Mayor's Office and William Stewart of Strategic Communications.

MINUTES

Mr. Cohen asked for approval of the minutes from the December 21, 2017 meeting.

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

PUBLIC COMMENT

Mr. Cohen asked if there were any public comments.

There were none.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato updated the Board on the South Side PED, stating that last weekend recorded \$2,300 in revenues were recorded.

Mr. Onorato advised the Board that the Authority is still in negotiations with AT&T for placement of an antenna on the roof of the Third Avenue Garage.

Mr. Onorato advised the Board that the Ft. Duquesne and Sixth plan to reinstall the existing façade was presented to the City Planning Commission in response to its request for additional information. He advised that a follow-up meeting is scheduled for January 30.

Mr. Onorato advised that the Authority executed the first of two options to extend Duncan Solution's contract to manage Parking Court. He advised that the contract and the optional extensions were approved by the Board three years ago.

Mr. Onorato advised that the Mon Wharf has been closed for six days so far in 2018 while it was closed only three days last year. He noted that a large amount of debris and ice remains on the site and said that Penn Dot and Public Works personnel have assisted in the clean-up effort. He stated Penn Dot's assistance was related to its removal of ice from the bath-tub area of the Parkway before dumping it onto the Wharf. He advised the Board that the Wharf revenue averages about \$4,300 a day.

Mr. Onorato advised that enforcement had been postponed for two days thus far this year, on January 1 and 6 due to the extremely cold weather. He noted that the meters continued to operate and generate approximately \$52,000 in revenue.

Ms. Qureshi asked how the Mon Wharf staff was affected when it closes due to flooding.

Mr. Onorato advised that only one full time employee is affected and said that he either assists in the cleanup effort or reports to either the Wood Allies or First Avenue Garage to assist with the additional parking that occurs at those locations.

Ms. Qureshi stated that she agrees with suspending enforcement when the weather is too cold or too snowy. She asked if they receive compensation for their time.

Mr. Onorato responded that the employees had their choice.

Ms. Qureshi asked if the Authority could ask the City to give the Authority a breakdown on how the PED revenue is being invested.

Mr. Onorato advised that the Authority will advise the City of the amount of revenues collected between the hours of 6:00 p.m. and 12:00 a.m. on Friday and Saturday evenings and said it will be at the City's discretion as to how the funds will be distributed. He advised that the funds will be transferred to the City in accordance with the Co-Op Agreement.

Mr. Fournier added that the dollar amount during last fiscal year was approximately \$130,000 after deducted expenses. He stated that his understanding is that the revenue will be deposited into a trust fund under Public Safety. He said the Mayor's Office, Council President Kraus and Directors Hissrich and Gable will determine how the funds will be distributed, adding that he currently believes they are leaning heavily towards public works and service improvements along Carson Street. He said the funds' use will be finalized during the first quarter of 2018.

Mr. Onorato discussed the monthly and quarterly reports, which show that the Authority had a good year, with 2017 revenues exceeding both the budgeted 2016 amounts. He advised that the 2017 expenses were \$29.2 million versus \$28.2 million in 2016 and said and revenues were \$57.7 million, excluding Parking Court's \$9.9 million, a total that was down from 2016 when revenues were \$10.5 million versus a budget of \$10.2 million. He stated that this was the only area where the Authority did not hit its budgeted amounts. He added that he believes the shortfall was due to enforcement-driven compliance at the meters.

Mr. Onorato stated that the payment to the City under the Co-Op agreement is approximately \$29.5 million and is scheduled to be submitted on February 5, 2018.

Mr. Onorato discussed the Downtown Housing Report, which shows that there were 249 leases at the beginning of the year and 237 at the end. He said at the Oliver Garage and Grant Street Transportation Center account for the majority of the leases.

Mr. Onorato discussed the Garage Utilization Report, stating that nine of our 13 staffed facilities averaged over 90 percent utilization throughout the year with Shadyside, Second Avenue and Ft. Duquesne and Sixth being three that did not reach that level. He described the trend as positive and said we monitor it monthly.

Ms. Oliphant asked the industry average.

Mr. Onorato advised that the industry general statement is that if utilization is above 93 percent your prices are too low while below 93 percent indicates that prices are too high.

Mr. Cohen asked if the new garage at the former Saks site has fully opened and, if so, if its presence affected utilization of our facilities.

Mr. Onorato responded that it has opened and we thought it would affect all-day parking volume but noted that the new facility instituted a 12-to-24-hour rate of \$30.00. He advised that the Authority's all-day rate is \$18.00 and we therefore are not seeing as much of a decline as anticipated.

Mr. Onorato discussed the Garage Transaction Report, which shows that the Authority's daily transactions are slightly down from last year while revenues are still above last year's amount. He noted that many factors that affect utilization, such as the opening of new facilities and not just rate increases.

Ms. Oliphant asked is we have seen this trend anytime in the past.

Mr. Onorato responded that we saw this trend at the time of the last garage rate increase but transactions had climbed back up. He stated that there is no cause for concern.

Mr. Onorato discussed the Quarterly Meter Revenue Report, which shows that 10 percent of meter transactions were by coin, 53 percent were by credit card and 37 percent used the pay-by-phone application. He referenced the Pay-by-Meter report, which showed that just over 34 percent of the 2017's transactions were by phone.

Ms. Oliphant asked if the phone-usage rate was larger than other cities.

Mr. Onorato stated that there are a few locations, mentioning Washington D.C., where the adoption rate is higher than ours. He added that our escalation rate to get above the 30-percent rate occurred very rapidly.

Mr. Cohen asked if the Authority was able to determine the revenues collected to date in January, believing that we most likely would not be on budget due to bad weather affecting usage. He stated that the Board shouldn't be surprised if a decline as reported. He said he was concerned that if usage was down in January it would affect this year's budget, adding that if ticket issuance also was down it would translate to less incoming revenue

Mr. Onorato advised that we do track performance daily and said he would communicate the data to the Board by email.

Mr. Fournier added that the cancellation of enforcement will affect different neighborhoods differently.

Ms. Qureshi commented that on Friday night as the winter storm was bearing down on Pittsburgh, she personally ran into PPAP staff who said that they were working. She asked what job they were performing.

Mr. Onorato advised that they were maintenance employees who were clearing and salting the lots.

Ms. Qureshi commended the Authority's staff for this service. She also inquired if it was the Authority's responsibility to clear snow from on-street parking spaces that resulted from plowing activity.

Mr. Onorato responded that we are not responsible for removing snow from on-street spaces.

Ms. Oliphant asked how the Authority communicates with the Port Authority about its strategies and if we are in sync with them. She stated that the Port Authority recently hired a new CEO.

Mr. Onorato stated that we do not have direct correspondence with the Port Authority on their strategies. He stated that a representative does attend monthly stakeholder meetings.

Mr. Barron added that he attends the quarterly Port Authority stakeholder meetings and stated he does have conversations when parking issues arise.

Ms. Oliphant stated that it would be a good idea for Director Onorato to meet with the new CEO because what they do can impact the Authority.

RESOLUTION NO. 1 OF JANUARY 2018, "A RESOLUTION AUTHORIZING THE PUBLIC PARKING AUTHORITY OF PITTSBURGH'S BANK ACCOUNTS FOR THE 2018 CALENDAR YEAR", was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that we are asking for authorization to keep the existing bank accounts through 2018, noting that the Sustainability and Trust Fund accounts were new and were created for the lighting project at the First Avenue Garage.

Mr. Barron asked when the last time this service was put out to bid.

Mr. Onorato responded that it's been quite some time since banking services were bid.

Mr. Barron suggested that by putting them out to bid next year might result in lower costs to the Authority.

Mr. Onorato advised that we recent renegotiated new, lower rates with PNC, advising that the credit card fee was reduced approximately 50 percent from nine to five cents per transaction.

Ms. Cohen asked the amount of the Authority's monthly banking fees.

Ms. Williams responded that they are approximately \$140,000 to \$150,000 per year and said they are expensed and are not reported as net on the revenue side.

Ms. Qureshi asked how often the Authority bids out such functions as legal services or audit services.

Mr. Onorato responded that audit services are bid every three years.

Ms. Williams added that the Authority joined with other City agencies on the last RFP for audit services and said that we are in the last year of that contract. She said that once this year's audit is complete, we will put the service out for bid.

Mr. Onorato responded that we have not recently bid the legal services contract and said it has been many years since we negotiated its rates, noting that they have not been raised in all of those years.

Mr. Cohen suggested that the Authority keep an open and on-going dialogue with PNC to let them know that the Board is pressuring management to keep rates and fees down and is willing to bid this service out if necessary.

Mr. Cohen suggested that the Authority should engage with PNC again to discuss the rates in an attempt to lower them further.

Mr. Barron suggested that the Authority put a policy in place to adopt best-practice standards regarding bidding requirements.

Mr. Cohen asked if there were any additional questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 1 of 2018 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Ms. Oliphant, yes; Mr. Cohen, yes.

RESOLUTION NO. 2 OF JANUARY 2018, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE, ON A SOLE SOURCE PROCUREMENT BASIS, PARKING ACCESS AND REVENUE CONTROL EQUIPMENT FROM HUB PARKING TECHNOLOGIES TO REPLACE ANTIQUATED FEE COMPUTER EQUIPMENT AT THE MELLON SQUARE AND OLIVER GARAGES, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the Authority is looking to replace revenue control equipment at the Mellon Square Garage on a sole-source basis, noting that the sole-source memo accompanies the resolution. He noted that this part of our capital repair plan.

Ms. Qureshi stated that the revenue control equipment at Mellon Square functions well and asked for a description of the fee computer and if it is separate from the pay stations.

Mr. Onorato responded that the fee computer is the cashier computer used when the attendant needs to open a manual payment system which is back up to the pay stations.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 2 of 2018 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Ms. Oliphant, yes; Mr. Cohen, yes.

RESOLUTION NO. 3 OF JANUARY 2018, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE A CHANGE ORDER TO CARL WALKER CONSTRUCTION FOR THE REPAIR AND PREVENTIVE MAINTENANCE FOR THE FT. DUQUESNE AND SIXTH GARAGE, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that this was an unforeseen condition that was brought to our attention during the construction work. He advised that routine cleaning during the construction revealed that the sewer lines were backing up due to drains being clogged. He advised that the construction company did solicit prices for the repairs, which we feel are justified, and said we are seeking authorization for a change order to enable Carl Walker to complete the repairs.

Ms. Qureshi asked the original scope of work for the project.

Mr. Onorato advise that it was the entire reconstruction of the garage including the deck slabs, façade, beams and painting. He stated that while performing power washing and clean-up work, they discovered that the drains were clogged.

Mr. Holt said it was worth noting that this system is over 50 years old.

Mr. Cohen asked if the funds for this unforeseen problem would be paid from the 2017 or 2018 budget.

Mr. Onorato advised that last year's dollar amount for capital projects was used about 65 to 70 percent of the total, adding that some of that was carried over to this year and some will be pushed out to 2019.

Mr. Cohen asked if what carried over is part of the year's Capital Budget.

Mr. Onorato stated that we would only carry it over if it is earmarked for a specific project, explaining that funds are not carried over just because they are not used. He noted as an example that we put money in last year to purchase the St. Joseph site and when that did not happen, we carried over the \$1.5 million for the purchase and construction during this calendar year.

Ms. Qureshi stated that it would be very interesting to develop a flow chart tracking all funds that are brought into the Authority and the way they are used and paid out.

Ms. Williams stated that we already have this process in place and she will forward that data to the Board.

Ms. Oliphant asked how many large project, like the Ft. Duquesne and Sixth rehabilitation project do we anticipate being completed in 2018 and 2019.

Mr. Onorato advised that we completed the Smithfield/Liberty last year and said we are currently in process at Ft. Duquesne and Sixth Garage. He noted that the next in line is the total replacement of Ninth and Penn. He advised that there are no other projects of that magnitude and scope are scheduled during the next three years.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 3 of 2018 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Ms. Oliphant, yes; Mr. Cohen, yes.

RESOLUTION NO. 4 OF JANUARY 2018, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT BIDS FOR ELEVATOR MODERNIZATION AT THE MELLON SQUARE PARKING GARAGE, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised the Board that we will replace the two elevators at the Mellon Square Garage and, in preparation of this project, the Authority had rehabilitated the freight elevator

to make it a passenger elevator and be in use while these two are being addressed. He advised that the Authority's plan is to have two elevators operating at all times and said that when this work is completed, we will have three fully functioning elevators servicing this location.

Ms. Qureshi asked if this resolution is for the actual work to rehabilitate the elevator and asked if the Authority has an idea of the cost of this project.

Mr. Onorato advised that this is for the actual work and we do have an understanding of its total cost, but will not release ahead of receiving bids.

Ms. Qureshi asked why elevators in our garages and most others are so dark and dingy and asked if we could install better lighting.

Mr. Onorato advised that the lighting issue will be addressed when we do the rehabilitation, adding that the lighting in the new freight elevator is bright. He noted that our elevators are unlike most office elevators because ours experience more of the impact of weather as people are coming directly from outside weather conditions into the elevator, accelerating the process of wear and tear. He advised that we normally look at the elevator lighting situations when we are rehabilitation or upgrading the elevators, not when we are upgrading the garage itself. He added that this is something we can consider.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 4 of 2018 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Ms. Oliphant, yes; Mr. Cohen, yes.

OLD/NEW BUSINESS

Mr. Onorato advised that he and Mr. Barron will be assisting a professor at CMU during his class on February 3.

Ms. Oliphant thanked the Authority for hosting a Leadership Pittsburgh Meeting yesterday, stating that the Authority team was very responsive.

Mr. Onorato responded that Mr. Speers originally coordinated this event with Leadership Pittsburgh but, due to an unforeseen situation, Mr. Boule took the lead and he thanked him for doing so.

Mr. Cohen advised that the Board will be holding an Executive Session following this meeting to discuss real estate matters.

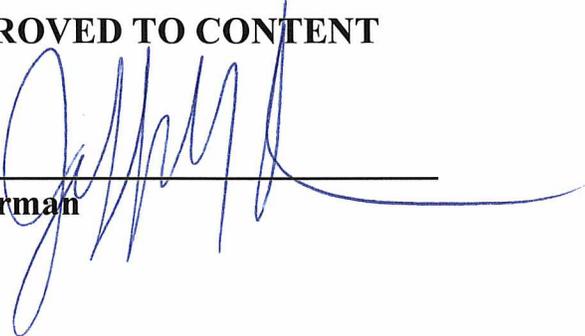
Mr. Cohen asked if there was any additional new or old business for discussion.

There were none.

The next Board meeting is scheduled for Friday, February 16, 2018 at 10:00 a.m.

Upon motion by Mr. Barron and seconded by Ms. Qureshi the meeting was adjourned at am with all Board Members in approval.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval