

**MINUTES OF A REGULAR MEETING
of the
Port of Pittsburgh Commission
June 6, 2008**

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

In attendance were Commissioners:

Brown	Coder
Craig	Ferlo
Janairo	McNees
Mustio	Quinn
Scholl	Stephaich

Participating via telephone was Commissioner:
Marshall

Staff present included: James McCarville, Executive Director of the Port of Pittsburgh Commission; Mary Ann Bucci, Marketing Director; J.D. Fogarty, Development Director and Mike Brinza, Staff Analyst. Others in attendance included Ron Brown, representing counsel, Grogan Graffam; Chuck Kolling, governmental affairs liaison; Brian Litzinger, representing Cmr. Jane C. Orié; Jackie Erickson representing Sen. Casey; Joe Cramer, attending with Sen. Ferlo; and Col. Michael Crall, representing the Corps of Engineers. 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 12:15 PM.

Agenda Item 1. Welcome

The chairman welcomed the assembled group.

Agenda Item 2. Old Business

Agenda Item 2. A. – Minutes of March 14, 2008 meeting.

Motion to approve Minutes of March 14, 2008 meeting.

Upon motion by Commissioner Janairo (Commissioner Scholl), the minutes of the March 14, 2008 meeting were unanimously approved.

Agenda Item 3. New Business

Agenda Item 3.A. – Budget Resolution -- #08-06-A

The Executive Director pointed out that only the major budget categories of Personnel Expenses, Operational Expenses, and Fixed Assets are considered for the budget vote. The line item totals within those categories could fluctuate; but if they did not change the category totals, the budget would not need to be presented for revision and re-approval. The detail information provided was for background documentation. He summarized the reasons for the major underspending in the Consultant line item as follows: (1) the \$52,000 Carnegie-Mellon practicum was not undertaken because it takes approximately two years to implement the results of a practicum; (2) the \$300,000 technology initiative was on hold until the passage of WRDA and for the USACE to secure funding so that the Commission could partner on the technology; and (3) the results desired from developing a River Recreation and Navigation System were achieved with much less cost by partnering with other entities.

Motion to pass Budget Resolution #08-06-A

Upon motion by Commissioner Brown (Commissioner Mustio), Budget Resolution #08-06-A was unanimously passed.

Agenda Item 3.B. – Motion to approve copier purchase.

The Administrative Director presented an analysis and cost comparison on similar color copiers to replace the Commission's six-year old black & white copier. The recommendation was to purchase the Xerox 7335 along with maintenance package. The total cost would be \$9,970 with a maintenance cost of \$.007 per B/W page B/W and \$.07 per color page.

Motion to purchase the recommended color copier and maintenance package.

Upon motion by Commissioner Stephaich (Commissioner Craig), the recommendation to purchase the Xerox 7335 was accepted.

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

China Trip. The Executive Director thanked the Commissioners for sanctioning his PIANC-sponsored trip to China. PIANC has recently been shifting its emphasis from engineering and navigation to commerce, management and policy issues that now include the inland waterways. PIANC, US Section, formally acknowledged the Port of Pittsburgh Commission for its role in establishing SmartRivers and the Executive Director distributed commemorative coins from PIANC recognizing this accomplishment. As part of the trip, the Executive Director toured the Three Gorges Project and pointed out that it was completed on time.

Strategic Priorities. The Executive Director reviewed the draft work plan for the coming year. The number one priority remains funding for lock & dam construction, operations and maintenance. He explained that Col Crall would elaborate on this topic.

Port Security. This topic is covered in the Marketing Director's report.

Port Bonds & Loans. This topic is covered in the Development Director's report.

Cargo, Technology, Waterway/Waterfront Development. These items were covered in the written report and the Executive Director did not elaborate.

Commissioner Craig instigated a discussion regarding the center of control for actions requiring federal government consideration. It was basically agreed that actions are a result of the interaction between the ranking members of key committee members in the House and Senate and the administration.

In response to Cmr. Craig's question about whether it was possible to influence these actions, Col. Crall reported that the Port of Pittsburgh Commission along with stakeholders and industry has had considerable influence in leveraging decisions by its constantly calling attention to needs. A concrete example is the Commission leveraging the Congressional delegation by demonstrating the value of putting money toward mitigating a failure at Emsworth, resulting in full funding for repairs.

Agenda Item 3.D. – Marketing Director's Report.

The Marketing Director reported on the following:

Press Conference. The Commission hosted a very successful press conference for Senator Casey and Rep. Altmire at the Emsworth lock & dam.

CSCMP. The Commission annually sponsors a boat tour for students participating in the Council of Supply Chain Management's College Challenge. Ten colleges and universities participated and five students received summer internships at local companies.

River Works Discovery. AEP River Operations has developed a hands-on river-based curriculum that is designed to familiarize children and families with all aspects of their water shed. The Commission has been asked to select and recommend local events at which River Works can present its program.

Port Security Grant Program. The Port of Pittsburgh Commission is acting as fiduciary agent for these grants and the Marketing Director gave a summary of the grant program to date, the details of which can be referenced in her written report. The highlights are that the Port of Pittsburgh district received an award of approximately \$1.47 million for FY2007 and has applied for and is eligible to receive approximately \$2.43 million in FY2008. The Commission is eligible for approximately \$117,000 to offset the costs of management and administration.

The Marketing Director also reported on personnel changes in the industry and pointed out upcoming events of interest.

Agenda Item 3.E. – Development Director's Report.

The Development Director reported on the following:

Harbor Committee. The committee is working to develop an ordinance to regulate certain pleasure boat activities in the City of Pittsburgh. Some of the issues being discussed include the amount of insurance to be required of boaters wanting to tie up on the North Shore and how many boats can tie across. Other cities will be contacted regarding their procedures. The final version of the proposed harbor ordinance will be presented to city council for passage for the 2009 boating season.

Delta Queen. The Delta Queen's scheduled landing in Pittsburgh on June 14 is being complicated by a concert at Heinz Field and the SEA will not issue a permit to dock at the usual North Shore location. The SEA may try to have the Delta Queen moor at the Mon Wharf.

SPC. The Development Director is working with the Southwestern PA Corporation to get the following projects on the local TIP for funding: the Fredericktown Ferry, the Cork Factory landing and projects submitted for CMAQ funds.

Regatta. The Regatta will be held on July 3 & 4 on the North Shore. Significant river closures should be expected.

Ferchill. The steel framing is complete and on schedule. There have been discussions with the URA regarding placing a sign at the project site listing the developer and those parties participating in the financing.

Safe Boating Council. The blessing of the fleet will be held on June 22 at the Point.

Bond Financing. Several projects are being discussed but insurance has become a sticking point.

Agenda Items 3.F & G. – No Reports.

Report From Col. Crall. Col. Crall reported that the funding secured for Emsworth was a total team effort involving the Congressional delegation, stakeholders, and industry. The local effort involved showing what effect a breach would have on the public health and safety, the economy, and social activities. There is full funding for FY08 and FY09 regardless of the Inland Waterway Trust Fund (IWTF) solvency issues.

The solvency issues of the IWTF have forced the Corps to look closely at all cost-shared projects. The Lower Mon Project will take a significant cut in funding in both FY08 and FY09. The decrement for FY08 is \$25 million, forcing the project to be extended to 2018. The Lower Mon Project was in the President's budget for FY09 for \$45 million and has been reduced to \$6 million, further delaying completion until 2020.

A request to keep the Federal construction general money portion of the cost share with the IWTF was denied as was a request to turn the construction general money into O & M funds. The Corps' strategic communications team will work with the Commission to try to get these decisions reversed. Col Crall will deliver a "State of our Infrastructure Address" at Braddock on June 30 with Congressman Murtha in attendance.

The first week in August Pittsburgh will host the Senior Leader Conference of USACE. They will show the new Commanding General of the Lakes and Rivers Division the state of the infrastructure by helicopter.

The Corps is developing the FY10 Budget packages currently with the emphasis on deteriorating infrastructure.

Commissioner Mustio asked if there were a document available that showed the ripple effect of a potential river disaster. Senator Ferlo offered the idea that it might be a good idea to utilize the Senate

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communications team to put together a half-hour documentary video showing the effects of failed infrastructure across social, economic and environmental lines.

Senator Ferlo announced his forum entitled “The Ohio River Basin: Planning for a Clean and Green Future” to take place on June 19. Both the Executive Director and Col. Crall have agreed to be speakers.

(Executive Session)

Upon return from Executive Session, the Personnel and Compensation Committee, with the approval of the Board, made the following recommendations:

- 1) The four staff members (not including the Executive Director) will receive 3 percent salary increases effective July 1, 2008.
- 2) The Executive Director will conduct individual reviews by the end of June and report back to the committee with regard to any further staff recommendations.
- 3) Mary Ann Bucci was named Assistant Executive Director with no salary change.

Agenda Item 4. Other items.

Commissioner Scholl announced her resignation from the Board of the Port of Pittsburgh Commission and from the RTOA and it was graciously accepted.

With no further business coming before the Board, Commissioner Stephaich (Commissioner Quinn) moved and seconded that the meeting adjourn. The meeting adjourned at 1:28 PM.

Respectfully submitted,

Gloria A. Ralston, Assistant Secretary
Port of Pittsburgh Commission