

**MINUTES OF THE REGULAR MEETING OF THE  
PUBLIC PARKING AUTHORITY OF PITTSBURGH  
THURSDAY APRIL 16, 2015**

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 April 16, 2015 at 10:03 a.m. at 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Cathy Qureshi and Jeff Cohen. Loralyn Fabian participated via phone conference. Present from staff were: David Onorato, Anthony Boule, Christopher Speers, Jo-Ann Williams, Judi DeVito, Chris Holt, Wes Pollard, Janet Staab, Tracy Sowinski, Debra Meyer, Patrick Osuch, Catherine Van Why, Dave Yeager and Patricia Konesky. Also present were Jacqui Lazo of Buchanan Ingersoll & Rooney, Charles Goodwin of BNY Mellon, Elizabeth Krisher of Maher Duessel, Robert Zullo of the Pittsburgh Post-Gazette, Bob Bauder of the Pittsburgh Tribune Review and William Stewart of Strategic Communications.

**MINUTES**

Ms. Qureshi asked for approval of the minutes from the regular meeting held on March 19, 2015.

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

**PUBLIC COMMENT**

Ms. Qureshi asked if there were any public comments.

There were no public comments.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Onorato advised the Board that the Authority's audit for 2014 has been completed by Maher Duessel and the Authority received an unmodified opinion, which is the highest level of certification that can be received. He advised that an Authority committee was formed consisting of Ms. Qureshi, Ms. Oliphant, Ms. Williams and himself, reporting that it met with Maher Duessel to review the audit. He also advised that Ms. Krisher of Maher Duessel was in attendance to discuss the audit and answer any questions.

Ms. Krisher, a partner in the CPA firm, introduced herself stating that the audit work included the development of a governance letter; a required communication about the audit process and the results of the audit; the audited financial statements themselves and an indication that the Authority is in compliance with its rate covenant for bond issues. She stated that the documents were reviewed in detail with the Audit Committee and noted that the audit was

conducted in accordance with auditing standards generally accepted in the United States. She clarified that the audit process did not include 100 percent of Authority activity but said its result could be provided with reasonable but not absolute assurance. She advised that there were no significant new accounting policies adopted during the audit year or changed from the previous year. She stated that the audit's most significant component involves estimating the useful lives of the capital assets and computing depreciation. She stated that the most significant footnote describes the various revenue-sharing and cooperation agreements with the City of Pittsburgh. Ms. Krisher stated that her firm received full cooperation from all Authority departments and personnel as well as full access to necessary documents. She also stated that her firm received written confirmation in a management representation letter that the Authority was in agreement with the financial statements to be printed. She repeated that the Authority received an unmodified opinion, the highest level of assurance available from the audit process. She noted that the Management Discussion and Analysis portion of the audit report is a highlight of the financial statement. She stated that a snapshot of the total assets for the Authority as of December 31, 2014 was \$182.4 million with \$115.9 million tied up on non-current assets, mainly the capital assets. She referenced other year-end components, including liabilities of \$89 million, most of which is tied up in approximately \$70 million in a net position of \$95 million, \$20 million of which is unrestricted fees not tied up in capital assets or in restricted net assets; operating revenues for the year were \$56.9 million, up \$3.6 million from the prior year; operating expenses at \$33.2 million, a little less than \$2 million more than in 2013; and an increase in operating income to \$23.6 million. She stated that all this good news in the financial statements was a highlight of the audit process.

Ms. Qureshi stated that she participated in the audit process in both the entrance and exit interviews as well as talks in between and stated that she was pleased with the great work that Ms. Krisher and her firm have completed. She stated that to receive an unmodified opinion with no notes, no verbal comments, particularly considering the Authority's volume of cash and transactions is a great credit to the Authority generally and to Mr. Onorato and Ms. Williams individually.

Mr. Cohen asked if the unmodified opinion has been received in past years' audits.

Mr. Krisher stated that the Authority has received an unmodified opinions in past years and found no deficiencies or material weaknesses were found.

Ms. Fabian asked if she could receive a digital copy of the audit for her review.

Mr. Onorato advised that he will distribute a digital copy of the audit to each Board member.

Mr. Onorato updated the Board that 19 new multi-spaced meters have been installed in Lawrenceville and 16 others were placed in the Strip District.

Mr. Onorato advised that the Authority has been working with Car Charging Group Inc. to possibly install charging stations in eight of the Authority's facilities. He noted that the subject of adding changing stations was discussed during previous Board meetings. He advised that Car Charging Group Inc. would pay for the charger and installation with a revenue sharing arrangement being adopted going forward. He advised the Board that we are in the very early

stages of discussions to install three chargers, two EV units and one fast-charging model in each of the Authority garages.

Mr. Onorato advised the Board that the RFP for pay-by-phone technology was issued on April 13 and said we anticipate awarding a contract at our June Board meeting. He said implementation of the system was likely to occur close to the end of the year's third quarter.

Mr. Onorato advised that the Mon Wharf has been closed for 11 full and nine partial days due to flooding and clean-up efforts.

Mr. Onorato directed the Board to the finance tab in the Board packet showing the March 2014 comparison to March 2015 and actual revenues from 2014 compared to estimated 2015 revenues. He noted that this report represents exactly one quarter of the 2015 budget and shows that revenues are right on target and while expenses are slightly below 25 percent of the year's projected total.

Mr. Cohen noted that there is a significant increase in one month's revenues.

Mr. Onorato noted that the period this year included both garage and on-street meter rate increases.

Mr. Onorato noted that the amount of tickets issued is down and that we are reviewing the enforcement schedule to determine the reason, with one possibility being that parkers are increasingly in compliance with posted restrictions.

Ms. Qureshi asked for clarification on the report's footnote regarding two days of no communications.

Mr. Onorato advised that the note documents that an issue on those days interrupted the cellular connection from the meters to the handheld devices. He advised that the Authority normally has a solution in place for this type of event but said this one was unusual because the meters were still operational. He said the public was able to pay the meters but the payments were not communicated from the meters to the officers' handhelds. He advised that to the eye, everything was functional and the public and the officers were unaware of any disruption. He noted that this is the first occurrence of its type in the meters' two-year history of service.

Mr. Onorato touched upon the residential permit report listing the amount of revenue generated by the sale of residential parking permits, noting that the increase in revenue is due to the increase and expansion of neighborhoods in the program. He noted that the City determines the program location, which is approved by City Council, while the Authority issues the permits and enforces parking stays in the areas where the program is in place.

Mr. Onorato noted the report for on-and-off street meter revenue, noting that revenues are up largely due to compliance. He noted that lot revenues are down, which he attributed to the a corporate cancellation of leases in the East Liberty lot.

Mr. Onorato touched upon various quarterly reports. He noted the MBE/WBE reports

lists the amount of work performed by minority vendors. He noted that quarterly occupancy report shows that vehicle counts are right where we anticipated them to be due to the rate increase, which is a little below 2014's levels. He noted that trends are moving in the right direction.

Mr. Onorato updated the Board on the transaction report which lists the actual car counts and not the revenue generated, noting that 2015 garage transactions are running below the 2014 level. He then referenced the Pittsburgh Downtown Housing report listing the number of leases distributed to downtown residents, most of which are at our Oliver Garage.

Mr. Onorato also touched upon the call-ahead reserved parking program report, which lists 147 reservations to date in 2015. He advised that this program is administered by the Pittsburgh Downtown Partnership.

Mr. Onorato showed the quarterly report which lists the total meter revenue by both multi-space and single-space meters. He stated that 95 percent of the meter revenues are received through the multi space meters and 80 percent of the multi space meter revenue is through credit card transactions.

Mr. Onorato showed the revenue-per-space comparison spreadsheet for garage facilities, noting that the parking industry normally tracks revenues on a per-space basis. He stated that the per-space expenses are noted on the following report.

Mr. Onorato asked if there were any questions on either the monthly or quarterly reports.

There were none.

## **RESOLUTIONS**

**RESOLUTION NO. 12 OF APRIL 2015, "A RESOLUTION ACKNOWLEDGING MR. DAVE YEAGER FOR HIS 12 YEARS OF PROFESSIONAL AND EXEMPLARY SERVICE IN THE PARKING INDUSTRY EMPLOYED BY THE PITTSBURGH PARKING AUTHORITY"**, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato introduced Mr. Yeager and advised the Board that Mr. Yeager worked for the Authority for 12 years, most of those at the Mellon Square garage, one of the Authority's busiest facilities as well as the one that has the most interaction with the customers, a duty which he performed well. Mr. Onorato presented Mr. Yeager with a plaque on behalf of the Authority and wished him well and good health in the future.

Ms. Qureshi thanked Mr. Yeager for his years of service and asked if there were any questions.

There were none.

Upon motion by Mr. Cohen and seconded by Ms. Qureshi, Resolution No. 12 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 13 OF APRIL 2015, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE PARKING ACCESS AND REVENUE CONTROL PAY STATION EQUIPMENT FROM HUB PARKING TECHNOLOGIES TO UPGRADE AND EXPAND PAYMENT PROCESSING CAPABILITIES AT THE SMITHFIELD LIBERTY GARAGE”**, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the Authority coincided the timing of this project with the intent that the equipment would be in place when the construction work at the facility was completed. He advised that the current equipment is in excess of 10 years old and has essentially completed its useful life. He advised that two pay stations and one fee computer will be replaced and one credit-card-only pay station will be added and placed in the lobby. He stated that this is a sole-source purchase, the documentation of which is attached, that will be compatible with the existing exit and entrance pay stations and software. He stated that the current maintenance agreement is with HUB and this equipment will be added to that agreement.

Ms. Qureshi asked what steps the Authority has taken to ensure that we are receiving the best price.

Mr. Onorato stated that each year the Authority receives price structures from each of our two revenue-control equipment vendors that lists current costs for hardware, software and maintenance agreements. He stated that based on that information, we believe the estimates for this purchase are acceptable.

Mr. Cohen asked if the Authority is able to issue bids for this equipment.

Mr. Onorato responded that we are not able to issue bids, as other vendors equipment is not compatible with the existing equipment. He said the need to replace all of the existing equipment would be both unnecessary and expensive.

Mr. Cohen suggested that the Authority negotiate with the existing vendors to ensure that we are receiving the lowest possible price for all of the equipment we purchase.

Mr. Speers responded that the Authority budgeted based on past cost, which was \$150,000, and said this project's estimate actually came in at \$113,000.

Ms. Qureshi stated that she is in agreement with Mr. Cohen's recommendation and asked that the minutes reflect that the Executive Director and staff confirmed that efforts were made to ensure it was a proper amount.

Ms. Qureshi asked if there were any questions or comments.

There were none.



Upon motion by Mr. Cohen and seconded by Ms. Fabian, Resolution No. 13 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 14 OF APRIL 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ISSUE A REQUEST FOR PROPOSALS (RFP) TO SOLICIT ARCHITECTURAL/ENGINEERING (A/E) FIRMS TO BE RETAINED AS A CONSULTANT ON AN AS-NEEDED BASIS",** was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the current Desman contract, for \$50,000 per year, is expiring in May 2015. Mr. Onorato advised that the Authority does not have a staff engineer and would like to have one on-call, both for emergency issues or if we should require assistance in preparing specifications for construction documents.

Mr. Onorato stated that this action is a little different from the Trust requiring the Authority to have annual maintenance and structural inspections completed for each of its facilities. He stated that the annual inspection project is bid while this contract would allow the Authority to have an engineer on retainer to address smaller issues as they arise.

Ms. Qureshi asked if the Authority keeps the firms separate.

Mr. Onorato advised that currently Desman has both the on-call contract as well as the annual inspection contract, but did not have the annual inspection assignment prior to this year.

Ms. Fabian asked if there would be a retainer fee required or just the hourly rate.

Mr. Onorato responded that the Authority will pay the hourly rate based on call-outs for service.

Ms. Qureshi asked if there were any additional questions or comments.

There were no additional questions or comments.

Upon motion by Mr. Cohen and seconded by Ms. Fabian, Amended Resolution No. 14 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 15 OF APRIL 2015, "A RESOLUTION AUTHORIZING THE SALE OF 800 OBSOLETE SINGLE-SPACE PARKING METERS AND RELATED EQUIPMENT TO THE LANCASTER PARKING AUTHORITY",** was read by Ms. Qureshi and considered by the Board.

Mr. Onorato stated that Lancaster Parking Authority previously purchased used single-space meters from the Authority and now wishes to purchase an additional 800. He advised that the Authority has no use for these meters going forward and said their sale will create additional revenue for the Authority as well as eliminate our need to store them.

Ms. Qureshi asked if Lancaster Parking Authority will pick up the meters.

Mr. Onorato advised that Lancaster will make arrangements to pick up the meters.

Ms. Qureshi commented that this is great outcome that will create additional revenue, reduce inventory and also help out another public parking provider. She asked if there were any additional questions or comments.

There were none.

Upon motion by Mr. Cohen and seconded by Ms. Fabian, Resolution No. 15 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 16 OF APRIL 2015, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH TO RETAIN PNC CAPITAL MARKETS, LLC (SENIOR MANAGER), LOOP CAPITAL MARKETS (CO-MANAGER), AND JANNEY MONTGOMERY SCOTT, LLC (CO-MANAGER) TO SERVE AS BOND UNDERWRITERS IN THE ISSUANCE OF NEW REVENUE BONDS BY THE AUTHORITY”**, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the Authority is interested in refinancing its debt and, working with the Authority’s Financial Advisor, BNY Mellon, a RFP was issued for Bond Underwriter services. He advised that 14 proposals were received and after review the Authority is recommending selecting PNC as lead manager, and Loop Capital and Janney Montgomery Scott as co-managers. He noted that Loop Capital is an MBE firm that would strengthen the Authority’s minority contracting position and Janney Montgomery Scott has a good reputation and track history of selling retail bonds in the Pittsburgh area. He advised that the committee selected PNC, a well known firm with headquarters in Pittsburgh and also because of its advantageous prices ranging from \$3.70 to \$4.40 per bond.

Mr. Goodwin advised the Board that the quality of the 14 submitted proposals was extremely high and said the decision was very difficult because several of the competing firms addressed measures best suited to generating savings for the Authority, streamlining the document process while also help prepare the Authority for any future debt that it wants to issue. He stated he was very impressed with all of the proposals but felt that PNC’s was the best overall. He stated that he thinks very highly of the two firms selected as co-managers, noting that while Loop Capital has its office in Philadelphia, it also has a huge presence in the region as an underwriter to the City of Pittsburgh and Allegheny County. Mr. Goodwin advised that Loop Capital has very good distribution relationships with investors that PNC possibly does not talk to on a regular basis and said that Janney Montgomery Scott, although based in eastern Pennsylvania, has a strong presence here and enjoys a very good relationship with local investors.

Mr. Cohen stated that when the opportunity arises, and as long as everything is equal, that he would like the Authority to hire firms located here in Pittsburgh. He asked if the Authority received proposals from other MBE firms on this project.

Mr. Onorato responded that the Authority did reach out to approximately 20 MBE firms but only two others submitted bids, neither with a large presence in western Pennsylvania.

Ms. Qureshi asked for clarification that this resolution is authorizing this team, but not also authorizing the issuance of new revenue bonds.

Mr. Onorato responded that this resolution does not authorize the issuance of new bonds, explaining that the Authority will bring a separate resolution to the Board for that authorization.

Ms. Qureshi stated that the refinancing team receives a price per bond and so obviously its incentive is the larger the deal, the higher the prices. She asked for clarification that BNY Mellon will be the Authority's eyes and ears going forward.

Mr. Onorato stated that the Authority believes that based on the proposals received, there will be a significant savings. He reminded the Board that we are just re-issuing existing bonds, not refinancing or adding new debt.

Ms. Qureshi inquired if BNY Mellon is paid a flat fee or if the size of the bond matters to them.

Mr. Goodwin responded that BNY Mellon is currently under contract with the Parking Authority as its Financial Advisor and said that if the bond issue is closed there is a minimum and maximum fee and, between those limits, its fee is set at a percentage of the bonds issued, which is about one-tenth of one percent of the amount of bonds issued up to the maximum of \$100,000. He said the contract also contains language specifying that if there are no issuances by the Authority during the contract term, BNY Mellon will negotiate a fee to recognize the work performed in the Authority's behalf. Mr. Goodwin advised that BNY Mellon does have some incentive to increase the size of the bond issue, but also said that there are contract provisions to make sure it is acting in the Authority's best interest. He noted that under federal law, his firm has a fiduciary duty to act in the best interest of the Authority and to put the interest of the Authority ahead of its own. He advised that the Board can be assured that they will make this deal work for the Authority, with the assumption that the savings it generates will be substantial.

Ms. Qureshi asked if there was any ballpark projection of the fees and advised that the Board would like to see a spreadsheet of the payment sheet for its review.

Mr. Goodwin advised that the fees to the underwriter should be approximately \$200,000. He stated that the responses the Authority received were pretty competitive and suggested that price is not the sole decisive factor in selecting an underwriter because the lowest possible interest rate is of more importance. He noted that under the federal tax code, the earliest the bonds can be issued is September 2, 2015 but the hope is to be able to sell the bonds and lock in the interest rate sometime in late July. Mr. Goodwin stated that the Authority's debt term is relatively short, going through 2026.



Mr. Cohen asked if we could anticipate if amount of anticipated savings.

Mr. Onorato responded that projecting through 2026 we are anticipating cumulative savings of \$5 to \$5.5 million, or \$600,000 to \$700,000 per year.

Ms. Qureshi asked who served on the selection committee.

Mr. Onorato advised that the selection committee consisted of himself, Mr. Goodwin, and Ms. Williams and Mr. Osuch of the Authority's finance department.

Ms. Qureshi asked for clarification if Loop is a WBE or an MBE firm.

Mr. Onorato replied that it is a MBE firm.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Mr. Cohen and seconded by Ms. Fabian, Resolution No. 16 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 17 OF APRIL 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH TO RETAIN CAMPBELL & LEVINE TO SERVE AS BOND COUNSEL IN THE ISSUANCE OF NEW PARKING SYSTEM REVENUE BONDS BY THE AUTHORITY"**, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that there were 10 proposals received and based on a scoring system outlined in the RFP, the Authority is recommending awarding a contract to Campbell & Levine, a local firm. He advised that its fee is a flat \$25,000, the lowest submitted during the proposal process.

Mr. Cohen asked what the other proposal amounts were and if the was Buchanan Ingersoll & Rooney submission.

Mr. Onorato responded the fees proposed varied between \$25,000 and \$65,000. He stated that he believes that the firms that bid high did so because they did not specialize in this type of service. He also advised that while Buchanan Ingersoll & Rooney was eligible to bid, it choose not to.

Ms. Fabian asked why the fees were not included in the resolution.

Mr. Onorato replied that while the award was not based on low bid, it just happened that the

firm chosen had also submitted the lowest bid. He advised that the not-to-exceed amount of \$25,000 could have been documented in the resolution. He advised that the minutes of the meeting can reflect that the cost for the Bond Counsel is not to exceed \$25,000.

Mr. Goodwin stated that the fees that were submitted were really low, and that while this is a complicated deal he believes that this is a sign that people want to work with the Authority. He noted that he anticipated the fees to come in much higher. He also noted that in addition to the \$25,000 fee, the firm selected is entitled to direct reimbursables.

Ms. Lazo stated that this approach is customary and said that a contract will be written in which this will be built in. She noted that this will all be detailed in the final spreadsheet presented, stating that the largest fee would be the state filing charges.

Mr. Cohen inquired if Campbell & Levine is currently working with the Authority.

Mr. Goodwin responded that they have worked with the Authority in the past but not recently.

Ms. Qureshi noted that the fee is dependent on a successful completion of a bond issuance.

Mr. Goodwin confirmed, that interpretation and responded that BNY Mellon is responsible for making sure the Authority receives the best price and help structure the deal that Campbell & Levine will document. He stated that the hard part of Bond Counsel's role is giving the opinion that the interest on the bonds is acceptable for federal and state income taxation. He stated that is the greatest risk to the firm and the greatest amount of analysis it will be required to perform.

Mr. Cohen stated that he is very pleased that Authority staff was proactive in moving this project along and said that significant savings should result

Ms. Qureshi asked if there were any additional questions or comments.

There were none.

Upon motion by Mr. Cohen and seconded by Ms. Fabian, Resolution No. 17 of 2015 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Ms. Qureshi, yes.

## **OLD/NEW BUSINESS**

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

Ms. Cohen stated that he visited Harrisburg recently and he liked the fact that a patron was sent a text when paid-for paid parking time was due to expire. He commented that the Authority, with its state of the art meter technology, should be a leader and have this

type of technology in use.

Mr. Onorato responded that this will be an option with the addition of pay-by-phone module.

Ms. Lazo asked Mr. Cohen if he was required to input a phone number when he used the meter.

Mr. Cohen replied that he entered a phone number, and while he did not use the pay-by-phone module and paid directly at a meter, he found the notification system to be a very helpful tool and would like to see Pittsburgh add this type of system. He also called on the Authority to work with its meter vendor to make sure that Pittsburgh has the most current program at the best possible price.

Mr. Onorato advised that the Authority has reached out to Harrisburg to discuss its system, reporting that it is operated by Standard Plus and is manufactured by Digital Technologies. He also stated that the Authority has a seven-year contract with our vendor and to date all meters have been purchased and installed with the thought process that the meters would be uniform throughout the city. He stated that we will keep this feature in mind if the need arises to purchase additional meters but noted that Pittsburgh is on the leading edge of meter technology and is viewed nationally in that light.

Mr. Cohen agreed but added that Pittsburgh needs to remain at the top and should take the necessary steps to continue to do so.

Ms. Qureshi asked if there were any additional questions or comments.

There was none.

The next Board meeting is scheduled for Thursday, May 21, 2015 at 10:00 a.m.

The meeting was adjourned 11:08 am with all Board Members approving.

**APPROVED TO CONTENT**



**Chairman**

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

  
**Approval**