

**MINUTES OF A REGULAR MEETING
of the
Port of Pittsburgh Commission
December 4, 2009**

A regular meeting of the Board of the Port of Pittsburgh Commission was held in the Fetterolf Room, 23rd fl. of the Regional Enterprise Tower at 425 Sixth Avenue, Pittsburgh, PA.

In attendance were Commissioners:

Brown	Craig
Dunleavy	Heckman
Janairo	J. Marshall (phone)
R. Marshall (phone)	McNees
McQuiston	Preston
Stephaich (phone)	Woodward

Staff present included: James McCarville, Executive Director; J.D. Fogarty, Development Director and Mike Brinza, Staff Analyst. Others in attendance included: Sam Stephenson & Judd Langer from ParenteBeard LLC; Ron Brown, representing counsel, Grogan Graffam; Chuck Kolling, governmental affairs liaison; Kurt Acker, representing Cmr. (Senator) Jane Ori; and Col. Michael Crall from the US Army Corps of Engineers. Gloria Ralston, Assistant Secretary of the Port of Pittsburgh Commission, acted as Recording Secretary for the meeting.

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

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Chairman McNees called the meeting to order at 2:04 PM.

Agenda Item 1. Welcome

The Chairman welcomed the assembled group.

Agenda Item 2. Old Business

Agenda Item 2. A. – Minutes of September 11, 2009 meeting.

Motion to approve Minutes of September 11, 2009.

Upon motion by Commissioner Brown (Commissioner Woodward), the minutes of the September 11, 2009 meeting were unanimously approved.

Agenda Item 3. New Business

Agenda Item 3.A. – Audit Report

Sam Stephenson, representing the audit firm ParenteBeard LLC gave a summary of the audit report. Changes for the year ending June 30, 2009 dealt with accounting pronouncements. The first was the Commission's adoption of GASB 51 "Accounting and Financial Reporting for Intangible Assets" and the recognition of the required adoption of GASB 54 by 2011 or whenever the Commonwealth adopts it since the Commission is a component unit of the Commonwealth. Neither pronouncement will have a major impact on the financial statements.

There were no issues with regard to preparing the audit this year. Mr. Stephenson pointed out the differences in certain categories between 2008 and 2009, noting that they could be explained by timing of the transaction and/or market conditions. He reviewed the reconciliation of the Commission's financial statement format and the government-wide financial statement format. He also pointed out that the required supplementary information for Other Post Employment Benefits relates to the Commonwealth's Retired Employees Health Plan as a whole. The Commission's liability is approximately .002 percent of the Commonwealth's total.

Mr. Stephenson called attention to the use of accounting estimates. For the Commission, these estimates revolve around capital assets and their depreciation. The other required communications were standard and there were no disagreements with management.

Mr. Stephenson reported that the Governmental Accounting Standards Board (GASB) is working to compile a body of accounting principles to be followed by governmental entities that are always current. In conclusion, he announced the merger of Parente Randolph with Beard Miller to create ParenteBeard LLC.

Motion to accept the Audit.

Upon motion by Commissioner McQuiston (Commissioner Woodward), the Audit was unanimously accepted.

Agenda Item 3.B. – Resolution #09-12-A to Adopt Operating, RLF & Appropriation Only Budgets

Cmr. Brown reviewed the three budgets that the Commission is required to adopt. PennPORTS requires a budget justifying the expenditure of the appropriated funds only. The operating budgets for FY0910 & FY1011 reflect project spending that take into account funds carried over from previous years. The Revolving Loan Fund budget reflects plans for the funds that have been segregated for the use of the loan program.

The Executive Director further clarified the budget detail for the operating budget. Salaries in the appropriation-only budget were kept at the levels of July 2008 for staff and December 2007 for the Executive Director. Should economic conditions change or grant activity require it, the Board could approved salary changes at a future meeting.

A copy of the Budget Committee Report and the budget detail is attached.

Motion to adopt the Operating, RLF & Appropriation Only Budgets per Resolution #09-12-A.

Upon motion by Commissioner Brown (Commissioner Preston), the Budgets as presented in Resolution #09-12-A were unanimously adopted.

Agenda Item 3.C. – Motion to enter into a new four-year Contract with Donnelly-Boland & Associates, overriding the motion of September 11, 2009 to extend the Contract for one year

Motion to enter into a new four-year contract with Donnelly-Boland & Associates.

Upon motion by Commissioner McQuiston (Commissioner Woodward), the motion to enter into a new four-year contract with Donnelly-Boland & Associates was unanimously passed.

Agenda Item 3.D. – Motion to Authorize the Chairman to Structure a Non-profit Corporation to Administer the TIGER Grant, if one is Awarded

General Counsel explained that at the last Board meeting a resolution was passed authorizing the Commission to submit a TIGER grant application and to administer that grant if it was awarded. That action raises the issue of how to exercise that responsibility while limiting the Commission's exposure as a Commonwealth agency. The purpose of the motion on the floor is to give the Chairman, in conjunction with the Technology Committee, the Executive Director & General Counsel, the authority to charter a non-profit corporation for the purposes of receiving the granted money from the Commission. The non-profit's Board would be appointed by the Commission and the Commission would have governing control of the non-profit but for all intents and purposes, it would be a separate legal entity. This would make the non-profit responsible for activities using the grant funds outside of the state of Pennsylvania. The non-profit would contract with a project manager and engage any other necessary services for business or technological expertise. There would be no need to charter the non-profit until the Commission is notified of a TIGER grant award.

The Chairman reiterated that it was important to remember that 1) a TIGER grant award would authorize the expenditure of grant funds outside of the state of Pennsylvania and 2) Commonwealth funds not be expended in executing the grant.

Commissioner Marshall asked if the non-profit would be a 501 (c) (3). Counsel advised that it would be categorized under the tax code as a 501 designation but probably not as a (c) (3) organization because that would be a charitable, educational or scientific entity. Counsel would work with the outside accountants to determine the proper designation. The design of the non-profit corporation would protect the Commissioners from any liability.

Commissioner Janairo asked if the Corps of Engineers would be willing to lease to the non-profit corporation. Col. Crall responded that the Corps does out-grant to non-profits and arrangements can be made with for-profit entities as well as long fair market value is paid for the services rendered.

Commissioner Preston asked if the Commission would be asked to vote on the final agreement once the non-profit is established. Both Counsel and the Chairman replied in the affirmative.

Motion to authorize the Chairman of the Board, with guidance from the Technology Committee, Executive Director and General Counsel, to charter a Pennsylvania non-profit corporation to serve as the entity to implement the TIGER grant to fund a wireless navigation system on the inland waterways. The structure and organic documents of the non-profit are to be developed by the Technology Committee. The Board directs that the non-profit not be chartered until the Commission is notified of award of funds under the TIGER program to fund the wireless system.

Upon motion by Commissioner Brown (Commissioner Janairo), the motion to charter a non-profit with the stated stipulations was unanimously passed.

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

TIGER Grant Pre-award Planning. The Executive Director reported that he and the Technology Committee, with help from the CMU students and other knowledgeable parties, have been preparing for a positive TIGER grant announcement by laying the groundwork for possible TIGER grant implementation, including formation of a non-profit, considering the ramifications of any expenses incurred, and looking into the possibility of hiring a general contractor or integrator on a competitive basis. The integrator would be working in two phases: Phase 1 would be to use the grant money to build the skeleton system. In Phase 2 the integrator would manage and maintain the system and, with cashflow, finance an expansion of the system. If authorized, the grant project will be under tight time constraints to be completed.

Trust Fund. After meeting in Nashville, Waterways Council, the Corps, industry and the Executive Director are confident that a plan to fund the Inland Waterways Trust Fund is imminent. The topic will be on the table when the user board meets in New Orleans in December.

Allegheny L/D 2. Allegheny 2 is in need of rehab but there is no money for this project. “Fix as fail” is moving toward “fail and not fix.”

Evaluation Criteria. The Executive Director explained that historically the Corps has evaluated projects based on transportation savings; but that he has been working with the Corps and they are documenting the social costs of not making lock improvements at Emsworth, Dashields & Montgomery (EDM). EDM would be the first project to consider the social criteria, like congestion, if Corps headquarters approves.

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

The Executive Director gave the Assistant Executive Director’s report in her absence. See the attached report.

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

Pittsburgh Safe Boating Council. The Development Director reported that the grant given to the Pittsburgh Safe Boating Council via the Small Grant Program has resulted in cleats and ladders being installed on the North Shore. The ladders were instrumental in saving a woman who fell into the river during the Columbus Ships Exhibition. The Chairman pointed out that the city’s reaction to the incident has prompted suggestions that a railing be installed along the riverfront. She encouraged renewed

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participation in Riverlife to oppose this suggestion since installation of a railing would essentially ruin the design and purpose of the North Shore.

City officials will meet in late December with their new legal counsel regarding permitting on the North Shore. The need for public hearings will be determined and may lead to the re-establishment of the Harbor Committee.

The Development Director's report is attached.

Agenda Item 3.H. –PennPORTS

No report.

Agenda Item 3.I. –Government Liaison Report

Chuck Kolling reported that the state budget passed and the Commission did reasonably well in maintaining a healthy percentage of its previous year's appropriation. Revenue figures for the first five months of the year have been running about \$216 million below estimate. The appropriations staff believes that amount can be made up since the lag is primarily in the sales tax. They actually believe they can finish the year with a minor surplus.

The governor is working on next year's budget and it will be delivered on the first Tuesday in February in Harrisburg. Since some DCED line items were zeroed out, Mr. Kolling feels it is important that the Commission attendees at the Legislative Reception make an effort to thank the legislators for keeping the Commission's appropriation in the budget.

On the federal level it looks like the Water Resources Development Act will be re-authorized. There may also be a second stimulus package and Mr. Kolling recommends meeting with the Congressional delegation to ensure that port activities are included in the discussions on transportation.

Commissioner (Rep.) Preston urged everyone to get to know their legislative representatives and to make an effort to make sure that intermodal transportation is stressed so that waterway transportation is not overlooked in favor of trucking, air and rail or that one form is pitted against the other.

The Executive Director expressed his appreciation for the legislators that sit on the Board of the Port of Pittsburgh Commission for their support of the Commission in the Pennsylvania budget.

Agenda Item 3. J. – Other Reports

Col. Crall reported that the Corps of Engineers had just received a check for \$500,000 from Allegheny Energy to offset scour caused by their hydro-powered facility at Allegheny 5.

Recovery Act Update. Col. Crall distributed a chart showing all of the Recovery Act funding coming into the district per project. The area received over \$153 million and almost \$90 million has been expended to date. The remaining funding should be spent by the March 31, 2010. Monies not obligated by this date could be lost to the region.

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Major projects receiving a boost from these funds are the Upper Ohio Study; Emsworth construction; the Lower Mon Project; and O & M on the Allegheny, Mon and Ohio Rivers. The \$19 million allocated for Emsworth does have to be cost-shared with the Inland Waterway Trust Fund. Of particular note is the fact that the Lower Mon Project would have been shut down without the infusion of these recovery dollars. However, the time line and the costs have been elongated. The Executive Director pointed out that project costs of \$1.2 billion remain on the original \$800 million project.

Commissioner Janairo asked for clarification on rehab vs. construction on the Upper Ohio and Col. Crall responded that it would be new construction on the existing footprint. The Executive Director further indicated that, in the future, some of the projects that had been called new construction may be reclassified as rehabs for the purpose of funding outside the Trust Fund.

The Corps is working closely with Riverlife to seek funds for waterfront development under WRDA.

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

None.

With no further business coming before the Board, Commissioner Craig (Commissioner Brown) moved and seconded that the meeting adjourn. The meeting adjourned at 3:15 PM.

Respectfully submitted,

Gloria A. Ralston, Assistant Secretary
Port of Pittsburgh Commission

Budget Committee Report
Wm. Brown
December 4, 2009

Each year the PPC approves a budget for the upcoming year and the year immediately following. Because we anticipated a significant change in the PennPORTS allocation, we delayed action this year until now. The Board approved Budget consists of three line items: Personnel, Operational Expenses and Fixed Assets. These are the yellow line items in Exhibit A. These line items cannot be exceeded without Board approval. Additional detail, however, is proved in the back up materials, to understand how staff intends to expend the funds.

Also each year, PennPORTS requires us to submit a budget and budget report on the appropriated amount we receive through PennPORTS. Thus we have two budgets before you. On your second budget page there are three columns. The first column is the previously approved budget for FY 09-10. The second is the actual or "Operating" budget for FY09-10. The third is the proposed PennPORTS budget for FY09-10. The fourth is the proposed Operating budget for FY10-11.

1. The beginning balance is taken from the audit, less the amount we place in the Revolving Loan Fund. The PennPORTS FY09-10 budget reflects the \$775,000 allocation. The FY 09-10 Operating budget augments the PennPORTS allocation with money from our Fund Balance. The FY10-11 budget shows revenues of \$1,286,000, but depending upon the Legislative process, that may be from appropriations or from fund balance.
2. Salary levels in the PennPORTS budget are held to July 2008 levels. The Operating budget would allow, should the Board approve at a future time, for some increase, should conditions change or should grant activity require it.
3. Several things are allowed in the Operating budget which would not be funded in the PennPORTS only budget, such as "A Single Audit", special services, office supplies, etc. should grant activity require it.
4. Some line items are increased in the Operating budget, such as advertising and travel, sponsorships, and a new auto for the Executive Director, currently at 113,000 miles) that are not listed in the PennPORTS only budget and would probably not be able to be purchased on the PennPORTS appropriation only.
5. The biggest single budget difference is in the consulting line item. In the PennPORTS budget, only the \$27,000 expenditure for C. Kolling's Inter-governmental affairs contract is included. In the Operating budget, money is included for another CMU Practicum (\$60,000), a new technology initiative (for PA activities to compliment the proposed Waterway – Intelligent Transportation project) (\$100,000); Engineering studies to help select development ready waterway industrial parks and also development ready logistic parks (\$100,000); a Public Relations Consultant (\$50,000); and a Port Security related "Communications" study to possibly link port security cameras into the proposed Waterway –ITS system.

Some of the consulting projects were also on our books last year as well, but we lacked a partner in USACE to carry them out, a situation that appears to be changing.

PORT OF PITTSBURGH COMMISSION

Budgets Approved 12/4/2009

Exhibit A

	FY0910 Appropriation Only 12/04/09	FY0910 Rev. Operating Budget 12/04/09	FY1011 Preliminary Budget 12/04/09
BEGINNING BALANCE		3,835,939	3,155,639
SOURCES OF FUNDS			
Penn PORTS Appropriation	775,000	775,000	1,286,000
TOTAL SOURCES OF FUNDS	775,000	775,000	1,286,000
USES OF FUNDS			
PERSONNEL EXPENSES			
Subtotal - Personnel	488,724	518,800	518,800
OPERATIONAL EXPENSES			
SUBTOTAL	216,740	669,500	528,200
Grants & Subsidies			
SUBTOTAL	0	100,000	100,000
Administrative:			
SUBTOTAL	69,536	122,000	124,000
Subtotal - Operational Exp.	286,276	891,500	752,200
FIXED ASSETS			
Subtotal - Fixed Assets	0	45,000	15,000
Transfer to RLF (if necessary)	0	0	0
TOTAL USES OF FUNDS (gross)	775,000	1,455,300	1,286,000
ENDING BALANCE	0	3,155,639	3,155,639

	A	B	C	D	E	I	J	K	M	
1	PORT OF PITTSBURGH COMMISSION									
2	Worksheet									
3										
4										
5	GL					FY0910	FY0910	FY0910	FY1011	
6	Accounts					Approved Revised	Proposed Revised	Proposed	Proposed Prelim.	
7						Budget	Oper. Budget	Appropriation Only	Oper. Budget	
8						03/13/09	12/04/09	12/04/09	12/04/09	
8					BEGINNING BALANCE	3,925,028	3,835,939		3,155,639	
9					SOURCES OF FUNDS					
10					Penn PORTS Appropriation	1,500,000	775,000	775,000	1,286,000	
13					RLF late fees applied to Fund 60140**000					
14					Project Fees					
15					Received Interest	150,000				
16					TOTAL SOURCES OF FUNDS	1,650,000	775,000	775,000	1,286,000	
17					USES OF FUNDS					
18					PERSONNEL EXPENSES					
19	6111000				Salaries	389,424	389,424	369,543	389,424	
20	6148000				Employee Health Benefits	99,376	99,376	96,181	99,376	
21	6142000				Annuitant Hosp Insurance					
22	6143000				Social Security					
23	6145000				Retirement/Medicare					
24	6146000				Workmen's Compensation					
25	6147000				Group Life Insurance					
26					Management Perf. Awards	0	0	0	0	
27					Reserve to Pay Accrued Leave	20,000	20,000	20,000	20,000	
28	6321030				Out Service Training/Conf. Reg.	10,000	10,000	3,000	10,000	
29					Subtotal - Personnel	518,800	518,800	488,724	518,800	
30					OPERATIONAL EXPENSES					
31	6341100				Consultant Fees	464,000	387,000	27,000	229,200	
32	6342100				Legal Fees	70,000	37,000	37,000	40,000	
33	6343117				Independent Audit	30,000	30,000	14,240	30,000	
34	91etc & 6343117				Compt., Purch & Sp. Svcs.	50,000	30,000	16,000	30,000	
35	6391070				Conference Exp. (we host)	30,000	30,000	25,000	30,000	
36	6391030				Printing	4,000	4,000	1,000	4,000	
37	6343200				Advertising	20,200	15,000	5,000	15,000	
38	6391060				Conference Exp. (we attend/sponsor)	63,000	60,000	25,000	60,000	
39	6311999				Travel	40,000	20,000	10,000	30,000	
40	6351210 & 6351220				Rent	52,000	56,500	56,500	60,000	
41					SUBTOTAL	823,200	669,500	216,740	528,200	
42					Grants & Subsidies					
43	66xxxxx				Various grant recipients	100,000	100,000	0	100,000	
44					SUBTOTAL	100,000	100,000	0	100,000	
45					Administrative:					
46	6344230				Contracted Personnel	15,000	15,000	11,036	17,000	
47	6391010				Postage & Freight	5,000	5,000	3,000	5,000	
48	6331110 etc				Telephone	5,000	14,000	14,000	14,000	
49					EDP Software (Upgrades)	1,000	1,000	0	1,000	
50	6391040				Subscriptions	10,000	10,000	3,000	10,000	
51	6391050				Membership Dues	25,000	25,000	12,000	25,000	
52	6361300				Educational Books & Supplies	3,000	3,000	1,000	3,000	
53	6391120				Insurance	5,000	5,000	2,000	5,000	
54	6380710				Motorized Equipment Supplies	12,000	12,000	8,000	12,000	
55	6344700				Motorized Equipment Repairs	6,000	6,000	5,000	6,000	
56	6344300				Contracted Maint - Data Proc.	1,500	1,500	1,500	1,500	
57	6344420				Contracted Maint - Office Equip	4,500	4,500	3,500	4,500	
58	6351520				Other Equipment Rentals	1,000	1,000	200	1,000	
59	6361100				Office Supplies	18,000	18,000	4,800	18,000	
60	6399999				Other Services & Supplies	1,000	1,000	500	1,000	
61	6391110				P-card purchases					
62					SUBTOTAL	113,000	122,000	69,536	124,000	
63					Subtotal - Operational Exp.	1,036,200	891,500	286,276	752,200	
64					FIXED ASSETS					
65	6450280				EDP Hardware/Software	5,000	5,000	0	5,000	
66	6450360				Furniture & Furnishings	5,000	5,000	0	5,000	
67	6450210				Automobile	30,000	30,000	0	0	
68	6450310				Office Equipment	5,000	5,000	0	5,000	
69										
70										
71					Subtotal - Fixed Assets	45,000	45,000	0	15,000	
72					Transfer to RLF					
73										
74					TOTAL USES OF FUNDS (net)	1,600,000				
75					TOTAL USES OF FUNDS (gross)	1,600,000	1,455,300	775,000	1,286,000	
76					ENDING BALANCE	3,975,028	3,155,639	0	3,155,639	

	A	B	C	D	E	G	H	I
1	PORT OF PITTSBURGH COMMISSION							
2	Selected Detail For 2009-10 & 2010-11 Operating Budgets							
3							↓	↓
4								
5								
6								
7	Comptroller's					FY0910	FY0910	FY1011
8	Account					Approved	Approved	Approved
9	Numbers					Budgets	Budget	Budget
10						<small>12/5/08 & 3/13/09</small>	<small>12/04/09</small>	<small>12/04/09</small>
11	6111000	SALARIES						
12							<small>actuals as of 7/1/2008</small>	
13					Executive Director	130,419	123,532	130,419
14					Development Director	77,707	74,022	77,707
15					Asst Ex Director	77,024	72,325	77,024
16					Administrative Director	56,951	54,619	56,951
17					Analyst	47,323	45,045	47,323
18					Clerical	0		0
19					Subtotal - Salaries	389,424	369,543	389,424
20	6341100	CONSULTANT FEES						
21					Governmental Affairs (state)	27,000	27,000	27,000
22					CMU Practicum	52,000	60,000	52,200
23					New technology initiative	300,000	100,000	100,000
24					Industrial/logistics site study	0	100,000	0
25					PR Consultant	85,000	50,000	50,000
26					Communications study	0	50,000	0
27								
28					Subtotal - Consultant Fees	464,000	387,000	229,200
29								
30	6391070	CONFERENCE EXP. (we host)						
31					General promotions	30,000	30,000	30,000
32					Subtotal - Conference Exp. (we host)	30,000	30,000	30,000
33								
34	6391030	PRINTING						
35					Annual Report	2,000	2,000	2,000
36					Bond fliers	0	0	0
37					General	2,000	2,000	2,000
38					Subtotal - Printing	4,000	4,000	4,000
39								
40	6343200	ADVERTISING						
41					General	7,000	11,000	11,000
42					Bond program	10,000	2,000	2,000
43					Stock Photography	3,200	2,000	2,000
44					Subtotal - Advertising	20,200	15,000	15,000
45								
46								
47	6311999	TRAVEL						
48					Subtotal - Travel	40,000	20,000	30,000
49								
50	6391060	CONFERENCE EXP. (we attend/support)						
51					General	35,000	30,000	30,000
52					Sponsorships	28,000	30,000	30,000
53					Subtotal - Conference Exp. (we attend)	63,000	60,000	60,000
54								

PORT OF PITTSBURGH COMMISSION
Revolving Loan Fund Budget FY0910

Exhibit B

	Revised Budget FY0910 12/04/09
BEGINNING BALANCE	814,062
SOURCES OF FUNDS	
Potential Transfer from PPC Op Account	
Repayment	62,500
TOTAL SOURCES OF FUNDS	62,500
OPERATIONAL EXPENSES	
Fees	
Donnelly-Boland	2,000
Subtotal - Operational Exp.	2,000
Loans	
Four (4) proposed @ \$100,000 ea.	400,000
Subtotal Loans	400,000
TOTAL LOAN COSTS	402,000
ENDING BALANCE	474,562

Mary Ann Bucci
Asst. Exec. Director Report
Third Quarter 2009
December 4, 2009

Port Security Grant Program:

The Port Security Grant Program for FY2010 will be announced next week. We expect to receive less funding in 2010 due to the Stimulus Package of \$150 million dollars that was announced earlier this year. The following is a funds analysis of the program.

FY2007 Supplemental	\$1,473,075
FY 2008	\$2,428,649
FY2009	<u>\$2,600,048</u>
Total Funding for the District	\$6,501,772

Management and Administrations Costs that will be earned:

PSGP Year	Award Amount	M&A Costs
FY2007 Supp.	\$1,473,075.00	\$ 44,192.25
FY 2008	\$2,428,649.00	\$ 72,859.47
FY 2009	\$2,600,048.00	<u>\$ 78,001.44</u>
	Total M&A Costs	<u>\$195,053.16</u>

To date, we have awarded fourteen (14) Investment Justifications for FY2007 Supplemental and twenty-four (24) Investment Justifications for FY2008. The review process for the FY2009 will be completed in the first quarter of 2010.

The Grant Guidance for FY2010 will be released next week. There are some significant changes in FY2010 to help streamline the process. First our Management and Administration Fee currently at 3% of the total award will be increased to 5%. The Investment Justifications could possibly have to be submitted with the application, the projects within the application can be approved on a project-by-project basis, and there will be no "cash match" requirement. If we have to submit our investment justifications with our application, our Area Maritime Security Committee will have 45 business days to go through the entire process of accepting the applications, reviewing the applications, ranking the applications and submitting the application with a full budget. This will mean that the port security program for FY2010 could be submitted prior to FY2009. My recommendation to the Captain of the Port was to review both FY2009 and FY 2010 at the same time. We will determine the process after the Grant Guidance has been released.

The Port Security Grant Program has been stalled for a short period of time as FEMA is trying to get the stimulus awards funded. The Fiduciary Agent was not used for the Stimulus projects. There were over \$450 million dollars worth of projects submitted for the stimulus package and \$150 million dollars available. We are hoping that the “no cash match” in 2010 will increase the interest in the program. They are hoping to get back on track during the first quarter in 2010.

The Port Security Grant Program FEMA also examined the issue of purchasing maintenance contracts, warranties, repair or replacement costs, upgrade, and user’s fees with grant funding. Effective immediately, the use of grant funds are allowable under all active and future grant awards.

FEMA has also disabled their portal for the grant program. We will now use HSIN (Homeland Security Internet Network) as our secured site for submitting our Investment Justification. They were also trying to implement the Non-Disaster Grants Management System (ND Grants) that would merge all data into one system. However, due to lack of funding this will not be implemented at this time and we will continue to use the current process of the Grant Management System, Grant.gov and the HSIN system. Going forward, FEMA will continue to refine the ND Grants system and work toward merging all data into one system. When this system is implemented, all information will be readily accessible in one location.

Events

- The Port of Pittsburgh Commission in conjunction with the Waterway’s Association of Pittsburgh hosted Represented Tim Murphy on a boat tour on the Monongahela River. Ingram Barge, Consol Energy, ELG and Alpha Coal also participated in the tour.
- The Port of New York and New Jersey hosted their Annual seminar.
- The Port of Pittsburgh Commission was the major sponsor of the Annual Imagination Cruise. Jim McCarville presented on the Networking Cruise and Mary Ann Bucci presented on the Children’s cruise.
- Facilitated the quarterly Area Maritime Security Committee meeting.
- Attended the quarterly Board meeting for the Pittsburgh Maritime Club. I was voted Treasurer for the organization and will serve a two year term. I am also chairperson for the Annual Holiday Event being held on December 4, 2009. Over 250 shippers, barge companies, terminal facilities and government officials will be in attendance.

- Attended a Fiduciary Workshop in Washington, D.C. FEMA announced the changed anticipated in the FY2010 Port Security Program and training on the new HSIN was available to the attendees.

Up-Coming Events

12-4-2009	PMC Annual Holiday Event, Bella Sera's , Canonsburg, PA
12-7-8 2009	American Metals Conference, Pittsburgh, PA
12-9-2009	Imagination Cruise Luncheon, Duquesne Club
12-9-2009	Waterway's Association Luncheon, Chartier's Country Club
12-9-2009	Legislative Reception, Duquesne Club

Industry Changes

Jack English is working with General Materials as a Consultant.

DEVELOPMENT DIRECTOR'S REPORT
FOURTH QUARTER 2009

GRANT PROGRAM

LADDERS AND CLEATS ARE INSTALLED
LADDER SAVED A WOMAN FROM DROWNING
SHE WAS OUT OF THE WATER BEFORE RIVER RESCUE COULD GET TO HER
FISH AND GAME CLAIMS THE CLEATS HAVE INCREASED TRAFFIC TO THE POINT

COLUMBUS SHIPS

THE STAY IN PITTSBURGH DREW GREAT CROWDS
PROMOTERS WERE VERY PLEASED AT THEIR STAY

HARBOR COMMITTEE

CITY OFFICIALS ARE HAVING A MEETING IN LATE DECEMBER
IT WILL DETERMINE A NEED FOR PUBLIC HEARINGS
TRAFFIC IS DICTATING THE NEED FOR PERMITTING

EPA

A COMMITTEE HAS BEEN FORMED TO AID IN THE CMAQ AND DERA PROCESS
CAMPBELL, CONSOL, AND RIVER SALVAGE ARE REPRESENTED
WILL SUBMIT A DERA APPLICATION ON DECEMBER 8
APPLICATION WILL BE FOR \$3.8 MIL
COVERS 9 BOATS AND 18 ENGINES

VORTEX

MET WITH DONNELLY BOLAND
THEY OWE A TOTAL OF \$40,000
THEY ARE CURRENTLY \$8,000 IN THE REARS
SPOKE WITH STEPHANIE AT VORTEX WHO CLAIMS THEY PETITIONED FOR INTEREST ONLY PAYMENTS
THAT COMMUNICATION WENT TO CATALYST CONNECTION
WE WILL SET UP A MEETING WITH THEM

HEAD OF THE OHIO

VERY SUCCESSFUL EVENT

SCHEDULING FOR 2010 IS A PROBLEM

PITT HAS A GAME

THEY ARE CHECKING THE MON

THEY CANNOT RESCHEDULE BECAUSE COLUMBUS HAS ONE THE WEEKEND BEFORE AND AFTER

WATER TAXI

PITTSBURGH CRUISELINES PURCHASED AN ADDITIONAL VESSEL

THIS IS THE RESULT OF THE PPC'S DEMONSTRATION PROGRAM

VESSELS WILL BE DOCKED AT THE CORK FACTORY

THE RESULT OF THE GRANT PPC RECEIVED FOR PUBLIC LANDINGS

CMAQ

SECOND ROUND OF FUNDING WILL BE FINALIZED DECEMBER 7

IT HAS BEEN A VERY LONG PROCESS

WE HAVE ALREADY BEEN APPROVED FOR \$3.3 MILL

THIS PROCESS IS FOR AN ADDITIONAL \$4.4 MILL

WE ARE VERY HIGH ON THE LIST FOR APPROVAL

THIS WILL ALLOW FOR THE RETROFIT OF 70 VESSELS

CLIENTS

THE DECISION HAS NOT BEEN MADE ON TWO CLIENTS

WORKING WITH THE PRA ON THE PROJECT

BBC

ATTENDED 3 MEETINGS

PEDA

RECEIVED PROJECT OF THE YEAR AWARD AT A LUNCHEON IN PHILADELPHIA