

MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY MARCH 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 10:04 a.m. on March 16, 2017, 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, Cathy Qureshi and Matt Barron. Present from staff were: David Onorato, Christopher Speers, Chris Holt, Jo-Ann Williams, Wes Pollard, John Fournier, Tracy Sowinski, Debra Meyer, Tom Vennero, Kathryn Van Why and Patricia Konesky. Also present were Jason Wrona of Buchanan Ingersoll; Chris Niemick of TEN and Sally Stadelman of the City of Pittsburgh, Office of the Mayor.

MINUTES

Mr. Cohen asked for approval of the minutes from the February 23, 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.

Mr. Cohen asked if the Authority's past practice was to announce those in attendance.

Mr. Onorato responded that we have not announced the public in attendance but that we ask attendees if they would like to address the Board, and if so, then to announce themselves.

Mr. Cohen asked that any members of the public in attendance at today's meeting to introduce themselves.

Mr. Niemiec of TEN introduced himself.

Mr. Cohen asked if there were any members of the public who would like to speak.

There were none.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato updated the Board on the success of St. Patrick's Day Free Parking Program at the Second Avenue Parking Plaza. He advised that the Authority will also be participating with the City on Parking Enhancement District (PED) in the South Side beginning this Friday, and continuing every Friday and Saturday going forward. He noted that enforcement will be extended from 6:00 p.m. until midnight and advised that approximately 400 shuttle users took advantage of this free service during the past weekend.

Mr. Onorato advised that the Mon Wharf was closed for two days, March 2nd and 3rd due to flooding. He thanked the City of Pittsburgh's Public Works Department for its assistance in cleaning the Wharf.

Mr. Onorato advised the Board that the attached monthly report for ParkMobile noted that just over 32 percent of the period's transactions were paid using the pay-by-phone application. He advised that including this year to date, over 22 percent of the total transactions have been paid through ParkMobile since the program's inception.

Mr. Onorato advised the Board that the Authority is near to signing the contract with Massaro to serve as the Ninth & Penn Owners Representative and said we are currently negotiating the Parking and Traffic consultant contract with Desman Associates.

Mr. Onorato advised that the Authority is forming a committee for the scoring of the redevelopment proposals and asked all the Board members if they would like to participate.

Mr. Onorato stated that in the past, Board Members participated at the point where the presentations were made.

Mr. Barron asked if the Board could be given a list of the individuals on the Scoring Committee.

Mr. Onorato responded that we are close to finalizing this committee, stating that he will distribute the list to the Board Members sometime next week. He stated that it currently includes staff members and representatives from the City.

Mr. Onorato discussed the Finance Report, which he stated was previously based on a straight-line budget, but going forward at the request of the Board, we created a revenue to cash flow budget, breaking out when we anticipated the revenues to be realized. He discussed the February report which shows that the year-to-date 2017 results exceed year-to-date totals. He advised that overall the Authority is 6.4 percent ahead of 2016's performance.

Mr. Cohen asked if going forward, we could include a column showing monthly actuals.

Mr. Onorato advised that while it's early in the year, each of the Board Reports reflect the Financial Report. He noted that some of the individual reports show slight declines, but the year to date is on track. He noted that the Enforcement Report indicates that tickets are slightly down for the month but are on target to exceed last year's totals.

Mr. Cohen stated that as more customers utilize the pay-by-phone feature there should be

fewer tickets issued, noting that most customers favor using the app to increase their parking stays because paying the eight-cent transaction fee is far less than the ticket fine.

Mr. Onorato reminded the Board that the neighborhoods that have a \$3.00 or lower hourly rate still have time limit restrictions that prevent customers from adding additional time using their phone until the initial transaction has expired and at that point they no longer receive a reminder. He noted that the time limits in the South Side area included in the Parking Enhancement District, have been eliminated and therefore that area will be a good test to see if removing the time limit has a drastic effect on parking utilization.

Mr. Cohen asked if the Authority had any idea why there was a large discrepancy between the amount of tickets issued in February of 2015 and the amount issued in February of 2016.

Mr. Onorato replied that it was due to weather conditions being more severe in 2015 together with enforcement becoming more efficient.

Ms. Qureshi said she had a few questions about the St. Patrick's Day Program, inquiring if the Second Avenue lot was normally open on Saturdays and who was responsible for paying for the shuttle's use.

Mr. Onorato replied that the Second Avenue Plaza does not operate on Saturdays, and with no attendant on duty, vehicles can enter and exit through the open gates at no cost for parking. He also added that the Authority will be paying the shuttle costs for the Saint Patrick's Day Program.

Ms. Qureshi asked if the Authority had included the shuttle costs in its budgeted projections and if there was enforcement in the South Side area or elsewhere in the city on that Saturday.

Mr. Onorato replied that the costs were included in the budget and said there was routine enforcement on the Saturday involved. He added that with the extended hours the Authority will be enforcing until midnight on the South Side.

Mr. Onorato asked if there were any additional questions.

There were none.

RESOLUTION NO. 13 OF MARCH 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE ADDITIONAL SECURITY CAMERA EQUIPMENT AND ENHANCE EXISTING SECURITY SYSTEMS AT THE SMITHFIELD/LIBERTY GARAGE, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the total cost of this project is \$52,000, which will improve the security system at the Smithfield Liberty garage by adding eight additional cameras and repositioning the four existing cameras to cover more of the pedestrian entrance and exit areas. He advised that the Authority will be utilizing the Co-Stars service for this purchase. He added that we will also

be repositioning the call boxes to locations where they will be more visible to patrons as well as adding strobe lights and new signage. He stated that once the new cameras are placed they will mainly cover the stairwells and elevator landings on each of the parking levels.

Ms. Qureshi asked if the monitoring was done in real time.

Mr. Onorato responded that we do not monitor in real time but said the coverage is recorded and retained for viewing as needed.

Mr. Barron asked how long the video data was stored.

Mr. Speers responded that with this upgrade the recordings will be able to be retained for a two-week period but currently can be kept for only 72 hours.

Ms. Qureshi asked that if there was any type of incident could the data be retained indefinitely

Mr. Speers responded that we would record the data to a zip drive.

Mr. Cohen said other garages might be considered for the use of this technology. He mentioned that there was an incident that occurred in this facility a few months ago brought to light the need for this upgrade.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Qureshi, Resolution No. 13 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

RESOLUTION NO. 14 OF MARCH 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO EISLER LANDSCAPES, INC., FOR A DESIGN-BUILD TO REPLACE THE WATER FOUNTAIN SYSTEM AT THE WOOD-ALLIES PARKLET (PEOPLES PARK), was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised the Board that the park was part of the design when the garage was built. He advised that this was a public space and public art area and part of the greenway necessary for the plans to be approved by the city. He advised that the fountain was design by artist Gerry Kaplan and the statues included were of him, past Board members, ex-employees, Mayor Richard Caliguri, Theresa Heinz, Councilwoman Michelle Madoff and others. He advised that the fountain system was working until about three years ago when it was determined that the

plumbing and pump system needed to be relocated and replaced. He advised that the Authority is seeking to replace the plumbing and relocate the control panel.

Mr. Barron stated that there was a large difference in the amounts of the two bids submitted and asked if the Authority had any idea as to why there was such a gap.

Mr. Onorato stated that he did reach out to Massaro who stated that its bid was based on the full replacement of all existing plumbing and electrical components. He stated that Eisler's bid was based on keeping a portion of the existing plumbing. He stated that if Eisler's bid is approved the Authority will meet with them to make sure that they understood the scope of work and to reiterate that the Authority would not accept any change orders.

Mr. Holt stated that he reached out to Massaro's architectural design department and noted that, even with the release of addendums, that no one from the Massaro Corporation came to the site to do the investigative survey. He stated that their bid is based on the assumption that everything would be replaced.

Ms. Qureshi stated that she and Mr. Cohen spoke about this resolution and they both felt that the project cost was extremely high. She stated that while she believes that it is a nice park that adds value to the Authority's land. She said she is aware from her day job just how expensive fountain repair is and asked if we were in a position to modify or re-specify the scope of work.

Mr. Onorato stated that while it is not critical to get the repair work completed immediately, that the fountain system has been out of service for years.

Mr. Holt stated that there are some code and compliance concerns with the electronic controls and panels having to be moved from the subsurface pit. He stated that there is excavation of the existing drain line which ties into First Avenue, with the depth ranging anywhere from four to ten feet and the trench itself needing to be about four feet wide, that equipment would have to be brought in. He stated the project would also require new wiring and new lighting.

Ms. Qureshi asked if the fountain is the major cost driver.

Mr. Holt responded that it was, citing the fountain components including the pump, filters and circulatory pumps as the principal reasons. He added that the pools will need to be pointed and waterproofed.

Mr. Barron asked if the Authority had this budgeted in its Capital Budget and if so at what line item amount.

Mr. Holt stated this project was included in our Capital Budget at an estimated cost of approximately \$525,000.

Mr. Barron stated that he believed that if the Authority were to re-bid this we may get a better response with more proposals.

Mr. Holt stated that the Authority had advertised on the City's Beacon, which with its state-wide reach is typically a good resource.

Mr. Cohen stated that being the owner of a private business he is very conservative and said he has a hard time justifying paying this amount of money to fix a fountain. He asked that if staff members think this project is of such importance that they would be willing to take a 10-percent pay cut to fund it, he believes that the answer to this question would most likely be no. He feels that the cost of a half-million dollars is too much for a fountain and that the money could be used for more important items such as garage repairs. He noted that the maintenance of the fountain going forward would also be very expensive.

Mr. Barron asked if the Authority could consider a redesign that would propose removing the fountain. He stated with the high maintenance of water fountains the Authority may be in the same situation five years from now.

Mr. Onorato responded that this fountain has been in place for 20 years and said he doesn't anticipate that repairs will be required for more than five years.

Ms. Qureshi stated that while she is in agreement with Messrs. Cohen and Barron, the situation is in no way is a reflection on the Authority staff and the procedures that were followed.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Qureshi and seconded by Mr. Barron Resolution No. 14 of 2017 was rejected as follows: Ms. Qureshi, no; Mr. Barron, no; Mr. Cohen, no.

RESOLUTION NO. 15 OF MARCH 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SELECT ALLEGHENY CITY ELECTRIC, INC. FOR CONTRACT NEGOTIATIONS FOR THE LIGHTING UPGRADES AT NINE (9) AUTHORITY GARAGES, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised the Board that this resolution is seeking authorization for replacing all the lighting fixtures at nine of the Authority garages, all of which contain original fixtures in excess of 20 years old. He stated that the Authority seeks to take advantage of the reduction in kilowatt usage at each facility, thereby reducing our total utility costs. He advised that our five-year average for electricity at those nine facilities is approximately \$642,000 per year and said with this upgrade the anticipated savings per year would be approximately \$310,000 plus an additional \$62,000 in annual maintenance going forward. Mr. Onorato advised that as part of their proposals, vendors were to include a financing proposal that would be negotiated and finalized to make sure they work for the Authority before we sign this contract. He advised that the proposal from Key Bank had a rate of 2.95 percent over a 10-year period with the cost of financing being approximately \$800,000.00 in addition to the \$4.6 million noted in the

resolution. He stated that the Authority anticipates financing this work rather than paying for it out of the general fund.

Ms. Qureshi said she was concerned that we would be upgrading all nine facilities at once.

Mr. Onorato responded that we envision completing one or two facilities at a time but said that we would like to move forward with scheduling all of them

Ms. Qureshi asked if the Authority staff had any concerns that all of the lighting would quit working at the same time if all of them were replaced at the same time. She also asked if the replacements would be brighter.

Mr. Onorato stated that currently all of the lighting and fixtures need replaced and it would be more advantageous to do them all at the same time. He confirmed that we will use fewer kilowatts, noting that some fixtures/lights may be controlled with timers or sensors and therefore will not be lit at all times.

Ms. Qureshi asked if the anticipated energy savings were guaranteed and asked who holds the Authority's account.

Mr. Onorato said that the savings amount was an estimate and there are multiple vendors distributing. He reminded the Board that the Authority participated in an energy-saving initiative with the City of Pittsburgh and other City authorities.

Ms. Qureshi stated that she is not particularly satisfied with proceeding with financing this work and asked if approving this resolution, the Board is not mandating its implementation but simply allowing it to be considered as an option to proceed.

Mr. Onorato stated that if the Board approves the financing We may have to sign and execute the necessary financial agreement prior to the next Board meeting. He asked permission to do so if that was the case.

Ms. Qureshi stated that under this scenario the bank is the participant that will benefit the most and asked why the Authority is financing this project.

Mr. Onorato said he wanted to make sure that the Board realized that the \$800,000 is outside of the \$4.6 million. He stated that we chose the financing option so that we do not use cash on hand and to help us maintain the debt service ratio while also using the savings to pay for the cost of the project over 10 to 14 years.

Mr. Barron stated that energy-efficient projects like this are often opportunities to actually get the energy savings and use them to support the financing package. He asked if that was what was being proposed in this case.

Mr. Onorato responded that if you use the \$372,000 annual savings and apply it to a loan for 10 years, that would not be enough to pay for the entire loan. He said that with the \$4.6 million obtained we have enough to pay for the needed infrastructure upgrades. He advised that it is not just an outright switch of one fixture to the other and said that we have already determined the

boxes and wiring that need replaced. He said that the work scope includes approximately \$400,000 of infrastructure upgrades. He also advised that the Authority has about an eight-percent contingency in that amount which totals about \$300,000. Summarizing, he stated that the Authority would use the savings to pay for part of the project but it does not cover its entire cost. He said he believes that the life span of the new equipment is 14 to 15 years.

Mr. Barron noted that with the LED's higher efficiency there will be a longer life span and asked if the Board would have an opportunity to look at the financing package before any commitment is made.

Mr. Cohen stated that he would like to have a conversation with the energy representatives to see if they can give a more accurate estimate on the energy savings. He stated that on a personal level, he does not like to pay for items upfront and use on-hand cash to fund a long-term capital project. Instead, he said he would rather see some type of arrangement such as paying \$1.5 million the first year and get it down to \$3 million, then finance the \$3 million over a five-year period. He suggested that the Authority find out what the savings costs would be using that or a similar approach and also to find out what financing on a lower amount would look like.

Ms. Qureshi asked if the Authority had a Financial Advisor on retainer and if so, that professional could look at an agreement to make sure that the Authority was protected in every respect. She asked that from a public bidding perspective, while the Authority recommended Allegheny City Electric based on its \$4-million bid and financing option, if other vendors did the same and if so was their financing at a lower percent rate.

Mr. Onorato responded that all of the vendors that bid on this project included a financing option but said that Allegheny City Electric was the only proposal where the financing rate was locked in. He reported that Allegheny City Electric did reach out to three financial institutions and stated he does not believe that we will be able to get a better rate although the overall costs may be less if we decide to borrow less money. Mr. Onorato said that this is a critical project that he believes must be done, but that the Authority could look at different financing options as recommended by the Board Chair. He also noted that the savings proposal was based on the project remaining as it was bid and that no changes could be made.

Ms. Qureshi asked if the Authority was required to bid that portion of the project.

Mr. Wrona stated he would recommend tabling this resolution.

Ms. Qureshi noted that she is fine with the lights and the costs and said her only concern is with the financing. She stated that as written, the resolution does not lock the Authority into an interest agreement.

Mr. Wrona agreed, he stated that it is written in a way that the Executive Director can negotiate with Allegheny City Electric and its partner. He noted that, should the Authority go in the direction of issuing an RFP for the financing portion, there could be a question if Allegheny City Electric would even entertain working with a different financing partner.

Mr. Onorato reminded the Board that the Authority does have the funds available, and that we could pay upfront for the upgrades and save the \$800,000. He said that this project is time-sensitive but not critical, with the time-sensitive part being the financing, which we have the option of whether to finance or not. He added that we may pay more for financing down the road if we decide to go that way, or we may not pay anything if we decide to fund the project directly.

Mr. Barron stated that his is not sold on financing the entire deal that he would rather realize the savings than be paying interest on debt we would be taking out. He said financing part of it, as the Board Chair suggested, may be the way to go.

Ms. Qureshi asked if tabling a resolution meant simply delaying it.

Mr. Onorato said that what he is hearing is that the Board is comfortable with the project itself but has a concern on how the Authority is going to fund it. He noted again that we do have options.

Mr. Wrona stated that the Board can either turn the financing decision over to the Executive Director or to retain some decision-making control over the financing arrangement. He noted that the financing arrangement currently is not set in stone, which is why the resolution was crafted in a way to give the Executive Director flexibility. He stated that if the Board wants to retain some sort of control over the financing arrangement he would recommend tabling the resolution and bringing the entire project back to the Board in its final terms. He stated that if the Board want to leave it to the Executive Director, it could approve the motion as drafted.

Mr. Cohen stated he would like to see what the saving would be but that he is flexible.

Ms. Qureshi stated she is comfortable voting on the resolution today, but she asks that the Financial Advisor review the financing options.

Mr. Barron added that he is comfortable voting on the resolution today.

Mr. Onorato asked if he could advise the Board via email on the results and what direction we are going prior to executing anything.

Mr. Cohen responded that this was acceptable. He asked if there were any additional questions.

There were none.

Upon motion by Ms. Qureshi and seconded by Mr. Barron, Resolution No. 15 of 2017 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

**RESOLUTION NO. 16 OF MARCH 2017, "A RESOLUTION
AUTHORIZING THE EXECUTIVE DIRECTOR TO UTILIZE ASPHALT
PLACEMENT SERVICES FOR AUTHORITY-OPERATED GARAGES**

AND SURFACE LOTS FROM THE CITY OF PITTSBURGH AND COUNTY OF ALLEGHENY CONTRACTS, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised the Board that the Authority has budgeted approximately \$300,000 in 2017 capital repairs of neighborhood lots and said that we will be piggybacking on the City contract for the asphalt purchases required. He advised that we identified four lots that we would like to improve, noting we will add improvements to additional lots beyond these four if the fund balance permits.

Ms. Qureshi asked if there was a specific contractor selected.

Mr. Onorato responded that we would use one of the contractors already approved by the City through its RFP process.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Qureshi and seconded by Mr. Barron, Resolution No. 16 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

RESOLUTION NO. 17 OF MARCH 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO UTILIZE CONCRETE MAINTENANCE SERVICES FOR AUTHORITY-OPERATED GARAGES AND SURFACE LOTS FROM THE CITY OF PITTSBURGH/COUNTY OF ALLEGHENY CONTRACTS, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that is the same as the prior resolution except this is for concrete services instead of asphalt services. He advised that some of the vendors on the City's approved vendor list do not supply both asphalt and concrete, so by separating the resolutions we won't be limiting ourselves to firms that provide both services and have the ability to choose from the City's entire vendor list.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Qureshi and seconded by Mr. Barron, Resolution No. 17 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

RESOLUTION NO. 18 OF MARCH 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT BIDS FOR FIRE ALARM SYSTEM REPLACEMENT/UPGRADES AT THE SMITHFIELD/LIBERTY AND FORT DUQUESNE AND SIXTH PARKING GARAGES, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the fire alarm systems at the Smithfield/Liberty and Fort Duquesne and Sixth Garages are currently operational but have reached the end of their useful life.

Ms. Qureshi asked if there is a reason there is a resolution to authorize soliciting bids, she said she doesn't recall there being consistency in this process, specifically citing that she did not recall having a resolution to solicit bids on the park fountain project.

Mr. Onorato responded that the resolution for solicitation of the park fountain repairs was brought to the board previously. He added that the Authority's previous Board requested that we follow this procedure for all contracts.

Ms. Qureshi asked if there was a threshold that we follow.

Mr. Onorato said that the Authority could establish a threshold based on our budgeted projects, but that we currently do not have this in effect.

Ms. Qureshi responded that it's basically our practice to book-end this process.

Mr. Barron stated that he agrees that this is a good practice.

Mr. Cohen asked if any of the other garages need this upgrade. He stated that he doesn't understand why we don't complete all of the garages at once if they need this type of upgrade rather than doing a few at a time. He asked if the Authority has a price in mind that they believe this upgrade would cost.

Mr. Onorato responded that we have this upgrade in our 10-year capital plan and that we budgeted \$200,000 for the two facilities. Mr. Holt stated that it may take up to 60 days for each facility to BE completed.

Ms. Qureshi stated that there may be capacity issues with doing all of the garages at once.

Mr. Barron asked if there would be any disruption of the alarm service during this upgrade.

Mr. Holt said there will be a minimum disruption, perhaps one day, of this service.

Mr. Cohen said that the Authority can re-allocate money to be able to complete all the garages' fire alarm upgrades at one time if the need is there. He suggested that the Authority use the savings that may be realized on the lighting project should the financing be re-arranged and a savings is realized. He noted that having newer equipment would reduce maintenance costs going forward.

Mr. Onorato responded that we can evaluate this further and re-allocate money if needed and also do an evaluation to see if we should upgrade the fire alarm systems in additional garages.

Mr. Wrona recommended that the Resolution be amended to read that the RFP be issued for these two particular garages and also that the respondents submit alternative bids for other garages that may be in need of the same type of work.

Mr. Cohen asked if there were any additional questions.

There were none.

Upon motion by Ms. Qureshi and seconded by Mr. Barron, Amended Resolution No. 18 of 2017 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Cohen, yes.

OLD/NEW BUSINESS

Mr. Cohen asked if there were any new or old items for discussion.

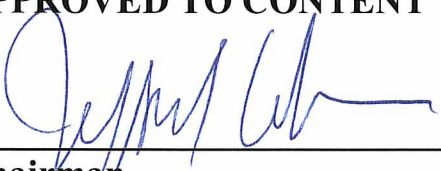
Mr. Cohen asked if there were any questions.

There were none.

The next Board meeting is scheduled for Thursday, April 20, 2017 at 10:00 a.m.

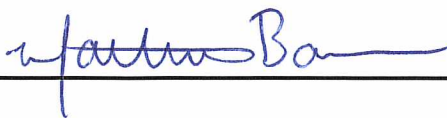
The meeting was adjourned at 11:14 a.m. with all Board Members in approval.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval