

MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY APRIL 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 April 17, 2014 at 10:04 a.m., 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Jeff Cohen, Aradhna Oliphant and Cathy Qureshi. Ms. Fabian arrived at 10:06 a.m. Present from staff were: David Onorato, Anthony Boule, Jo-Ann Williams, Christopher Speers, Judi DeVito, Chris Holt, Helen Kain and Patricia Konesky. Also present was Jacqui Lazo of Buchanan Ingersoll & Rooney, Bill Stewart of Strategic Communications, Guy Costa and Tucker Sciulli of the City of Pittsburgh and Janet Feick of Maher Duessel.

MINUTES

Mrs. Qureshi asked for approval of the minutes from the regular meeting held on March 27, 2014.

Upon motion by Mr. Cohen and seconded by Mrs. Oliphant, the minutes were approved to be included as follows; Mr. Cohen, yes; Mrs. Oliphant, yes; Mrs. Qureshi, yes.

PUBLIC COMMENT

There were no public comments.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato advised the Board that the Parks Conservancy is completing its major renovation of the park above our Mellon Square garage on Smithfield Street and said that a dedication ceremony is tentatively scheduled for May 28th, to which the Board is invited. He advised that it is the Board's decision as to their desire to attend.

Ms. Qureshi stated that the Parks Conservancy would be very pleased if Mr. Onorato would contribute a quote for its photo essay.

Mr. Onorato advised the Board that the Authority has begun its License Plate Recognition Enforcement, which is being used initially in the residential parking permit areas. He advised that with three units, we are in the very early stages of a pilot program that will improve enforcement efficiencies.

Mr. Onorato advised that the Board packets contain quarterly reports and touched upon some of them. He stated the MBE/WBE report tracks minority participation levels, noting that the Authority's goal is 25 percent MBE and 10 percent WBE. The garage utilization report gives an overview of all garages capacity at 11:00 a.m. and 2:00 p.m. daily together with yearly comparisons at those times. Mellon Square and Ninth and Penn are well over capacity due to the valet services within those facilities. He also explained the Downtown Housing Lease report, which involves a discount on lease parking for Downtown residents, noting that there are currently 29 people under that program. He explained the call-ahead reserved parking program is administered by the Pittsburgh Downtown Partnership and advised that we look to add our own reservation process down the line. He noted that this is where dynamic pricing could come into play because patrons would be paying for the benefit of reserving a space. He also explained the revenue-per-space report, which ranks our garages revenue by space.

Mr. Cohen asked if we can list the year-to-year comparisons so trends can be seen.

Mr. Onorato advised that we can list year-to-year comparisons but there is not much change from year to year unless there is an action such as a facility renovation that removes spaces for a period of time. Mr. Onorato advised that the revenue expenses per facility are shown a quarter late as we show actual expenses. He explained the multi-space meter revenue report, noting that 96 percent of the revenues are generated from the multi-spaced meters that control about 91 percent of the Authority spaces and the revenue generated through credit card transactions is 76 percent of multi-space meter total. Mr. Onorato mentioned that the regular monthly revenue reports have been adjusted according to last month's Board's recommendations.

Mr. Onorato was questioned as to the key numbers he looks at from a CEO standpoint. He replied that he looks at the budget compared to the actual year, now 25 percent completed and the comparisons between last year and this year and if there are differences to determine their cause and implant possible remedies. On the revenue side, the focus is on parking facility and meter receipts because they represent 98 percent of the Authority's revenues. He stated that other numbers can fluctuate but because they represent a small dollar amount, the larger items need to be monitored more closely in order for the Authority to maintain its operation. On expenses, health care, utilities and maintenance fluctuate while salaries and overtime are held steady, with the salary line items being down at present due to the unfilled positions in the budget. He also touched upon the normal monthly reports, the tickets issued and the amount collected in the Parking Court report, which shows the City's 90-percent share at \$1.5 million with the Parking Authority's share being \$169,000.

Mr. Cohen asked if the vacant positions were slated to be filled and, if so, which ones. Mr. Onorato responded that he has been working with the new city administration to fill the Chief Technology Officer position for our IT department, a position in which Debra Lam will be assisting in the interview process. He said he has spoken with Ms. Lam and she is very excited about the Authority's technology progress and believed it to be quite advanced. He also noted that the accounting manager position has been vacant for some time and he is hoping to coordinate efforts with the City personnel who recently interviewed for their finance manager position. Mr. Costa added that the City has a list of good applicants that Mr. Onorato and Talent City will be reviewing for possible interviews for the Authority position. He recommended that Mr. Onorato meet in the near future to review potential candidates. Mr. Onorato added that these positions would have been filled but a hiring freeze was in place at the request of the new

administration. Mr. Onorato stated that one of the requirements of Authority employment is that the applicant be a city resident. It was questioned if the rule could be rescinded, asked in belief that Board has the power to do so. Ms. Qureshi stated that the city residency requirement is important and she does not recommend instituting any changes.

Mr. Cohen, noting that the garage utilization report contains good information but would like to see a second peak time on the report, using the Authority personnel's judgment as to the time specified. The response was that those times were requested on the reports and are just a snapshot of what the capacities and utilizations are and, with the sophistication of the parking control equipment, data can be retrieved at any intervals the Board wishes to review.

A question was asked in reference to the quarterly reports, why this type of data is collected and how the Authority utilizes this information, and also if this data is shared, noting that the Board understands that we can retrieve the data, but questions what the Authority is doing with that data to make ourselves more effective or more efficient in order to obtain the best revenues. There was a suggestion that dynamic pricing may be one way to proceed.

Mr. Onorato advised that this management tool helps us to determine the number of leases allotted for each facility and track results to see if the garages are being utilized fully each day. He noted that we do share this knowledge within our organization and that all of our facilities, with the exception of Grant Street Transportation Center Garage, are filled to capacity every Monday through Friday. He also noted that we use this information to evaluate what might be proposed as projected garage rates. Mr. Onorato also stated that if the Authority explores the issuance of debt, it is a requirement of the issuance that garage utilization data must be presented.

Mr. Cohen asked if the Authority being the lowest provider has any effect on the private operators and if management thought that they would raise their rates based on the Authority's actions. Mr. Onorato advised that it has no effect on private operators, adding that the people that arrive first each day get the benefit of the lower cost with the overflow benefiting the private operator. He does believe that the private operators would raise rates in response to any rate increase at Authority facilities.

Mr. Cohen asked if there was a period after time expiration on a meter during which a ticket would not be issued. He stated his concern is a paying patron running to or paying a meter and receiving a ticket during that process, particularly with the addition of License Plate Recognition where the vehicle is riding by and scanning the plate.

Mr. Onorato explained that the officers' handhelds simply states whether the vehicle is paid or unpaid, and does not display any associated time for the officer to determine when a payment expires. He said the issue that Mr. Cohen addresses has already been taken into account through the implementation of a grace period, software fixes, checks and automatic voiding, which Mr. Onorato would be happy to discuss further with the Board.

Mr. Onorato was asked if data from the Holiday Free Parking Program exists and if the Board has a copy of that information. It was also asked if the Authority feels this is a good program. Mr. Onorato stated that we do have that historic data and will share it with the Board and stated he feels this is a good program for the city.

Ms. Oliphant inquired about the Authority's marketing as she can envision a positive story as to the Parking Authority's contribution to the City. Ms. Oliphant then asked Mr. Costa if there was a marketing department at the City that the Authority could employ. He replied that the City uses Mr. McNulty's services as well as working with Debra Lam and the City Cable Bureau. It was advised that the Authority does not do much marketing, but when it is needed we do it in-house with the assistance of Mr. Stewart, who is present at today's meeting. He advised that Mr. Stewart assists the Authority with news releases such as the one that was issued to announce the Board appointments.

Ms. Qureshi noted that the Authority needs to keep in mind the mission of the Authority is to maintain safe, affordable, available parking when thinking about any type of rate increase or dynamic pricing.

A suggestion was made for the Authority to schedule an informational meeting for the Board, specifically for discussion on the meter ticketing process.

Ms. Qureshi stated that going forward she recommends the Board look at the reports prior to the Board meeting, if possible, and ask questions at that time rather than spend a great deal of time reviewing each report, as good as they are, during the Board meeting. Mr. Onorato agreed and stated that he would make sure to alert or notify the Board of any significant changes or items of concern.

There were no additional questions on the quarterly reports or the Executive Director's report.

RESOLUTIONS

RESOLUTION NO. 9 OF APRIL 2014, "A RESOLUTION TO ACCEPT THE PUBLIC PARKING AUTHORITY OF PITTSBURGH'S FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012 WITH INDEPENDENT AUDITOR'S REPORT AS RECOMMENDED BY THE AUDIT COMMITTEE, was read by Mrs. Qureshi and considered by the Board.

Mr. Onorato advised the Board that the Authority joined the City of Pittsburgh, PWSA and URA in issuing an RFP for auditing service, and Maher Duessel was awarded a three-year contract with two one-year options. He advised that he, Ms. Fabian, Mrs. Qureshi and Ms. Williams served on the Audit Committee that met with Maher Duessel and reviewed the audit. He noted that the Authority was issued an unmodified audit and said Mr. Feick, the Maher Duessel representative assigned to the Parking Authority's audit was available to answer any questions at this time. Mrs. Qureshi advised that she was very pleased with the Audit Committee and the review process and stated that she felt very confident in recommending a positive acceptance to her fellow Board members.

Ms. Feick introduced herself as the manager on the Authority account, noting it was the second year that they had completed the assignment. She advised the Board that they receive excellent cooperation from all Authority personnel and departments, and reported that an unmodified opinion was issued, which is the best type of opinion possible under the auditing standards. She noted that the Authority finished the year with \$178 million in total assets, the larger portion due to capital items and investments; and \$93.3 million in liabilities by most due to a few debt issuances. From a P&L perspective she said the statement of revenues and expenses definitely show the effect of the installation of the new meters. Ms. Feick said the operating revenues for the year were \$54.3 million, an increase of slightly over 4 million from 2102, while the operating expenses of about \$31.8 million increased approximately \$1.6 million, largely due to the warranty costs and credit card fees for the meters increased use. The credit card revenues were higher than expected which resulted in the credit card fees being higher than anticipated. Mr. Onorato advised that the Authority's credit card fees are approximately \$90,000 per month. He noted the revenue-sharing agreement in place between the City and the Authority resulted in slightly over \$10 million in payments to the City and said the footnotes will note those key items. Ms. Feick noted that a Management Letter issued in conjunction with the audit contained no material deficiencies with regard to internal control, but did reference some IT issues that she understands are being addressed by management.

Mr. Cohen asked for an explanation as to why investments are down. He was told that investments are down because the Authority was selling them to pay debt in order to make payments to the vendors for capital improvements. Some investment balances are required by the Trust but can be drawn down to that level to pay for capital improvements. For clarification, the funds are not for investment for financial purposes, but are an amount that the Authority puts aside as sort of an operating reserve.

Mrs. Oliphant made note, but didn't think it warranted any discussion, that she has concerns on the Management letter in regards to the IT issues and wanted to make sure that management addresses the auditor's concerns.

There were no additional questions or comments.

Upon motion by Mr. Fabian and seconded by Mrs. Oliphant, Resolution No. 9 of 2014 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Mrs. Oliphant, yes; Mrs. Qureshi, yes.

RESOLUTION NO. 10 OF APRIL 2014, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO PROFESSIONAL MECHANICAL FOR HEATING, VENTILATION AND AIR CONDITIONING (HVAC) UPGRADES FOR THE PARKING AUTHORITY ADMINISTRATIVE OFFICE SPACE AT WOOD-ALLIES PARKING GARAGE, was read by Mrs. Qureshi and considered by the Board.

Mr. Onorato advised that Board that the HVAC system at the Wood Allies Office space is the original system and needs replaced. He advised that there were two bids received and

we are recommending awarding to the lowest bidder, a certified MBE company. He noted also that this upgrade was included in our capital budget and the budget amount was \$375,000 with the successful bid coming in at \$279,000.

It was asked why when the Board received the packet, this particular resolution had a blank area for the vendor's name and the resolution amount. It was explained that the bid deadline was after the packet was distributed to the Board for review but before the actual Board meeting date. The earlier inclusion was to first let the Board know that this item would be on the agenda at the meeting with a vendor selected by then.

There were no additional questions or comments.

Upon motion by Ms. Fabian and seconded by Mrs. Oliphant, Resolution No. 10 of 2014 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Mrs. Oliphant, yes; Mrs. Qureshi, yes.

RESOLUTION NO. 11 OF APRIL 2014, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO A CONSENT TO AN ASSIGNMENT OF THE CURRENT LEASE BETWEEN THE PPAP AND INTERNATIONAL METRO, INCORPORATED DATED MAY 1, 2004 AND AN AMENDMENT TO THE LEASE, was read by Mrs. Qureshi and considered by the Board.

Mr. Onorato advised the Board that the current lease with International Metro at our Smithfield Liberty garage allows for it to be re-assigned with the Authority's approval. Terms are \$1,000 per month, plus a proportional share of the utilities. The coffee company to occupy the space would be investing \$16,000 of its own money for site improvements. This reassignment would validate the lease through 2018.

It was asked how the Authority determines the monthly rent for commercial tenants. Mr. Onorato advised that the Authority uses a broker who bases the amount on current market rates.

There were no questions or comments.

Upon motion by Mrs. Oliphant and seconded by Ms. Fabian, Resolution No. 11 of 2014 was approved as follows: Mr. Cohen, yes; Ms. Fabian, yes; Mrs. Oliphant, yes; Mrs. Qureshi, yes.

OLD/NEW BUSINESS

Mrs. Qureshi asked if there was any old business.

There was none.

The next Board meeting is scheduled for Thursday, May 15, 2014 at 10:00 a.m.

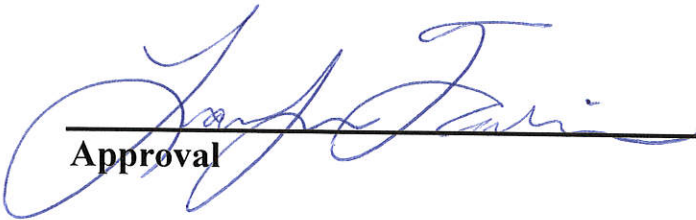
Upon motion by Ms. Cohen and seconded by Mrs. Oliphant the meeting was adjourned 11:00 am.

APPROVED TO CONTENT



Chairman

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



Approval