

**MINUTES OF A REGULAR MEETING
of the
Port of Pittsburgh Commission
March 9, 2012**

A regular meeting of the Board of the Port of Pittsburgh Commission was held in the O'Neill Room on the 23rd floor of the Regional Enterprise Tower, Pittsburgh, PA.

In attendance were Commissioners:

Brown (phone)	Ferlo
McLean	Heckman (phone)
Janairo	J. Marshall
McNees	McQuiston
Preston	Stephaich
Woodward	

Staff present: James McCarville, Executive Director; Mary Ann Bucci, Ass't. Executive Director; J.D. Fogarty, Development Director; Mike Brinza, Staff Analyst; and Roisin Downey, Engineering Intern. Others in attendance included: Ron Brown, representing counsel, Grogan Graffam; Chuck Kolling, governmental affairs liaison; Cmdr. Timme from the US Coast Guard; Jeff Fritz from the US Army Corps of Engineers; Arno Hart & Lynn Landis from RNO Group; and Stan Caldwell from Carnegie Mellon University. Herb Packer from PennPORTS 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 and introduced Mike McLean, a new Commissioner appointed by the governor to replace Jim Grech.

Agenda Item 1. Welcome

The Chairman welcomed the assembled group.

Agenda Item 2. Old Business

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

Motion to approve Minutes of December 2, 2011.

Upon motion by Commissioner Woodward (Commissioner McQuiston), the minutes of the December 2, 2011 regular meeting were unanimously approved.

Agenda Item 3. New Business

Agenda Item 3.A. – Report of Strategic Planning Committee

The Chairman thanked Commissioners McQuiston and Heckman for their work with the consultant, RNO Group, to develop the strategic plan. Commissioner McQuiston indicated that a new strategic plan was commissioned because the last one was almost 20 years old with only minor updates undertaken. In addition, the plan can be used to illustrate to those making funding decisions in Harrisburg that the Commission has defined goals and a plan for achieving those goals.

This plan revolves around five strategic goals that will be refined and prepared for implementation by committees assigned to each goal. The goals, in order of significance, are: 1) increased waterway funding; 2) business competitiveness and expansion; 3) new business opportunities; 4) technological innovations; and 5) management excellence. The committee feels that the best way to implement the plan is to create committees that will work with the staff to focus on each of the five goals and map out activities and responsibilities for success. After the commissioners completely review the written plan, a process wholeheartedly endorsed by Commissioner Heckman, they will be contacted to volunteer for the area they are most interested in or to accept an assignment to a committee. Rep. Preston emphasized the need to establish timelines for the activities. Concurrently, the enabling legislation will be reviewed for any possible amendments or modifications necessary to bring it into compliance with current conditions.

The committee, working with the RNO Group, also undertook to shorten and distill the Commission's mission statement. Removal of references to "intermodal transportation" and "recreation" was discussed and it was decided to continue with the incumbent statement. Rep. Preston and Sen Ferlo commented on intermodalism and the broad spectrum of stakeholders relative to river issues respectively. Commissioner Stephaich stated that Waterways Council would be rolling out some new initiatives on the grassroots level with regard to strategic goal #1 (increased waterway funding) under new CEO, Mike Toohey. The chairman added that it would be beneficial to the Commission to invite Mr. Toohey to an upcoming meeting to determine how the Commission could augment their model.

Motion to accept the recommendations of the Strategic Planning Committee to approve the Strategic Plan, as presented, with the exception of the Mission Statement, which is to remain the same.

Upon motion by Commissioner Ferlo (Commissioner Brown), the recommendations of the Strategic Planning Committee to approve the Strategic Plan, as presented, with the exception of changing the Mission Statement, were approved by the majority voting "aye" and Rep. Jim Marshall voting "nay."

Agenda Item 3.B. – Report of the Wireless Waterway Committee

Commissioner Woodward summarized the plans and progress of the Wireless Waterway project to date. Committed and projected funding was also reviewed, including a \$100,000 grant from Allegheny County, Port Security Grants totaling over \$1.7 million and \$100,000 from Carnegie Mellon through Traffic 21. An application for \$12.6 million for TIGER 4 funding is also being submitted.

To help with the cost/benefit section of the TIGER 4 application, the Commission gave its preliminary approval to contract with HDR Engineering, Inc. utilizing a Form of Consent. That action is spelled out in Resolution #12-03-A as presented to the Board.

Motion to ratify the Form of Consent vote to contract with HDR Engineering, Inc. for assistance in completing the cost/benefit section of the TIGER 4 application by passing Resolution #12-03-A.

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Upon motion by Commissioner Janairo (Commissioner Brown) Resolution #12-03-A was unanimously passed.

Commissioner Woodward concluded his report by presenting a list of committee recommendations that would advance the project and they were put into a motion.

Motion to: 1) declare the Wireless Waterway project an “Economic Development Project; 2) authorize the chairman, or her designee, and the Commission counsel to finalize one or more contracts with CONXX to execute the project; 3) authorize the Executive Director to apply for a TIGER 4 grant of \$12.6 million that includes a \$2.6 million local match; and 4) accept contributions from Traffic 21, Carnegie Mellon University and/or other parties for the execution of the project.

Upon motion by Commissioner Woodward (Commissioner McQuiston) the motion to accept the four recommendations of the Wireless Waterway Committee was unanimously passed.

Agenda Item 3.C. – Report of the Small Grant Committee

Senator Ferlo reported that 19 qualified organizations submitted applications for the \$100,000 that was available for FY11-12. Along with Sen. Ferlo, Rep. Marshall, Sen. Ward, Rep. Preston, Commissioner Heckman and Herb Packer reviewed the applications and made the following recommendations for funding totaling \$98,211:

➤ PA Cleanways of Allegheny County	\$10,000
➤ Pittsburgh River Rescue	5,711
➤ Borough of Tarentum	10,000
➤ Latrobe Community Revitalization Corp.	10,000
➤ PA Environmental Council	10,000
➤ Milestone Centers, Inc.	5,000
➤ Borough of Millvale	7,500
➤ RiverQuest	20,000
➤ Pennsylvania State University	20,000

Motion to Accept the Recommendation of the Small Grant Committee to Fund the Nine Grant Projects as Presented for a Total of \$98,211.

Upon motion by Rep. Preston (Commissioner Janairo) the Small Grant Committee’s recommendations to fund the projects presented was unanimously passed.

Agenda Items 3D. & 3E – Resolutions 12-03-B & 12-03-C Commending Commissioners Snyder & Grech

The Chairman reported that Commissioners Pam Snyder and James Grech had tendered their resignations from the Board for reasons of career obligations. In appreciation of their service, Resolutions of Commendation were drawn up and, upon acceptance of the resolutions, will be presented to them.

Motion to Accept Resolution 12-03-B Commending Pamela M. Snyder for her Service to the Port of Pittsburgh Commission

Upon motion by Sen. Ferlo (Commissioner Brown) Resolution 12-03-B commending Pamela M. Snyder was unanimously accepted.

Motion to Accept Resolution 12-03-C Commending James Grech for his Service to the Port of Pittsburgh Commission

Upon motion by Commissioner Janairo (Commissioner McQuiston) Resolution 12-03-C commending James Grech was unanimously accepted.

(At this point other action items on the agenda were moved forward to accommodate Commissioners who needed to leave.)

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

Regatta/ AEP. The Assistant Executive Director reported that the 2012 Regatta is scheduled from June 30 to July 4. The Commission had previously agreed to partner with AEP to bring a 6,500 HP boat to Pittsburgh for last year’s Regatta as an educational attraction and public outreach project but the plan was abandoned when flooding necessitated keeping the boat in service down river. The same plan is on the table this year for implementation on July 1 & 2 during the Regatta. The main topic presented on the boat will be the waterway infrastructure. The Commission would like to combine this opportunity with outreach from other entities to produce a total-industry cooperative project. The Assistant Executive Director presented a proposal to market this project by partnering with the Regatta. For \$15,000 the Commission would receive press conference participation, print ads, three display tents and four 30-second TV spots that the PPC will provide. Purchased separately, these marketing opportunities would cost \$32,500.

Motion to Approve entering into an Agreement for a Regatta Sponsorship and Marketing Package for an Amount not to exceed \$15,000 that would include press conference participation, print ads, three display tents and four 30-second TV ads.

Upon motion by Rep. Marshall (Commissioner McLean) entering into an agreement for a Regatta Sponsorship and Marketing Package as described was unanimously approved.

Website Update. The Assistant Executive Director reported that the Commission’s seven-year-old website was due for an update. While the website is still visually appealing and functional, many technological advances have been made since its inception. An update would allow for easier data changes and tracking, greater visual appearance on today’s bigger monitors, connection to social networking, automatic recognition that the site has been accessed by a mobile device and several other smaller improvements. Since Vision Internet did the original website, it makes good sense to have them do the update as well. The package as described would cost \$21,800. An allowance for unforeseen costs was also requested.

Motion to Approve entering into a Contract with Vision Internet to Update the Commission's website, as described, at a Cost not to Exceed \$25,000.

Upon motion by Sen. Ferlo (Commission McQuiston) entering into a Contract with Vision Internet to update the Commission's website, as described, for an amount not to exceed \$25,000 was unanimously approved.

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

Infrastructure Funding. The Executive Director reported that he and Commissioners Stephaich, Woodward, McQuiston, and McLean along with members of the Waterways Association of Pittsburgh and WCI traveled to Washington, DC to, among other things, meet with congressional representatives regarding funding for waterway infrastructure. Port of Pittsburgh projects are in the president's budget at \$36.6 million for the Lower Mon and \$1 million for the upper Ohio Navigation Study. In addition, \$6.7 million will go to the Emsworth Dam project from "hold back" funding from prior year appropriations.

The Inland Waterways Trust Fund is unable to meet current demands. The Olmsted Project (priority #1) has increased from an original authorization of \$800 million to \$3.1 billion, an amount that would deplete the trust fund, and push the Lower Mon Project to a 2034 completion date. That is 40 years from its authorization date on a project with a 50-year design life. The industry's proposal to this problem is the 20-year Capital Improvement Plan. Another area that is being worked on is a Lower Mon acceleration strategy.

Commissioner Stephaich presented a draft statement developed by WCI in response to the drastic cost overruns on the Olmsted Project. The trust fund is being asked to cover 50 percent of the increase which is equal to \$500 million and Waterways Council is taking the stand that the overruns should be federal responsibility since they picked the methodology and that the Trust Fund should be left to focus on the backlog of inland navigation projects.

Business. Decreased tonnage moving through the Port of Pittsburgh makes it the 22nd busiest port in the nation. Mild winters, mine closures and the trend toward natural gas-powered generating plants have all contributed to the decrease of coal shipments. This adds to the difficulties in justifying waterway projects. Sen. Ferlo questioned the combined criteria for project justification and wondered how to weigh in on any potential changes. The Executive Director responded that political pressure remains the most effective method.

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

DERA Grants. The Development Director reported that two of the four boats for which grant money was requested have been retrofitted. An extension has been applied for to allow Consol and River Salvage to finish their projects. It is anticipated that all remaining funds will be drawn down by August. There is another round of DERA Grants coming out and the Director feels an application should be submitted because there is demand for these funds.

CMAQ. It was reported that an application and funds disbursement procedure is being developed. With total anticipated funding of \$11.4 million over the next four years along with a \$2,500 fee for an approved application, the program should generate approximately \$770,000 in application and administrative fees.

Regatta. The Regatta will be held June 30 to July 4 and currently has sponsorships from EQT and Rivers of Steel. No state funding will be available this year.

Other Projects. Because most of the improvements for a possible project with Brush GSM in Turtle Creek were already completed before the PPC became involved, the company could not gain much tax advantage by financing through the Commission's program. Negotiations are continuing between the URA and Pittsburgh Cruiselines regarding operations of a water shuttle service.

Agenda Item 3.I. – Governmental Affairs Liaison

Chuck Kolling reported that the governor's budget came out February 7. Questions arose in the Senate hearings regarding the flat funding for the Port of Pittsburgh Commission. There continues to be problems of perception in Harrisburg regarding funding for the Commission since it is carrying a significant fund balance. Considerable effort will need to be expended in order to structure a message that will convey and rationalize the fund balance. To date, no decision has been made on additional money for other transportation-related issues.

The Executive Director raised the idea of going to the legislature to try to get some recognition for 20 years of service provided by the Commission since it was legislated into existence in 1992. Mr. Kolling concurred that doing something to elevate the profile of the Commission would be appropriate. Sen. Ferlo offered aid to set up a breakfast or some similar event.

On the national level, the president's budget has come out; but it is unknown if there will be any movement on the budget until after the November election.

Agenda Item 3.J. – USACE Report

Jim Fritz, representing the Corps of Engineers, reported that congress appropriated "pots" of money totaling \$130 million for FY12 to be used for navigation maintenance, general maintenance, etc. From these pots the Corps secured \$475,000 for Allegheny 2; \$6 million for maintenance work on the Ohio River, and money to rehabilitate the access road to Dashields lock & dam. A \$3 million dollar contract to work on Dashields may need to be canceled because of the failure of the access road.

Mr. Fritz also reported that the repair fleet's available work time has been reduced by 52 percent with only two shifts working during the week and no weekends.

Agenda Item 3.K. – USCG Report

Cmdr. Timme reported that the GSA has begun its third market survey to try to find property for the new Marine Safety Unit in Pittsburgh. The lease for the boathouse was lost at Allegheny 4 and space is now leased in Ambridge. Port Security grants for FY12 are out and there is no fiduciary agent for this year. Grantees will apply directly to FEMA online. Compared to last year, only half the money is available for tier two ports. He also reported that the Coast Guard budget in the FY13 president's budget shows a significant decrease in operating funds. The Joint Harbor Safety/Area Maritime Security Conference will be held in Pittsburgh in August. That conference has attracted the NSA and River Information Services conferences to be held in Pittsburgh the same week.

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Agenda Item 3.L. – PennPORTS

Mr. Packer explained that when the Commission's fund balance was reviewed in Harrisburg, the cash balance (without taking into consideration the accrued liabilities) and restricted federal funds were added together to give an inflated picture. The Commission has significant support at DCED and will receive some money for FY11-12.

The Chairman urged other Commissioners to go to Harrisburg to make legislative visits. Mr. Packer added that it would be helpful if the major industrial players in Pittsburgh became more aggressive in their support of the Port of Pittsburgh Commission.

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

With no further business coming before the Board, Commissioner Stephaich (Commissioner McQuiston) moved and seconded that the meeting adjourn. The meeting adjourned at 2:17 PM.

Respectfully submitted,

Gloria A. Ralston

Gloria A. Ralston, Assistant Secretary
Port of Pittsburgh Commission