

Southwestern Pennsylvania Commission
Minutes of the Meeting of
December 14, 2015 – 4:30 p.m.
Two Chatham Center • Suite 400 • 112 Washington Place • Pittsburgh, PA 15219

The one hundred seventeenth meeting of the Southwestern Pennsylvania Commission was called to order by Chairman Steve Craig.

Members present were: Charles Anderson, Scott Bricker, Robert Brooks, Tom Ceraso, Steve Craig, Rich Fitzgerald, Joe Grata, Kelly Gray, Dick Hadley, Lynn Heckman, David Johnston, Fred Junko, Robert Macey, Larry Maggi, Jeff Marshall, Robbie Matesic, David Miller, Erin Molchany, Charles Morris, John Paul, Johnna Pro, Mavis Rainey, Rod Ruddock, Aurora Sharrard, Michael Silvestri, Byron Stauffer, Jr., Archie Trader, Angela Zimmerlink, and H. Daniel Cessna and Kevin McCullough (via phone).

Members absent were: Tony Amadio, Alfred Ambrosini, Vonne Andring, Michael Baker, David Battaglia, Robert Bower, Ricky Burgess, Jack Cohen, Tyler Courtney, Robert Del Signore, Joseph Dubovi, Patricia Evanko, Rich Fink, Jim Gagliano, Jr., Theresa Garcia-Crews, Clifford Levine, William McCarrier, Amy McKinney, Ellen McLean, Laura Mohollen, Dennis Nichols, Rich Palilla, William Peduto, A. Dale Pinkerton, James Ritzman, Daniel Shimshock, Harlan Shober, Renee Sigel, Joe Spanik, A. Keith Staso, James Struzzi, Joe Szczur, Edward Typanski, Diana Irey Vaughan, Daniel Vogler, Dwan Walker, Christopher Wheat, and Blair Zimmerman.

Others: Ann Ogoreuc, Allegheny County Department of Economic Development; Grant Ervin, City of Pittsburgh; Amber Davis, Alliance for Nonprofit Resources, Kevin Boozel, United Way of Allegheny County, and John L. Tague, Jr., JT Disability Consulting Services.

Staff: Jim Hassinger, Kirk Brethauer, Dominic D’Andrea, Linda Duffy, Chuck Imbrogno, Chris Jaros, Tom Klevan, Vince Massaro, Shannon O’Connell, Doug Smith, Kathy Stefani, Kay Tomko, Dave Totten, Lew Villotti and Sara Walfoort.

1. Chairman Craig called to order the December 14, 2015 meeting of the Southwestern Pennsylvania Commission

- a. Quorum – There being a quorum present the meeting proceeded.
- b. Any Conflict of Interest Declarations on Action Items – None.

2. Action on Minutes of the September 28, 2015 Meeting

A motion was made to approve the minutes of the September 28, 2015 meeting of the Southwestern Pennsylvania Commission by Commissioner Anderson which was seconded by Mr. Hadley. The affirmative vote to approve the minutes was unanimous.

3. Public Comment – None.

Chairman Craig introduced Kevin Boozel and Kim Geyer, newly elected Commissioners of Butler County.

4. Presentation of 2014-2015 Annual Audit Report – Janet Feick and Tim Morgus, Maher Duessel, CPAs

Mr. Morgus said as a part of the audit process we file the following reports – the Single Audit Financial Statement; a Communication to Those Charged with Governance; and two Form 990s that are filed with the IRS. During the year we periodically do grant audits. This year we worked on 3 different separate grant compliance audits. We met with the Audit Committee during these documents and drafts and we also met with the Corporation. The documents are circulated and they are in their final form.

Mr. Morgus explained that the Single Audit is filed when you expend more than \$500,000 in any given year. It is worth noting that the Single Audit guidelines are changing for next year and the new guidelines in summary will be \$750,000 worth of federal expenditures.

Significant accounting policies are described in the first footnote. They are routine and they are consistent with prior years. There aren't any significant accounting policies to point out. Estimates are prevalent in any financial statement. A common example for SPC would be the allowance for the loan receivables. SPC has had a good history of loan repayment with its lenders.

Disclosures are very consistent and are shown after the financial statements in the footnotes. There were no corrections or adjustments during our audit process. We issued an unmodified audit opinion on the financial statements, which means we obtained evidence to support your financial statements and issued an opinion that didn't require a modification transaction or account balance.

On the Single Audit, SPC received approximately \$9.3M in federal money expended during the year. We have audited the Commission's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2015. We had no findings to question costs related to the adjusting of those two major programs.

The summary, the balance sheet shows Total Assets – \$12.7M; Total Liabilities – \$12.3M; and Net Position – \$457,000.

The loan receivables balance from the past five years has decreased consistently. We see in our practice doing governmental non-profit entities that loan programs are really suffering from the low rates that the banks are willing to give.

Total Revenue is \$9.6M. There was a decrease of \$1.9M due to JARC, New Freedom and Regional Traffic Signal programs. SPC does a good job of matching its expenditures with its revenue. It primarily uses contractors to offset the increase or decrease.

There were no new footnotes and no new disclosures from prior year audits. The Single Audit shows two new programs were tested this year: Highway Planning and Construction, and Economic Adjustment Assistance.

David Miller asked about the process of revenue recognition in relation to the percent of the work that's done so that we're not accelerating revenues. What procedure do you use? Mr. Morgus said revenue recognition is really a hot topic on the for-profits more so than what we see on the governmental side. Generally in our markets in the non-profit and governmental sectors we don't see as much emphasis on the revenue recognition inappropriately. In other words, you don't have as much of an incentive to recognize revenue that really doesn't exist. In the for-profit industry, they have

revenue targets or they have income statement targets that shareholders are looking at. In general you have the ability to defer revenue, revenue that you have received that can be used perhaps to the extent that you need to recognize that as revenues. When you have expenditures, you have that money set aside already. In some cases, you've already received the money, but you haven't recognized it until you incur the expenditure. That doesn't happen until you have the eligible expenditure in the program.

Mr. Silvestri moved to accept the annual audit report and Ms. Molchany seconded. The Commission accepted the audit report as presented.

5. Financial Report – Vincent Massaro

Mr. Massaro reported on the financials for the fiscal period ending October 31, 2015, which includes the approved budget and reflects the operations of the Commission and the Corporation. The detailed financial report is included in today's meeting packet.

All federal, state and local funding agreements have been fully executed except for two. We are waiting for the DCED-PREP agreement and the DCED-Export 2000 agreement to be issued. Both are waiting for passage of the state budget. The semi-annual installments to the member governments for their local match have been sent out and all payments have been received.

Total carry-over projects from last fiscal year (with authorization from PennDOT) relates to the Regional Freight Plan. The consultant, WRA, is progressing with project deliverables, which have been received and are being reviewed by the project manager in charge. We expect all work to be completed by June 30, 2016.

Mr. Massaro then stated that at the next Board and Executive Committee meeting on January 25, 2016, we'll be presenting a revised FY2015-16 budget as we do each year for consideration and approval. When they become available, we will also provide the Form 990 tax returns to the governing body of SPC.

Mayor Brooks moved to accept the financial report and Mr. Marshall seconded. The Commission accepted the financial report as presented.

6. Staff Profile – Kirk Brethauer / Chris Jaros

Kirk Brethauer introduced a member of his staff, Chris Jaros. Chris has been with SPC since October 2014 and serves as a GIS Analyst I.

Chris is from New Brighton, Beaver County. He received a bachelor's degree in Regional Planning in 2010 and a master's in Public Affairs in 2012 both from IUP. He previously worked for Armstrong County Department of Planning and Development (2013-2014) as a Planning Coordinator. There he worked with the Liquid Fuels Program and Act 167 Watershed Planning and also started a small structure inventory program for smaller structural bridges, which led him to the position he has now. He also worked with Westmoreland and Indiana Counties and interned for the City of Pittsburgh in their Department of Planning and Development.

Chris's wife, Bethany, is an English Teacher at Leechburg Area High School in Armstrong County. They have no pets and no kids...yet!! Chris and his wife recently purchased a 115-year old house in Stanton Heights. He and his father are currently rewiring the home. Chris' hobbies include gardening, collecting records, playing soccer, and cooking.

At SPC, Chris has worked on various projects including transit mapping, which includes Regional Transit Agency Route/Stop updates; Pittsburgh Healthy Ride; and Westmoreland County Paratransit. Other projects are CommuteInfo and ArcOnline. A sampling of maps was shown of the Regional Transit Agency Route/Stop updates and Pittsburgh Healthy Ride (bike sharing). The Pittsburgh/Healthy Ride maps show the quantity of rides that people have taken in the third quarter from July to September 2015. It shows which stations people are taking the bikes to and from. He analyzed the data to find out at what time-of-day are the most bikes being used and was there any correlation between weather and ridership.

He then showed some maps from CommuteInfo that documented carpool and vanpool origins and destinations. The paratransit map showed a visual representation of where people are coming from and going to in Westmoreland County. More people are using the service in Greensburg and Latrobe and up into Vandergrift. Some of these people go into the City of Pittsburgh and Allegheny County and down into Fayette and Indiana Counties.

A sample of an ArcOnline web-based interactive map was shown depicting school districts.

7. Alliance for Transportation Working In Communities (ATWIC) Report – Kathy Stefani, Amber Davis, Kevin Boozel and John Tague

Kathy Stefani thanked the Commission for the invitation to come back and talk about the Alliance for Transportation Working in Communities, which is a special program within the SPC. Kathy explained that when she spoke to the Commission about a year ago, she talked about the initiative of ATWIC to update the Coordinated Transportation Plan. She wanted to come back and talk about what they've done in terms of developing the plan and what the next steps toward implementation include and, most importantly, to thank the Commission for their help.

Kathy provided background on the public transit – human services Coordinated Transportation Plan (CTP) for the region. Why do we do it? It is a federal planning mandate. If you are a human services agency or transportation agency seeking funding, your project must be derived from a regional Coordinated Transportation Plan. The rationale for coordination is to provide enhanced access to daily living activities, primarily for persons with disabilities, the elderly and low income individuals. We define coordinated transportation as “an integrated network of transportation services that, through successful collaboration and resource sharing, provides affordable, reliable, and accessible mobility for all.”

Kathy said the region's initial plan was developed in 2008. The first update was in 2011. The CTP was completely rewritten in FY2014-2015 and approved by SPC in June 2015.

One of the things about this particular planning process, during the latest update of the plan, was we conducted extensive outreach to human service agencies to better understand client transportation needs and to identify barriers to transportation for human service consumers. Being the ATWIC Program Manager, Kathy thought it was really important to communicate directly with human service agencies and find out how the consumers access human services and what exactly their transportation options are. So she went to every county in the region and talked to over 200 people. Some of the other planning tasks that were put together, with the help of a consultant team, were the comprehensive list of transportation services in each of the counties in our region. We wanted to identify what the accessibility barriers were and we added that based on the consumer's points of origins and locations of the services that are available and the different services that are out there for people to use. We

came up with ideas to alleviate the transportation barriers and these are all included in the Coordinated Transportation Plan.

Why are we thanking the Commission? Kathy asked for the Commission's help in connecting her with the human service agency representatives in the region. Commissioners stepped up and either made contacts for her, or gave her names of people to contact. She was able to go to the 10 counties. There were over 200 representatives and close to 100 different agencies that spanned about 25 different types of human services. Each meeting was the same format. And that's what formed the foundation for the Coordinated Transportation Plan. There were three Alliance meetings held throughout the plan development process. The consultants also personally interviewed 54 transportation users.

Kevin Boozel of United Way of Allegheny County spoke on the different human services agencies and told a few stories of alleviating the transportation barriers for several people. He said there is a lot of room to grow and to educate. There are a lot of transportation companies and some that work independently and he really wants to see them working together. Whatever we can do to make that happen, we should be able to do through the SPC and ATWIC.

Amber Davis, Director of Operations for the Alliance for Nonprofit Resources, provided three different exercises in which the Commission members were to determine if the problem/solution was a transportation, education, or communication issue.

John L. Tague, Jr., Past President of the Allegheny Transit Council and currently serving as a board member of Port Authority of Allegheny County identified the different advocates and users and how we can better coordinate human services with transportation. He stated that we are all advocates and we are all stakeholders. He said most problems are solvable. John also talked about the Shared Ride Program. We need to look at program policies and regulations at both the state and county level.

Kathy then identified five transportation barriers: public funding; availability and accessibility; cost and affordability; program policies and regulations; and education and information. She said the Alliance plans to implement program policies and regulations, but we still need your help. The strategy is to have a conversation between regulators, providers, and consumers to reduce barriers caused by program policies and regulations. We're seeking the help of the Commission to push the conversation to the legislative level. The next meeting of the Alliance is Wednesday, January 6, 2016.

8. Transportation Improvement Program (TIP) Status Report – Doug Smith

Doug provided an update on the development of the 2017-2020 Draft TIP. The preliminary draft is due to PennDOT Central Office on January 22. Doug noted that TIP development starts with the Long Range Plan. Ultimately, the TIP is a delivery mechanism for the Long Range Plan. The goals, objectives and performance measures that we talked about and adopted in June for the Long Range Plan provide the strategic direction for developing the TIP.

Doug highlighted some of the consistent themes from the Long Range Plan, including asset management ("taking care of what we've got"), safety, efficiency and reliability ("making sure people can get to where they're going in a safe manner and arrive in a reasonable and predictable amount of time"), and giving people multimodal options including a robust transit system, bicycle and pedestrian facilities, and shared ride options such as vanpools and car-pools. The Long Range Plan also recognizes that transportation investments are more than just connecting A and B and are important for economic and community development.

Doug then went into some of the considerations that are used in putting the TIP together. One is public involvement. In the spring, the State Transportation Commission did an outreach effort with a state online meeting and an online mechanism where people could provide input and identify needs.

SPC received over 2,000 pieces of input from the public on needs and project ideas around the region. We also look at performance measures such as the number of structurally deficient bridges; the average age of transit vehicles; how many miles of roadway are in poor condition versus good or excellent condition. These measures also help identify where needs are and help SPC in prioritizing which needs are the most critical.

Fiscal guidance is another consideration that goes into the mix with public input and performance measures. How much money are we going to have to work with? On the federal level, congress just passed a new federal highway bill. Overall, this will provide a little bit of an increase on the federal side. We are currently working with PennDOT and the statewide Financial Guidance Committee to update the revenue projections based on this new bill. Overall it doesn't look like the new federal highway bill will change the major programs or overall direction of the federal highway program. It's good that there is additional funding, but on the downside it didn't do anything to solve the long term structural deficit of the Highway Trust Fund. Five years from now we're going to be in the same place we've been in terms of the long-term sustainability of transportation funding.

On the state side, Act 89 has done a lot. It helped stabilize transit funding. It's increased the amount of liquid funds money that's going to municipalities for their maintenance activities. PennDOT county maintenance units are getting more money for their activities. There are new programs like the Multimodal Fund and Green Light Go. For Southwestern Pennsylvania the Rapid Bridge Replacement program has been particularly helpful, because out of 500-600 bridges that they're doing, about a third of them are in our region. However, Act 89 didn't solve all of our problems. We're actually down about \$130M from the last TIP in terms of the amount we have to invest in roadways and bridges over the next 4 years. (This is based on MAP-21 numbers and hasn't factored in the FAST Act yet.) The numbers are down because the revenue projections expected to come in from Act 89 are not what we thought they were and secondly, the amount that comes off the top to fund the State Police is growing exponentially.

On the transit side, again Act 89 was helpful in stabilizing transit, and the new transportation bill shows the transit numbers going up as well. In terms of the overall TIP, it's about 50-50. We are currently projecting about \$1.5B to invest in highways and bridges in our 4-year program and a little over \$1.5B to invest in transit. About 90% of the regional transit program is Port Authority and the other 10% are the other 9 county transit operators. We're currently working with those transit operators to put together their draft program projects and then we'll submit that to PennDOT's Bureau of Public Transit for their review.

One of the other things that's new this time around is PennDOT has put out their own Investment Plan. They would like to get to 5.5% of the structurally deficient bridges on the National Highway System. Right now our regional level is 10.1%. So that's an aggressive goal to hit 5.5%. What that means in terms of the overall TIP is that they would like us to be investing about 60% of our TIP funding into structurally deficient bridges. It will be pretty hard to hit that target. It's not just about which bridges to invest in, but trying to identify the right timing to invest in those bridges. One of the things to consider is where are each of the bridges in their life cycle. We're really concerned about the ones that are not currently structurally deficient, but are real close. We're constantly trying to make sure we put money into the bridge preservation to take care of those and keep them good for as long as we can.

One thing to recognize is that some of these performance measures can come in conflict with each other. For instance, hitting a target of 5.5% structurally deficient bridges on the National Highway System lends itself to investing in bigger bridges that tend to be more expensive. The Highway Administration side of PennDOT has their own performance measures that are focused on the number on SD bridges they would like to see each District have on the next TIP. This performance target lends itself to investing in a whole bunch of small bridges as opposed to a few big bridges. There is no way we are going to hit every performance measure, but what we're trying to do is find the right balance. Again, we need to reassess this for the revised financial guidance. Right now we are not fully fiscally balanced.

One of the first steps in the process is to cross off projects that have been completed during the current TIP and to add subsequent phases of projects that have already been started. We call these "carryover projects". Projects all have to go through multiple phases in the engineering, permitting and construction process, so before we add something new, we want to finish what we've started. The same is true on the transit side. There are bus replacement cycles and we want to make sure we are constantly budgeting for those carryover projects. Some of the completed and carryover projects are highlighted in your packets.

The other thing to be aware of is that our Transportation Technical Committee (TTC) meets on a monthly basis to manage the current TIP. When a project runs into a hurdle that's going to slow it down, we want to make sure we move that money to another project that's going to use it so we don't lose it. Also you have to react to things like new bridge inspections, emergencies and other events. One month a bridge might not be structurally deficient and then the next month all of a sudden it's SD.

Regarding CMAQ which is money set aside for projects that improve air quality, we have a competitive regional process where we have a selection committee that evaluates candidate projects. Chuck Imbrogno's folks do the air quality modeling to assess how much impact these projects are likely to have on reducing emissions. The Committee has provided a prioritized list of candidate projects out of the 34 that came in. What we're working on now is finalizing the carryover CMAQ list. We have some projects that are older projects from previous TIPs that are kind of clogging up the works. They have been delayed for various reasons and we can't add new projects if we have to slide those out and continue those. The TTC will come to resolution on this in January.

The Transportation Alternatives Program (TAP) funds a lot of bicycle/pedestrian projects, streetscape, scenic highways, and storm water projects. We get about \$1.5M a year in our region for these. We had 10 projects this time and we just finalized the recommended list and we're able to fully fund 7 of those and partially fund another 2. The projects we weren't able to fully fund, we recommended those applicants apply to the statewide process. We purposely ran our application period in advance of PennDOT's statewide period so applicants who were not successful would have a second shot to get funded. That open application period for statewide TAP consideration runs until January 8, 2016.

Once we get the revised financial guidance we'll be back again in January to give you a little more detailed update on the preliminary Draft 2017-2020 TIP.

Scott Bricker asked if PennDOT is trying to have the amount of structurally deficient bridges under the 2-year TIP or the 4-Year. Doug indicated that there wasn't a definitive time constraint, but that he didn't think we would get to the 5.5% in one TIP and don't expect to get there for a little while yet. Aurora Sharrard commented that doing that statewide, it seems like an interesting measure. Do they take account for risk associated with the number of people and vehicles that would be impacted by the

failure of one of these bridges? Can you comment on whether it's the right performance measure and whether PennDOT can potentially shift that performance measure? Doug said that it's one measure that is really intended for a programmatic level. When we sit at our TIP meetings and talk about individual projects, PennDOT's bridge engineers are usually there and they are looking at things at a more detailed level. Not only is it structurally deficient, but how bad is it and what are the risk ratings, etc. In overall terms when we talk about the program, we're usually talking SD because that's an easy number to talk about from a big picture stand point, but in terms of prioritizing individual projects, they're looking at that with a little more detail.

9. Action on Resolution 8-15 to Amend the 2014-2016 Unified Planning Work Program to Include an Urban Redevelopment Authority Grant from the Federal Transit Administration – Tom Klevan

Tom Klevan said we're looking to add a new project to the UPWP this current year. It's an interesting project and an interesting opportunity. It's one of five pilots across the country that was awarded to the Urban Redevelopment Authority of Pittsburgh. It's called the Pittsburgh Uptown and Fifth/Forbes Corridor Bus Rapid Transit Transit-Oriented Development Project, and it is a \$1.5M project with \$1.2M of federal money to do transit orientated development and planning in the BRT corridor.

Ms. Heckman moved to approve Resolution 8-15 and Commissioner Macey seconded. The motion carried unanimously.

10. Action on Resolution 9-15 to Approve the Cooperative Planning Agreement with Washington County Transportation Authority – Tom Klevan

Tom Klevan reported that there is a new transit operator in the region. There was a consolidation of transit services in Washington County. Previously the federal recipient for federal funds in Washington County was the City of Washington. The City of Washington and Washington County Transportation Authority have merged. They are now one entity. In order for them to receive federal funding under the Federal Transit Administration, they have to be named as a planning partner in the region. This is a planning regulation and this is a technical change.

Commissioner Maggi moved to approve Resolution 9-15 and Mr. Ceraso seconded. The motion carried unanimously.

11. Committee Reports

Dr. Hassinger said that Mayor Brooks will convene the Nominating Committee after the first of the year when member governments have had time to organize so that the committee will be able to report at the SPC annual meeting on January 25.

12. Other Business/Announcements

Annual Meeting Date – January 25, 2016

At this time Chairman Craig recognized and congratulated Commission member Mayor Robert Brooks of Murrysville who was named 2015 Mayor of the Year by the Pennsylvania State Mayors Association.

13. Southwestern Pennsylvania Commission Certificates of Appreciation

Chairman Craig honored Chuck Morris and Dave Johnston, who were in attendance, with Certificates of Appreciation. He thanked them for their service to the Commission and appreciated their participation. Other Commissioners for whom certificates of appreciation will be forwarded are listed below.

- David Battaglia, Armstrong County
- Robert Bower, Armstrong County
- Richard Fink, Armstrong County
- Dennis Nichols, Beaver County
- Joe Spanik, Beaver County
- William McCarrier, Butler County
- Dale Pinkerton, Butler County
- Albert Ambrosini, Fayette County
- Patricia Evanko, Indiana County
- Tyler Courtney, Westmoreland County

14. New Business - None

15. Adjourn

There being no further business to come before the Commission, the meeting adjourned at 6:05 p.m.

Respectfully Submitted

Larry Maggi
Secretary-Treasurer