

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY SEPTEMBER 17, 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 September 15, 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, Jeff Cohen and Matthew Barron.

Aradhna Oliphant arrived at 10:06 a.m. Present from staff were: David Onorato, Anthony Boule, Christopher Speers, Judi DeVito, Jo-Ann Williams, Chris Holt, Wes Pollard, James Smith, Bill Conner, Tracy Sowinski, Kathryn Van Why, Philip Savino, and Patricia Konesky. Also present were Jason Wrona of Buchanan Ingersoll, William Stewart of Strategic Communications, Jason DiMartini and Antonio Misiti of PNC Capital Markets, Charlie Goodwin and Jason Rakip of BNY Mellon, Jeff Nethery of Cale America and Bob Bauder of the Pittsburgh Tribune Review.

MINUTES

Ms. Qureshi asked for approval of the minutes from the regular meeting held on August 20, 2015.

Upon motion by Mr. Barron and seconded by Mr. Cohen, the minutes were approved as follows: Mr. Cohen, yes; Mr. Barron, abstained; 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 updated the Board on the renovations at the Smithfield/Liberty Garage, stating that the painting portion is complete and the Authority is reviewing the punch list items. He also stated that the plumbing on the street level has been completed and the plumbers are currently working in the basement, where work is projected to be completed within two weeks. He noted that the repairs did not extend beyond the garage itself onto the sidewalk or into the street

Mr. Onorato advised that the renovations on the Third Avenue Garage have begun and said he anticipates that this project will take approximately 14 months to complete.

Mr. Onorato advised that we are currently proceeding with lot maintenance in Beechview and East Carson Street while work has begun to replace the concrete in front of the boat dock and surrounding areas of the Mon Wharf.

Mr. Onorato updated the Board on the Authority's Bond Refinancing and advised that the Authority received a A-plus stable from Standard and Poors and a A3-Sstable from Moody's. He also advised that the Authority issued the Preliminary Official Statement and said the Investor's presentation is due to be released today. He advised that the pricing is set for next week and said he will share the scheduling details with the Board so its members can attend if they wish. He also reported that the Bond Purchase Agreement is to be executed and said we anticipate the closing to be on September 29th. He stated that with the current market rates we are anticipating realizing a savings of \$5.6 million, but that could change based on the rate on the day of the closing.

Mr. Onorato updated the Board that the Authority is working with Blink Car Charging in an effort to receive another grant, through the Department of Environmental Protection and the Alternative Fuel Incentive Grant Program, to install car-charging stations at our Wood Allies, Third Avenue, Mellon Square, Oliver and Smithfield/Liberty facilities. He noted that this project differs from the ones recently completed at First Avenue and Grant Street in that there will be three Level 2 charging stations in each of the garages and customers will be charged for their use. He advised that, once the agreement is negotiated, it will be presented to the Board for approval.

Mr. Onorato discussed the Finance Report with the Board, stating that 66 percent of the yearly budget is represented and our revenues are approximately four percent higher than budget. He said that expenses are currently at 65 percent of their budgeted level.

Mr. Onorato touched upon the Facilities Report, noting that one of the reports compares August 2014 to August 2015 revenues, net of parking tax, and the second compares January through August. He stated that the reports indicate that revenues are 10 percent over budget for the month and include both the rate increase of August 2014 and the slight increase that occurred this year, primarily for all-day parking. He noted that all the revenue trends are positive.

Mr. Onorato discussed the Enforcement Report, noting that a slightly higher amount of tickets have been issued this year compared to 2014. He stated the report breaks down tickets by type and said that he did have an off-line conversation with Mr. Cohen regarding his concerns regarding those that result from street sweeping.

Mr. Onorato advised that the Street and Lot Revenue Report shows that revenues for both are up, with lot leases being down due to the loss of leases in an East Liberty lot.

Mr. Onorato discussed the Parking Court Report, advising that its results are on pace to meet the budget with 66 percent of the year completed.

Mr. Onorato asked if there were any questions on the Board reports.

Ms. Qureshi noted that the Parking Court revenues are almost exactly the amount from a year ago.

Ms. Qureshi asked for confirmation that the Health Care line item is lower than expected.

Ms. Williams responded that the Authority budgeted for health care benefits for the part-time enforcement officers under the Affordable Health Care Act, but it turned out that none of the officers met the coverage qualifications.

Ms. Qureshi asked if there were any additional questions on the Board reports.

There were none.

RESOLUTIONS

RESOLUTION NO. 40 OF SEPTEMBER 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT QUOTES FOR SODIUM CHLORIDE AND CALCIUM CHLORIDE TO ASSIST WITH SNOW REMOVAL AT AUTHORITY-OPERATED GARAGES AND SURFACE LOTS FOR THE WINTER SEASON, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that with the current contract expiring at the end of this year, the Authority is seeking authorization to solicit proposals for the purchase of salt and calcium used for the removal of snow and ice from sidewalks and garage roofs at our facilities. He advised that this will be a three-year contract with two one-year options, renewable at the Authority's discretion.

Ms. Qureshi asked if this is a commodity bid.

Mr. Onorato responded that this is a low-bid contract.

Ms. Oliphant asked the amount that the Authority spends on this purchase yearly.

Mr. Holt advised that it is approximately \$40,000 per year.

Mr. Onorato added that this amount is separate from the snow-removal contract, which was above our budget this past year due to an abnormal amount of snowfall.

Ms. Oliphant asked if this product is the best sustainable product currently on the market and said we should be looking forward.

Mr. Onorato stated that the Authority moved away from using only salt as it was destroying surface membranes. He advised that the Authority uses the salt primarily on cement surfaces such as the sidewalks.

Mr. Cohen asked if our current snow-removal contractor was a local firm.

Mr. Holt responded that AGF is a Pittsburgh firm and is located within the city.

Mr. Barron asked if the Authority had the ability to piggy-back off City contracts for purchases such as this.

Mr. Onorato stated that we do have the ability to piggy-back off of city contracts and noted that the Authority does get it's bulk salt from the City. He said we would determine if bagged salt can be purchased from it as well.

Ms. Qureshi stated that while this is a small-scale amount, inventory control is very important, more for the integrity and protection of our workers.

Mr. Onorato stated that the bagged salt has been secured and will be secured going forward.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 40 of 2015 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Qureshi, yes.

RESOLUTION NO. 41 OF SEPTEMBER 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE NEW FIREWALL EQUIPMENT FOR ALL GARAGE FACILITIES INCLUDING THE ADMINISTRATIVE OFFICE AND PARKING COURT, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato updated the Board that the current firewall is more than 10 years old and the Authority was notified that Cisco will no longer be supporting this existing hardware. He stated that the new upgrade will be in compliance with payment card industry (PCI) regulations. He stated that the Authority is securing this purchase through the Co-Stars state contract.

Ms. Oliphant asked if this hardware was the type that is used by others in the industry.

Mr. Savino responded that firewall quality is a major industry issue and said that Fortinet seems to be overtaking Cisco as the industry leader and its price cannot be beat. He stated that the Authority had communicated with security specialists prior to any discussions with the vendors and it was they who recommended the Fortinet technology.

Ms. Oliphant noted that as hackers improve and gain more knowledge, we are forced to upgrade to stay ahead and prevent breaches. She stated that it will not just be hardware upgrades but cyber security as well, and said these upgrades need to be factored into our capital budget.

Mr. Barron asked if there are cyber-security issues for pay-by-phone and would this upgrade of the firewall deal with those as well.

Mr. Onorato responded that the security for the pay-by-phone module is the responsibility of the vendor, ParkMobile. He said that firm will need to show the Authority that it is in compliance with the PCI standards.

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

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 41 of 2015 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 42 OF SEPTEMBER 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO, ON BEHALF OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH, A SIXTH AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT WITH THE PORT AUTHORITY OF ALLEGHENY COUNTY, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that Port Authority has been an Authority tenant since 1996. He noted that they have been a good tenant as far as payment and property maintenance issues are concerned. He advised that while their current lease expires the end of this year, they were interested in a longer-term lease. He then noted that the Parking Authority has been in discussion with the City administration regarding its vision of the best use of the Smithfield corridor. Mr. Onorato stated that the City owns Mellon Square Garage and said we have been communicating with the administration regarding retail tenants and were asked to line up all Mellon Square commercial leases to expire at the same time. He stated that Port Authority is currently paying \$44,340 per year or \$3695.00 per month and said the terms would be unchanged going forward.

Ms. Oliphant asked why the rate would remain the same when all other costs are rising.

Mr. Onorato responded that the rent is equivalent to \$21.26 per square foot and is considered a good per-square-foot rate for downtown retail space.

Ms. Qureshi stated that her current employer has a vested interest in the Mellon Square facility and for that reason she will abstain from voting.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 42 of 2015 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Oliphant, yes; Ms. Qureshi, abstained.

RESOLUTION NO. 43 OF SEPTEMBER 2015, "A RESOLUTION OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH REGARDING THE INSTALLATION OF A SUPPLEMENTAL COOLING UNIT TO SERVICE THE RETAIL SPACE AT THE FORT DUQUESNE & SIXTH AVENUE PARKING GARAGE, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato noted that this action became necessary when the initial contractor for the HVAC contract filed bankruptcy and a replacement contractor was hired by the bonding company to complete the balance of the contract. He said that, concurrently, the Authority was contacted by one of the retail tenants complaining that the air conditioning was not running adequately and, with the humid weather conditions, was creating unbearable working conditions. The tenant also threatened to withhold rent payment until the situation was amicably resolved. Mr. Onorato advised that the situation was remedied before getting to the point where payment was not made. He also advised the Board that, because the Authority was not able to afford the time to bid the work in a normal manner, a justification documentation is attached to the resolution to explain the need for immediate action. He noted that the work was not in excess of \$36,086.96.

Ms. Oliphant inquired how long it took from the time the complaint was received until the situation was remedied.

Mr. Smith responded that it took 19 days and said there were unique dynamics involved, including long legal lag time with the old company walking off the job and the new company, Firewatch, taking over under the security bond. He advised that the temporary cooling systems that were in place originally were not capable of keeping those properties cool, given the temperatures in July and August. He advised that the evacuation of the warm air was going up into a crawl space and

when FireWatch was asked for a remedy, its solution was to provide an additional 10 weeks of cooling at a cost of \$45,000. Mr. Smith reported that, within two days, we received quotes for permanent cooling at a cost of \$36,000, although normal procurement practices would have us go out to bid. He said the issue was complicated further by our receipt of Homeland Security emails about the heat and the need to take necessary precautions under the circumstances. He said that although it is not normally how we would handle procurement in the emergency situation that existed, we had the contractor put in two units, both obtained under the \$25,000 threshold.

Ms. Oliphant asked if there is a threshold amount in which the Executive Director is permitted to sign off on.

Mr. Onorato responded that he has the authority to authorize purchases up to \$4,000 and for those between \$4,000 and \$25,000, we are required to obtain three written or phone quotes. He said that for purchases above \$25,000, bidding and Board approval is required.

Mr. Cohen asked if the work was already completed.

Mr. Holt confirmed that the work has been completed.

Ms. Oliphant asked that in the future, if it would make sense that this information be given

in advance to the Chairman of the Board. She said that step would protect the Authority and the Executive Director.

Mr. Onorato responded that her suggestion is the exact purpose of the justification memo accompanying the resolution.

Mr. Cohen explained that under normal circumstances he would agree with this process, but that there are times when following the process is just not possible. He stated he recalled that the Board previously addressed this.

Ms. Oliphant stated that she is not talking about obtaining permission, just notification. She said that, in addition to the memo, it would provide an added layer of protection.

Mr. Wrona replied that the resolution was presented to the Board previously as a change order and was tabled at that time. He said this resolution is the corrected document.

Ms. Qureshi asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 43 of 2015 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 44 OF SEPTEMBER 2015, "A RESOLUTION AMENDING THE AUTHORITY'S 2015 GENERAL FUND AND TRUSTEE REVENUE FUND BUDGET, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that following the Board's passage of the Authority's 2015 budget last November, the City authorized an on-street meter rate increase. He said that because there was no expectation of an increase when the budget was developed, we are acting now to amend our budget to include the additional revenues that will be realized. He advised that the first attachment is for the General Fund and said the on-street meter receipt line item is increased by \$1.9 million. He said the second attachment addresses the Trust Revenue portion of the budget and adjusts the operating income and the transfer to the City of Pittsburgh line items by that amount.

Ms. Qureshi questioned if the Authority was not made aware of a proposed rate increase.

Mr. Onorato confirmed that we were unaware of this increase and reported that, in February, months after we passed our 2015 budget, we were informed of a Council-approved, on-street meter rate increase made effective on February 1, 2015.

Ms. Qureshi asked why this resolution was necessary.

Mr. Onorato advised that because of the dollar amount of the line item, we wanted to make our budget more accurate and not cause the appearance of revenues coming in higher than estimated.

Ms. Qureshi asked for confirmation that the Board is amending the projected revenue and the projected transfer to the City. She stated that a budget is just that, a budget, and it remains so as long as any changes in results are reflected accurately.

Ms. Oliphant agreed with Ms. Qureshi, noting that the budget is just a guideline and asked if there was any other reason for the amendment.

Ms. Williams responded by stating that since this was a large \$2 million dollar adjustment she recommended that it would be clearer to clean it up.

Mr. Cohen commented that he believes that we should amend the budget to adjust for this sizeable change.

Ms. Oliphant stated that we need to be cognizant that if we start making amendments to approved budgets for one thing, at what point are we creating precedent. She noted that it was a judgement call and asked who's judgement call is it.

Mr. Barron stated that because this is a structural change being made, he could see that there was a necessity to make the amendment in this case.

Ms. Qureshi stated that her general position is to defer to the Authority staff.

Ms. Oliphant asked if this would show as a separate line item in the amended budget.

Ms. Williams stated that we would list it as an amended budget in the heading.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 44 of 2015 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

RESOLUTION NO. 45 OF SEPTEMBER 2015, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE 3G MODEMS TO UPGRADE THE CONNECTIVITY AND COMMUNICATION PROCESS IN ALL THE "PHASE 1" MULTI-SPACE PARKING METERS FROM CALE AMERICA, INC., was read by Ms. Qureshi and considered by the Board.

Mr. Onorato stated that this resolution was presented last month and the Board asked that staff do additional due diligence, which has been completed. He reminded the Board that the 581 multi-space meters that were purchased and installed in Phase I of the meter upgrade program

contained 2G modems. He noted that the meters installed in Phase 2 contain 3G modems. He stated that written documentation sent by AT&T to CALE stated 2G modems would no longer be supported and it was AT&T's recommendation that these meters be upgraded to the 3G level. Mr. Onorato said that while the firm would not commit to any in writing, they anticipate 3G modems to remain functional for at least five years. Mr. Onorato introduced Mr. Nethery from CALE who was available to answer any questions the Board may have and explain why they recommend upgrading to 3G and not 4G.

Mr. Nethery stated that at the time of the Authority's initial purchase of meters the industry standard modem was 2G, and at the same time CALE was in the process of engineering getting certification on 3G modem for their system. He stated that in 2012 AT&T announced the Sunset Plan, which stated that they could give as little as 12 months notice that they would be terminating 2G service. He stated that CALE has already seen this in other cities, noting that contracts simply are not renewed once they expire, leading to meters being dropped from the system and instantly coming off line. He stated that he is agreement with Mr. Onorato's decision to be proactive even though we may not see the Sunset Plan takes effect in Pittsburgh until 2016 or 2017. He stated that CALE is on the same level with Honeywell, Johnson Controls, companies that have hundreds of thousands wireless devices, and stated that AT&T is deliberately moving consumer handheld devices to their 4G LTE platform to free up space on the 3G spectrum for machine-to-machine data communication. He stated that when CALE's engineers were designing their modem and getting it certified on their system, it was determined that the technology they want to use will be the standard for 10 years or longer. He noted that 2G was standard for about 15 years and said LTE or what is called 4G is the United States consumes a lot more power. Mr. Nethery said the pay stations therefore are designed to conserve power and are solar-charged, so there are some engineering reasons for why we would want to use 3G. He stated that in Europe the CALE modems that are in our pay stations now are considered 4G, but in the US the LTE or 4G are considered the same.

Mr. Onorato asked Mr. Nethery if he could see this upgrade lasting at least five years.

Mr. Nethery stated that they are being told by AT&T to expect a minimum of a 10-year standard for 3G machine-to-machine communication. He stated that AT&T will not put this in writing for CALE or for any other of their customers, but he noted that in all of their discussions with AT&T they were assured that 3G capacity would be expanded to provide adequate coverage.

Mr. Cohen asked if AT&T's life expectancy for 3G is 10 years from now.

Mr. Nethery responded that their commitment is 10 years from when they made the Sunset Plan announcement in 2012.

Mr. Nethery stated that if CALE would put meters pm 4G around Pittsburgh's stadiums, as an example, on game day those meters would be competing with all of the fans' consumer devices for that same 4G band width. He stated that consumer and commercial technology applications are never going to be on the same path and said he believes it is a very good policy that AT&T does not put them on the same band width.

Ms. Qureshi stated that she understands that AT&T is not willing to commit to a life expectancy

in writing but asked if CALE would be.

Mr. Nethery responded that their commitment, which is in the RFP, is that they are committed to make sure the meters communicate. He stated that other cities have experimented with using wi-fi network and completely removing their meters from a band-width platform and CALE would work with Pittsburgh to keep its technology connected and operational.

Ms. Oliphant asked Mr. Onorato if he was aware of the City's plan for wi-fi.

Mr. Onorato responded that he is not aware of the City's plan for wi-fi, but noted that the contract with CALE runs through 2019, and he stated that this requirement is in the contract.

Mr. Barron stated that he is aware that this is something the City is looking at.

Mr. Onorato advised that he does not want to be dependent on the City's wi-fi connection, adding that he prefers that this be a separate system.

Ms. Oliphant inquired as to how much revenue is dependent on this system.

Mr. Onorato responded that approximately \$14 million in meter revenue is system-dependent.

Mr. Wrona asked Mr. Nethery about contractual risk-sharing in other cities employing the CALE system, specifically if there is a sharing in the cost to upgrade.

Mr. Nethery responded that each city bears the full cost of the upgrade, but noted that with Pittsburgh, CALE is agreeing to install the meters and not charge for this service.

Mr. Onorato stated that this is why the resolution shows a not-to-exceed cost as CALE has given its commitment to work with the Authority on this upgrade.

Mr. Cohen asked if CALE believed that the 3G modems would last for the next four to five years. He also stated that we and CALE are at the mercy of AT&T.

Mr. Nethery stated he does believe these modems would continue to work that period and said that CALE's contract with AT&T allows them to have advanced access to information to enable them to plan from an engineering standpoint. He stated that AT&T would be required to give a 12-month minimum notice to remove the 3G service.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 45 of 2015 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Oliphant, yes; Ms. Qureshi, yes.

OLD/NEW BUSINESS

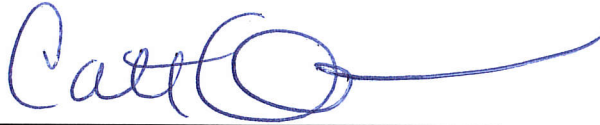
Ms. Qureshi asked if there was any old or new business.

There were none.

The next Board meeting is scheduled for Thursday, October 15, 2015 at 10:00 a.m.

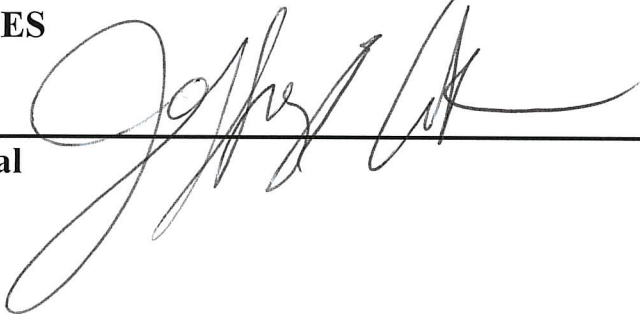
The meeting was adjourned at 10:57 a.m. with all Board Members in approval.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval