

**MINUTES OF THE REGULAR MEETING OF THE  
PUBLIC PARKING AUTHORITY OF PITTSBURGH  
THURSDAY NOVEMBER 16, 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 10:08 a.m. on November 16, 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 Cathy Qureshi. Present from staff were: David Onorato, Anthony Boule, Christopher Speers, Chris Holt, Jo-Ann Williams, John Fournier, Janet Staab, Bob Wilson, Philip Savino and Pat Konesky. Also present were Jason Wrona of Buchanan Ingersoll, Andrew Wahl of GHD, Inc., Dan Manns of LD6 and William Stewart of Strategic Communications.

**MINUTES**

Mr. Cohen asked for approval of the minutes from the October 19, 2017 meeting.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, the minutes were approved as follows: Ms. Qureshi, 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 Parking Enhancement District, advising that it is still functioning as projected. He noted however, that the shuttle is not being utilized as much as anticipated, adding that this component will be evaluated and, depending on the usage, may be eliminated at the end of this year. He advised that program revenue is averaging approximately \$4,000 for evenings and weekends, with approximately 150 tickets being issued per weekend.

Mr. Onorato advised that the Authority is working with the City to fully incorporate the Residential Permit Program into Authority operations.

Mr. Onorato advised that AT&T has expressed interest to place an antenna on the roof of the Third Avenue Garage and said we are in the very early stages of

discussing the amount of revenue it could possibly generate as well as developing an agreement between the two entities. He advised that AT&T currently has antennas on SEA and ALCO parking facilities and he stated any agreement reached will be brought to the Board for approval.

Mr. Onorato advised that with 10 months of the fiscal year completed, the Authority is on target to transfer \$29.5 million to the City in 2017.

Mr. Onorato discussed the Finance Reports, noting that revenues are exceeding both the budgeted and 2016 actual totals. He said expenses for the year are slightly under budget, noting that salaries and healthcare are areas where expenses have been not as high as budgeted.

Mr. Onorato discussed the Facility Report, stating that it matches the Finance Reports with everything being in line. He noted that the report shows revenue decreases at both the Mon Wharf and Ninth and Penn and noted that we are closely monitoring performance at those locations. He advised that the decreases at the Ft. Duquesne and Sixth and Oliver garages are both due to construction.

Mr. Onorato discussed the Enforcement Report, noting that ticket issuance is lower than last year's rate with the majority of tickets being issued for the meter violations. He discussed the Enforcement Revenue Report and noted that all three categories, street, lot and lot leases, show a combined increase from last year of approximately 12 percent.

Mr. Cohen asked if we should be looking at the lease cap amounts and consider adjusting them. He asked if the Authority thought that the pay-by-phone option may be the reason that the revenues have increased and asked the percentage of pay-by-phone usage.

Mr. Onorato responded that we have been consistently averaging between 30 and 34 percent of the monthly transactions using this method. He added that, since its inception we have averaged 27 percent in pay-by-phone usage.

Mr. Barron asked if there was any on-going marketing of this program.

Mr. Onorato advised that there is a meeting in the upcoming weeks scheduled with the Parkmobile team to discuss the marketing efforts and review of the new programs they have available. He advised that at Mr. Cohen's suggestion the, Authority will be adding new signage to be mounted on poles showing the zone number of the meter being used. He noted that the information will be visible both from vehicles and reasonable distances from the kiosks, adding that the phone application also shows patrons the zone they are in.

Mr. Cohen asked how many zones there are.

Mr. Onorato advised that there are hundreds of zone numbers and that they change with every block.

**RESOLUTION NO. 49 OF NOVEMBER 2017, "A RESOLUTION  
AUTHORIZING THE GENERAL FUND, TRUSTEE REVENUE FUND AND  
CAPITAL ADDITIONS BUDGETS FOR FISCAL YEAR 2018 WHICH**

**BEGINS ON JANUARY 1, 2018 AND ENDS ON DECEMBER 31, 2018**, was read by Mr. Cohen and considered by the Board.

Mr. Onorato thanked the Board Members for meeting individually with the Authority staff to review the budget in detail. He advised that the 2018 Budget shows revenues of \$55.5 million with garage and meter receipts accounting for 98 percent of those revenues. He advised that expenses are \$31.1 million, with just the six top line items totaling approximately 85 percent of the expenses. He identified parking tax as being the largest expense, followed by payroll, social security, trustee bank fees and healthcare. Mr. Onorato advised that the Budget meets the debt service coverage requirement of 1.5 by our Trust and also meets the 15-percent retention policy established by the Board. He advised that our Capital Budget of approximately \$14.7 million includes five major projects, citing them as the lighting upgrade of nine garages; the Mellon Square elevator and painting project; the exhaust and fire system upgrade; the completion of the Ft. Duquesne and Sixth Garage project, and a possible purchase of a new lot, for which we are currently negotiating a sales agreement. He advised that we did account for \$700,000 in lost revenue in this budget in anticipation of loss of spaces due to capital repairs. He also noted that we are anticipating that Ninth and Penn will be taken off line in August 2018.

Mr. Onorato advised that the Authority received a six-percent reduction in healthcare premium from last year and also a 44-percent reduction in the Merchant's credit card transaction fees.

Mr. Barron said that he appreciated the time that Mr. Onorato and staff took to present and discuss the budget individually with Board Members and wanted to specifically commend the team on keeping healthcare costs down, even actually reducing them.

Ms. Qureshi added that she also had a good meeting with staff to review the budget. She said that her take is that it's incremental in terms of revenue and expenses and, as in most organizations, salary is the biggest expense.

Mr. Onorato added that based on the budget, the projected payment to the City for 2018 is \$28.8 million.

Ms. Qureshi stated that it is her belief that with this payment to the City, the Parking Authority is the biggest single taxpayer to the City of Pittsburgh.

Mr. Fournier confirmed that the Parking Authority is the largest outside contributor to the City's budget.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 49 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

**RESOLUTION NO. 50 OF NOVEMBER 2017, “A RESOLUTION AUTHORIZING THE PITTSBURGH PARKING COURT BUDGET FOR FISCAL YEAR 2018 WHICH BEGINS ON JANUARY 1, 2018 AND ENDS ON DECEMBER 31, 2018,** was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that this budget is separate from our General Funds, Trustee Revenue Fund and Capital Additions Budgets. He advised that the Parking Court revenues are projected at \$9.7 million, with expenses of \$2.6 million and the City’s share being \$7 million. He noted that this projected \$7 million is included in the total of \$28.8 million mentioned in the resolution just discussed. He stated that both budgets, added together, brings the Authority’s total 2018 budget to approximately \$65.2 million, which is slightly less than last year’s. He said the change is based on the number of tickets issued recently as well as trends that we continue to monitor.

Mr. Barron inquired that, with the City requesting that it be removed from Act 47 oversight, if there are any implications to the Parking Authority in the event that it does happen.

Mr. Onorato responded that his belief is that there are no implications because the tickets are decriminalized and can no longer be heard in the municipal courts. He said we so we will still have to maintain our Parking Court to hear disputes on tickets the Authority issues.

Mr. Wrona added that Parking Court functions are codified under the motor vehicle code and they are not conditioned on being an Act 47 status, so it will be business as usual should the City exit Act 47 oversight. He stated that he doesn’t see anything presently but if there is some other trickle-down effect on the Co-Op Agreement as a result of exiting Act 47 it would be very difficult to predict that at this time. He said that he would look into the matter and noted that there are no contractual agreements that he is aware of involving the Authority related to Act 47.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 50 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

**RESOLUTION NO. 51 OF NOVEMBER 2017, “A RESOLUTION ADOPTING THE REGULARLY SCHEDULED PUBLIC PARKING AUTHORITY OF PITTSBURGH’S BOARD OF DIRECTORS’ MEETING DATES FOR 2018,** was read by Mr. Cohen and considered by the Board.

Mr. Onorato noted the Board Meeting are normally scheduled for the third Thursday of each month and said we will follow that schedule for the 2018 Board Meetings with the exception of the first two meeting where we are already aware of conflicts on those dates. He said therefore the third Fridays of January and February would be chosen for those meetings only, after which the normal schedule would resume.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 51 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

**RESOLUTION NO. 52 OF NOVEMBER 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT PROPOSALS FOR BOND UNDERWRITER SERVICES, IN THE ISSUANCE OF NEW PARKING SYSTEM REVENUE BONDS BY THE AUTHORITY,** was read by Mr. Cohen and considered by the Board.

Mr. Onorato stated that we are requesting to solicit bids for bond services to sustain the ongoing momentum on the Ninth and Penn project, and also to enable us to have our financial team in place once a deal is executed. He stated that the action will not trigger an immediate outlay of money. He said payment will occur at closing.

Ms. Qureshi asked the structure of payment, specifically if the Bond Underwriter will be paid a percentage of the deal and wrapped into the debt payments.

Mr. Onorato responded that he believes that will be the structure and stated that the terms will be brought back to the Board once an agreement is reached.

Ms. Qureshi noted that she believes that it is important for a public board to look closely at this type of agreement because it can involve a large dollar commitment that is not easily seen as it is amortized over years. She asked if the bid will be advertised locally or nationally.

Mr. Onorato said that it will be advertised both locally and nationally.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 52 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

**RESOLUTION NO. 53 OF NOVEMBER 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT PROPOSALS FOR BOND COUNSEL SERVICES, IN THE ISSUANCE OF**

**NEW PARKING SYSTEM REVENUE BONDS BY THE AUTHORITY**, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the awardee would be another addition to the financial team for the Ninth and Penn project, repeating that we are being proactive in getting this team in place to prevent any unnecessary delays once an agreement is reached with the developer.

Ms. Qureshi asked about the fee structure

Mr. Onorato responded that the amount will be dependent on the deal being reached and will be a flat fee payable from the proceeds of the bond.

Ms. Qureshi stated that it is good that it is based on a bond closing but said it also could be an incentive for those professionals to accelerate the closing to speed their timeline to receive payment. She stated that she has every expectation of a successful process but said she wanted to bring up the point because it was something she had considered. She spoke about a past experience where a financing deal was not reached and the project did not materialize. She explained that because of that experience, she is cautioning the Authority team to be conscious of the various players' motives.

Mr. Wrona stated that as part of the financial team, the Bond Advisor is going to be overseeing everything not paid on a success fee basis and said the Authority will be at the table for the entire process as well. He stated there is going to be a bond issuance in any instance, whether for the Davis-related project or for a stand-alone garage only. He stated that if we reach terms on contract, we will have to get to a point where pricing is far enough along where a Guaranteed Maximum Price can actually be committed to by the parties. Mr. Wrona said we will then be able to go to market with a fair amount of certainty on the amount of proceeds that we will need, adding that it will take about three to four months after reaching the GMP to get the financing in place.

Ms. Qureshi noted that even though it is a Guaranteed Maximum Price, it really does not ensure a guaranteed price ceiling, as there is some allowance for change. She said that, to her, it is no different than a regular contract because of that possibility of change.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 53 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

**RESOLUTION NO. 54 OF NOVEMBER 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD AND ENTER INTO A THREE-YEAR AGREEMENT WITH TWO ONE-YEAR**

**OPTIONS WITH DQE FOR AN INTERNET CONNECTION UPGRADE,**  
was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that this is an upgrade to our internet connection. He stated that this was not a low-bid contract, but a purchase of professional services and the bid tab sheet is attached. He stated that we are recommending entering into a three-year contract, with two one-year options, with DQE at a cost of \$80,000 per year. He advised that our current vendor is Consolidated at an annual cost of \$56,000.

Mr. Barron asked if this upgrade was just for internet service.

Mr. Savino responded that this is for internet service only and said the increase in cost is justifiable because we need the line back to Grant Street Transportation Center to push our off-site backups through the use of fiber connections.

Mr. Cohen asked if the Authority could inquire if DQE could do a little better with its bid, lessening the overall amount since it involves a cost increase over a five-year period.

Mr. Savino stated that we are increasing the garage connections from 10-up to a 20-up, doubling the connection and noting that adding a gigabyte line between here and Grant Street and a fiber connection from point to point is expensive. He also noted that the capacity increase is necessary to facilitate the internet connections from all of the garage locations, including phone system email, file transfer, in and out the door. He said that this new capacity should sustain us for approximately five years.

Mr. Onorato also added that the Authority's current RFP process prevents us from renegotiating pricing terms with the current vendor so we would need to re-issue the RFP to provide proposed bidders with the opportunity to resubmit a lower bid.

Mr. Cohen asked how long the Authority has had the current internet connection.

Mr. Savino responded that the Authority has had Consolidated since his hire date in 2009, but had upgraded from DSL to Metro E. He said that this is a fiber-based system and in the past a fiber line to this building would have been very expensive, but said the City has developed a fiber connection throughout the downtown area to drastically reduce the expense of changing to fiber technology. Mr. Savino stated that it is not easy to look at this and say it is a major increase because it's the nature of the beast that when you increase speed you increase price.

Mr. Cohen said he believes that if you look at the whole telecom industry you'll find they are all struggling because its prices are going down. He said he agrees with the reasoning on one hand and disagrees on the other and questioned again if we could ask for a best and final offer.

Mr. Savino stated that we did ask for a best and final offer from all vendors and their responses are reflected in the bid tab sheet. Mr. Onorato stated that the Authority can opt out after three years if a drastic change is warranted.

Mr. Cohen suggested that in two and a half years would do another RFP to see where we are at and see if we could negotiate at that time.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 54 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

**RESOLUTION NO. 55 OF NOVEMBER 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE A CHANGE ORDER OF THE CONTRACT TO SCHERER LOCK & SUPPLY, INC. FOR THE REPLACEMENT OF DOORS, DOOR JAMBS AND THRESHOLDS AT THE FIRST AVENUE GARAGE AND STATION,** was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the doors at the First Avenue Garage need a protective coating and said that we have verified that this measure will not be necessary at any of the other garages that are having doors replaced.

Ms. Qureshi stated that even though this change order is only for \$4,400, she believes that the process that the Authority follows in bringing change orders to the Board for approval is very effective in holding contractors accountable and keeping costs down.

Mr. Barron stated that he agrees totally, that it is a good check and balance.

Mr. Cohen agreed and asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 55 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

## **OLD/NEW BUSINESS**

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

Mr. Cohen said that he is very happy to be on the Authority Board as Chairman, but said he would like to recognize his colleagues as being engaged and active and really caring about the Authority's mission. He said it's not just that they show up once a month fully prepared for a meeting but are active behind the scenes, putting a lot of time and effort in for which they should



be commended. He said that the current Authority Board is a great team and he wanted to thank both the Board and the Authority staff for making this a good Authority and a valuable asset to the City.

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, December 21, 2017 at 10:00 a.m.

Upon motion by Mr. Barron and seconded by Ms. Qureshi the meeting was adjourned at 10:54 am with all Board Members in approval.

**APPROVED TO CONTENT**

  
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**Chairman**

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

  
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**Approval**