

MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY JULY 17, 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 July 17, 2014 at 10:02 a.m., 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Aradhna Oliphant, Jeff Cohen and Cathy Qureshi. Present from staff were: David Onorato, Christopher Speers, Jo-Ann Williams, Judi DeVito, Chris Holt, Wes Pollard, Tom Vennero, Bill Conner, Janet Staab, James Smith and Elaine Russell. Also present were Jacqui Lazo and Brian Simmons of Buchanan Ingersoll & Rooney, Bill Stewart of Strategic Communications and Bob Bauder of the Pittsburgh Tribune Review.

MINUTES

Ms. Qureshi asked for approval of the minutes from the regular meeting held on June 19, 2014.

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

PUBLIC COMMENT

There were no public comments.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato updated the Board on the progress of the on-going lot improvements. He advised that the Homewood/Zenith and Ivy/Bellefonte improvements are complete with the exception of the installation of new shrubs. He advised that the work on the Centre/Craig and Douglas/Phillips lots is currently underway and scheduled to be completed in the next month or two.

Mr. Onorato updated the Board on the Smithfield/Liberty Garage renovation project and advised that the work is anticipated to last 12 to 14 months.

Mr. Onorato advised that the Authority is currently working with the Mayor's administration on revising the Co-Op Agreement for revenue sharing with the City. He stated that when the agreement is reached, the proposal will be brought to the Board for approval. He advised that as part of a new agreement, the City asked him to look for new areas

to install the pay-by-plate meter technology, and he stated that the Authority will be recommending placements on Penn Avenue and Butler Street. He advised that the Authority was also asked to evaluate the current meter rates throughout the city and make recommendations if any opportunities for change are identified.

Mr. Onorato advised that the Authority is currently in discussion with the Department of Conservation and Natural Resources, DCNR, for the completion of the bike connection from the Mon Wharf to Point State Park.

Mr. Onorato advised the Board that we have a signed sales agreement with the Hotel Indigo developer Nigel Parkinson but said that the project is currently on hold while the Authority has discussions with the URA and the City as to the lot the hotel will use to meet its parking needs.

Mr. Onorato advised that following the last Board meeting wherein Board gave the authorization to increase garage and lot rates, all of our lease customers were notified by mail. He advised that there were minimal phone calls received in response to the rate increase. He stated that there have been 30 cancellations since the letter was distributed, but said this number can be misleading because we receive an average of 45 cancellations per month, and it's hard to conclude that all of the latest cancellations were tied directly to the increase in rates.

Mr. Onorato advised that monthly reports are included in the Board packet. He noted that the occupancy report shows that the Authority is maintaining a high utilization in the majority of our facilities. He advised that the Authority currently has 39 downtown housing leases, up 10 from the first quarter of 2014. He advised that the multi-spaced meter revenue report list the amount revenue received via credit card versus cash and stated that another quarterly report, the revenue-by-space report is widely used and is the industry standard for measuring results. He advised that the Authority's revenue through the end of the second quarter is over budget by approximately two percent, accounted for by the garage facilities, while on-street meter and lot revenues are on target with the budget. Expenses are estimated to be under budget by 1.5 percent through six months, largely due to unfilled positions. Year-to-year garage facility revenues are up seven percent, which he attributed to fewer closures this year of the Mon Wharf and the completion of the construction at the Ft. Duquesne and Sixth Garage.

Mr. Onorato advised that enforcement tickets are down slightly from the 2013 level while meter collections and parking revenue are up from last year.

Ms. Oliphant asked for an explanation of the increase in repair and maintenance from 2013 to 2014 and the decrease in the contractual/professional category.

Ms. Williams replied that the biggest part of the increase is due to the maintenance agreement on the multi-spaced meters, as the meters purchased in Phase 1 are now out of the standard one-year inclusive warranty, which in this case is estimated at approximately \$30,000 per month. She also advised that the decrease in the contractual/professional category is a timing issue that will most likely balance out as the months progress.

Ms. Oliphant asked the history of the Kaufmann Note. Mr. Onorato responded in a brief

synopsis that reference reflects for the sale of the Kaufmann Department Store garage over a term ending in 2069 when the Authority will have received its money over a 60-year period.

Mr. Cohen asked how much total revenues are up from last year. Mr. Onorato replied that the increase is 2.6 percent or \$22.7 million versus \$21.6 million in 2013. He asked if our estimates were truly estimates or actual numbers. Ms. Williams replied that most of the estimated numbers are in the expense category reflecting invoices for payment that have not been received. She said she felt that those changes would not be substantial.

Mr. Cohen had some general questions, such as are we happy with where we are? Are people utilizing the facilities? Is the increase in rates going to affect us? He stated that he wanted to make sure that the Authority is able to contribute additional revenues as requested by the City without an adverse effect on the Authority.

Mr. Onorato responded that the Authority facilities are completely full Mondays through Fridays with the exception of the Grant Street Transportation Center, which is at approximately 65 percent of capacity daily and higher volume on event days. He advised that the reports indicate that meter usage and compliance with posted limits have increased and he does not feel that either last year's on-street meter rate increase or the increase in garage rates will affect the Authority adversely. He noted that the addition of the new technology has made a dramatic change in our ability to track the revenue and adding any new meters, such as those being recommended in today's resolution, will help to increase revenue in the areas where they are located.

Mr. Onorato advised that the Authority has been reviewing our capacity and utilization and performance and is happy with where we are at, but we continue to strive to improve efficiencies.

Ms. Qureshi asked Mr. Onorato if there was any data in the monthly or quarterly reports that he found concerning. Mr. Onorato replied that they contain nothing of concerns but advised that the multi-spaced meter report is interesting because it includes detailed information that was never available in the past with the use of single-space meters. He noted that meter revenues through the second quarter of 2014 total \$6.8 million and 97 percent of that amount is received through the new multi-spaced meters and 76 percent of those transactions are via credit card. Mr. Onorato added that two additional reports, revenue-per-space and expenses-per-space per facility are measures that are generally used in the parking industry. Mr. Onorato added that the finance report was changed to reflect the year-to-year comparisons as previously requested by the Board.

Ms. Oliphant noted that she found it interesting that the multi-space meter report shows the higher proportion of the revenue was coming from the higher volume meter areas than those where meters managed a larger number of spaces.

Mr. Cohen added that over the last month, the Authority produced at his request various reports and data regarding the Authority's financial portfolio. Noting that this was very complex and voluminous information, he said he really appreciated the effort and that it greatly helped him understand the Authority's financial position. Mr. Onorato added that this information is available for all Board members should they like to review it.

An inquiry was made if there were any indication as to why usage of the 24-hour, call-ahead parking reserved program increased substantially in 2014. Mr. Onorato advised that this program is administered by the Pittsburgh Downtown Partnership and the Authority is a participant along with other parking operators. He said the PDP keeps track of those statistics and advised that this program reserves a space at least one day in advance of arrival at the parking garage that is closest to the venue the patron is visiting. Mr. Onorato noted that the Authority has been evaluating running its own reserved parking program sometime in the future.

RESOLUTIONS

RESOLUTION NO. 19 OF JULY 2014, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH TO PURCHASE TWENTY(20) MULTI-SPACE PARKING METERS WITH PAY-BY-PLATE TECHNOLOGY FROM CALE AMERICA, INC., was read by Ms. Qureshi and considered by the Board.

Mr. Onorato noted that the wording on the resolution should be amended to reflect that the entire purchase will be from the Capital Improvement Fund, with the corrected wording to read "funds for both expenses are to be taken from the Capital Improvement Fund".

He advised that the original contract with CALE provided for the purchase of additional meters at the same price as the original purchase and the Authority would like to purchase 20 additional pay-by-plate meters, which will be used to replace the single-spaced meters in the Mt. Washington area as well as several of our off-street lots. He noted that if the City authorizes the creation of additional spaces the Authority would need to request authorization to purchase additional meters to cover those areas as well. Mr. Onorato advised that the criteria for placement of meters varies, based on the area, the businesses within the area and the past revenues generated. He stated that the installation of the multi space meters helps the Authority be more efficient from an operational and maintenance standpoint as there are fewer units to maintain and collect and repair. He also stated that the information received from the multi-space meters is vital to our operations.

Mr. Onorato stated that the Authority anticipates the addition of pay-by-phone options in the near future and this option will not work with the single-space meters, therefore any of those that can be replaced by a multi-space, pay-by-plate meter will give our customers the opportunity to use this new system together with the ability to pay by credit card.

Mr. Onorato was asked how much the Authority paid for the original allotment of pay-by-plate meters. He responded that Phase 1 was \$5,950 per meter, any order after that was \$6,250 and in years four and five of the contract the price per unit increases to \$6,500, locked in for seven years. There was an additional inquiry as to why costs increase each year, as history indicates that the purchase price normally declines as new models replace original versions. Mr. Onorato advised that because the Authority received such a significant discount on the original purchase, he believes that even with the cost increase we are still receiving a highly reduced price. He noted that the purchase price also includes the installation costs and maintenance. He also noted

these meters paid back their original capital outlay in two and a half years, more rapidly than anticipated.

There were no additional questions or comments.

Upon motion by Ms. Qureshi and seconded by Ms. Oliphant, Resolution No. 19 of 2014 was approved as follows: Mr. Cohen, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

OLD/NEW BUSINESS

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

Mr. Cohen mentioned that there was an issue with a patron who received a ticket, which was being investigated by KDKA's Marty Griffin, and he wanted everyone to know that Mr. Onorato and the Authority investigated and resolved the situation very quickly. He said he appreciated the work the Authority performed to resolve this positively.

Ms. Qureshi announced that there would be an Executive Session directly following today's meeting to discuss a legal matter.

The next Board meeting is scheduled for Thursday, August 21, 2014 at 10:00 a.m.

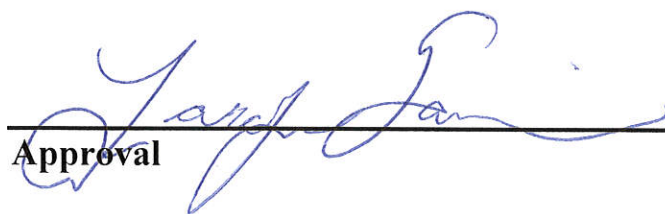
Upon motion by Mr. Cohen and seconded by Ms. Qureshi the meeting was adjourned 10:31 am.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval