

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY, JUNE 18, 2020**

Having been duly advertised in accordance with the Sunshine Act No. 84 of 1986, a virtual meeting of the Public Parking Authority of Pittsburgh was held at 10:04 a.m. on June 18, 2020. The following Board members were present at the start of the meeting: Jeff Cohen, Cathy Qureshi, Matt Barron and Karina Ricks. Present from staff were David Onorato, Christopher Speers, Chris Holt, Gwendolyn Bolden, Jo-Ann Williams, Mark DiNatale, Deb Kerestes, Evan Gornick, Tom Vennero, Bill Conner and Pat Konesky. Also present were Kinsey Casey and Maureen Hartwell of the City of Pittsburgh, Jason Wrona of Buchanan Ingersoll and Rooney, and Bill Stewart of Strategic Communications.

Mr. Cohen thanked the Authority staff for its hard work during this pandemic.

He stated that the decision was made to resume parking enforcement a little later than he wanted, noting that the function is crucial to the health of the Authority's revenue status. Mr. Onorato added that we are currently enforcing metered spaces city-wide.

Ms. Ricks asked if residential permit areas were being enforced.

Mr. Onorato replied that residential permit areas are not being enforced at present and said enforcement involving street cleaning has been suspended as well.

MINUTES

Mr. Cohen asked for approval of the minutes from the May 21, 2020 meeting.

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

PUBLIC COMMENT

Mr. Cohen asked if there were any public comments.

There were none.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato advised that enforcement of Downtown meters resumed on June 1 and was expanded city-wide effective June 15. He again noted that there is no enforcement of street cleaning operations or residential permit areas and advised that while we are not ticketing for street cleaning, the program is active and streets are being cleaned.

Mr. Onorato updated the Board on the Ninth and Penn development, advising that with the building now demolished and the site cleared, we put a stoppage on the work project there. Noting that the design is approximately 90-percent completed, he advised that the timing of the project's restart will be evaluated in relation to the return of revenues to more normal level.

Mr. Onorato advised that the fire-suppression upgrade that was installed in Mellon Square Garage is complete and said it was approved and certified by the City's Permit and License Department. He said that the Authority received the proper certifications and documentation from the City.

Mr. Onorato advised that we are in receipt of a correspondence from the public thanking Jessica McCurdy of the Residential Permit Department and Parking Enforcement Officer Christy Cox for their positive interactions with Authority patrons during the performance of their duties. Mr. Onorato stated he would like to publicly thank both employees.

Mr. Onorato advised that the Authority is reviewing its current budget and said that, once our revenues are available for an entire month, the Authority will be better able to project results for the remainder of the year.

Mr. Onorato advised the Board that the AFSCME contract is expiring on December 31, 2020 and said that the Authority received official notification from AFSCME's leadership that it intends to proceed with negotiations.

Mr. Onorato discussed a new Finance Report with the Board, which shows gross revenues for our major line items with the top two contributors being garage and meter operations. He said it showed garage revenues of \$4.7 million for both January and February, with March dropping to \$3.1 million; April to as low as \$914,000, and May increasing slightly to \$1 million. He advised that since enforcement resumed in June, the first 15 days of revenues totaled \$1.1 million and said that we anticipate the revenues for all of June to almost double that amount.

Mr. Onorato asked if there were any questions on any of the other Board Reports. He advised that tickets for May were up slightly reflecting the return of enforcement while Parking Court and meter revenues were down significantly from last year. He stated that it would be best to wait until there is one full month of enforcement results, including the residential permit areas, before we discuss year-to-year performance trends and submit an amended budget to the Board.

Mr. Cohen added that it may be difficult to enforce the residential permit areas and street cleaning at this time because many of the residents are working from home and many family members are home from colleges.

Mr. Onorato agreed with Mr. Cohen, advising that we have been discussing resuming residential permit areas with the City, largely in the context of an increase in complaints, requesting

enforcement to resume, especially in areas around hospitals. He also stated that the street-sweeping program has begun for this season again noting that there is no enforcement.

Mr. Cohen noted that the Authority's revenues are down about \$13 million, reporting 2019 year-to-date results through May was \$24.4 million compared to \$14.4 million for the same period this year. He added that the Authority was able to reduce 2020 expenses by securing discounts from vendors and adjusting contracts and maintenance agreements. He thanked staff for its hard work in this effort.

Mr. Cohen asked if the Authority pays its debt every month.

Mr. Onorato stated that it is not paid every month but said each month's total is placed into the trust account and paid out once or twice a year.

Ms. Williams explained that the Authority funds the Bond Fund every month based on one-12th of the payments and advised that the interest payments are due June 1 and December 1 while the principal payment is due in full on December 1. She advised that the Authority already paid the June 1 interest payment and said that to date, we have done the monthly funding as required and anticipate being able to continue to meet our monthly funding obligations going forward. She noted that this projection included no drawdowns from any of our debt service reserves, insurance, operating reserve fund or and other reserve fund.

Mr. Cohen asked if it costs more to pay the interest payment twice a year or if it would cost less if we were to pay it monthly.

Ms. Williams stated that a requirement of the Bond Indenture is that the interest be paid in June and December and, in doing so, the overall interest cost is actually lower. She added that a change wouldn't save the Authority money because we pay a fixed rate.

Mr. Onorato advised that Mr. DiNatale and Ms. Williams have been working closely with Standard and Poor's regarding its concerns and questions on the Authority's status regarding debt service coverage. He said that is another reason to develop an amended budget and said that as of today we have been able to answer and address all of the agency's questions and concerns.

Mr. Cohen stated that we are very fortunate that we were in a solid financial position prior to this pandemic or we would be in substantial financial trouble with our debt payments and other obligations.

Mr. DiNatale stated that while we are in the best position we can be in at this time with the limited level of enforcement, he stated that he is not comfortable with giving projections to the ratings agencies until enforcement has fully returned, has been working for at least a month and we can have a better picture of monthly revenues. He asked the Board to assist in any it can to convey that the full resumption of enforcement is crucial to the Authority results.

Mr. Onorato asked Ms. Ricks if she had any insight with the City regarding the timing of the return of enforcement.

Ms. Ricks said she does not know the reasoning behind the delay and offered to reach out to the Mayor's Office to discuss the issue. She stated that she needs to understand why that request exists because people are not really moving around and therefore said she doesn't believe that there are many parkers utilizing the residential permit areas who shouldn't be. She stated that she believes that there may be a misguided opinion that we are not enforcing because that somehow benefits the residents.

Ms. Casey stated that resuming enforcement in the residential permit areas is something that can certainly be reevaluated, stating that the original reason could have been that college students being home during the pandemic were not moving their vehicles, as well as full-time residents themselves not going out or moving their vehicles.

Mr. Barron asked where things stand now with respect to the agreement with the City. He asked if we have renegotiated it given our lack of revenue or expressed the need to possibly amend it.

Mr. Onorato responded that the City is aware that the 2020 payment is going to be significantly less than the \$29 million projected in our budget, a figure that is now likely to be around \$15 million. He said we probably would not need to do much renegotiation as the majority of the City's share reflected in the Co-Op agreement represents meter revenues and said that there is no question that the payment will drop significantly. He noted that the City's portion includes the parking tax and said the year's decline in garage parking will trigger about another \$9 million decrease. He noted that based on the current formula for the revenues the City receives, its share has already been decreased based on the low utilization. He noted that it will still receive 100 percent of the parking tax and the PILOT payment made every year. Mr. Onorato stated that the payment to the City is made at the end of February, giving the Parking Authority the opportunity to make sure our debt service has been met prior to that due date. He advised that currently we are meeting our obligations but if that were to change, we would need to adjust the payment to the City. He said that he has and will continue to discuss that possibility with the Mayor's office. Mr. Onorato added that another reason why we would like to see full return of enforcement is to determine any changes in parking patterns resulting from more people working from home or from reduced hours or staggered shifts. He said that data would give us a better understanding of projected revenue totals before we discuss any changes in our agreement obligations.

Mr. Cohen stated that he doesn't believe that we will be able to see solid numbers until after September. He asked if companies like Apple, located in Shadyside, was paying the Authority for the six metered spaces they are taking out of service.

Ms. Casey responded that she does not believe that Apple is taking six spaces and stated that part of the goal in permitting businesses to use those spaces was to help businesses and not just Apple.

Ms. Ricks added that the City established metered parking to support businesses and said the current changes are intended to keep them alive during a difficult time. She stated that this is an unusual time and we do need to keep the public health interests first and foremost and said that she believes that neither the Mayor nor any other City official wants to compromise public health in order to maintain parking revenues. Ms. Ricks confirmed that the City did authorize the closure of the first two parking spaces on Walnut Street and they will not be charged for taking these spaces out of service.

Mr. Cohen asked how long this arrangement has been authorized.

Ms. Ricks responded that the City is not authorizing this for each and every business but is trying to organize the street space to provide queuing access to multiple locations. She stated that we are definitely turning over the street space to support our businesses because operating at 50-percent capacity provides a very low margin for keeping them alive. She said the City is doing what it can to help reduce some of that shortfall, noting that Pittsburgh has already lost one-third of its restaurants and may stand to lose one-third more before this current crisis is over.

Mr. Onorato added that he believes that the Apple store is utilizing six spaces on Walnut Street and asked if the City could check on that number. He added while this may help the Apple Store it hurts other businesses and we need to be consistent by having a policy to guide this form of support.

Ms. Ricks stated that there is no reason they should be utilizing six spaces and advised that the City is working with every business district and its Council representatives who have requested spaces, not necessarily for individual businesses. She stated that she has not received any complaints and said that the City does have an extensive proposal to convert significant rights of way on Walnut Street to dining and other alternative uses. She said that proposal will not affect the surface lots that also service the Walnut Street corridor and asked if Mr. Onorato would provide a running utilization of the parking resources in that area.

Mr. Onorato responded that a physical check of the lots this week showed them to be approximately 75-to-80 percent full and reported an increase in the garage utilization as well. He noted that while we have not received any customer complaints regarding Walnut Street, we have received complaints about the food truck permitted by the City to park on Penn Avenue. He advised a storefront adjacent to the Gaucho truck is being renovated and said the complaint is that that its exhaust is permeating Redbeard's restaurant.

Ms. Ricks replied that this complaint will be looked into and handled by her department.

RESOLUTION NO. 13 OF JUNE 2020, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO MULTIPLE AGREEMENTS TO OFFER ADDITIONAL CELL PHONE APPS FOR METER PAYMENTS, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that this is an option to enhance the Authority's customer service by offering the end user the ability to use multiple vendors for the pay-by-phone feature. He mentioned that just recently there was a case in Pennsylvania where one particular pay-by-phone vendor went bankrupt and the municipality served by that one vendor only, had its communities deprived of the convenience. He advised that with 50 percent of our payments going through the phone app, he believes it would be good to have an additional vendor online to prevent us having to scramble should something of this nature occur in Pittsburgh. He stated that as the Board is aware, the Authority has been in talks with Meter Feeder, a local firm originating from CMU, regarding contracting with them to add its phone app to the one we currently use. He noted that other providers, including Flowbird, have also expressed interest in partnering with the Authority

for pay by phone service. He stated we would like the ability to negotiate with one or more of these parties and enter into an agreement containing terms and conditions set by the Authority.

Mr. Barron asked if the addition would include any type of advertisement program or promotion and if the stickers and signage currently on the meters will remain applicable.

Mr. Onorato advised that the existing zones would remain the same and said all vendor marketing and advertising would be required to match the existing zone numbers. He stated that there would be no costs to the Authority, which will be made clear in any agreement and added that we would approve all marketing and advertising materials prior to their launch. He also noted that the Authority would review and approve all proposed transaction fees, which is currently eight cents with Parkmobile. He stated that the incentive for providers to do the marketing is because their success is based on usage.

Ms. Ricks asked if this resolution would satisfy the ability to potentially network with new entities that pop up, such as PittsCurb, to introduce new pricing strategies for loading areas.

Mr. Wrona added that if a contractor is not phone-related for the payment of parking, we would need to bring its proposal back to the Board. He said the resolution applies only to mobile phone app providers.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Ricks and seconded by Ms. Qureshi, Resolution No. 13 of 2020 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Ms. Ricks, yes; Mr. Cohen, yes.

RESOLUTION NO. 14 OF JUNE 2020, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE FINAL PAYMENT TO CARL WALKER CONSTRUCTION, INC. FOR THE REPAIRS AND PREVENTIVE MAINTENANCE AT THE FORT DUQUESNE & SIXTH GARAGE, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the \$7.6 million renovation work by Carl Walker Construction at the Fort Duquesne and Sixth Garage is complete. He advised that there were four change orders representing an approximate 11-percent increase, equaling about \$865,000, resulting in a total project cost of \$8,553,692.73. He said the MBE participation, on the assignment was approximately 15 percent.

Ms. Qureshi asked if the Board could be reminded of the project scope, what the change orders entailed and if they were brought before the Board for approval.

Mr. Onorato advised that the contract was awarded approximately three years ago and said all of the change orders were approved by the Board. He advised that the first change order of \$69,000 was for a basement wall replacement; the second for an additional scope of work totalling

\$183,000 in subsurface drainage repairs; change order three in the amount of \$611,000 resulted from an unforeseen condition of the exterior façade replacement; and Change Order Four in the amount of \$10,000 was for a roof-level concrete repair.

Mr. Onorato advised that the entire project is complete and said that we did receive positive comments on the exterior façade.

Mr. Onorato also noted that the Authority will be making installment payments, without interest charges to Carl Walker Construction and not the entire \$427,000 at once. He said the revised payment schedule resulted from the Covid-19 situation and was agreed to by the vendor.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Mr. Cohen, Resolution No. 14 of 2020 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Ms. Ricks, yes; Mr. Cohen, yes.

RESOLUTION NO. 15 OF JUNE 2020, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE FINAL PAYMENT TO OTIS ELEVATOR FOR THE ELEVATOR MODERNIZATION AT THE MELLON SQUARE GARAGE, was read by Mr. Barron and considered by the Board.

Mr. Onorato advised that the elevator modernization at the Mellon Square Garage is completed. He said the original contract was \$544,156.80 and there were no change orders. He advised that the MBE participation level was 33 percent with an additional 16 percent in payroll and stated we are asking approval of a final payment of \$54,415.69 to close out the contract.

Ms. Qureshi noted that the pay app was not attached and requested that it be circulated following the meeting.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Qureshi and seconded by Mr. Cohen, Resolution No. 15 of 2020 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Ms. Ricks, yes; Mr. Cohen, yes.

NEW BUSINESS

Mr. Onorato advised that the Authority will continue to monitor revenues and keep the Board updated on their status. He noted that the last three days saw a slight increase in the meter

revenues from Monday, which was \$26,000, Tuesday \$27,000, and Wednesday \$29,000, all approximately 50 percent of the one-day actuals recorded before the arrival of the pandemic.

Mr. Onorato advised the Board that the Authority received a letter of resignation from Mr. Savino, the Authority's Chief Technology Officer. He advised that the position will be posted.

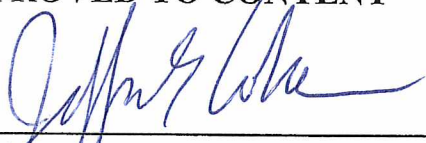
Mr. Cohen asked if there were any new business issues to discuss.

There were none.

The next Board meeting is scheduled for Thursday July 16, 2020 at 10:00 a.m.

The meeting was adjourned at 10:49 a.m. with all Board Members in approval.

APPROVED TO CONTENT



Chairman

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

Approval

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Walter D. Barnes

Approval