

**MINUTES OF A REGULAR MEETING  
of the  
Port of Pittsburgh Commission  
September 11, 2009**

A regular meeting of the Board of the Port of Pittsburgh Commission was held in the Fetterolf Room of the Regional Enterprise Tower at 425 Sixth Avenue, Pittsburgh, PA.

In attendance were Commissioners:

Brown (phone)	Coder
Craig	Ferlo
Heckman (not present for voting)	
Janairo	R. Marshall (phone)
McNees	Stephaich

Staff present included: James McCarville, Executive Director; Mary Ann Bucci, Assistant Executive 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; Kurt Acker, representing Cmr. (Senator) Jane Orié; and Matt Santoni from the Tribune-Review. Gloria Ralston, Assistant Secretary of the Port of Pittsburgh Commission, acted as Recording Secretary for the meeting.

Participating via telephone was Christine Baldini representing the Commonwealth Comptroller's Office.

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Chairman McNees called the meeting to order at 12:18 PM.

**Agenda Item 1. Welcome**

The Chairman welcomed the assembled group and acknowledged Christine Baldini, the comptroller's representative; Kurt Acker from Cmr. (Senator) Orié's office; and Matthew Santoni from the Tribune-Review.

**Agenda Item 2. Old Business**

**Agenda Item 2. A. – Minutes of June 5, 2009 meeting.**

Commissioner Craig wished to have the minutes amended to include Commissioner (Rep.) Preston's expressed satisfaction with the grant to provide cleats on the North Shore for recreational boaters.

**Motion to approve Minutes of June 5, 2009 meeting as amended.**

Upon motion by Commissioner Ferlo (Commissioner Stephaich), the minutes of the June 5, 2009 meeting were unanimously approved as amended.

**Agenda Item 3. New Business**

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Agenda Item 3.A. – Report of Nominating Committee and Election of Officers

The co-chairs of the Nominating Committee, Commissioners Woodward and McQuiston, reported to Mr. McCarville that they recommended the following slate of officers:

V. Chairman – Peter Stephaich  
Secretary – Max Janairo  
Treasurer – William Brown

There were no other nominations from the floor.

Motion to accept the Slate of Officers as recommended.

Upon motion by Commissioner Ferlo (Commissioner Craig), the slate of officers; i.e., V. Chairman Peter Stephaich, Secretary Max Janairo and Treasurer William Brown, was unanimously accepted.

Agenda Item 3.B. – Acceptance of 2010 Meeting Calendar

The Chairman asked for any conflicts with the schedule as presented and the Ass't. Executive Director responded that the first Friday in December conflicts with the annual Maritime Club Christmas event which she chairs. However, with no other conflicts reported, the schedule was voted on as presented.

Motion to accept the 2010 Meeting Calendar.

Upon motion by Commissioner Brown (Commissioner R. Marshall), the 2010 meeting calendar; i.e., the Fridays of December 4, 2009; March 12; June 4; September 10 and December 3, 2010, was unanimously accepted.

Agenda Item 3.C. – Resolution 09-09-A to Submit a TIGER Grant Application.

The Executive Director reported than one of the primary problems facing SmartLock and other technologies that could be used on the waterways is the lack of a communications network to transmit the data these projects would generate. The recent Carnegie Mellon practicum had the students addressing this issue as their project. The project which would combine Automatic Identification System (AIS) and wireless broadband would (1) provide a mechanism to market SmartLock; (2) improve the Corps' data collection; (3) shorten lockage times by 30 seconds which translates to a \$400,000 annual savings; and (4) provide \$3 – \$4 million in cost savings reconciling paperwork.

At approximately the same time as the students were working on this problem, Mr. Scott Noble of Ingram Barge asked if the Commission would consider applying to a Department of Transportation program referred to as “Grants for Transportation Investment Generating Economic Recovery” or TIGER. Although federal government agencies cannot apply for these grants, state and local governments can. Counsel advised that it was within the Commission's charge to submit an application.

The Corps of Engineers, Coast Guard and industry worked together with the CMU students and Cmr. Stephaich and others to develop an outline for the grant submission. The Corps has provided a letter of support for the project and support from the American Waterway Operators is being sought. The application outlines a project of approximately \$34 million for which approximately \$32 million is

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requested. The project, if funded, would require a \$50,000 match. The Executive Director hopes that the \$30,000 already expended for the CMU practicum can be credited toward the match.

The project would also involve a commitment by the Commission to pay for annual maintenance estimated at \$1 million. It is anticipated that fees earned from leasing, etc. would cover the maintenance costs. Award of the grants will not be announced until February 2010 and the Executive Director stressed that the Commission and staff will need to intensely study the business aspects of such an undertaking in order to be well informed on the subject before accepting a grant, if one is offered. Commissioner Brown has agreed to coordinate the business study; Commissioner Janairo has agreed to help on the contracting and engineering issues; and Commissioner Stephaich will work with industry.

Commissioner Stephaich pointed out that, while the project is a great idea, the Commission does not have staff with the knowledge to handle a project of this nature. A partnership with a company with experience in this type of installation would need to be established. Therefore, it is imperative, in his estimation, that the time between now and February be used wisely in evaluating how the Commission could spearhead this project. Every effort will be made to solicit the services of the CMU students as interns or consultants.

Commissioner Ferlo is completely supportive of the project but expressed his concerns. One is the need of additional expertise beyond that of the CMU students and for that he recommends applying for a seed grant from an appropriate foundation. He is also concerned about the project becoming vendor driven because of the lack of expertise currently available to the Commission. Commissioner Brown also voiced his wholehearted support for the project.

Motion to accept Resolution 09-09-A to Submit a TIGER Grant Application.

Upon motion by Commissioner Coder (Commissioner Craig), Resolution 09-09-A to submit a TIGER grant application was unanimously passed.

Agenda Item 3.D. – Motion to Extend Contract with Donnelly-Boland Associates

The Executive Director reminded the Board that Donnelly-Boland Associates provides loan administration and advising services to the Commission. The current contract will expire on December 31, 2009 but contains a clause to renew annually thereafter by mutual agreement.

Motion to extend the Contract with Donnelly-Boland Associates for one year.

Upon motion by Commissioner Brown (Commissioner Janairo), the motion to extend the contract with Donnelly-Boland Associates for one year was unanimously passed.

Agenda Item 3.E. – Executive Director’s Report

The Executive Director called the Board’s attention to his written report and pointed out that he had already summarized the CMU practicum in his discussion of the TIGER grant application. The full report of the practicum is available on the Commission’s website.

The Staff has been working with the PRA to find sites with heavy-lift capacity as part of five waterway-dependent manufacturing proposals for the region. Most of the proposals exceed the currently available crane capacity. There is a possibility of placing a heavy-lift crane somewhere on the rivers to be used by everyone but some additional investigative work on available sites will need to be done.

Because a state budget for FY0910 has not yet been enacted, the Commission has not received notification of its FY0910 appropriation. The Commission has sufficient operating funds because of carryover funds and fees generated through bond issues. However, the Executive Director recommends altering the Commission’s focus over the next five years to put greater emphasis on projects that will provide the Commission with fees and, thus, diminish the need to rely on the state’s appropriation.

On October 1 the Commission will be the prime sponsor for the “Port of Pittsburgh-Ohio River Watershed Celebration: Fuel for a Nation.” Two boats will sail and one will be exclusively a childrens’ educational vessel. The adult boat will have speakers addressing river transportation, lock issues and the importance of locks for non-traditional waterway beneficiaries. The \$5,000 sponsorship will yield a professionally produced video that the Commission can use in future presentations. Other sponsors are CONSOL Energy and the DEP. Commissioner Ferlo stated that he would hope that there would be other participants that would be representing the environmental interests and the Executive Director produced the complete list of participants which showed that both sides of the energy issue are represented.

Agenda Item 3.F. – Assistant Executive Director’s Report

The Assistant Executive Director reported that funding should be available within 45 days for the 14 Investment Justifications (IJ) awarded under FY2007 Supplemental pending final Environmental and Historic Preservation Review on the final six IJs. For the FY2008 funding 24 grants were approved and applications for the FY2009 funding will be submitted after the submission and approval of the FY2008 recommendations.

General announcements included the merger of Alpha Coal with Foundation Coal and a 55% decrease in business for CONSOL Energy. The Commission hosted a stakeholder breakfast with Tommy Williams of the Office of Management and Budget; a stakeholder dinner with Gen. Temple; and a stakeholder meeting the Commandant, Adm. Thad Allen. The Commission also hosted the PIANC annual meeting.

The Assistant Executive Director was an evaluator for the Coast Guard’s AMSTEP exercise “Underwater Terrorism Preparedness” and presented the Port Security Grant Program in Marietta, Ohio at a Radio Interoperability Seminar.

In the next couple of months the Commission will, among other things, sponsor a Monongahela River Tour for Rep. Tim Murphy; attend the National Waterways Conference; and attend a joint meeting of the Waterways Associations of Huntingdon and Pittsburgh in Marietta, Ohio.

Agenda Item 3.G. – Development Director’s Report

The Development Director reported that all of the newly-installed cleats on the North Shore are being used, as was evident during NBC’s coverage of the NFL’s kick-off game in Pittsburgh. Boat traffic in the downtown pool has increased significantly and the Safe Boating Council will install more cleats on the North Shore to capacity.

The Development Director was the Vice Chairman of the Regatta that lured 500,000 people to the holiday weekend event. The Commission sponsored the Anything-That-Floats race and the Regatta received a proclamation from City Council acknowledging its success. Next year the Regatta will be a three-day event with more river activities.

A 100-acre parcel is being sought along the river for a solid-waste-to-fuel facility. The parent company is out of Dallas.

The Belle of Cincinnati will arrive in Pittsburgh on November 1 and land at the Delta Queen dock.

Some money is becoming available so CMAQ applications will again be entertained. The money earmarked for 2010-11 will need to be reapplied for to keep the projects viable.

Originally, tenants were to begin moving into Bridgeside II building on September 24 but the G-20 is delaying that. Ferchill must exercise their options on the other land parcels around Bridgeside II within nine months after the tenant move-in date.

The Commission applied for and received the Pennsylvania Economic Development Association award for the Bridgeside II project. It was deemed the best project in the state and Senators Pippy and Fontana wrote letters supporting the award.

Agenda Item 3.H. –Small Grant Committee Report

The Executive Director reported that the committee reviewed the program’s guidelines and application and made small, technical tweaks to both. An application from the City of Latrobe for \$16,000 was approved to design a walking path. An earlier application was rejected; but this one was approved because Latrobe came up with some matching funds.

Agenda Item 3.I. – PennPORTS

No report.

Agenda Item 3.J. – Government Liaison Report

Chuck Kolling reported that three caucuses, the Senate Democrats and Republicans and the House Democrats, announced a budget agreement for \$27.9 billion. Revenue sources have been identified, including using the rainy day fund, but specific line items do not have funding figures. Even though it has been significantly less than in prior years, there has been funding for the ports in every iteration of the budget through the spring and summer negotiations. House republicans and the Governor are not yet on

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board with this budget. Another capital budget is in the works for October and Mr. Kolling suggests working on putting together a request for a capital expenditure like the heavy-lift crane that could attract industry to the rivers. The Chamber's reception in Washington, DC will be September 16 and will afford the opportunity to discuss the federal budget process.

*Agenda Item 4 – Other Items Which May Come Before the Board*

Commissioner Ferlo would like the Turnpike Commission to consider placing a sign on the Turnpike, similar to one that identifies the Chesapeake Bay Watershed, for the Ohio/Allegheny River Basin. The Commissioners present indicated agreement with the idea and a letter of support will be written.

With no further business coming before the Board, Commissioner Craig (Commissioner Coder) moved and seconded that the meeting adjourn. The meeting adjourned at 1:11 PM.

Respectfully submitted,

Gloria A. Ralston, Assistant Secretary  
Port of Pittsburgh Commission