

**MINUTES OF A REGULAR MEETING
of the
Port of Pittsburgh Commission
June 8, 2007**

A regular meeting of the Board of the Port of Pittsburgh Commission was held in the Davis Conference Room on the 23rd floor of the Regional Enterprise Tower.

In attendance were Commissioners:

Wm. Brown	Craig
Janairo	McNees
Mustio	Quinn
Scholl	Stephaich

Commissioners participating by phone:

Coder	Smith
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Staff present included: James McCarville, Executive Director of the Port of Pittsburgh Commission; Mary Ann Bucci, Marketing Director; and J.D. Fogarty, Development Director. Others in attendance included Ron Brown, representing counsel, Grogan Graffam; and Herb Packer, PennPORTS. Joe Lawruk, comptroller, participated by phone. Gloria Ralston, Assistant Secretary of the Port of Pittsburgh Commission, acted as Recording Secretary for the meeting.

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Chairman McNees called the meeting to order at 12:20 PM.

Agenda Item 1. Welcome

The chairman welcomed the assembled group.

Agenda Item 2. Old Business

Agenda Items 2. A. – Minutes of March 23, 2007 meeting.

Motion to approve Minutes of March 23, 2007 meeting.

Upon motion by Commissioner Scholl (Commissioner Wm Brown), the minutes of the March 23, 2007 meeting were unanimously approved.

Agenda Item 3. New Business

Agenda Item 3. A.— Budget Resolution #07-06-A

The Executive Director made a background presentation explaining the proposed budgets for FY0708 and FY0809. One of the major goals of the Commission for FY07 is to call focused attention to the many and varied benefits derived from the dams in the region. The budget reflects spending to meet these goals.

The budget to be voted on for FY0708 is based solely on the expected appropriation from PennPORTS; no funding was anticipated from grants. Should grant money become available, a revised budget will be presented. The Administrative Director explained that the apparent deficit balance in the budget indicated that projected spending would rely on the carryover funds from previous years to cover the overspending.

Commissioner Stephaich, representing the Personnel and Compensation Committee, explained that \$15,000 should be added to the expenditures for Personnel for reasons to be explained in Executive Session. Attention was also placed on the packet of staff job descriptions which would be referenced throughout the meeting.

Motion to adopt a revised operating budget for the fiscal year 2007-2008; a preliminary operating budget for the fiscal year 2008-2009; and a budget for the Revolving Loan Fund for the fiscal year 2007-2008, provided that \$15,000 is added to the Personnel line item for management incentives for fiscal year 2007-2008.

Upon motion by Commissioner Stephaich (Commissioner Scholl) the budgets, as amended, were unanimously approved and adopted.

Agenda Item 3. B.— Motion to approve grant-related projects

Tabled.

Agenda Item 3. C.— Executive Director's Report

Federal funding for locks & dams. The House appropriation subcommittee put a good number in the USACE budget but there are no traditional earmarks yet. The WRDA bill contains wording authorizing the Upper Ohio River and Tributaries New Technologies Demonstration program. Both PPC and Waterways Council are pushing to have the Emsworth, Dashields and Montgomery study accelerated. A future headache may arise if the administration replaces the Inland Waterway User Fee with an undetermined lockage fee since the region's 17 locks could create a substantial financial impact.

Media. Copies of editorials and articles pertaining to the Port of Pittsburgh were distributed and the Executive Director announced that the web site has a new news section entitled *PPC Bulletin*. An RFP will be circulated to engage a new public relations firm to help the Commission get its story out.

Project Financing. Progress on both the Warnaco and Ferchill projects has slowed but they are still viable and will possibly come to fruition in the Fall. The Revolving Loan Fund anticipates the need for additional available money to lend to operations in Mon pools 2 and 3 and is recommending that \$600,000 be transferred to the fund for that purpose.

New Technologies/Benchmarking. USACE allocated \$50,000 to the Pittsburgh District to work on River-Net. Representatives from the Hunan Provincial Maritime Association and Hunan Institute of Navigation visited Pittsburgh and were guests at a luncheon hosted by the Commission. The report on SmartRivers 2006 was distributed and plans for the 2007 conference in Louisville, organized by PIANC, were announced.

Regulations/Port Security. The Commission continues to provide a staff member to the Area Maritime Security committee while Herb Packer has been chosen to lead a statewide port security project. A \$2.6 million port security grant was awarded to the City of Pittsburgh and DTC Environmental Services. A new round of grants will be coming out soon.

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Agenda Item 3. D.— Marketing Director’s Report

Educational Tour. The Commission hosted a tour for students participating in the Annual College Challenge sponsored by the Council of Supply Chain Management where the logistics students were able to learn about security, infrastructure and barge transportation. In addition, they gained knowledge about job opportunities in the waterway industry. The Hunan delegation also participated in the tour.

Rep. Altmire Tour. In cooperation with Ingram Barge, a boat tour on the Ohio River was arranged for Rep. Jason Altmire. Representatives from the barge industry, terminal operations and USACE discussed the locks and dams and the need to keep funding at the Corps’ capability level. The event was covered by the *Beaver Times* and the *Sewickley Herald*.

Gulf Materials. The Marketing Director visited the operation of Gulf Materials in Braddock, a recent loan fund recipient. In the first twelve months of operation, Gulf Materials has handled 420 tons of coal, on average loading 80 trucks per day for delivery at the Conemaugh Power Plant in Indiana County. To diversify their operation, they began to handle scrap in April.

Miscellaneous. The Marketing Director’s name will be submitted by Herb Packer for inclusion in a state-wide security effort. Visits to terminal operations will continue in an effort to keep all information current and accurate while spreading awareness of the Revolving Loan Fund.

Agenda Item 3. E.— Development Director’s Report

Grant applications. Applications have been submitted for Ferry Boat funding for the Fredericktown Ferry, the Convention Center dock walls and three landings in the City of Pittsburgh. Funding for all of these projects appears favorable.

Warnaco. This project was delayed because of the change in upper management but is still viable.

Ferchill Project. The project principals were misinformed regarding the project’s eligibility as a Keystone Opportunity Zone (KOX--exempt from all state and local taxes), making the PPC participation unnecessary. However, the project is in a Keystone Innovation Zone (KIZ) which only provides for tax credits. Therefore, the PPC is still being considered as the financing conduit.

Castriota Loan. Castriota has pledged 115 containers as collateral and a UCC check is currently being conducted.

Wellington project. Still viable.

Ethanol Plant. The operator is looking for property near a power plant to utilize the waste steam; but security around these plants makes that difficult.

Regatta. The Regatta will be only one day on July 4 and will involve closures on the Monongahela.

Recreation. The marinas are reporting operations at approximately half capacity and recreational traffic on the rivers has dropped dramatically due to high fuel prices.

River Boats. The American Queen will be in Pittsburgh on June 18 and River Barge, an operation designed to cater to a younger passenger, will be in town July 31.

Agenda Item 3. F.— Committee Reports

The Personnel and Compensation Committee will report during Executive Session.

Agenda Item 3. G.— PennPORTS

Herb Packer reported on the budget process, indicating that this year would be tight. While he is cautiously optimistic about funding levels, he pointed out that because of an agreement to dredge the Delaware River, the Port of Philadelphia is going to require increased funding to defend against the inevitable environmental lawsuits.

Executive Session

When the open session reconvened, the recommendations of the Personnel and Compensation Committee were put forth in the following motion:

Motion to (1) increase the base salary of Mary Ann Bucci by 3.5 percent; (2) authorize the Executive Director to increase the base salaries of the staff by up to 3 percent effective July 1, 2007; and (3) authorize the Executive Director to award one-time bonuses to staff, based on performance, of up to 5 percent of base salary in December, 2007.

Upon motion by Commissioner Stephaich (Commissioner Quinn), the Board voted unanimously to accept the compensation guidelines as presented by the Personnel and Compensation Committee.

Agenda Item 4. Other items.

With no further business coming before the Board, the meeting adjourned at 1:30 PM.

Respectfully submitted,

Gloria A. Ralston, Assistant Secretary
Port of Pittsburgh Commission