

Southwestern Pennsylvania Commission
Minutes of the Meeting of
December 13, 2010 – 4:30 p.m.
31st Floor • Regional Enterprise Tower • 425 Sixth Avenue • Pittsburgh, PA 15219

The eighty-seventh meeting of the Southwestern Pennsylvania Commission was called to order by Chairman Charles Camp.

Commission members present were: Stephen Bland, Bracken Burns, Charles Camp, Tom Ceraso, Daniel Cessna, Terry Daughenbaugh, Joseph Dubovi, Richard Fink, Kevin Gray, Lynn Heckman, Frank Horrigan, John Paul Jones, Jim Kennedy, Patricia Kirkpatrick, Robert Macey, Robbie Matesic, Kevin McCullough, Dan Onorato, William Peduto, A. Dale Pinkerton, Luke Ravenstahl, James Ritzman, Rod Ruddock, Jim Scahill, Mark Schneider, Kelly Shroads, Michael Silvestri, Pam Snyder, Joe Spanik, Rob Stephany, Wendy Stern, Joe Szczur, Archie Trader, Norma Wintermyer, and Yarone Zober.

Commission members via conference call and video were: Tom Balya, Shirl Barnhart, Andrew Boni, Jack Cohen, Karl Eisaman, Patricia Evanko, David Frick, Jim Gagliano, Jr., Dana Henry, Dave Johnston, Ted Kopas, James Lokhaiser, Larry Maggi, David Miller, William Piper, Robert Schiffbauer, Renee Sigel, Anthony Spossey, Byron Stauffer, Jr., Gealy Wallwork, and Jake Wheatley, Jr.

Commission members absent were: Tony Amadio, Steve Craig, Rick DeBlasio, Jessica Greathouse, Mary Jo Morandini, Carmen Rozzi, Richard Shaw, Mark Snyder, Letitia Thompson, Vincent Vicites, Daniel Vogler, and Vincent Zapotosky.

Staff: Jim Hassinger, Kim Beaver, Kirk Brethauer, Chuck DiPietro, Chuck Imbrogno, Tom Klevan, Vince Massaro, Marge Nalesnick, Shannon O'Connell, Dee Pamplin, Kay Tomko, David Totten, and Lew Villotti.

Others: Jon Smith and Patricia Singleton, Allegheny County Transit Council; John Verbanac, SPC Consultant; and Ken Wolfe, Representative Jake Wheatley's staff; Matt Smoker, FHWA, via conference call; Michelle Holle, Karen McCarthy and Tim Morgus, Maher Duessel; Lucinda Beattie PDP; Jon Schmitz; PG; Chris Sandvig, PCRG, Keith Sala AECOM; Michael Barton, PIIN; Martha Berg and Mary Fay, Pittsburgh; Emma Jacek, Carol Balance, Marian Nulih, Suzanne Broughton, Shirley Atkin and Mike Davis, members of public; Tom Fontaine, Tribune Review; Laura Daley, City Paper; Judi McNeil and Jim Ritchie, PAAC; Andrew Wagner, John L. Tague, Patrick J. McMahon; Amalgamated Transit Union; Ken Zapinski, Bob Kennerweg, Gary English, Jonathan Robison, Marjorie DeAngelis, and Alan Hart.

1. Action on Minutes of the October 25th Meeting

A motion was made to approve the minutes of the October 25, 2010 meeting of the Southwestern Pennsylvania Commission by Rob Stephany which was seconded by Lynn Heckman. The affirmative vote to approve the minutes was unanimous.

2. Public Comments – \$45M of State Discretionary Funds to the Port Authority

- ❖ Andrew Wagner, Pittsburghers for Public Transit – You should liken public transit to any other public utility. Keep in mind, this is a service that affects the lives of hundreds of thousands of people in Allegheny County and the surrounding counties. This being a short fix, which brings the question of what's the long-term answer for this crisis. It is not to privatize Port Authority as suggested in the past. Please vote for extending the money to Port Authority.
- ❖ John Tague – PPP - I'm sure the SPC has grown tired of the band-aid approach to fixing public transportation. I'm asking you to support the Governor's proposal of \$45M to put another band-aid on the problem, since Act 44 didn't work because it was counting on the tolling of I-80. As a member of the Public Participation Panel, I wanted to address the issue of funding for transit. I testified before the PA House Transportation Committee this summer seeking funds for transit. A last attempt was to ask the Governor to come up with some money and apparently, he was able to find \$45M. I know these are flex dollars and some of the money is for transportation projects. I'm asking SPC to support the resolution knowing that we still need a long-term fix.
- ❖ Shirley Atkin – Pittsburgh Interfaith Impact Network (PIIN) – Our organization consists of over 40 congregations and other organizations primarily concerned with social justice. Our members are concerned with the issue of public transportation especially the issue of funding. We were ecstatic to hear that the Governor had hopes and intends to release \$45M. We are here to implore you to back the Governor in this decision because we know that if that money is not released that our city and region will suffer in devastating ways - in ways that affect employment, education and the ability of children and adults to get to sources of education - in ways that affect businesses and other avenues within this region. Thank you in advance for what we think will be your sober and wise decision to support the Governor's intention to release the \$45M. We implore you in the future to join those of us concerned with transit, ensuring that there will be sources for funding for public transit in this area.
- ❖ Jon Smith – Allegheny County Transit Council – Speaks in favor of the resolution to pass through the transit funds. Transit needs to be rethought but the busways are flexible and best of all they're cheap. We should be extending the East, South and West Busways and building a bus transit line through Oakland. I hope you pass the resolution.
- ❖ Patrick McMahon – Amalgamated Transit Union – We are the union that drives over 200,000 workers to their jobs every day. Thank you for the opportunity to speak today. The work you do here makes our region stronger and allows us to think beyond the boundaries of municipalities in counties where we live and look ahead to a future that is better because of the foresight of the SPC. The Governor has mapped out a creative and timely fix for a situation that should not exist. Public transit in our region struggles to deliver essential services because the State Legislature has failed to provide sustainable funding for transit. Not acting today, thousands of transit workers will lose access to public transportation, delivering a crippling blow to the economic recovery. Transit cuts kill jobs! Businesses depend on public transit to deliver their employees and bring customers to their doors. Gutting public transit when so many are out of work borders on self-destruction. If we are serious about getting people back to work,

we should be serious about funding the transit system that carries so many of our region's workers to their jobs. Governor-elect Corbett and the incoming legislature deserve the opportunity to consider sustainable funding solutions for public transit without a gun to their heads. Governor Rendell's proposal to transfer \$45M in funding from projects that have been cancelled, buys back time that was lost when the U.S. Department of Transportation killed Act 44 and the tolling of I-80. As you consider the question before you today, keep in mind that many have stepped up to help. Transit workers have seceded work rules and pension benefits saving Port Authority more than \$50M. Riders are paying higher fares with another increase scheduled for January. There are also new taxes dedicated to public transit. Economic recovery needs public transit and public transit needs a legislature with a vision and courage to enact laws through funding. Please show them how to get it done.

- ❖ Ken Zapinski – Allegheny Conference on Community Development – Adequate transportation network of roads and bridges, transit and highways is necessary to serve the people and economy of the Commonwealth. On behalf of the Conference and the more than 300 employers throughout Southwestern Pennsylvania that make up our Regional Investors Council, we urge you to support Governor Rendell's proposal to shore up Port Authority's finances to allow it to make it through the current fiscal year without resorting to severe cuts that would undermine the competitiveness of the City of Pittsburgh and the entire region. This is not a Port Authority problem. By proposing these cuts to balance its budget, the Port Authority is responding to this crisis as it should - managing responsibly and living within its means. Unfortunately, those actions reveal a serious blow to the transportation network serving the Pittsburgh region. The State is in the midst of a transportation funding crisis and it is poised to hit the Pittsburgh region first. The Governor's plan will put the Port Authority on the same schedule as the rest of the State, providing the new administration and legislature time to address the situation for the people and employers across the Commonwealth as well as in Allegheny County. No big city transit system has done more to reform itself in recent years. Productivity is up 16%, 307 positions have been eliminated, a too big, too expensive system was cut and remaining bus and rail routes were reconfigured to provide better service at a lower cost. A concessionary labor contract changed the curve on ever-growing retiree health care costs. The numbers, courtesy of the Allegheny Institute, tell the story. Over the past three years, the Port Authority's cost of providing a ride to passengers increased by just over 3%. Not 3% per year but 3% total. Meanwhile, the twenty transit systems the Allegheny Institute used to benchmark the Port Authority's performance showed that their cost per rider rose nearly 17% over the same time period. The Port Authority is an expensive system and I understand that people are unhappy about that. I'm unhappy about that. The challenges that plague the Port Authority are largely the results of decisions made years ago by different leaders that left us holding the bill. In 1994 Port Authority's debt service, pension and retiree health care added 5¢ per passenger. Today the total is \$1.04 per passenger and there is virtually nothing that can be done under law to change that. Nearly 50,000 people everyday take transit to get to their jobs in the City of Pittsburgh making it one of the most transit dependent cities in the country. SPC's own analysis shows that the proposed Port Authority cuts would increase Pittsburgh's commuting time by more than

50%. Refusing to approve this financing move does not solve the problem of how to get people to and from jobs and how to keep the regional economy humming. Approving this funding for the Port Authority may not be pleasant but it is better than the alternative.

- ❖ Gary English - Taxpayers of Allegheny / Commonwealth – Please vote against flexing of our tax dollars for the Port Authority. This is robbing Peter to pay Paul. There needs to be accountability and your previous votes only prolong it. It is also wrong for Rendell and Onorato to perpetuate this fiscal irresponsibility. It's too late to stop America's third worst boondoggle; the \$528.8M North Shore Connector, the \$33M in new fare boxes, or installing bicycle racks for a soon to be mothball bus fleet. There needs to be more concessions by management and employees. Reported are the highest transit wages in the country. Health care benefits that are below State workers' contributions, pension eligibility as early as age 41, and golden parachutes have been built out for past administrations. Imagine, current health care costs are four times Philadelphia's transit authority. Yet, SEPTA is four times the size of Port Authority. I say the base fare should be raised to the cost of one gallon of gasoline. A \$1 increase would generate \$59.8M eliminating the \$47.1M deficit and leave the Port Authority with a \$12.7M budget surplus. Keeping service and jobs intact without increasing tax dollars. The fare increase for weekend ridership, the dollar fare increase would be less if payroll and retirement costs are addressed. Onorato has used the drink tax to balance the county budget and not for its intended use, mass transit for the Port Authority. Say no to Rendell and Onorato's request for flexing and yes, to the Port Authority's accountability. I ask all of you for a no vote.
- ❖ Bob Kennerweg – PIIN – It is incumbent upon this group to accept the \$45M from the Governor to keep the system operational. This is a band-aid to keep us going. Someone has said to pressure the Legislature to do their homework to get this thing together. We can't eliminate mass transit in the city, it's a vital necessity and I urge you to accept the \$45M from Governor Rendell.
- ❖ Jonathan Robison – ACTC – SPC has a duty of considering the action of outgoing Governor Ed Rendell to transfer some \$45M economic development funds to ward off a threatened 35% cut of public transportation in Allegheny County. The transportation funding problem came to a head when the federal government rejected the legislature's plan to toll I-80. The Governor's action does not solve the State's transportation funding problem. The newly elected governor and the new legislative leadership must deal with this problem not just for the Port Authority of Allegheny County and not just for all 36 public transportation agencies in Pennsylvania. But for all our State's transportation including maintenance and repair of our roads and bridges. We all know that a comprehensive solution of our State's transportation funding will require substantial changes and improvements by PAAC, above and beyond the substantial changes and improvements made in the past several years by the PAAC's governing board and chief executive officer. The ACTC and our eight committees are ready to give any assistance we can to help identify and implement the necessary changes. We hope these changes will benefit the public transit riders we try to represent as well as the citizens and tax payers. We are aware that these changes should and will include changes in the structure and processes of the ACTC. Port Authority is to receive only bridge funding to avoid precipitous actions harmful not only to

transit riders but to all our communities during the six months until the end of Port Authority's fiscal year. We ask SPC not to blow up the bridge.

- ❖ Alan Hart – Pittsburgh for Public Transit – Citizen, speaking for this newly formed group, Pittsburgh for Public Transit. Also with the United Electrical & Machine Workers Union in Allegheny and Westmoreland counties. I'm a daily rider of Port Authority buses. I want to thank the SPC members who plan to vote for this important temporary life saving proposal for transit in Pittsburgh and address those of you who are not planning to vote for this. I was disturbed by reports in the media of officials from outlying counties indicating opposition to having transit service in Allegheny County. If those officials were under the idea that transit in Pittsburgh and Allegheny County does affect people in your counties, see what happens if these 35% cuts that are proposed go through. There would be phone calls from irate residents from your counties who would end up sitting in traffic jams because they work in Allegheny County. The idea that transit should pay for itself is an absurd idea. In a metropolitan area such as Pittsburgh and Southwestern Pennsylvania, transit is as vital a means of transportation as having roads and streets. Transit is a public service it must be subsidized, it must be provided because it has economic benefit for the entire region.
- ❖ Marjorie DeAngelis – Transit Activist – Public transit is my only form of transportation. I also work in a social service agency where our clients come to see us in downtown Pittsburgh on public transit. Some of our clients cancel because they don't have money for bus fare. Some people would have to pay \$10 per day which totals \$50 per week and \$200 per month. Some people on welfare get \$205 per month. It just doesn't add up. I don't think this is a band-aid fix - it is pressure on a mortal wound. If that pressure is not put on the victim will die. That victim is all the people of this region. They will have a mortal wound, and if you refuse to put pressure on it they will die.

3. Action on Resolution 17-10 to Approve the Governor's Proposal to Pass Through \$45 Million of State Discretionary Funds to the Port Authority of Allegheny County – Jim Ritzman

Commissioner Ritzman talked about Resolution 17-10 by providing some background on how funding works in Pennsylvania. Since 1997, we've developed 12-year programs on an every two-year cycle, and those cycles are the four-year Transportation Improvement Program. That document takes a look at every flavor of federal and state funding category that comes into Pennsylvania. There is a Statewide Financial Guidance Work Group that works to try to figure out the fairest way to distribute those funds. That group and all of the 23 MPOs and RPOs across Pennsylvania have agreed to allocate \$25M annually statewide for use by the governor and the secretary of transportation for economic development, transportation infrastructure, and transportation investment related to economic development. This \$25M per year amounts to around 1% of transportation funding that gets allocated. Over eight years the governor would have \$200M to encourage economic development. The governor has asked that \$45M of that \$200M be allocated to the Port Authority to help create a bridge for transit investment. There are no projects across Pennsylvania that are impacted because of this. It is because some projects that have been

working its way through the economic development process, for instance the Cranberry project where a \$20M commitment from Governor Rendell for development near junction Route 228 and I-79. For a deal to be made there needs to be a consummation of that agreement. There was a proposal from then Secretary of the Department of Community and Economic Development, Dennis Yablonsky, to provide \$20M of funds for that project. The developer continued to seek additional resources so there is one example of how this \$45M has been accumulated. There is no money being taken away from any project in SPC. These funds are at the discretion of the Governor and could be used elsewhere across the Commonwealth. A key point is as part of the approved Transportation Improvement Program from the region, there is a copy of those financial guidelines that talk about \$25M annually being reserved statewide for the governor's discretion.

Chairman Camp asked if any Commission members would like to comment or ask questions.

Dan Onorato – Shed some light on how we got here. I remember when this Commission voted twice to flex money. After the second flexing, we all agreed that we weren't going flex existing dollars anymore because we wanted Harrisburg to fix this problem. This is not flexing, this is discretionary money that's coming in if we vote for it, if not, it's going somewhere else in the state. A few weeks ago the Governor originally said he was going to flex existing money and the SPC voted no, which I supported. I inherited a system that is 44 years old. In the last seven years we did two things that the state asked us to do. Put dedicated funding in place--the drink tax, was a local match for funding that we had enacted locally. Second, they asked that we get expenditures under control and start reversing this trend that was running into bankruptcy. For the first time in the 46-year history of the Port Authority, in the last contract the workers stepped forward and gave us a \$96M concessionary contract over 4 years. County Council did go forward and put dedicated funding for the first time. I found out that of the top 25 transit agencies in the United States, we were the only one that did not have local dedicated funding. We used property taxes. Since we didn't have enough property taxes we were leaving money on the table because we didn't put up enough local match. That is no longer a problem because we put a local dedicated funding source in place. The reason we have a problem today is because the state didn't live up to their part of Act 44. This is really to give the new Governor, the new Senate and the new House a chance to finally fix Act 44. This would be hard to do and have this crisis again in June six months from now. I've asked Steve Bland to put together an 18-month plan if the \$45M is approved.

Respectfully asking for your support to accept the \$45M to give the new administration in Harrisburg 18 months to fix Act 44 and give the Port Authority a chance to put together an 18-month plan in place to allow all this to come together.

Steve Bland – Commented that to have this \$45M last longer though June 2012 we would go ahead with the January fare increase, some level of service reduction by March. We were looking at a 35% reduction but everyone agrees that is catastrophic, probably at a 15% reduction. And, probably another 10% later this year or early 2012.

Chairman Camp asked if there would also be lay-offs. Yes, there would be some level of lay-offs proportional to what percent of service reduction; at 35% we would be looking at about 520 to 540 positional eliminations.

Mike Silvestri asked if there are any savings from projects that currently going on in our districts and to clarify that those savings are not being taken to put into this \$45M.

Commissioner Ritzman responded yes, your money stays within your region.

Commissioner Spanik commented before the \$45M was made available the service cuts that were going to take place within the Pittsburgh line. We have Beaver County riders that ride Port Authority to work. I asked Mary Jo Morandini, General Manager, Beaver County Transit Authority what impact this would have on those riders. The current arrangement with any outside transit authority and Port Authority is those riders drive to a certain location and then take Port Authority service routes to where they work. She analyzed the Ambridge area and found over 100 riders that would not be able to get to their jobs with the Port Authority service cuts. They would have to drive their cars into downtown Pittsburgh costing them more money. Speaking on behalf of Beaver County if this is going to be an 18-month plan I think this is necessary to make this happen today.

Commissioner Scahill asked if the transition team for transportation had been contacted, and what is their reaction to this. Commissioner Ritzman responded that the current Governor has discretionary funds of \$25M per year. Commissioner Scahill said that has been referred to as a gun to the head and where we seem to find ourselves at SPC all the time. He continued that this is about the seventh time that we've had to look at providing help. Although this isn't a flex, after the last time we did flex, we said no more and don't come back. In Armstrong County we would like some of those discretionary funds. When you ask us to do this, you're asking us to vote regionally for what is also a county decision.

Commissioner Kirkpatrick said this is not a crisis. What has been determined a crisis in Pennsylvania and southwestern Pennsylvania is our deficient roads and bridges. A report done by the University of Pittsburgh has identified infrastructure deficiencies. We have proposed in all these areas to the legislature and the governor regarding the enormity of this problem across Pennsylvania but especially in Southwestern Pennsylvania. Of the 5,300 bridges in this region nearly 1,400 were considered structurally deficient. In these three PennDOT districts on average, we are eight to ten years older than the state average. What has happened over the last three years when the governor on July 19, 2007, gives the responsibility now regarding Act 44 and him saying - "no more coming back each year and saying we have a crisis?" He proposed it based on recommendations to find funding. In three years, there is not a solution. If there has been nothing proposed to a new administration, will the governor and the general assembly have the political will over the next 18 months when it was not political will for the past three years? The outlying

counties don't have an alternative system, public transit; they rely on cars, roads and bridges. Why wasn't a compromise proposed. That a portion of the \$45M goes to each county to fix the crisis we do have for roads and bridges in addition to the Port Authority. Why is it \$45M or nothing?

Commissioner Ceraso stated that we have always approved special funding in other counties. Specifically SPIKE funding for Westmoreland County for Route 22. Also, the Freeport Bridge improvements, which affect a few counties in this region. Let's look at the past and how we've handled situations with special funding and move forward.

Commissioner Fink said his constituents who work in Pittsburgh do utilize the public transportation. They depend on it because they park outside the city. I also contacted an advocate group that advocates for the handicapped and asked what they thought about the funding for the Port Authority. They support it because they use it. This gives the Port Authority time to deal with the crisis and for the new Governor and legislature to come up with a fix. We cannot reduce services provided to this region.

Commissioner Ruddock said this is a tough decision to grapple with because I understand the importance of mass transit. It is the Pennsylvania tax dollar that we're talking about that we as elected officials have responsibility to make sure they are well spent. Our mission is to make sure whatever is invested be examined to see if there is a federal capital investment that will allow us to use that \$45M and also make a long term fix for Pennsylvania.

Commissioner Balya said we can't continue to give to the center, a crumb is thrown our way every once in awhile, and we're supposed to be happy with it.

Chairman Camp introduced new Commission member Frank Horrigan appointed by the Governor this week.

Commissioner Burns moved to approve Resolution 17-10:

WHEREAS, Governor Ed Rendell has requested approval for the transfer of \$45 million of funds set aside for immediate transportation needs for economic development to the Port Authority of Allegheny County; and

WHEREAS, these funds have not otherwise been allocated for 2011 and must be used for transportation purposes with the change approved by SPC; and

WHEREAS, these funds are available after several projects that were proposed to utilize these funds were either cancelled, delayed, or altered, leaving the funds available; and

WHEREAS, the funding transfer will be a stop-gap measure for the Port Authority to avert a 35% service reduction set to go into effect March 13, 2011 with dozens of route cuts potentially resulting in the loss of 500 jobs; and

WHEREAS, the Transportation Technical Committee reviewed the proposed amendment and agreed to advance it to the SPC Commission for further consideration in accordance with SPC's TIP administrative action and amendment procedures; and

WHEREAS, the immediacy of the transit funding crisis is such that the transfer of funds to the Port Authority is considered to be an emergency, SPC invokes the emergency relief provisions of the TIP Amendment procedures; and

WHEREAS, the emergency relief provisions of the TIP Amendment procedures provide for expedited Commission consideration in situations where fund availability may be jeopardized which requires immediate Commission consideration of action; and

WHEREAS, the proposed TIP amendments will maintain overall TIP fiscal balance and will not interfere with the implementation of any projects, commitments, or requirements of applicable State Implementation Plans (SIPs); and

WHEREAS, approval of the proposed amendment to the 2011-2014 TIP will not alter the finding of conformity with the federal Clean Air Act for the 2035 Long Range Plan and 2011-2014 TIP since the affected projects are categorized by EPA's Transportation Conformity Rule (40 CFR Part 93) as being exempt from regional emissions analysis.

NOW, THEREFORE, BE IT RESOLVED that the Southwestern Pennsylvania Commission approves this amendment to the 2011-2014 TIP and authorizes FHWA to transfer \$45 million in additional highway program funds to the Port Authority of Allegheny County; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to work with PennDOT, the Federal Highway Administration and the Federal Transit Administration so that the category of funding meets federal requirements.

Chairman Camp ordered a Roll Call vote to be taken.

Dr. Hassinger conducted the Roll Call vote on Resolution 17-10.

The total vote for Resolution 17-10 was 27 yeas, and 22 nays totaling 49. Twenty-five represents a majority vote. Resolution 17-10 is adopted by majority vote.

4. County Project – Pam Snyder

Commissioner Snyder requested that her presentation be deferred until the next meeting considering the length of the current meeting. She also introduced a new Commissioner Archie Trader.

5. Staff Profile – Vince Massaro/Kim Beaver – Postponed until next meeting.

6. Financial Report – Vince Massaro

Mr. Massaro summarized the financial report for the reporting period through October, a four-month period for 33 percent of the fiscal year completed. Federal and state funding grants are in place to support the grant programs applied for. The funding for the Regional Traffic Signal Design Project Phase I is in. Funding for Phase II of that project is in progress. Revenues for the RET total \$2.3M budgeted through October, \$1.5M recorded or 60 percent of the budget reported to date. Expenditures in the project planning and economic development are moving as budgeted. RET expenses for operations \$2.9M or \$1.9M recorded to date or 65 percent of the budget.

Commissioner Macey motioned to approve the financial report, which was seconded by Commissioner Scahill. The affirmative vote to approve the financial report was unanimous.

7. Presentation and Discussion of 2009-2010 Draft Annual Audit Report by Maher Duessel, CPAs

Mr. Massaro introduced Karen McCarthy and Tim Morgus from Maher Duessel, CPAs to present the audit report for the fiscal year ending June 30, 2010. Ms. McCarthy stated that they met with the SPC Audit Committee in November to review the draft audit report which is also in your agenda packet today. Ms. McCarthy reviewed the audit report package that was distributed stating that there is a letter included which talks about required communication from the auditor to the SPC Board. The Single Audit for SPC and a smaller document that is a Primary Government Only Financial Statement.

She talked about the required communication stating that Maher Duessel's responsibility is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the U.S. We do not give absolute assurance on the financial results. Significant Accounting Policies outlined in the financial statement had no new accounting policies adopted during this fiscal year. Accounting Estimates had no particular weak estimates in the financial statements. Disclosures to the financial statements outlined in this letter deal with some disclosure related loan receivable, capital assets, debt, contingencies, and results of the operations of the Regional Enterprise Tower. There were no difficulties in performing the audit with full cooperation from management. All inquiries were met with full disclosure and all books and records were kept in good order.

In the Single Audit report for SPC she said they do what is called a yellow book opinion, which is based on government auditing standards. There were no findings in the yellow book opinion or in

the major programming A1-33 opinion. Both opinions are clean with no findings of questioned cost related to any testing that we did.

There was no management letter issued this year.

8. Action on Resolution 18-10 to Approve a Functional Classification Change in Lawrence County to Add King's Chapel Road (Access to Millennium Park) – Chuck DiPietro

Mr. DiPietro said Resolution 18-10 is to approve a functional classification change in Lawrence County that adds Kings Chapel Road in Neshannock Township to the Federal Aid Highway System. This roadway is owned and maintained and will continue to be owned and maintained by the Township.

Mr. Gray moved:

WHEREAS, Kings Chapel Road provides critical access to Millennium Park, an important industrial park site in Lawrence County; and,

WHEREAS, the proposed realignment of Kings Chapel Road will address safety and access concerns associated with the existing roadway alignment; and,

WHEREAS, PENNDOT District 11-0 requests the addition of 1.06 miles of 2-lane roadway to the Federal-Aid Highway System as an Urban Collector (Old Pulaski Road/S.R. 4005 to I-376) / Rural Major Collector (I-376 to Pulaski Road/S.R. 4004); and,

WHEREAS, SPC's Transportation Technical Committee reviewed and recommended said changes on November 18th.

NOW, THEREFORE, BE IT RESOLVED that the Southwestern Pennsylvania Commission approves the addition of Kings Chapel Road to the Federal-Aid Highway System as an Urban Collector/Rural Major Collector.

Commissioner Burns seconded. The affirmative vote to approve Resolution 18-10 was unanimous

9. Status Report on Update of 2040 Transportation and Development Plan for Southwestern Pennsylvania – Chuck DiPietro

Mr. DiPietro suggested that his 21 slide presentation be included in the minutes. The affirmative vote to approve adding the slide presentation to the minutes was unanimous. Slide text attached.

Mr. DiPietro briefly reported that Commission action on the 2040 Transportation and Development Plan for Southwestern Pennsylvania will be requested at the June 27, 2011 meeting. The Public Comment Period is expected to begin in mid-May. He provided a brief update on a wide range of

Plan Update activities underway on multiple fronts to edit, check, and update various Plan components.

10. Other Business/Announcements - Next Meeting Date – February 28th

11. New Business – None

12. Adjourn

There being no further business to come before the Commission, the meeting adjourned at 6:00 p.m.

Respectfully submitted,

Steve Craig
Secretary-Treasurer

2040 Transportation and Development Plan for Southwestern Pennsylvania Update

Status Report December 2010 Schedule Highlights

Reaffirmed Our Region's 16 Plan Policy Statements...

Regional Places (3)

- Revitalization and redevelopment of the region's existing communities is a priority.
- Investment in infrastructure improvements will be coordinated and targeted at the corridor level to optimize the impact of the investment.
- The region will focus on the identification and development of industrial sites with special attention given to well situated brownfield locations.

Key Policy Statements

Regional Connections (6)

- Maintenance of the existing transportation system will be a regional priority.
- Transportation and development choices will reflect a priority on safe and secure multimodal and intermodal networks for both people and goods.
- The region's transportation system will be actively managed and operated to allow the system to function at its full potential.
- The region's transit system will connect people with resources throughout the entire region.
- The entire region will have access to broadband communications infrastructure.
- The region's infrastructure system will be designed to protect and enhance public health and the environment.

Key Policy Statements

Regional Activities (7)

- The region will place a priority on business development with a focus on existing business retention and expansion.
- The region will support initiatives designed to improve both the quality and quantity of the region's workforce to meet emerging industry demands.
- The region will support identified strategic industry clusters.
- The region will place a priority on programs and services to attract and retain a diverse population with a particular focus on young adults and immigrants.
- The region will proactively support the emerging role of colleges and universities in economic development.
- The region will preserve, promote and develop the tourism and hospitality industries by capitalizing on historic, cultural, recreational and ecological assets.
- The region will preserve and develop its agricultural industry.

Schedule Highlights (continued)

- May 26, 2010 – SPC hosts EPA’s Sustainable Transportation Performance Measures Workshop- (*one of two national pilots*)
- October 15, 2010 – 10th Annual Southwestern PA Smart Growth Conference
 - Public Input Session to LRP Update
 - SPC facilitated audience engagement & development of action agenda around 6 discussion questions

Questions: 2010 Smart Growth Conference

Regarding the Importance of Walkable Communities...

- “What can all of us do to promote walkable design across regional, county and local planning?”

Regarding breaking down “silos”, integrated housing, transportation, and land use...

- “What type of projects or programs would you like to see in this region to take advantage of this new direction?”

Questions: 2010 Smart Growth Conference

Regarding the EPA, funding possibilities for the needed infrastructure to achieve sustainable urban infrastructure...

- “What innovative methods could be used to promote infrastructure investments in areas like transit, water, storm water, roads, bridges and housing rehab?”

Regarding Marcellus Shale...

- “What can we do to ensure the benefits while mitigating any negative short and long term community impacts?”

Questions: 2010 Smart Growth Conference

Regarding community engagement, reaching out to the historically disenfranchised populations...

- How can we effectively involve more people who cannot come to great meetings like the 2010 Smart Growth Conference?

Regarding a sustainable, livable future for Southwestern Pennsylvania....

- How would you measure success for our region?

Schedule Highlights (continued)

- Early March 2011 (closure on Preliminary Draft 2040 Plan)
- May 2011 (complete AQ, EJ analysis, and draft documents for Public Comment)
- Mid May to Mid June 2011 – Public Comment Period
- June 27, 2011 – Request Commission Action on 2040 Plan Adoption

Background: Plan Update

- Difficult climate for Plan Update
 - Uncertain federal and state funding levels
 - Changing federal and state policies/priorities with new congress, state legislature and governor
- Federal Transportation Plan requirements
 - 20 year minimum horizon
 - 4 year cycle in air quality maintenance regions
 - Fiscally constrained
 - Public input/involvement/outreach
 - Conformity determination
 - EJ benefits/burdens
 - All modes/multi-modal
 - Check Metropolitan Planning Regulations

Background: Plan Update

Federal Development Plan requirements

- Comprehensive Economic Development Strategy (CEDS) – provides an economic roadmap to diversify and strengthen regional economies
 - Analyzes the regional economy and serves as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources
- The Public Works and Economic Development Act of 1965 (PWEDA), requires a CEDS in order to apply for investment assistance under EDA's Public Works or Economic Adjustment Assistance Programs
- SPC is required to submit a new CEDS to EDA at least every 5 years, unless EDA or SPC determines that a new CEDS is required earlier due to changed circumstances

Public Engagement/Outreach

- Coordination:
(...To advance collaborative efforts & common issues)
 - Neighboring regions & states – adjoining MPOs/RPOs (OH & WV)
 - Other regional initiatives- (e.g., MOVEPGH, Power of 32)
- Update SPC's Official Public Participation Plan
- Engage public through SPC member Public Participation Panels

Update of Various Plan Components

- Population, household, and employment forecasts
- Transportation Financial Plan Update (TTC, TOC)
- Transit Update through Transit Operators Committee
 - Both regional transit service and project details

- Package cognizant of following inputs
 - Challenge of developing federal & state funding projections in today’s post election climate
 - Need for transit services to reinforce 2040 Plan’s economic and demographic forecasts
 - Need to package mix of public, private and “alternative” transit services
 - Need to advance the land-use and transit service planning connection with the Plan Update

Update of Various Plan Components

- Freight Update
- Ped/Bike Update
- Regional Operations Plan Update (7 focus areas)
 - Traffic Signals
 - Incident/Emergency Management
 - Traveler Information
 - Operational Teamwork
 - Intermodal Connectivity
 - Freeway and Arterial Operations
 - Freight Management

Update of Various Plan Components

- Human Services Coordinated Transportation Plan
 - 5 Key Focus Areas, Access to:
Jobs - Information – Decision-makers - Technology - Persons with Disabilities
- Advance New Environmental Element of 2040 Plan
 - Environmental Aspects of the LRTP update (appendix/addendum)
 - Regional Environmental / Cultural resource inventory
 - Consultation sessions with PennDOT District Environmental Managers
 - Outreach and Consultation with regional reps from the Environmental and Cultural Resource Agencies
 - Screening Long-Range Transportation Plan projects with identified environmental and cultural resource inventory
 - Discussion of Potential Environmental Mitigation Strategies
 - Presentation of Environmental Aspects of the Draft LRTP to statewide Agency Coordination Meeting.

Update of Various Plan Components

- Economic Development Strategy & Plan Program of Projects/Needs Assessment
- Update Comprehensive Development Strategy (CEDS) for EDA
- Transportation Program of Projects/Needs Assessment
- SPC Asset Management tool application
 - Continue expanded attention to maintenance of our existing transportation systems
 - Line items with anticipated funding level identified for all but the more complex regionally significant projects

Update of Various Plan Components

- Complete Air Quality Conformity Determination for Plan Update
 - Includes 9 separate conformity assessments
- Complete Report on Environmental Justice from 2040 Plan Update
 - (benefits and burdens analysis)
- Update Illustrative Transportation Project List & Package Study Element of 2040 Plan

Update Existing Conditions Section to Reflect Marcellus Shale

- Three phases of natural gas development
 - Development Phase – short lived/labor intensive
 - Production Phase – longer lived/small & steady labor force
 - Reclamation phase – short/quick
- Looking Ahead...
 - “What do local governments need to know?”
 - “What can local officials do?”

Update Existing Conditions Section to Reflect Marcellus Shale

Economic Impacts/Strategies

- Economic & Workforce issues
- Community Impacts
- Environmental Impacts
- Housing/Real Estate/Tourism Impacts

Transportation Impacts/Strategies

- Impacts of Drilling
- Road/Rail/Airports
- Local roads & bridges
- Roadway postings
- Impact to PennDOT operations & budget
- Unfunded needs (...just the tip of the iceberg)

Schedule: Key Points

- Mid May – Mid June 2011 –Public Comment Period
- June 27, 2011 – Request Commission Action on 2040 Plan Adoption