

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY AUGUST 17, 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 10:03 a.m. on August 17, 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, Chris Holt, Jo-Ann Williams, John Fournier, Tracy Sowinski, Janet Staab, Bill Conner, Kathryn Van Why, Bob Wilson and Elaine Russell. Also present were Jason Wrona of Buchanan Ingersoll; Alan Kraemer and Brian Olsen of Allied Security; Ed Kunkle and Michael Eisenberg of Am-Gard, Inc.; Nikki Lu of SEIU32BJ and Sally Stadelman of the City of Pittsburgh Mayor's Office.

MINUTES

Mr. Cohen asked for approval of the minutes from the June 20, 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.

There were none.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato updated the Board on the Ninth & Penn project, noting that there was recently a kickoff meeting that went well and advised that there will be a follow-up meeting next week.

Mr. Onorato advised that there was flooding at the Mon Wharf, which resulted in closure of one day in July and two partial days to date in August. He advised that in 2017 to date there have been seven full days of closure and five partial days compared to four full and four partial days in 2016.

Mr. Onorato advised that, working with the City, there have been new meters placed on Center Avenue from Hillman to Green Street while four new spaces were added on Forbes Avenue between Ross and Grant Streets.

Mr. Onorato advised that a recently added bike lane in the Oakland area resulted in the loss of 19 spaces on Forbes Avenue from Bigelow to Craig. He said we estimate the loss revenue from the change to be \$50,000 per year and said a companion loss of 14 spaces on Bigelow from Forbes Avenue will result in another \$52,000 in annual lost revenue.

Mr. Onorato advised the Board that the Authority completed its funding projection based on the Co-Op agreement with the City and, through July, the City has earned approximately \$16 million. He said we are projecting the year's total payment to be \$29.3 million.

Mr. Barron asked what the deadline was for signing the contract with Davis Companies for the Ninth & Penn Project.

Mr. Onorato advised that the total deadline window is 150 days with 30-day increments during which the Authority can terminate if we feel there has not been enough progress.

Mr. Barron asked how the process is proceeding thus far.

Mr. Wrona responded that everything is proceeding normally and said at the kickoff meeting there was a rough consensus that an agreement could be reached within the 150 days. He advised that the first step of developing a term sheet should be completed this week.

Mr. Cohen stated that he attended the kickoff meeting and said that this is monumental project that requires a lot of work just in the planning process. He said he felt that everything is in place to meet the deadline for completion.

Mr. Cohen suggested that the Authority explore with the City to determine if it would be feasible to remove the street bicycle parking from October through the end of March when the service is not being fully utilized. He said that would allow the Authority to recoup some of the revenue lost to the program's presence.

Ms. Stadelman responded that, as the City representative, she would investigate to determine if this request is possible and if there were any costs associated with it.

Mr. Barron advised that Healthy Ride would have utilization data that it could share.

Mr. Onorato discussed the Financial Report, stating that the revenue is in line with the budget and that we anticipate expenses to be under budget. He advised that the cash flow trends are the same but said that while the revenues are not as high when compared to the straight-line budget but compared to 2016 actuals and the 2017 budget, they are moving in a positive direction.

Mr. Onorato discussed the Facility Reports, comparing July 2016 to July 2017, noting a drop in the revenues at the Mon Wharf that we attribute to flood related closures. He also noted that the decrease at the Ft. Duquesne and Sixth Garage is due to the on-going construction there and said that the decrease at Second Avenue is due to the loss of spaces caused by the Liberty Bridge work occurring above the lot. He added the year-to-date Report shows that revenues are up approximately four percent for the year.

Mr. Cohen stated that he believes this report is misleading, explaining that if the Third Avenue Garage revenues of \$600,000 were removed, it would show that revenues are down for the year. He stated that he looks more at the trends and tries to determine the reason for them so we have a better understanding of where and why we are losing revenue.

Mr. Onorato responded that we do track these trends and said they are shown in our quarterly reports to the Board. He advised that we track the number of vehicles utilizing each garage each day at comparable peak, evening and weekend intervals and said we also compare the transactions from this year to the one previous.

Mr. Cohen stated that he would like the Authority to monitor this and look at where revenues are down and try to determine if any operating or rate changes are warranted.

Ms. Oliphant asked Mr. Onorato if he is hearing what the Board feels it needs.

Mr. Onorato responded that he believes it is asking if where we are down is based on transactions are not just revenues and if there are causes based on outside activity that result in year-to-year changes in parking volume.

Ms. Oliphant asked that we look at a three-year history of data, adding that Mr. Onorato typically does know the reasons for the variables in the transactions and revenues over given periods.

Mr. Cohen stated that fortunately street meter revenue has increased from last year, so it balances out the loss in garage revenues. He stated that we need to know why revenues are down and what we are going to do to fix them.

Mr. Barron stated that he is aware that Envision Downtown is conducting an analysis of all off-street facilities, both public and private, to look at utilization rates and pricing and stated that it may be useful for them to present their findings to our Board as some of their information could be beneficial.

Mr. Onorato discussed the Enforcement Reports, which indicate that the number of tickets issued are down but meter revenues are up. He stated that the Authority believes that greater compliance with meter requirements decreases the number of tickets issued.

Mr. Cohen stated that he believes Enforcement is doing a better job and that more patrons are using the pay-by-phone applications.

Mr. Fournier responded that he agrees and said that the Authority has data that shows that compliance with RPP is increasing considerably in some neighborhoods. He stated that the use of License Plate Technology Enforcement is allowing us to gather better data and provide more accurate enforcement. He noted that in the South Side RPP area, in April we were writing about 22 tickets per every 1,000 plate readings and two months later we were writing just 14. He said this increase in compliance is tied into the implementation of the new RPP database, the license plate recognition technology enforcement and personnel changes.

Mr. Cohen suggested that the Authority place the pay-by-phone zone numbers on the street signs, not just on the meters.

Mr. Onorato discussed the Parking Court report, noting that this is the performance trend that we would expect if compliance is up and ticket issuance is down. He advised that we continually monitor these trends and the ways each affect the others.

Mr. Cohen asked if it was ever considered to do something, as EZ Pass program has done, to recoup any outstanding debt, perhaps by offering some type of discount. He stated that any monies received would be found money that might otherwise go uncollected. He stated he would like to know how many unpaid tickets are still outstanding and the balance due on those.

Ms. Oliphant asked if the Authority's statutes permit us to offer this type of amnesty program.

Mr. Onorato responded that the Authority did offer this in the past when the court system was transferred from the City to the Parking Authority. He noted that Duncan does send notices periodically on outstanding balances.

Mr. Fournier added that a letter is generated every time the fees increase and after the last tier is reached and no payment is received, the matter is turned over to the collection entity and a letter is sent from that source.

RESOLUTION NO. 36 OF AUGUST 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO SCHERER LOCK AND SUPPLY FOR THE REPLACEMENT OF DOORS, DOOR JAMBS AND THRESHOLDS FOR VARIOUS AUTHORITY-OWNED GARAGES, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that this was part of our 2017 capital budget, stating that the work in the four garages includes 19 doors, frames, jambs and thresholds plus key locks. He noted that two bids were received, with the low-cost bid being \$73,567.04 from Scherer Lock and Supply. He noted that some of these doors are in excess of 20 years old, have rusted and no longer close properly, and according to PA fire code, are required to be maintained.

Mr. Cohen stated that this is a type of repair that should not wait for a capital improvement upgrade. He said if they are determined to not be functioning properly, they should be replaced as soon as possible and this type of repair should be considered as routine, on-going maintenance.

Mr. Onorato said that upgrade was budgeted for in our Capital Budget, and going forward, this type of work can be included in our General Funds budget. He said that while we have many more than 19 doors throughout our garages, this upgrade will bring everything up to code.

Mr. Cohen asked the timetable for installation.

Mr. Holt responded that there is a 90-day timeline, approximately 60 days of which is to get the doors fabricated.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant seconded by Mr. Barron, Resolution No. 36 of 2017 was approved as follows; Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes.

RESOLUTION NO. 37 OF AUGUST 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO AM-GARD INC. FOR ON-SITE SECURITY GUARD SERVICES AT ALL AUTHORITY-OWNED GARAGES, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the current contract with Am-Gard is currently in place on a month-to-month basis. He added that the Authority had discussions with the City regarding the new prevailing wage rate requirement for security services prior to issuing the RFP and said that requirement was incorporated into our RFP, which being a professional service contract, was not subject to a low-bid process. He advised that the Authority received six proposals, one not being in compliance, and said the committee evaluated them based on the parameters identified in the RFP and recommended that Am-Gard be awarded the contract at an annual base bid cost of \$2.5 million with an escalation rate of just under one percent, thereby meeting the City's prevailing wage requirement. He advised that under this contract the security guards will receive \$16.19 per hour, which includes the cost of healthcare coverage. He said that with no addition for healthcare, that base rate will rise 46 cents to \$11.92 per hour. Mr. Onorato said Am-Gard's total billable rate will go from \$15.40 to \$21.48 with most of the increase due to the healthcare component. He advised that the first year of this contract will be approximately \$600,000 more than the costs we have paid previously for this service.

Ms. Oliphant asked for clarification of what the difference between the rate the security guard is receiving today and what he or she will receive under the new contract.

Mr. Onorato responded that the current wage is \$11.54 and under the new contract they would receive \$11.92 per hour plus \$4.92 in healthcare benefits paid by the company. He advised that currently the security guards pay personally for healthcare benefits and that 18 of the 57 guards today opt for that coverage, but it is at their cost. He noted that if an individual guard opts out of the healthcare plan, he or she he will see the approximate \$4.00 addition in wages.

Mr. Barron added that through this new contract the Authority is going to cover their healthcare costs. He also noted that the escalation rate is lower, making the contract cost less at the end of the contract period.

Mr. Cohen asked if all other city garage operators were required to be in compliance.

Mr. Onorato responded that the prevailing wage requirement is required by City code and all public and private garage operators are required to participate. He stated that following the Authority's standard practice, we will debrief the companies that bid but did not receive this award.

Mr. Cohen asked if the employee was paying a portion towards their healthcare costs.

Mr. Fournier stated that the way the law is applied we must pay the median wage for people that are in that job classification within that region, so we provide them the dollar amount of the type of benefit package that they choose. He noted that they could choose no insurance subsidy and just take the salary instead.

Mr. Barron stated that he has no doubt that this is the right thing to do and believes it is best if all employees have healthcare.

Mr. Cohen commented that someone he is acquainted with received a letter stating that their healthcare cost will be lowered based on their healthcare habits and said he thinks that this is something that we should consider.

Mr. Barron stated he believes that this is something that the insurance carriers do directly, not involving the employer.

Mr. Cohen asked if there were any additional questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron Resolution No. 37 of 2017 was approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Mr. Cohen, yes.

RESOLUTION NO. 38 OF AUGUST 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT BIDS FOR UNIFORM SERVICES FOR THE DEPARTMENT OF PARKING SERVICES GARAGE PERSONNEL, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the current uniform contract is due to expire at the end of October 2017 and we are asking authorization to go out to bid for this service. He advised that this will be a three-year contract with two one-year options. He advised that the average annual expense is approximately \$12,000 per year, which equates to \$3.60 per employee per week. He advised that each employee is supplied with five shirts and pants, a winter coat and a spring and fall jacket.

Ms. Oliphant asked that given the dollar amount of the contract, why this needs to be approved by the Board.

Mr. Onorato responded that the process is consistent with past practice to keep the Board informed. He said that both the requests to go out for proposals and authorization to award the contracts are routinely presented for Board approval.

Mr. Cohen commented that he would have preferred this process to occur earlier in the year instead of waiting so close to the expiration date of the current contract. He is suggesting that the Authority start this type of process at least six months in advance of a contract expiring.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 38 of 2017 was approved as follows: Ms. Oliphant yes; Mr. Barron, yes; Mr. Cohen, yes

RESOLUTION NO. 39 OF AUGUST 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO, ON BEHALF OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH, A SECOND AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT WITH PITTSBURGH BIKE RENTALS, INC., was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that at the time the First Avenue Garage and Station was built space for a bike rental/repair station was deliberately included and said the current tenants lease is expiring. He advised that the lease rate is now \$4,300 per year or \$358 per month and we are looking to extend the contract for two years with a monthly increase of \$50.00 with the rest of the terms and conditions remaining unchanged. Mr. Onorato advised that our current customer has been a good tenant.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 39 of 2017 was approved as follows: Ms. Oliphant yes; Mr. Barron, yes; Mr. Cohen, yes.

OLD/NEW BUSINESS

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

Ms. Lu, business representative for SEIU32BJ thanked Mr. Onorato, the Board and the Mayor's Office, stating that over the last six months they have had many discussions with Am-Gard relating directly to performance and compensation raising standards in the market. She also acknowledged Allied representatives who were in attendance noting that she is not endorsing this Board's award of the contract, one way or another rather that she is just here to affirm that the terms of the contract meet the standards raised in those discussions. She noted that security officers and janitors have fought to create jobs in the Pittsburgh market that enable them to provide for their families and not force them to choose between going to work sick or missing unpaid days. She added that she is available to the Board to answer any questions or concerns they may have.

Mr. Cohen stated that the good management and financial stability of the Authority enable these contract results to occur.

Ms. Oliphant commented that the workers benefiting from this will continue to help the Authority as long as they are professional and maintain established standards of customer and employer service. She added the union's responsibility is to make sure they don't staff a customer-facing position with someone who is not professional in his or her work.

Ms. Lu responded that through the direct relationship with employers the union is able to establish things like training funds to help professionalize the industry and to work with city government to create performance standards that will build up the membership in a meaningful way. She stated that as people are more invested in their jobs and are making more money, they feel secure and comfortable and are much more productive as well.

Ms. Oliphant stated that job behavior may be a personality thing and that it is the responsibility of the unions to help bring about change when it's needed. She said it is not the face of the union that suffers when from personnel are not professional, it is the public image of the Parking Authority that's at risk.

Ms. Lu responded that they cannot control every member of their union but said it does everything it can to address grievances or issues and is fully prepared to advise members that they were wrong in a particular situation. She stated that the union works very hard to make sure that the industry standards are elevated across the board in order to provide better services and to operate in the interest of every party at the table, including the employers.

Ms. Oliphant said that the Authority is able to afford this only as long as our customers remain loyal to the Authority and are not driven away by unfriendly workers. She said it's a situation of mutual respect.

Mr. Cohen said that in today's environment everything is a partnership and he is not sure that all people understand that this is the case.

Ms. Lu said that the union is always ready to come to the table in an attempt to make things better and to find resolutions. She stated that Mr. Onorato always gave the union the opportunity to be heard.

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

There were none.

The next Board meeting is scheduled for Thursday, September 21, 2017 at 10:00 a.m.

Upon motion by Mr. Barron and seconded by Ms. Oliphant the meeting was adjourned at 10:58 a.m. with all Board Members in approval.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval