

MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY JANUARY 15, 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 January 15, 2015 at 10:08 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, Aradhna Oliphant and Loralyn Fabian. Present from staff were: David Onorato, Anthony Boule, Christopher Speers, Jo-Ann Williams, Chris Holt, Wes Pollard, Janet Staab, Tracy Sowinski; Patrick Osuch, Philip Savino, Catherine Van Why and Patricia Konesky. Also present were Jacqui Lazo of Buchanan Ingersoll & Rooney; Robert Zullo of the Pittsburgh Post-Gazette and William Stewart of Strategic Communications.

ELECTION OF OFFICERS

Ms. Qureshi advised that past protocol is for the Board of the Authority to hold its annual election of officers at the first meeting of each year and asked for nominations.

Mr. Onorato advised that the current slate is Ms. Qureshi, Chair; Mr. Cohen, Vice Chair; Ms. Oliphant, Treasurer; Ms. Fabian as Secretary, and Mr. Onorato as Assistant Secretary/Assistant Treasurer.

Ms. Lazo stated that if the Board Members are satisfied with their positions and responsibilities, a motion can be offered keeping the slate as it is currently.

Upon motion by Ms. Oliphant and seconded by Ms. Fabian, the current Board assignments were approved to be continued in 2015 as follows: Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

MINUTES

Ms. Qureshi asked for approval of the minutes from the regular meeting held on December 18, 2014.

Ms. Oliphant noted one correction to the minutes, stating that Ms. Lazo was not present at the December 2014 meeting.

Ms. Lazo confirmed that she was not in attendance and asked that the minutes be changed to reflect that Jason Wrona was present to represent her firm.

Upon motion by Ms. Oliphant and seconded by Ms. Fabian, the corrected minutes were approved as follows: Ms. Fabian, yes; Ms. Oliphant, 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 he has been working with Board member Ms. Fabian and Mark Fischman of CMU on a plan to employ demand-based pricing in the neighborhood surface lots. He said the focus at this time is on those located in the East Liberty section of the city.

Mr. Onorato updated the Board on the statistics for the 2014 Holiday Free Parking program, which occurred on five Saturdays and Black Friday. He noted that approximately 50,000 tickets were processed, representing an estimated value of \$275,000.

Mr. Onorato advised the Board that the contract for the commercial lease with AAA at the Mellon Square Garage has been renewed for an additional two years.

Mr. Onorato advised the Board that Pittsburgh City Council approved, with no changes, the Co-Op Agreement with the City of Pittsburgh previously approved by the Authority Board. He noted that the agreement contained a rate adjustment for on-street meter rates in certain neighborhoods that will take effect February 1, 2015. He also noted that the Authority was directed by City Council to implement dynamic pricing for metered parking throughout the city by the end of 2015. He stated that the Authority is examining the process to complete the assignment from an operational perspective.

Mr. Onorato stated that Maher Duessel representatives are currently on-site to begin preliminary work on this year's audit and noted that there is a resolution on today's meeting agenda for the formation of an Authority Audit Committee.

Mr. Onorato discussed various quarterly reports with the Board, including the Garage Utilization report, which showed that utilization, at two separate daily time intervals, declined slightly in August 2014 in accordance with the rate increase that took effect at that time. He said the report also shows a steadily rising trend, with volume levels in December being almost where they were at the time of the rate increase.

Ms. Qureshi asked if the Authority had any statistics to show that the Holiday Parking program encouraged more people to come into town to support the establishments located there. Mr. Onorato responded that more vehicles utilized the garages but said we do not know the purpose of their visits.

Mr. Speers stated that the Authority has been in communication with the Pittsburgh Downtown Partnership regarding this program and noted that in checking the usage on the Saturday prior to the start of the program, there was an increase, but that it could be the result of events in the area, especially in the Cultural District. He noted that a utilization increase at the Grant Street Transportation Center was in direct relation to an event at the Convention Center.

Ms. Oliphant asked if her understanding of the usage report for Mellon Square and Smithfield/Liberty was correct, specifically that usage was declining from the previous year. She asked if this was to be expected.

Mr. Onorato responded that we are trending in the right direction, as intended in the rate increase, to create some vacancies in Mellon Square. He noted that we are not seeing an increase at perimeter locations such as Grant Street, and said that these trends are tracked monthly and reported to the Board at quarterly intervals.

Ms. Fabian asked the Authority's current goals regarding utilization and, if having a few of our garages over 100-percent capacity is a good thing.

Mr. Onorato advised that prior to the rate increase we were at 100-percent capacity throughout the day. He said the rate increase was instituted to try to create some vacancies for transient parkers during the day but that full-day utilization is beginning to increase slightly. He also advised that the industry standard for utilization is 95 percent of capacity, which tells us that our rate is right on market. He noted that it is a good thing for our garages to be over 100-percent capacity, which is a nice way to get extra vehicles parked without the substantial expense of creating more spaces.

Ms. Oliphant inquired if private operators raised their garage rates recently.

Mr. Speers responded that he is not aware of any increases by Alco Parking but he is aware that the Sports and Exhibition Authority is intending to raise rates at its North Shore facility.

Mr. Onorato advised the Board that the revenue reports for the garages compare 2013 to 2014 and show there was an increase in revenues due to the rate increase in August, but that everything is trending in the right direction. He also noted that transaction volume dropped slightly at the time of the rate increase but is now continually trending in an upward direction.

Mr. Onorato shared the Downtown Housing Report with the Board, a program that gives residents of the downtown area a discount for lease parking. Currently there are 47 participants, an increase of 18 from last year, including 17 at Oliver Garage and 10 each at Third Avenue and Grant Street. He said he anticipates that, as the residential development is completed in Market Square, there is a good chance that we will see additional leases requested for the Third Avenue Garage.

Ms. Qureshi asked if the Authority was at capacity on the amount of leases that it can issue.

Mr. Onorato replied that the Authority can issue downtown housing leases at a certain percentage of capacity, as long as we are offering regular monthly leases.

Mr. Onorato shared the multi-space meter revenue report, noting that it lists the annual meter revenue, broken down by on-street, off-street and lot leases. He stated that the body of the report is strictly for multi-space meters, and does not account for lease revenues or the balance of the single-space meter revenue. He noted that 20 percent of the revenues of the multi-space meters are coin transactions and 80 percent is by credit or debit card with three percent coming from leases. He noted that this report shows gross revenues.

Mr. Onorato shared another report the Board requested documenting gross revenue per space, comparing 2013 to 2014 and the number of lined spaces ranked by facility. He noted that Mellon Square is at the top, averaging \$5,755 per space in 2014.

Ms. Qureshi asked if the meter revenue reports contained gross amounts and if they all are directed to the City and were significantly above budget.

Mr. Onorato replied that the revenue figures are gross and in 2015 all the meter revenue does go to the City, adding that the Authority had budgeted to reflect this change. He did note that due to rate increases and the new technology, meter revenues are up significantly.

Mr. Onorato noted that the Finance Report shows the actual 2013 results compared to our projected year-end numbers for 2014. He advised that both revenues and expenses are on-target, both increased from last year, with the expense change being attributed to the additional monies paid to the City.

Ms. Qureshi inquired how the street collection report could be \$869,000 when it was reported earlier that the total gross revenue was \$14 million.

Mr. Onorato replied that the \$869,000 reference was just for December.

Mr. Onorato shared the Enforcement Report, which indicated that the amount of tickets issued in 2014 is lower than those issued in 2013 and noted that this was anticipated with more people being in compliance with posted payment requirements now averaging 77 to 80 percent in paid usage.

Mr. Onorato discussed the Street Collection Report, which is net of parking tax and the City's share. He advised that revenues have increased in both street and lot parking but show a decrease in lease revenue resulting from a cancellation of 200 leases by UPMC at three lots in East Liberty. He advised that UPMC has since built its own parking garage and employee vehicles will be accommodated there. He noted that the approximately \$10,500 per month in lost revenue was accounted for in our budget. He stated that the event coincides with our working with a group to determine parking patterns in that area and develop a plan to steer long-term parkers to the exterior area lots while keeping more parking available close to the business district for transient parkers.

Mr. Onorato shared the Residential Permit Parking report and noted that the City has been adding and expanding areas within the program, which is reflected by the increased number of permits sold.

Mr. Onorato shared the quarterly Parking Court Report, which compares annual results and shows 2013 revenues at \$9.4 million and 2014 revenues at \$9.7 million with the Authority's budget being \$9.5 million. He advised that the City's share under the prior agreement is \$6.7 million while the Authority receives \$752,000.

Ms. Oliphant asked if the call-ahead reserved parking program was good for the Authority.

Mr. Onorato responded that this is a program run by the Pittsburgh Downtown Partnership and it is good for the Authority as long as it is used for its intended purpose, that is to reserve a spot for a person coming into town on an occasional basis and in need of reserved parking. He noted that private operators also participate in this program and the reservation is made through the PDP, not the individual garages. He also noted that our Smithfield/Liberty Garage is a large participant in this program and since space has been limited during renovations there, we anticipate that participation statistics will increase when construction is completed.

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

There were none.

RESOLUTIONS

RESOLUTION NO. 1 OF JANUARY 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE ADDITIONAL VEHICLES AND EQUIPMENT NECESSARY FOR ON-GOING OPERATIONAL MAINTENANCE AT IT'S GARAGE FACILITIES AND LOTS, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised the Board that the Authority will utilize the state contract to purchase this equipment. He advised that the Authority had previously purchased two sweeper/scrubber combination units and two with just a sweeper. He said both have been successful in maintaining our garage facilities and advised the Board that the Authority also has a flat bed trailer for transporting this equipment from garage to garage. Mr. Onorato advised that the unit to be purchased will be used mainly in the Oakland and Shadyside garages, and if needed be transported for use in the downtown facilities. He stated that this equipment was budgeted at an estimated cost of approximately \$45,000 to \$48,000.

Ms. Qureshi asked for confirmation that the purchase including the additional equipment will not exceed the \$50,000 without returning to the Board for authorization.

Mr. Onorato confirmed that the purchase will not exceed \$50,000.

Upon motion by Ms. Fabian and seconded by Ms. Oliphant, Resolution No. 1 of 2015 was approved as follows: Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 2 OF JANUARY 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO PROFESSIONAL MECHANICAL SALES AND SERVICES INC. FOR HEATING VENTILATION AND AIR CONDITIONING (HVAC) UPGRADES AT THE FORT DUQUESNE AND SIXTH GARAGE, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato updated the Board that the Fort Duquesne and Sixth garage was constructed in 1958 and said the HVAC equipment to be replaced are the original units have been failing in recent years. He advised that 11 companies picked up bid documents but only four of those submitted, with the lowest bid being from Professional Mechanical in the amount of \$759,000. He advised that the firm also recently upgraded the HVAC system at the Authority's main office.

Ms. Fabian asked if there was any idea why there was such a significant difference in the bid amounts among the four firms.

Mr. Holt and Mr. Onorato responded that Nathan Contracting, the firm that is currently completing work at the Smithfield/Liberty Garage, is more of a concrete-type contractor and would be teaming up with a mechanical contractor, which would increase the cost.

Ms. Qureshi asked if the Authority was pleased with Professional Mechanical's performance on the work completed at the main office.

Mr. Onorato responded that the Authority was pleased with the work performed, but there are still a few items on the punch list that need addressed. He advised that final payment will be submitted to the Board for payment once all of the items are addressed to staff's satisfaction.

Ms. Qureshi noted that, based on a previous resolution passed by the Board, awarding this contract would entitle Desman Associates to receive up to five percent of the contract as the consulting engineer.

Mr. Onorato confirmed that Desman is to receive an amount not to exceed five percent for assisting in this project by developing and drawing the specs.

Ms. Qureshi advised that even with Desman's approximate \$30,000 fee in addition to the bid amount of \$739,000, the combined cost is still under the amount of the second submitted bid.

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

There were none.

Upon motion by Ms. Fabian and seconded by Ms. Oliphant, Resolution No. 2 of 2015 was approved as follows: Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 3 OF JANUARY 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT BIDS FOR THE REPLACEMENT OF THE EXISTING ESCALATOR HANDRAIL SYSTEM AND MISCELLANEOUS COMPONENTS AT THE FIRST AVENUE GARAGE, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised the Board that the First Avenue Garage is the only facility in the system that has an escalator and said that the handrail portion has been failing recently.

He stated that this work is outside of the scope of the maintenance contract recently awarded to Otis Elevator. He stated that he can inform the Board at a later time of the expected cost, but that we do not want to release that amount publically.

Ms. Oliphant asked the age of the escalator and if its service life met the industry standard for longevity of equipment of this type.

Mr. Onorato responded that this is the original equipment, is 14 years old and asked that the Board keep in mind that this equipment runs continually 24 hours a day, seven days a week and unlike escalators installed elsewhere, this equipment is located outside where it is affected by weather.

Ms. Oliphant inquired if the Authority knew who installed the escalators in 2001.

Mr. Onorato responded that it was a subcontractor of the facility's general contractor and, if needed, we could check with them and identify the supplier. He noted that in general the Authority anticipates total replacement of escalators every 17 years, so this timeframe appears to be within reason.

Ms. Qureshi asked if the Authority depreciates items such as this.

Ms. Williams responded that when the Authority built the Grant Street Transportation Center we began the process of breaking out building components, rather than recording the entire garage as one component and depreciating it over the average life. She said we are now breaking garages down into their major components, with the concrete portion being given a 50-year expectancy, the HVAC system 20-to-25 year expectancy, and so on. She stated it makes it easier and more accurate to calculate depreciation data when the Authority is replacing only a piece of an entire entity.

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

There were no additional questions or comments.

Upon motion by Ms. Oliphant and seconded by Ms. Fabian, Resolution No. 3 of 2015 was approved as follows: Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 4 OF JANUARY 2015, "A RESOLUTION AUTHORIZING THE FORMATION OF THE AUDIT COMMITTEE , was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that Maher Duessel which has been contracted to perform the Authority's 2014 audit, will begin its work after our February Board Meeting and usually likes to meet with the Committee prior to that to review the scope of work. He advised that the Committee will be responsible for signing the initiation letter at that time, and also to review the final audit, approve it and make any recommendations to the Board. He reminded the Board that Ms. Qureshi and Ms. Fabian served on last year's Audit Committee, noting that because of the dates of their Board appointments, they were required to begin in the middle of the process. He said he is

hoping to have two Board members serve on this year's Committee and stated that he anticipates two to three meetings to occur over the audit period.

Ms. Qureshi stated that she had such a good experience serving last year that she would be more than happy to serve on the Committee again this year, especially since the Board was so involved in the budget process.

Ms. Lazo stated that there is time for the Board members to consider Mr. Onorato's request and report back at the next Board Meeting as to the Committee's ultimate participants..

Upon motion by Ms. Oliphant and seconded by Ms. Fabian, Resolution No. 4 of 2015 was approved as follows: Ms. Fabian, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

OLD/NEW BUSINESS

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

Ms. Qureshi advised that as she was reading her copy of the Parking Professional Magazine she saw the "Ask the Expert" column, and was very pleased to see that Mr. Onorato was featured in the column as an expert in the industry. She noted that this magazine is a national publication and it is wonderful to see our staff and particularly our leader identified as an expert. She commended Mr. Onorato.

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

There was none.

The next Board meeting is scheduled for Thursday, February 19, 2015 at 10:00 a.m.

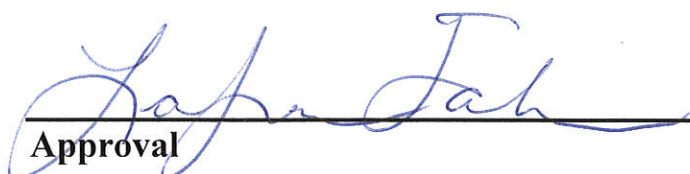
Upon motion by Ms. Fabian and seconded by Ms. Oliphant the meeting was adjourned 10:53 am.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval