

**MINUTES OF A REGULAR MEETING
of the
Port of Pittsburgh Commission
September 9, 2011**

A regular meeting of the Board of the Port of Pittsburgh Commission was held in the conference room at US Steel, Clairton Works, Clairton, PA.

In attendance were Commissioners:

Brown (phone)	Grech (phone)
Heckman	Janairo
McNees	McQuiston
Snyder (phone)	Stephaich

Staff present included: James McCarville, Executive Director; Mary Ann Bucci, Ass't. Executive Director; J.D. Fogarty, Development Director; and Mike Brinza, Staff Analyst. Others in attendance included: Ron Brown, representing counsel, Grogan Graffam; Cmdr. Timme from the US Coast Guard; and Col. Graham and Lenna Hawkins from the US Army Corps of Engineers. Participating by phone were Herb Packer from PennPORTS and Jackie Erickson from Sen. Casey's office. In attendance from US Steel were Jim Dudek, Gabe Pellathy, Tim DiMartino, Robert Prah, Don Furko, Justin Ellsworth, Ed Dryer, Ed Bengier and Gary Dziki. 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 2:03 PM.

Agenda Item 1. Welcome

The Chairman welcomed the assembled group and thanked all of the representatives from US Steel for providing the meeting place as well as leading the informative tour of the Coke Works which preceded the meeting. Introductions were made around the room and the business portion of the meeting ensued.

Agenda Item 2. Old Business

Agenda Item 2. A. – Minutes of June 17, 2011 regular meeting.

Motion to approve Minutes of June 17, 2011.

Upon motion by Commissioner Janairo (Commissioner Heckman), the minutes of the June 17, 2011 regular meeting were unanimously approved.

Agenda Item 3. New Business

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

Commissioner McQuiston reported that he and Commissioner Grech conducted interviews with the incumbent officers and potential nominees and presented the following slate for consideration:

- V. Chairman – Commissioner Stephaich
- Secretary – Commissioner Heckman
- Treasurer – Commissioner Brown

Motion to Approve the Slate of Officers for 2012 as Presented.

Upon motion by Commissioner Janairo (Commissioner Brown), the slate of officers was unanimously elected.

At the conclusion of the vote, Chairman McNeas thanked Commissioner Janairo for his loyal and tireless service as Secretary.

Agenda Item 3.B. – Adoption of Meeting Schedule for 2012

The following dates for meetings were proposed:

- Friday, December 2, 2011
- Friday, March 9, 2012
- Friday, June 15, 2012
- Friday, September 7, 2012
- Friday, December 7, 2012

Motion to Approve the Meeting Schedule for 2012.

Upon motion by Commissioner McQuiston (Commissioner Heckman), the meeting schedule was unanimously approved.

Agenda Item 3.C. – Motion to Approve Contract with RNO Group for Strategic Planning Services

The Executive Director reported that the Strategic Plan Review Committee interviewed the RNO Group, the Hile Group, AECOM and Michael Baker Group and chose the RNO Group as the most responsive proposer to the unique needs of the Commission. A contract for their services totaling \$69,131 has been drawn up. In addition to the contractual obligations, the RNO Group has agreed to provide guidance on the topics of non-profit formation, assistance in developing project scopes and advice on appropriate future staffing.

Motion to Approve Contract for \$69,131 with RNO Group for Strategic Planning Services

Upon motion by Commissioner Heckman (Commissioner Stephaich), the motion to approve the contract with the RNO Group was unanimously passed.

Agenda Item 3.D. – Resolution 11-09-A Authorizing the Filing of Applications with the Redevelopment Authority of Allegheny County

The Executive Director explained that the resolution was a documentation requirement of the grant from Allegheny County's Infrastructure and Tourism Fund to help advance the Wireless Waterway Project.

Motion to Adopt Resolution 11-09-A Authorizing the Filing of Applications with the Redevelopment Authority of Allegheny County

Upon motion by Commissioner Janairo (Commissioner Brown), the motion to adopt Resolution 11-09-A was unanimously passed.

Agenda Item 3.E. – Report of the Audit Committee and Recommendation for a Single Audit and \$5,000 Increase to Audit Contract.

Commissioner Brown reported that a Single Audit has been necessitated by the distribution of over \$500,000 in Port Security Grant funding. ParenteBeard, the Commission's auditor, has agreed to perform the Single Audit for \$5,000 in addition to the contracted amount of \$14,940 to conduct the audit of the Commission's financial statement for the year ending June 30, 2011.

Motion to Approve a Contract Amendment with ParenteBeard LLC to perform a Single Audit of the Port Security Grant for an Amount not to exceed \$5,000

Upon motion by Commissioner Brown (Commissioner McQuiston), the motion to approve amending the contract with ParenteBeard LLC to include a Single Audit for an amount not to exceed \$5,000 for the year ending June 30, 2011 was unanimously passed.

Agenda Item 3.F. – Report of the Loan Committee and Recommendation to Amend the Loan Agreement with Gulf Materials

Commissioner Brown reported that Gulf Materials has fallen behind in their loan payments and that they have proposed to bring the accumulated interest and late fees current in three monthly payments totaling \$1,989.29 each. The third interest/late fee payment would be due October 20. Beginning November 1, the principle balance of \$34,525.95 will be amortized over 24 months at a rate of 5.25%. The first payment has been received and is being held pending the acceptance of their payment plan.

Motion to Amend the Loan Agreement with Gulf Materials to Permit Payment of Accrued Interest and Late Fees over a Three-month Period and Amortization of the Principle Balance of \$34,525.95 over the Ensuing 24-month Period at 5.25% Beginning on November 1, 2011

Upon motion by Commissioner Brown (Commissioner McQuiston), the motion to amend the Loan Agreement with Gulf Materials was unanimously passed.

Commissioner Brown also reported that Vortex Recycling, which is also behind in their loan payments, has presented a letter explaining that Bridgestone Bank in Wisconsin would refinance their business for \$4,682,000 and that under this scenario the loan from the Commission would be paid off in its entirety. The refinancing is tentatively slated to close in early November.

Agenda Item 3.G. – Authorization to Sponsor Four TIGER Grant Applications

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The Executive Director explained that the Department of Transportation is accepting pre-applications for round three of the TIGER Grants through October 3, 2011. The Commission can submit three in-state applications. The Commission is tentatively submitting an application for the Wireless Waterway with the intent to use a portion of the carry-over fund balance as the local match for the project. Three Rivers Marine & Rail and Consol Energy had the Commission submit applications on their behalf for round two which were not funded and they have approached the Commission to resubmit for round three. The fourth project comes from Pittsburgh Region Clean Cities (PRCC) and would be a multi-state application to provide liquid natural gas (LNG) refueling stations along the river in PA and WV and to build/retrofit vessels to use the LNG. This project, however, is not as advanced as the others and an application will not be submitted at this time. The Executive Director will continue to work with PRCC.

Motion to Authorize Submission of Three TIGER Grant Applications, i.e., for the Wireless Waterway Project, the Three Rivers Marine & Rail Project and the Consol Project

Upon motion by Commissioner Janairo (Commissioner Brown), the motion to support/submit three TIGER grant applications was unanimously passed.

Jackie Erickson offered to meet with the Executive Director to coordinate the efforts of Senator Casey's office with the Commission in support of these applications.

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

Ireland Institute Engineering Intern. The Executive Director interviewed five of the pre-approved engineering students and came to an agreement with Roisin Eibhlin Downey. She is due in Pittsburgh in mid-September and will be paid \$10/hr. to work on the Wireless Waterway, diesel retrofits and the Port Security Grants. Benefits will be paid by the Ireland Institute.

Funding for Locks & Dams. Dam construction was specifically named in the President's speech on job creation and the Senate report said the industry's twenty-year capital improvement plan for the locks & dams provided a good basis for a favorable conclusion. Sen. Casey will meet with OMB and the Assistant Secretary of the Army in support of lock & dam funding. The Executive Director met with staff from Sen. Toomey's office to express his concern for any plan that would distribute the Corps' appropriation as a block grant to individual states. The Pittsburgh Navigation Stakeholders will meet on October 6 to prepare for the Waterways Council meeting in Pittsburgh October 19-22. Currently, a plan is being floated to divert some funding from the Olmsted project to the Lower Mon. This plan would probably only finance a single chamber at Charleroi. Col. Graham added that there is approximately \$14 million that can go to the Lower Mon between 2011 and 2012. The Mississippi River Commission was in Pittsburgh and left with the dual message that the Pittsburgh region creates value and its infrastructure is less than reliable. In response to a question from the Executive Director, Col. Graham went on to say that reduced services will begin on the Allegheny River on October 1 and there is no money to make any repairs. Locks 6 & 7 will be open only weekends in the summer and Locks 8 & 9 will go into caretaker status.

PennPORTS Allocation. Funding to the Commission was not restored in the Governor's budget; however, Herb Packer from PennPORTS has developed a request for the budget office that includes \$500,000 to \$750,000 for the Commission. Chairman McNees added that the legislative representatives from the Commission worked hard to get funding restored and have pledged to continue to do so.

Crescent Township. The Commission will be giving \$5,000 to the township to support an engineering study on the problem that exists on the road to Dashields Lock & Dam.

Catalyst Connection. The Commission is discussing local involvement in the Marcellus Shale Logistics program.

Wireless Waterway. The RFP to design the network and construct the test bed will be going out soon.

Agenda Item 3.I. – Ass't. Executive Director's Report

Port Security Grant Program. The Ass't. Executive Director distributed a spreadsheet that tracks the grants by year. Five of the projects from 2007 Supplemental are complete; but a time extension will be needed to allow for the completion of the other projects. Funding for too many projects is not being spent down. For 2008 the Beaver police project is nearing completion and the Gateway Clipper has started its projects. Funding for 2009 is being held pending final approval on one project for which additional information is required. At this time \$180,000 in Management & Administration fees can be drawn down. Mike Brinza developed a map of projects that was distributed.

Harbor Safety & Security Conference. The Assistant Executive Director will be chairing the planning committee for this conference to be hosted by the Waterway Association of Pittsburgh in 2012.

Waterways Association of Pittsburgh Career Day. The waterway industry will sponsor this day for high school students who aren't necessarily interested in the college path.

Waterways Council. Pittsburgh will host Waterways Council in October.

PMC Holiday Event. The event is scheduled for December 9, 2011.

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

CMAQ. The Corps of Engineers has agreed to be the federal pass-through agency for the \$3 million in grant funding that will become available October 1, 2011. This funding will cover approximately 30 repowers. In two years another \$4.4 million will be available. Demand for this money will determine the request for the next round of funding.

DERA. The projects of Campbell Transportation, River Salvage and Consol will be complete within 18 months.

Regatta. With 650,000 in attendance, the Regatta was a success. City Council passed an ordinance to restrict North Shore docking.

Ferryboat Funding. The Commission received notification of a \$985,000 award for the water taxi dock at the Southside Works as part of the marina that is planned for the site. One of the stipulations is that a water taxi service will be operating to use the dock. Pittsburgh Cruise Lines is willing to do it but finding a boat has been difficult. If the money is accepted, the dock will be completed in 2013. Commissioner Stephaich wanted to caution that the operation of a taxi service in Pittsburgh will be difficult to sustain.

KSRRA. The Rail Freight Assistance Program will be funded from the Operations Budget rather than the Capital Budget.

Added to Agenda – Report of the US Coast Guard

Cmdr. Timme thanked the Commission for its support of the lunch for Admiral Nash. Pittsburgh has been chosen as the site for the joint Harbor Safety and Maritime Security Committee conference in 2012. This gives the region the opportunity to flavor the conference with river-specific issues and problems with infrastructure.

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

Commissioner Stephaich acknowledged the massive operation of US Steel and its reliance on the river and encouraged both management and organized labor to be supportive of the efforts of Waterways Council to promote the needs and benefits of the waterways for the sake of jobs and future prosperity.

With no further business coming before the Board, Commissioner Stephaich (Commissioner Janairo) moved and seconded that the meeting adjourn. The meeting adjourned at 3:01 PM.

Respectfully submitted,

Gloria A. Ralston, Assistant Secretary
Port of Pittsburgh Commission