ALLEGHENY COUNTY COUNCIL

COMMITTEE ON BUDGET AND FINANCE

2015 BUDGET HEARING

SPECIAL ALLOCATIONS

- - -

BEFORE:

Nicholas Futules	-	Vice President, District 7
Jan Rea	-	District 2
Michael J. Finnerty	-	District 4
Sue Means	-	District 5
Dr. Charles J. Martoni	-	District 8
Robert J. Macey	-	District 9
Barbara Daly Danko	-	District 11

Allegheny County Courthouse
Fourth Floor, Gold Room
436 Grant Street
Pittsburgh, Pennsylvania 15219

Thursday, October 30, 2014 - 5:17 p.m.

SARGENT'S COURT REPORTING SERVICE, INC.
429 Forbes Avenue, Suite 1300
Pittsburgh, PA 15219
(412) 232-3882 FAX (412) 471-8733

IN ATTENDANCE:

William McKain - County Manager
Jared Barker - Director of Legislative Services
Walter Szymanski - Budget Director

CHAIR FINNERTY: I call this meeting of --- public hearing of Budget to order. Would you please stand for the Pledge of Allegiance.

(Pledge of Allegiance.)

CHAIR FINNERTY: Thank you. Mr. Barker, would you take the roll call?

MR. BARKER: Mr. Baker?

(No response.)

MR. BARKER: Ms. Danko?

MS. DANKO: Here.

MR. BARKER: Mr. DeFazio?

(No response.)

MR. BARKER: Mr. Ellenbogen?

(No response.)

MR. BARKER: Mr. Futules?

(No response.)

MR. BARKER: Ms. Green?

(No response.)

MR. BARKER: Ms. Heidelbaugh?

(No response.)

MR. BARKER: Mr. Kress?

(No response.)

MR. BARKER: Mr. Macey?

MR. MACEY: Here.

MR. BARKER: Mr. Martoni?

DR. MARTONI: Here.

MR. BARKER: Ms. Means?

(No response.)

MR. BARKER: Mr. Palmiere?

(No response.)

MR. BARKER: Ms. Rea?

(No response.)

MR. BARKER: Mr. Robinson?

(No response.)

MR. BARKER: Chairman Finnerty?

CHAIR FINNERTY: Here. Okay. Thank you. The first --- we usually start with the public --- the public speaking. And I'd just like to do something a little different. I would like to go over our millage rate first, and then we'll do the public speaking. All right? We have --- the reason why there's people that are in the back room is because we're taking a dinner break between meetings, is what we're doing, also.

MR. FUTULES: Can people in the back room hear?

CHAIR FINNERTY: There one of them is, anyhow. The ordinance for our millage rate has been brought to us, and it's the same rate as last year, that the County General Fund is 3.9552 mills or, in dollars, it's .39552 per $100 valuation. The county Debt Service Fund is .7748 mills, or in dollars' terms, .07748 per $100 valuation. It comes out to be the millage that is the same last year as this year, which is 4.73 mills. So that is our millage, and do any Council people have any questions? Yes?

MS. DANKO: Are all the parts identical to past years?

CHAIR FINNERTY: The parks?

MS. DANKO: Parts of the millage; you said the total was the same.

CHAIR FINNERTY: Yes.

MS. DANKO: I'm just making sure the parts --- individual parts are the same.

CHAIR FINNERTY: Yeah, the individual parts in the General Fund and the Debt Service are the same.

MS. DANKO: Thank you.

CHAIR FINNERTY: You're welcome. Okay. So I just wanted to make sure that's on the record, because somewhere along the line we forgot to do that last night. Okay. We're going to Public Comment, and I'll just go in the order that's on my sheet here. Molly Nichols is first.

MS. NICHOLS: Good evening. Thank you for the opportunity to speak at this hearing. My name is Molly Nichols. I'm the Community Organizer for Pittsburghers for Public Transit.

CHAIR FINNERTY: You have to give your address.

MS. NICHOLS: Oh, I'm at 505 Peebles Street, Pittsburgh, 15221.

CHAIR FINNERTY: Thank you.

MS. NICHOLS: So we addressed Council on September 23rd to highlight the existence of additional revenue from the county drink tax that was in its fund balance, which was $9.7 million. We propose that according to Judge Olson's court ruling in 2009, some of this revenue could be used for the Port Authority's other expenses or operating costs, to provide public transit service to under-served communities in Allegheny County. On October 7th, Executive Fitzgerald stated during his budget address that, quote, the bus rapid transit line

between Oakland and downtown is the number one priority in the region when it comes to transit. Therefore, PPT is asking, why isn't getting service to those in dire need of it more of a priority? Mr. Fitzgerald has insisted that with the BRT in place, quote, we'll be able to deploy bus service into other areas that don't have it, end quote. We appreciate this acknowledgment, but if the public supports this project and funding is secured, construction would not even begin until 2017 or 2018. It's unclear how long it would take for buses to be deployed elsewhere. These residents cannot wait any longer. They've already been without service for over three years. Some have to walk two miles on roads with no sidewalks to get to a bus.

This is a safety issue, an economic issue, a human rights issue. These residents need their buses back immediately to get to work, school, healthcare, shopping, religious services. We should be able to invest in capital projects and address service needs at the same time. PPT is here to propose the county dedicate $3 million from the County Transportation Fund balance to the Port Authority's Operating Budget, so they can provide service to the communities most in need. This doesn't solve the problem everywhere, but it's a start. The Port Authority added 2.7 percent of service this year, which cost them approximately $4 million, and it made a huge difference in people's lives.

The proposed 2015 budget designates $1 million from the County Transportation Fund for a pedestrian bridge from the North Shore T Station to Gate C of Heinz Field. The county's contribution to the construction of this bridge is the result of a court settlement, but the budget allocation raises some questions. The bridge is not a Port Authority project. It is being built by PennDOT, while Judge Olson's ruling clearly states the County Transportation Fund must be put toward the monetary needs of the Port Authority. If it is possible to use the County Transportation Fund to pay $1 million towards a PennDOT project that will help T riders get to Heinz Field without having to cross the street, the county should be able to allocate surplus revenue to the Port Authority's Operating Budget to provide much needed service to neighborhoods in Allegheny County. The County should use its resources to provide an oasis for these transportation deserts as soon as possible. Thank you.

CHAIR FINNERTY: Thank you. Next we have --- and I know I'm going to mispronounce your name; everybody does, but let me give it a shot --- Mougianis.

MR. MOUGIANIS: Mougianis (changes pronunciation).

CHAIR FINNERTY: Mougianis (corrects pronunciation); okay.

MR. FUTULES: Dean.

MR. MOUGIANIS: Yes, Dean.

CHAIR FINNERTY: Dean. Well, I was more worried about --- I know his first name.

MR. FUTULES: I was worried about whether or not ---.

CHAIR FINNERTY: Okay.

MR. MOUGIANIS: And I live at 123 South 25th Street and ---.

CHAIR FINNERTY: State your name.

MR. MOUGIANIS: It's Dean Mougianis, 123 South 25th Street, Pittsburgh, PA 15203. And I'm also with Pittsburghers for Public Transit, and I'm the media person for them. And in that capacity, I get to hear a lot from people about public transportation. So what I'm going to do here, with your indulgence, is bring you some of the stories that we've gotten to put a more human face on this issue.

I'd like to tell you about Karen. Karen works two part-time jobs and doesn't drive. Karen is also the sole caregiver of her brother, who has schizophrenia. Her day starts very early. She gets up, she cooks, she helps with her brother.

Sometimes she gets out on the bus stop very, very early to get to the grocery store when it first opens, to get on another bus to bring the groceries home to put them away, to get on a third bus to get to her first job on time, works that job, takes the bus to go to another job, works that job. And finally, at the end of the day, bone tired, she finds herself at a bus stop to get home, to get a little bit of rest to start the whole thing all over again. Imagine if buses ran just slightly faster, 10 or 15 minutes, the amount of time that Karen could get back in her life.

Let me tell you about Khalil (phonetic). Khalil was a young man who wants to work, and he searched and searched for a job and he found one in Robinson Township at a restaurant, and it was on a bus line that ran from

his neighborhood; terrific. But what he discovered was that his responsibilities at the restaurant sometimes took him later than the last bus that would take him home, and it would be gone. So he was then faced with a choice. He could either take a long walk home through the night, he could cut out early and shirk his responsibilities or he could give up the job. Khalil gave up the job. Imagine if we had bus service that was sufficient, so that it could be scheduled in a way that accurately reflected the way people work today.

Let me tell you about Eric. Eric has disabilities and so because of that, he's always depended on other people. Eric told us about one of the greatest days of his life, and that was the day that he maneuvered his wheelchair to a bus stop, and the lift took him up and that bus took him to his destination for the first time on his own. That was a great day for him because on that day he tasted something that you and I take for granted, independence. Imagine if we had more buses going to more places more often, how the horizons of Eric and all the Erics like him would be expanded, ways we could not possibly imagine.

Because of these people, inspired by these people, I come before you to ask that you look deeply, not just in the budget, but into your own hearts, in order to find the money to fund the kind of transportation that is worthy of the hard-working people of Allegheny County, who are your constituents after all. I thank the Council for your time. I appreciate the opportunity to speak with you.

CHAIR FINNERTY: Thank you. Daisha Bernal? Is that right? Probably not.

MS. BERNAL: Bernal (changes pronunciation).

CHAIR FINNERTY: Bernal (corrects pronunciation).

MS. BERNAL: Good evening, Council members and everyone else. My name is Daisha Bernal. I reside at 410 Sharon Road, which is in Moon Township. I'm also in District One. I'm just here basically to hear personal testimony as one of the people who greatly depend daily on the public transit and to implore you, if there's any way possible, to enhance some of those routes or maybe even bring some formal routes back. I currently work at Point Park University here downtown. I've been employed there for ten years. I'm a production chef there, and I don't

have typical banker hours. A typical day for me getting to work is quite an adventure. I leave my house at a quarter after 9:00 a.m., to make it to a bus stop that's two and a half miles from my home because there's no bus stops that run any longer in between, because they were cancelled. Once I get there, there's no sidewalks. Sometimes deer, drivers not paying attention. It's a very dangerous situation. Then I still have a 57-minute ride into town. Hopefully, I don't run into a lot of traffic, or else I'm late for work. After putting in eight hours, sometimes more, because with my job, you know, there's a time to end, but it might not always end because of my leadership role. I still have that same two and a half miles, once I've been on the bus for 57 minutes, to return home. I don't know if any of you are familiar with Moon Township at all, a very beautiful area, very hilly. My route consists of me leaving from Sharon Road, turning right onto Thorn Run Road, which is all hilly both ways, with no sidewalks, and that's every day.

I regularly attend service on Sundays, and it's very hard getting to service, because the buses only run every two hours and start later in the day. I'm a person --- because of my job and I'm also a parent, I cook at home and different things, and I try to do volunteer work. Let's say if I wanted to go to Robinson to use --- which I have a business, Sam's Club membership, it's an adventure. I have that two and a half walk, a bus ride almost an hour to get downtown. And then I have to backtrack on an airport bus just to get to the Robinson area and go back through that to get home, carrying those items up the hill.

If I get a taxi, that's $21.03. So I don't know what's possible with the budget, but whatever you could possibly find to help, I'm just one of hundreds of people who would greatly benefit from having an enhancement or even bringing back some of those buses, especially to that area. So you guys have a good evening, and thank you for giving me time to speak.

CHAIR FINNERTY: Okay. And thank you for coming in. Paul O'Hanlon? I don't see Paul here.

(Audience member signals for Chair's attention.)

CHAIR FINNERTY: Yes, you can speak. I think I'll let him in; he'll ask again. Jonathan, why didn't you sign up?

MR. ROBISON: I tried. I wasn't aware of the sign-up procedure.

CHAIR FINNERTY: You're still here, aren't you, still coming in, like, Thursdays or something?

MR. ROBISON: Often for the Port Authority meetings.

CHAIR FINNERTY: Oh, okay.

MR. ROBISON: Ladies and gentlemen, I'm signing up late. I got bitten by a penguin on the way here. The traffic --- the traffic between Oakland and here is just ---.

CHAIR FINNERTY: I thought you were at the zoo. You have to give your name and address, please.

MR. ROBISON: I'm sorry. Jonathan Robison, 154 North Bellefield Avenue, Apartment 66, Pittsburgh, 15213. radwillbe@gmail.com, and I'm Vice President of the Allegheny County Transit Council. I called --- I came by to urge you to basically vote for use of some of the drink tax. There is about $9 million in the drink tax. We use $2 million, roughly, for matching the state money, and we still have $9 million available. A few million of that would take care of --- would enable us to restore the routes, half the routes or more, that were cut, not because of the lack of ridership but just because the legislature hadn't gotten around to acting on necessary funding. Now we've got the funding but the routes have been cut. You heard from the Moon Township, the situation there. You've probably already heard from other places that have become transit deserts thanks to these, including Baldwin Borough, for one, for sure.

But most of the routes should be restored, and I think the Port Authority knows this. They just don't have the money, and they don't have the money without the drink tax. I like Rich Fitzgerald. He's one of the brightest people in public life that I can mention, that I've known. I don't know why --- I hear on the grapevine that he's hoping to get the state to come up with some more money, that the drink tax money could be used to match. And that's not happening right away in this legislature, and I hope will come off of ---. A few million, that's a continuing source of money. It's not going to dry up and then have to fall back on the county.

So I urge --- I believe you have the power to vote the use of drink tax money. Please correct me if I'm wrong, any of that. Rich Fitzgerald ought to be backing

it, and with or without it, I hope you will vote drink tax money to restore most of the routes that were cut. Thank you very much.

CHAIR FINNERTY: Thank you. Okay. That's all the public comment we have. So I think the next thing on our agenda is the Port Authority of Allegheny County.

By the way, some of those figures that Jonathan quoted were not correct, so ---. It's a lot more than $2 million, I can tell you that.

MS. MCLEAN: Good evening.

CHAIR FINNERTY: Good evening. I don't know who is ---.

MS. MCLEAN: Good evening. I think it's time now.

CHAIR FINNERTY: Okay.

MS. MCLEAN: I'm Ellen McLean, CEO for the Port Authority of Allegheny County, and with me is Pete Schenk, CFO, and Ed Typanski, the Director of Capital Programs and Grants.

CHAIR FINNERTY: Okay.

MS. MCLEAN: I thought tonight what I'd like to do --- and I think before you, you have our presentation. And I'd like to start --- before we talk about our new funding in our matching request for the county --- to just give you some highlights of the achievements we've made to date. Increasing passenger revenue. Our fare increases have resulted in passenger fare box recovery to be approximately 26 percent, which is above the state mean of 24. Our service efficiencies. I mean, with --- all of our cuts, in addition to that cost containment, has been a long-term initiative for us. So our percentage of bus operating expenses to total expenses is 55, which is below the 60 percent statewide medium.

Our big thing that we heard over and over, obviously, was our legacy costs. Our pension plans are fixed through cost sharing. Implementation of a defined contribution plan for new hires and non-rep IBEW employees are in place. Our retiree healthcare is limited to three years at full retirement for ATU85 and IBEW as of August of 2012. And there is no retiree healthcare for non-rep employees, so we have really ---. Our pension plans are --- ATU is at 86 percent, IBEW is in the mid 70s and police and non-rep are in the higher --- about 57 percent now.

We pay 10 1/2 percent towards our defined benefit plan for those people who chose to remain in the defined benefit plan, 10 1/2 percent of salary. Our big item, obviously, is stable funding. I know we've been here year after year, and certainly Councilman Martoni knows from being on our board for years that funding has been a long-term issue for us. And with the new legislation act this year --- this time last year when we came, we were again in the same position and hoping for funding. And now we can come and say that as of November of last year, Act 89 passed and with that, we have stable funding for --- which is capital money for State of Good Repair projects and for existing service levels. And that's something, obviously, we will talk about. Act 89 on Chart 3 provides long-term financial stability. The intent of Act 89 was to provide eight to ten years of stable funding that would prevent service reductions in the future.

The first thing we don't want to do is go back to where we were. The requirement by PennDOT is that we provide a ten-year financial forecast and a plan for financial stability going forward. It requires rate fare increases. It requires fare increases every two years, but we have made and won the argument that after three years of fare increases, that we're going to stay where we are right now, because our fares are at the highest in the state, if not close to the highest in the country for base fare. State of Good Repair. As a consequence of our financial position, for years, the Authority has over a billion dollars in State of Good Repair projects, their ramps, their orphan bridges, their --- the need for buses.

There's a significant amount of facility repairs, which Ed will talk about. So over the next five to ten years, we plan to address those. The key directive on the new funding is that Act 89 funds are intended to support existing service. Any use of operating --- of Act 89 money in operating will require a waiver from PennDOT. What we've done in our forecast, which PennDOT is currently reviewing, is that we have proposed slight increases in expenses to accommodate for new services in certain budget years, including next year. This year, as Molly indicated, we put 2.7 percent increase in service hours, which amounted to about $4.2 million. We have used that service to date. In September, we put on new service in areas where we addressed overcrowding, and that goes to

the next page which is, let's talk about our strategic goals.

One of the first things we did when we got the funding is we brought in the Urban Land Institute to transit experts from around the country, who engaged with our stakeholders in this community for a week. They reported out on their recommendations. At the same time, we used an online --- it's called MindMixers. It's an online town hall. And we engaged with about 3,500 individuals to talk about what they would want to see and how we could improve the service. The culmination of all of that data became part of our strategic initiatives going forward and setting our strategic goals internally. And those include --- obviously, our first is to maintain safety. That's for our riders and our workforce. That's number one for us.

The second is to enhance the rider experience and our own public image. I mean, we've obviously suffered because of the cuts that we've made over time, and it's something that we're aware of and we're working to --- and you'll see at the end of this, some of our key initiatives --- we're working to turn around. Our third goal is to support financial stability --- sustainability and stability through innovative operations and growth within budget. Fourth, continuous improvement in business processes, and we have implemented, as of January, transit stats, which is our internal performance measurement program, where we look at cost containment and ways to get resources to areas that we believe we need --- that need help, whether it's in maintenance, because we need training, whether it's in overtime and how we contain that cost.

All of that is done in order to improve our business processes and to contain costs going forward. Obviously, we need to ensure compliance with regulatory and government agencies. And our sixth goal is to facilitate greater workforce stability, accountability and talent growth. We have a very --- we have an excellent staff that runs the Port Authority, from the drivers to the maintenance workers. And getting good people and keeping them is an issue for us, and so going forward we are working with the union, who are great partners in --- how can we maintain staff and keep the good people we have continuing to work for the Port Authority?

And with that, I'd like to turn over to --- we can begin to talk about what our request is, what our expenses and revenues are. And I'll have Pete do the financial piece of this.

MR. SCHENK: Good evening. The next three pie charts will just give you a very broad overview of how we spend the money that the county gives us, in addition to the money that we receive from our passengers, the state and federal government. Our fiscal 2015 budget is $388.5 million. And from an expense standpoint, we're a very personnel-intensive business. As you can see, $141.9 million of that budget will go towards salaries, $137.5 million towards benefits, about 51 million towards material and supplies, half of which just goes to the diesel fuel towards buses, and $12 million towards services, which are professional service contracts with outside third-party contractors. And $27.2 million goes to support the ACCESS program; and then some additional miscellaneous expenses, which I won't get into.

If you turn to the next page, you will see, from a revenue standpoint, the $388.5 million, that $212 million or $212 1/2 million comes from the state. Our passengers pay about $92 1/2 million. We get almost $13 million in subsidies from the state for --- to subsidize the shared ride program. The county gives us $28.8 million. And then, in addition to that $28.8 million, we get $3 million from the Regional Asset District, which satisfies the 15-percent declared match on state dollars. The federal government gives us $28.3 million. There's an additional $6 million from the state that matches capital grants that are used in the Operating Budget. And then the county --- you also match $4.2 million in the Operating Budget for miscellaneous grants.

So if you flip to the next page, when you total that up, in terms of all the pieces, the state funds 60 percent of that operating budget for fiscal '15. The county is at 80 percent. Passengers pay almost a fourth of the total bill. The federal government, 7 percent, and then the Regional Asset District, 1 percent.

If you flip to the next page, this is just more administrative than anything else, but we follow a fiscal year, so we're on a July 1st through June 30th. Obviously, I don't need to tell you, but you guys are on the calendar year basis. So this request that we're

making actually covers us for our fiscal year of July 1st, 2014 through June 30th of 2015.

And the funds need to be received by June 30th, which has never been an issue. So when people ask, okay, what's --- what do we get for our dollars of county funding? $1 of county funding generates 6.6 of state operating assistance. And then an additional $1 of capital dollars generate an additional $18 in both state and federal capital assistance. So you get quite a bang for your buck when you --- in terms of supporting the Port Authority's efforts. When you look at our request for fiscal '15, it's $28,867,438 from a state --- or I mean, from a county operating assistance standpoint, which is down a little over $300,000. From a capital perspective, it's actually up $106,310 to $10 million even. And then on that last line, you'll see that the Regional Asset District has agreed to support us again, to the tune of $3 million. That's unchanged.

And I'm going to turn it over to Ed Typanski, who's our Director of Capital Grants, and he'll walk you through the next slides. Thank you.

MR. TYPANSKI: Good evening, Council members. As Ellen had mentioned, Act 89 is going to provide us with a robust capital improvement program, not only this year, but years to come. We have over a billion dollars in State of Good Repair projects that are backlogged. And with the commitment of $10 million from County Council, it'll start to help in 2015 to address a lot of these backlogged projects. A lot of them are for facility improvements. If you just go to the following slide, we intend on doing $40 million in facility improvements over the course of the next year. The interior of our buildings are really dilapidated. Our youngest building is from 1970. We have four bus garages, some maintenance facilities at South Hills Junction, as well as the rail center out at South Hills Village.

The village needs new paving around the perimeter. West Mifflin Garage; we're expanding the garage now to have capability of a 60 foot articulated bus. But it needs three post hoists to lift those buses. Collier Garage needs a new roof. We're going to continue a $38 million investment in 90 Port Authority buses. They're going to be 35-foot buses, as well as 40-foot buses. That's in line where --- Fleet Replacement Plan. And it calls for --- to replace 1/12 of the fleet

annually. $23 million is going to be invested in fixed guideway improvements, and a lot of that is going towards bridges. We have a couple bridges in North Braddock. We have the North Braddock Bridge, as well as Tassey Hollow. And we're going to do the Neville Ramp Bridge, which is along the East Busway. It connects the East Busway to Oakland. And there's various other smaller State of Good Repair projects that are going to be initiated as well. $17 million for support programs. And one of the big projects within that category is our real time bus and rail signage project. We're going to have real time signage to meet the void, both on the rail and bus modes of the organization. We have some IT hardware and software, as well, that --- it's backlogged. We haven't bought new computers for our folks in four to five years, which is past the useful life.

And we're in need of some support vehicles, one of which includes a $3 million rail vehicle that's for recovery. If there's a --- in the event of a derailment, the current vehicle is over 30 years old. This one --- this calls for a new one. And the current one we have to push the light rail vehicle along. This one is going to actually lift it and put it back on the tracks, so ---.

MS. MCLEAN: So just to close out our presentation, I wanted to just talk a little bit about some of the key initiatives that go to public image and to improving the ridership in our service. With the state money being simply for existing service, the only way that we can really gain income is to increase our ridership. And to do that, we need to do a better job at the service we have and hope that through increased services, we increase our fares, and with that, increase our ability to add service beyond some estimates that we've made going forward.

We're looking currently at policy review for fare policy. Some of the things that --- the things that we heard was pay on, pay off, cashless on the rail, products that may --- people may be more apt to buy, like, one day, weekends, people coming in from the airport. Those kinds of things we're looking at currently. Real time, which Ed just mentioned, on bus and rail is underway. We'll be complete on the bus by December. We begin rail in the first quarter. You'll see signage, digital signage, at rail stations. You'll see new signage at both our rail and bus stops. Our marketing for

ridership growth is something --- we're putting a lot of time in. We're doing a survey that begins next week, a customer service survey that looks at both demographics, as well as perception, and what are the things that we can do to change that. That will be very important because the data we have now will allow us to actually market in areas where we believe there's transit interest. Park and Ride expansion goes to regionalization. It's something we're looking at, obviously, to have --- our Park and Rides are filled by first thing in the morning. Having more opportunities for that, looking at places that are further out that we could do a direct service to and back, are things that we're considering. Transit-oriented development. We're seeing it, obviously, on the East Side and with both the East Side construction, as well as Google.

We want to look at our stops, make them more community oriented, bring them more into the community where there is land that we own heavily. Make that so it's more of a part of the community. Are there better places for parking, et cetera? Those are the kinds of things that we're looking at, currently, our key initiatives. CNG for fuel diversification is something that we're doing as well. Bus Rapid Transit is obviously a project that you're familiar with, and that's a piece that we are partnering with the city on. So with that, I'll take any questions.

CHAIR FINNERTY: All right. I want to thank --- I want to thank you for your presentation, Mrs. McLean.

MS. MCLEAN: Sure.

CHAIR FINNERTY: We're going to start with Councilman Martoni.

DR. MARTONI: A lot of people don't understand the senior citizen fare.

CHAIR FINNERTY: Turn your mic on.

DR. MARTONI: Could you hear me now? A lot of people don't understand the senior citizen fare. They think it's --- there's no fare. There's actually a fare, but you get reimbursed by the state; is that correct?

MS. MCLEAN: Right; lottery funds.

DR. MARTONI: Yeah. I think we want to make that clear. A lot of people don't understand that. They think we're just doing it --- you're just doing it and then ---.

MS. MCLEAN: Yes.

DR. MARTONI: I understand it. I just wanted to mention it so everybody else understands it.

MS. MCLEAN: Thank you.

DR. MARTONI: Okay.

MS. MCLEAN: Hi.

MR. MACEY: Hi.

CHAIR FINNERTY: Councilman Macey.

MR. MACEY: Thank you. Thanks to you all for being here. And thank you for the work that you've done, because you did inherit quite the challenge. There's no question about it. And I can't say enough about how you work with the union and how the unions themselves have stepped up to the plate and took pay cuts. As a steelworker, we took pay cuts for one year. The next year they shut our mill down. But anyways, we're going to move forward. There was a time when Secretary LaHood came into Allegheny County, and there was going to be a little fanfare but there really wasn't. And I understand that there was a $4 million contribution to the Port Authority through the Transportation Department. Did that ever materialize?

MS. MCLEAN: That was a $3 million grant.

MR. MACEY: I didn't get the whole story.

MS. MCLEAN: Yeah; right. It was a --- it was a $3 million application that was approved if the particulars in the application proved to occur. And they didn't occur. It was an application made by EQT with the Heinz endowments with the Port Authority, with the understanding that they would look at a place for a CNG fueling station. It was a clear case of the cart before the horse, because putting a fueling station in without a garage that could maintain and store buses isn't the way to go. So it just didn't get done. And in, I would say it was this spring, it ran out of time. And in speaking with FTA and our regional head, we said you just let it go.

MR. MACEY: Well, we are looking to do those ---

(Councilman Macey turns mic on.)

MR. MACEY: I'm sorry. We are looking to do those type of projects in the future; right?

MS. MCLEAN: Absolutely, absolutely.

MR. MACEY: Okay.

MS. MCLEAN: We are looking right now. In December we will have a blueprint of the requirements of a CNG garage through one of our engineering contracts. What

we're looking for now is land. You know, we can't drop it in and do --- until we have a footprint. I think it is a prime time to be able to build a new garage. We've looked at retro-fitting a garage, and it doesn't make sense. The only garage that is available is the East Liberty Garage, which is sitting in the middle of economic development to beat the band. And to put in a CNG, a large compression CNG fueling station, and take down that garage, which is our bread and butter, would have significant productivity issues. It's just --- it's so old. As Ed said, it's just so old that the retro-fitting, to make it safe, didn't --- it would cost more than going out and seeing if we couldn't do a fifth garage.

MR. MACEY: Would you consider opening a CNG facility, maybe a part of it --- to the public?

MS. MCLEAN: Absolutely. We are looking at third-party fueling.

MR. MACEY: Thank you.

CHAIR FINNERTY: Okay. Councilwoman Means. I'll go last.

MS. MEANS: Hello. Thank you for coming in this evening. I was wondering --- I was looking at this chart on page five, and I don't see an estimate for maintenance. Where would --- would maintenance come under ---? I didn't see a breakout for that.

MR. SCHENK: Well, maintenance would be included --- you mean, in terms of maintenance salaries and things like that, or ---?

MS. MEANS: Well, no, maintenance of buildings and bridges ---.

MR. SCHENK: Oh, well, that would be more on the capital side ---

MS. MCLEAN: Capital.

MS. MEANS: The capital?

MR. SCHENK: --- the capital budget, yeah.

MS. MCLEAN: Yes.

MR. SCHENK: Yeah.

MS. MEANS: Okay. And specifically --- oh, so you haven't addressed capital?

MS. MCLEAN: We did.

MS. MEANS: What different things, I just --- what I'm wondering is, how much does it cost to maintain the North Shore Connector, when we know, if we break down, that this --- you know, this going under the river costs us X, Y, Z every year and ---?

MR. SCHENK: We can get that.

MS. MEANS: You can get that?

MS. MCLEAN: Yes.

MR. SCHENK: Yeah. I don't have that as part of this ---.

MS. MEANS: The other thing is I was looking at an August 20th article from the Allegheny Institute and they were saying, in ---

(Councilwoman Means turns mic on.)

MS. MEANS: --- 2006 that you --- you had some members that, you know, make substantial income from overtime?

MS. MCLEAN: Yes.

MS. MEANS: And that then they re-looked at these same drivers in 2014 ---

MS. MCLEAN: Yes.

MS. MEANS: --- and two of the big high rollers were still too big high rollers. Have you looked at ---? How are you going to deal with the overtime issue, because ---?

MS. MCLEAN: Well, let me address that because, remember, people who work overtime work.

MS. MEANS: Uh-huh (yes).

MS. MCLEAN: And the two people who had the highest overtime in '06 and again now ---

MS. MEANS: Uh-huh (yes).

MS. MCLEAN: --- just won, again, the Perfect Attendance Award.

MS. MEANS: Uh-huh (yes).

MS. MCLEAN: So these are people who come to work and work. They volunteer for this. It's when we need service. And what I want to point to is the fact that when we put the North Shore Connector in, we added enormous amount of service on that side to accommodate Steelers and Pirate games and concerts and Pitt games. And these are the --- these are the operators who provide that service. And by law, we have to pay them. So I'm not bothered by someone who shows up for work and volunteers to do the overtime for service that's part of what we are asked to provide to this community.

MS. MEANS: But in some cases, with the amount of overtime, you could hire another person. And then when that person gets --- does so well on their overtime, then when they retire they do at a much higher pension.

MS. MCLEAN: No, ours don't. You can only --- it's 80 hours for two weeks. Only ten hours are pensionable. It's not --- your pension isn't based on ---.

MS. MEANS: Oh, so that won't reflect on the pension?

MS. MCLEAN: No, it doesn't. And to hire another person would mean that we would also have benefits to it. This is the same person, same benefit, who volunteers their time, who raises their hand when we say we --- we're short serviced. We need somebody to do it, and they're there.

MS. MEANS: Can you repeat that again, only 80 hours per week or 80 hours ---?

MS. MCLEAN: Eighty (80) hours in a pay period, 40 hours of --- two weeks pay.

MS. MEANS: Okay.

MS. MCLEAN: Ten (10) --- 90 hours are pensionable. So if you work 120 hours, only 90 are pensionable.

MS. MEANS: Okay. Thank you.

MS. MCLEAN: Sure.

CHAIR FINNERTY: Council member Rea?

MS. REA: Thank you. I have a couple questions about the capital projects, that page. And I guess my understanding is you're asking for $10 million plus another million for the study this year; correct?

MR. TYPANSKI: That's correct.

MS. REA: Okay. Now I wanted to go down to the $38 million for the 90 buses.

MR. TYPANSKI: Yes.

MS. REA: And I thought you said replace the fleet --- 1/2 of the fleet annually?

MR. TYPANSKI: 1/12.

MS. REA: 1/12; okay.

MR. TYPANSKI: That's the operable; yes.

MS. REA: I'll just look at my writing so I won't have to go look in my file. Okay. My question to that is like --- because that's fairly expensive, I mean, $38 million for the new buses. And I do kind of look at the buses and you know --- so I don't know. I guess I can't really judge what year they are or, you know, the improvements made on buses or not made on buses. But you know, what's the reason to replace? Is it because something changes? Is it like, you know, it's been in

service X amount of years? Because to me more, you know, routes are a lot more important if you have people who can maintain good vehicles. Do you understand what I'm saying?

MR. TYPANSKI: Yeah.

MS. REA: I just question turning over the fleet that often or spending that amount of money on new buses.

MR. TYPANSKI: Yeah. In this case, they are past their service life, which is 12 years or 500,000 miles, whichever comes first.

MS. REA: Okay. So that's the standard, ---

MR. TYPANSKI: Yes.

MS. REA: --- 12 years, 500,000 miles?

MR. TYPANSKI: That's correct; yeah.

MS. REA: And you always adhere to that standard; is that right?

MR. TYPANSKI: It's a federal requirement, yes.

MS. REA: Okay. May I continue?

CHAIR FINNERTY: Yes, you may.

MS. MCLEAN: And if I could add to that, Councilwoman?

MS. REA: Yes.

MS. MCLEAN: It's also that in 2003 through 2005, the Port Authority bought 390 buses all within a period. So the problem has been for us --- is keeping that --- how do you replace that many all at one time? So we're behind the curve. Our average age of buses is almost eight years, on an average, even though we're buying them now. But now, in the last couple of years, we've been really pushing to do that, to keep --- and we're audited on that by the federal government, to make sure we're not running them longer than required.

MS. REA: Okay. Thank you. Then I have a question just about the number of employees, active full-time employees, and then the number on leave. Are they on leave due to, you know, injuries or ---? I think it says here 104 of them are on leave of absence.

MS. MCLEAN: I'm not sure where ---.

MS. REA: That's in my board folder.

MS. MCLEAN: Oh.

MS. REA: That's in my Board folder for Allegheny County Authority ---

CHAIR FINNERTY: Oh, yeah.

MS. REA: --- Agency or Board. Yeah, that's in our --- it says you have 200 --- I'm sorry, 2440 active full-time employees ---

MS. MCLEAN: That's right.

MS. REA: --- and 104 on leave of absence. I was just questioning that 104 on leave of absence. Would that be due to injuries or ---Workers' Comp?

MS. MCLEAN: Workers' Comp.

MS. REA: --- Workers Comp?

MS. MCLEAN: Workers' Comp, FMLA and military.

MS. REA: Oh, and military; okay. Is that kind of like --- on average, that goes from year to year or is that, you know ---?

MS. MCLEAN: You know what? I don't ---.

MS. REA: You'd have to check into that?

MR. TYPANSKI: Yeah.

MS. MCLEAN: Yeah, I'd have to check into that. I can do that and get --- we'll get that to you.

MS. REA: Okay. They were my only questions. Thank you.

CHAIR FINNERTY: Whenever you get something to us, send it to Walt, and then I'll look at it and we'll get it out to everybody.

MS. MCLEAN: Okay.

CHAIR FINNERTY: All right?

MS. MCLEAN: Okay.

CHAIR FINNERTY: So always send it to our budget director. That way we're making sure everybody gets a copy.

MS. MCLEAN: Thank you.

CHAIR FINNERTY: Councilman Futules?

MR. FUTULES: Thank you. In regards to the dilapidating bus terminals or bus garages you were talking about, is there any possibility or chances that you would consider re-opening the Harmar Garage, which seems to be in much better shape, I would assume?

MS. MCLEAN: No, because of its location. It sits off of the dead --- what we call the dead head. The travel from the time you leave the bus garage until your first stop is so long, it never was an efficient place for a garage.

MR. FUTULES: Okay. My next question, you commented about trying to raise ridership. It seems to be a Catch 22. When you don't have bus routes, you can't

raise ridership when you've cut bus routes instead. It's a sad process.

MS. MCLEAN: Well, ---.

MR. FUTULES: But even if you can restore bus routes, are you still holding at 24 percent of ridership even with the new bus routes that would occur, that are --- or should I say, bringing them back?

MS. MCLEAN: Well, let me just give us an example. Now that we have so much data, we're --- both with the real time and with automatic people counters and our fare box, we're able to look at --- more scientifically at how we add service. So we see an increase in the service we just provided. What we decided to do first is to improve the --- to reduce overcrowding. What we know is that people don't ride because it's overcrowded. If you're sitting in a bus and you're always standing and you're always cheek to jowls with people your whole way in, you quit riding.

So our service in September ads were largely increasing the number of buses on --- on overcrowded routes. We knew they were overcrowded. We knew when they became overcrowded, because we know when people come on and when they go off. We also did a couple changes where we knew people weren't getting on at the end of the route, and we took that off and we've added the hours on the --- on another route. And we're seeing significant increase as a consequence. We also took the 93 bus, moved it out of the East Liberty Garage and put it in West Mifflin, and now it comes and picks up in areas that didn't have service.

That's the kind of service that --- that's the things we did for the 2.7 percent service hours increases. There's such a significant request for additional service. We just have to be careful how we do it, because at the end of the day, six years from now, if we go back to where we were, we're going to be back to where we are. And what we don't want to do, obviously, in the community is cut again. We don't want to do that again. It was painful. And for an organization like the Port Authority, it was hugely painful inside our organization, because we laid off a lot of people, and we don't want to do that again. We want to hire good people. We want to keep them. And we keep them by making sure we have a sustainable financial plan.

MR. FUTULES: Just one last question, if I may.

CHAIR FINNERTY: Go ahead.

MR. FUTULES: You talked about the ridership again. I'll stay on that point.

MS. MCLEAN: Sure.

MR. FUTULES: Are there any plans for any marketing tools to try to raise that in your future?

MS. MCLEAN: Yes.

MR. FUTULES: I remember the commercials on television.

MS. MCLEAN: Okay.

MR. FUTULES: You know, ride the bus; it was Port Authority commercials. We don't have those anymore.

MS. MCLEAN: No, we don't.

MR. FUTULES: And I'm sure they're expensive, but does the news media give authorities like this any type of break for ---?

MS. MCLEAN: Not that I'm aware of, no.

MR. FUTULES: It would be nice if we looked into that ---

MS. MCLEAN: Uh-huh (yes).

MR. FUTULES: --- to try and help. But what are your plans? Do you have any marketing plans?

MS. MCLEAN: Well, a couple of things. One is we now have a whole packet that we provide to realtors, so when you come into the communities, you get that packet. And it gives you a ConnectCard. It gives you a map. It tells you how to ride and tells you where to go for questions. So it introduces you to a new --- people coming into their community to what service is there. That's a piece. We are beginning to market because our data tells us --- we can tell the demographics of who rides, who's likely to ride and where are they. We know where growth is. So we're beginning to market in those areas through our employees who go into the community on a regular basis.

We know that there's a growing Spanish-speaking community here in our city, and we are now doing Spanish brochures. They are transit riders, and we're doing them in Spanish. And we're working with the Hispanic Chamber of Commerce and various organizations to get that out. How do we help people learn to ride? So we do a lot of --- we have people dedicated to just going into the community on a day-to-day basis, either senior citizens or schools or ---. We do a whole thing in the Pitt --- when students come in, how to ride, you know, what to do, where

to go, maps. We're also doing a whole new mapping and signage, which is really desperately needed. That will be both digital in that you can, you know, look and see --- you know, ask questions. And we haven't quite figured out exactly how far we'll go with that because of the cost, but also maps that when you get out at a station, that you can see --- okay, you're in the North Side and here are your landmarks. Here --- you know, here is the science center, here's the children's museum, here's ---. So there are a lot of things that if we made it easier and we made --- we had clean and you know, new buses and they're on time --- on-time performance is a huge thing. Our real time now, you can get on your smartphone and you can --- you know when your bus is coming. Having it come on time is critical. New people get tired of waiting 10, 20, 30 minutes if a bus doesn't show up.

This real time will also have the ability where we will e-mail out if there's a delay. So it's how do you make it easier to ride, that people will begin --- people who left us because of the cuts might come back. People who left us because they got tired of us being late or issues will come back. And then incrementally, we can begin to think about how do we bring more service to the community, knowing that the Act 89 money is very specific? And so at some point, there is --- you know, if we want a more robust transit system, which I think we all do, then how do we pay for that is the big issue.

MR. FUTULES: Thank you.

CHAIR FINNERTY: Okay. Councilwoman Danko?

MS. DANKO: Thank you. And I appreciate how hard this is. This is a tough thing to budget for something like the Port Authority. My first question should be pretty easy. The fringe benefits, that's where the retirement is paid out of?

MS. MCLEAN: Yes.

MS. DANKO: And how big a chunk is the retirement of the $137.5 million?

MR. SCHENK: Probably low --- low $30 million.

MS. DANKO: About $30 million?

MR. SCHENK: Uh-huh (yes).

MS. DANKO: Okay. All right. I want to get to this issue that we've heard a lot about, this area of the county that transit --- that we refer to as the transit desert. Two things. I want to get your take on the transit desert and what can and cannot be done. And then

I was reading through your presentation, and it says --- it's about the Act 89 funds --- any use in operating will require a waiver from PennDOT. Does that mean that we could request a waiver that would allow us to go into this transit desert area and not leave it to you to ---?

MS. MCLEAN: No. Let me address the waiver, and then let's talk about the transit desert areas. But the waiver --- this money is capital money, so even though through the whole debate and the lobbying which we all did for this funding, the --- PennDOT and legislators all knew our issue was an operating issue, as opposed to SEPTA's issue, which was a capital issue. They had enormous and continue to have enormous capital needs. But the money is capital. The money comes from the turnpike bonds. So there's --- and then there's a piece that are fees and a piece that's the vehicle --- the violation --- speeding violation. There's the incremental add-on. It's capital.

And PennDOT is very specific in that --- as you see, they provide 60 percent of our money on the operating side --- is that you cannot add existing service. Now we fight that, in that that's why we added 2.7 percent additional service hours, $4 million. They weren't happy about that, but we understand that we have to remedy, and do it in an efficient way, the issues that we have here. Otherwise, we won't have ridership. The dilemma is these areas, but they're --- and you know, we've worked with Molly and we've heard the Baldwin and we understand that. But that's not the only one. There are 50 of those areas that would like the service back. We can't do it. We won't be able to do it on what we have now. But we can begin to look at how we can be more efficient at what we do, so that we can look at Baldwin and look at areas and see, is there a way --- like we just did, we take a piece off that hasn't a ridership and move it over. It's service hours, it's not new routes, it's just moving service hours. And that's what we intend to do going forward.

MS. DANKO: I think the desert idea --- and I'm not an expert on this, I only know what I'm hearing from citizens --- is that they have to walk miles to get to a bus.

MS. MCLEAN: Right.

MS. DANKO: And that really is a desert. That's not an add-on service. That means they're spending 45 minutes getting to a bus.

MS. MCLEAN: Right.

MS. DANKO: And you know, it's nice that people would like something more frequently, but when you don't have anything for that big an area, I do think that's a major concern. It's not my district, but since Council member Palmiere isn't here, you know, I just --- I'm very sensitive to that. I'm in an area where, you know, most buses that come by are packed, so I get that, too. But you know, people that have to have a bus --- I mean, you're talking about creating transit-oriented districts. Well, the flip side of that is you've got districts that are depending on transit that could go away because they're never going to get transit, so ---.

MS. MCLEAN: No, I definitely understand and it's --- we have a list. We are evaluating how we do it, and we will address it. But we can't address --- first, we can't address everything.

MS. DANKO: No.

MS. MCLEAN: But we do have parameters by which we will begin to add that service. But understand, we're going to get a lot of push-back from PennDOT. We know that, they've said it, but we do believe that these areas --- we have to figure out a way to service these areas. It may not be --- and that's the thing. We're not going back to that riding around the neighborhood but is, how do we reduce that walk? And we certainly understand that.

MS. DANKO: Thank you.

CHAIR FINNERTY: Okay. I have a few questions for you. Getting the bus routes --- we've talked about this many --- you know, a few times, but that word existing, it just really bothers me every time I see it in here and hear it and ---

MS. MCLEAN: Uh-huh (yes).

CHAIR FINNERTY: --- because, I mean, Baldwin is not the only area. We have a problem in Scott. We have a problem in South Fayette ---

MR. MACEY: Elizabeth.

CHAIR FINNERTY: Yeah, Elizabeth. There's a number of them where we have problems.

MS. MCLEAN: Oh, I agree.

CHAIR FINNERTY: I mean, how can --- if we're talking about state funds and I --- and I am the person giving you the funds and say you cannot get --- put new routes on ---

MS. MCLEAN: Right.

CHAIR FINNERTY: --- but you can, I guess, add to existing ones, meaning if there's overcrowding, you can put another bus on the existing run; I guess. They can only tie up their money, or are they tying up all the money? That's what I'm getting at. We give you a certain amount of money, like $40 million, I guess, total, if we count --- a little more than that, actually. But you know, can they tie up our money?

MS. MCLEAN: They could not approve it, our money.

CHAIR FINNERTY: They cannot approve our money?

MS. MCLEAN: Our money, or the 60 percent that they get. And that is what they have made very clear.

CHAIR FINNERTY: No, see, I'm talking --- you know, I'm thinking that they give this chunk --- if we're talking about operating $137 1/2 million, but you get other operating money here.

MS. MCLEAN: Yeah. I see where you're going, but ---.

CHAIR FINNERTY: Yes.

MS. MCLEAN: Yeah, but it all works --- you match their money.

CHAIR FINNERTY: Right.

MS. MCLEAN: And then we have the fares, so --- yeah, what we have to do is grow our ridership and not do fare increases every two years but see if we can grow our ridership, grow our income and use that to begin to add more service.

CHAIR FINNERTY: Right. I understand that. But I'm just trying to figure out a way this could happen. I mean, for example, if you would take a bus that's coming straight down --- right past St. Clair Hospital, Bower Hill Road, ---

MS. MCLEAN: Bower; yeah.

CHAIR FINNERTY: --- and instead of going straight past Bower Hill Road --- I mean, instead of just staying on Bower Hill Road and going to Mt. Lebanon, you went down and went on Gross and through the loop there, which these people --- if you're at the bottom of that loop, you're walking a mile and a half to get to that bus. I mean, that would not be putting --- it's an existing route already.

MS. MCLEAN: Uh-huh (yes).

CHAIR FINNERTY: So that would be adding service hours.

MS. MCLEAN: Uh-huh (yes).

CHAIR FINNERTY: Correct?

MS. MCLEAN: Correct; that's right.

CHAIR FINNERTY: You know, so I'm just looking at a way that somehow ---.

MS. MCLEAN: And that's what we're looking at. We're looking at areas where we can add to --- without looping around. I mean, we feed it into a computer system.

CHAIR FINNERTY: Right.

MS. MCLEAN: And it runs it; and it runs it on the roads and it runs it by hours, and it spits out what the cost is. And that's how we do it. I mean, that will be how we will look at all services. How do we address --- and the list is huge. The list is huge, huge.

CHAIR FINNERTY: Oh, yeah. You know, Baldwin is just one area, but if you look at North ---.

MS. MCLEAN: Oh, the North is a whole other area.

CHAIR FINNERTY: Wow, it's nothing.

MS. MCLEAN: Right. That's where --- we think Park and Rides would be great up there. We know we can fill Park and Rides. We could do an express service, pop right onto the HOV. It's a lower cost. That's something we could begin to do. Express service might have --- again, going to fare policy, express service with a Park and Ride might not be $3.50, it might be $6. That might be the fare policy for that. You pay for your parking because you've got express service. So those are the kinds of things that we're looking at doing, but that would solve, certainly, the North piece of it, because that's a big route. We've cut a couple routes up that way, too. We did a significant amount.

CHAIR FINNERTY: Yeah, yeah. All right. Well, I'm just trying to figure out how it could possibly happen that we could --- without adding routes, enhancing routes somehow, ---

MS. MCLEAN: Right.

CHAIR FINNERTY: --- to go past more people's houses, or whatever. I mean, it's going to take much --- it's going to take longer to get where you're going, but it might solve something. Did we ever --- and I don't

know if we considered this or not, but --- and I think we did at one time. You were talking about hubs.

MS. MCLEAN: Transportation hubs, yeah.

CHAIR FINNERTY: Hubs, like ---.

MS. MCLEAN: Transfer stations where you would come in and ---.

CHAIR FINNERTY: Right; transfer. Like the Carnegie bus line, I think McDonald comes in and transfers there. Do they still do that?

MS. MCLEAN: I don't think McDonald's does anymore.

CHAIR FINNERTY: No?

MS. MCLEAN: They just come ---.

CHAIR FINNERTY: I know there's a big push-back from the people that rode McDonald ---.

MS. MCLEAN: Well, you know, the other thing is changing the --- what people want, I think, is ---.

CHAIR FINNERTY: Right.

MS. MCLEAN: Pittsburghers don't like to transfer, so --- and we've discovered that.

CHAIR FINNERTY: Well, I mean, ---.

MS. MCLEAN: So I mean, part of it is that; you know, it's --- you know, how do we do it? And what works and what doesn't work? I mean, we know they don't want to transfer. We did it on the Northshore. One bus comes in. The 17, I think, comes in and the 18 transfers at the Northshore. And the 18 plummeted; 17, overcrowded.

CHAIR FINNERTY: Yeah.

MS. MCLEAN: So you know, it --- what works, what doesn't work. And that's all --- you know, we've never been able to look at this before. We never had any money. We were always cutting.

CHAIR FINNERTY: Right.

MS. MCLEAN: So the thing that we can't do is go back to what we were in 2006 and 2010 and maybe not 2011, either. I mean, this is the size. How do we do it more efficiently? And if we want a lot more, then we have to think about --- how do we ---? We can't raise the fares forever, you know, every year ---

CHAIR FINNERTY: Right.

MS. MCLEAN: --- because that impacts it. But you know, maybe there is a local option for added service.

CHAIR FINNERTY: Okay. Well, I thank you.

MS. MCLEAN: Sure. Thank you.

CHAIR FINNERTY: Councilman Martoni?

DR. MARTONI: One last question; okay? It seems like nothing can ever be done anywhere in America until it's just a crisis. All of a sudden there's money, there's people to help, that kind of thing. This sounds like it's just a bit of a crisis. The speakers we get here are really stranded, a mile and a half from the line. Maybe we ought to make it a crisis. To me, it's a crisis. I can't walk very good now --- I mean, If I had to walk a mile and a half, I mean, I wouldn't make it. To me it's a crisis. And nothing will get done --- correct me if I'm wrong, guys, but nothing will get done unless it's a crisis. That's like the American way of doing things unfortunately. Maybe we can talk about creating a crisis, okay?

MS. MCLEAN: Well, I'm hoping we can figure out how to fix it.

DR. MARTONI: That's how to fix it. You'll be surprised how to fix it. I don't know how to fix it. Thank you.

CHAIR FINNERTY: Councilman Macey?

MR. MACEY: Thank you, Mr. Chairman. You know, we struggle in many ways down in the Mon Valley. And 14 communities, we try to get people from point A to point B, and it does become a problem. But I have to commend you for the 55, the Glassport route, which has really made a difference in the lives of people from Clairton to North Versailles. And it just so happens that I have a part-time job and I work by a bus stop and often I go down and ask people how are the buses? They're okay. Are they clean. Yes. Do they get you where you want to go? Yes, I'm happy. So there's a success story there.

When we look at getting people to the buses, the Heritage Center Community in Braddock has these small buses that go around the community and bring them to the bus stops which seems to work. And I heard what Councilman Finnerty said and you know, wouldn't it be nice to have some of those smaller buses going around and bringing people to those transportation centers, if you will? I just think that --- there again, people involved --- and that's a tough area over there. Baldwin and Brentwood isn't --- I mean, there's main drag on Brownsville Road but overall, Baldwin, that's spread out. You know, there's Baldwin Borough and Baldwin Township. So it's a challenge but I think it can be done. And I agree with Councilwoman Danko that these deserts are a

problem and these people deserve the opportunities just like everybody else. And I want to thank you for giving us a new transportation center.

MS. MCLEAN: Sure. That will be great.

CHAIR FINNERTY: Councilwoman Means?

MS. MEANS: I want to thank you again for coming out tonight. I know it's not easy to sit here and be grilled. I have one quick question, which is your healthcare is provided by who?

MS. MCLEAN: We have just moved to Aetna.

MS. MEANS: You just moved to Aetna. Do you mind sharing why or ---?

MS. MCLEAN: Sure. Yeah. It was six and a half million dollars of cost savings for us. We've just entered into --- we're entering in a contract beginning January 1 for 18 months, the full run along with our largest union, ATU Local 85 contract. It was done through a labor management committee with ATU and management. We chose Aetna because it provides us with --- we want out of the fight of Highmark and UPMC and access was our number one priority. It was under collective bargaining that we did this because the union was charged with $1.8 million worth of savings they needed to get in the last two years. And in that process, we discovered that access was a primary thing. We didn't want to be --- have the disruption that --- we feel this is what will happen and as an employer I feel --- I think it's the obligation of an --- my obligation to make sure I'm not in that fight for our employees. So we were able to get the savings. Aetna gives us full access, they matched our benefit grant, and I think they'll be great partners.

MS. MEANS: I always like to hear you save money. Is my microphone working? How is the sponsorship for the free ride to the Northshore? I heard there was --- yeah.

MS. MCLEAN: It's up in March of '15. We have interested parties. I'm sure we'll get it again. We're upping the price, so our intent, unless it falls through, is to increase the current annual price per station. And we have proposals out at this point on that.

MS. MEANS: What do they get for that? They get advertisement, is that what they get or are they just benevolently sponsoring the free ride --- that people come to the Northshore?

MS. MCLEAN: Well, on the north side station, PNC Park, that's ALCO and SCA. It's been a great boom for ALCO because now it's full. They've been great partners. On the Allegheny side, and so we have --- the Port Authority has the advertising space there, so the price of their free zone was really largely to fill that garage. The Allegheny Station is the Steelers with the casino, and it's a more constrained arrangement where we don't get the advertisement there. So what we have out on the street now are proposals with an increased cost for annual cost and we changed that, you know, the advertising piece of that, because that's a piece where we certainly get a fair bit of revenue.

MS. MEANS: Thank you.

CHAIR FINNERTY: Okay. Councilwoman Rea?

MS. REA: Thank you. I think I ask this question every year but I have to ask it because it kind of always sticks in my head, and especially this year because we're changing some things. We're talking about changing some things, what we do with our police force. What part of the budget is the Port Authority police force, their benefits and their salaries? Can you give me a figure?

MS. MCLEAN: I can get you one. It's only 41 people so it's --- it's about a million, not even a million.

MS. REA: It's not even a million dollars?

MS. MCLEAN: No.

MS. REA: Well, even at a million dollars, I just need to know, what do they do? I just think if there is a problem on a bus, don't they call --- wherever they are, the police wherever they are or ---?

MS. MCLEAN: No.

MS. REA: They just call the Port Authority Police? I mean, what year were they adopted? I mean, there was not always a Port Authority police force.

MS. MCLEAN: There used to be the sheriffs, the county sheriffs.

MS. REA: County sheriffs did it?

MS. MCLEAN: Right. And I think that was more than a decade ago, way before ---.

MS. REA: Like I know it has nothing to do with you, but we're talking about putting rangers in the parks or you know, doing different things with the police force

because of the cost of, you know, having an entire police force, so I just ---.

MS. MCLEAN: Let me --- our police do a lot and our police are really important in our system because they police our system. The City Police, City of Pittsburgh Police, do not police our system, which means all the bus ways, the rail stations, they're in there all the time. Also, they go, you know, if there are problems on the bus. Now there's a mutual aid among all of the police forces in this community but our police officers also --- let me give you an example. In the marathon, certainly after the Boston bombing, in the marathon, our police officers worked side by side with the FBI and, you know, a lot of people that no one knew were in the system during that period of time. So we need people in the system. We need officers who are on the bus way who go and who monitor. All of our stations are cameraed. They watch those. They're out in the system. And they do what we wouldn't have otherwise. I mean, safety is a number one priority for us, both for our officers and for our riders, so they're critical. So 41 do a lot more.

Looking forward, if we consider going cashless on the rail, we may increase that number so that ---.

MS. REA: Of police?

MS. MCLEAN: Of police, so that they're checking for fares.

MS. REA: But you'd think a ranger or somebody ---.

MS. MCLEAN: Well, you can't ticket people.

MS. REA: I mean, it just seems expensive. I'm just questioning that.

MS. MCLEAN: First off, you can't ticket. Our police officers need to ticket. And for fare evasion, that's a critical piece. And I only mention that because what we hear over and over again is that people are riding for free on the rail, which is not as --- you know, there aren't that many people. I'd say that a lot of that issue is like why people walk on green lights in Pittsburgh and why the people cross in the middle of streets. People don't want to wait. They don't want a queue to tap their card. So part of, you know, we could put off board --- we have off-board fare collectors there now, but maybe what we'll do in the future --- we have validators. Maybe if we have an officer that rides the train --- just like they do in Denver, just like they do all over, you know. You

check to see that you've paid your fare. If you didn't, you're ticketed. I mean, that may be a way. So our officers support our system and support ---.

MS. REA: But if there was a major incident, you know what I mean? I was by the McKnight Road block. I mean, that was a horrific accident and there were --- I think there may have been county police, state police, you know, there were a lot of police around. It certainly wasn't just the Port Authority Police. So I'm saying if there's a major issue, it goes to wherever the bus is. But I understand what you're saying, monitoring, you know, cameras and looking in your --- where the stops are and everything like that.

MS. MCLEAN: And walking underneath ---.

MS. REA: Yeah.

MS. MCLEAN: Because if it's not a safe --- if you don't feel safe --- and I have to say, we rarely get any complaints about safety on our system in terms of our riding the rails, being underground, being on the North Side. And that's because we make sure there's police presence. On special events like the Steeler games, our police are out there on the system so that people who are coming into the city who are a little nervous about being in the city --- as a city resident, I hear that a lot --- is because our police officers are there and they're visible.

MS. REA: Your police are there. Okay. Thank you.

CHAIR FINNERTY: I just wanted to mention something. The Port Authority Police have full police powers?

MS. MCLEAN: Absolutely.

CHAIR FINNERTY: Absolutely full police powers. Do you get federal funds to help you pay them?

MS. MCLEAN: Not to pay them. We do get reimbursement. We got a reimbursement on the marathon, that the --- that's why I bring that up, because we had so much overtime as a consequence of that. But we do get grants, security grants, for cameras, training.

CHAIR FINNERTY: Thank you. Councilman Futules?

MR. FUTULES: My question is more curiosity.

CHAIR FINNERTY: No curiosity.

MR. FUTLES: I'm always curious. You talked about the buses where we are mandated to replace them.

MS. MCLEAN: Yes.

MR. FUTULES: What do we do with the old ones?

MS. MCLEAN: We strip out everything and we sell them for scrap because we don't --- they're finished when we're done with them.

MR. FUTULES: I recall, I believe, years ago they said they used to sell them to people that couldn't afford buses, maybe out of the country or something. That practice isn't any more then?

MS. MCLEAN: No. No. No.

MR. FUTULES: Simple scrap them?

MS. MCLEAN: Just scrap them.

CHAIR FINNERTY: Councilwoman Danko?

MS. DANKO: I have kind of two questions. We have heard from again the people that are advocating for increased for mass transit, that we could tap into the drink tax. And so I wanted your answer to why or why not we couldn't do that and whether or not you have a legal opinion to back that up?

MS. MCLEAN: No. The drink tax is a county tax. It's not ours. So how it's allocated is not something that we --- I have an opinion on. I mean, that certainly ---.

MS. DANKO: So that's completely up to us?

MS. MCLEAN: Absolutely. It's your tax.

MS. DANKO: The second thing is the bus rapid transit. I rode that bus for years and years going from, you know, the East End through and downtown. It's already, you know, kind of a one-way going out on a lot of the routes and one lane, that opposite lane. And it causes issues. You know, someone manages to get hit, you know, at least once a year, it seems like. I'm wondering. You know, we've heard people say we're going to do all this and really, it's only going to increase the amount of time from Oakland to downtown, you know, you gain five minutes. Do you have different estimates than that or --- I'd like to hear a little bit more convincing on why this is a good idea.

MS. MCLEAN: The bus rapid transit project is an economic development project. It is along that line. Just like on the East Side, I'm from the East Side as well. You create economic development. You create housing. You create businesses. You create, you know, entertainment, restaurants, et cetera. So that's its first and foremost. It's a city project. Our portion is we will put service on the street. It will be a dedicated

lane. A rapid transit is dedicated lane. It is multi-modal so there should be bike and pedestrian. There should be --- and we will put transit stops, transit stations on that, in addition to the economic development that's going there based on whatever the design.

In terms of the savings and time savings, that's something that's going to be this next piece of this study, the environmental study and also the 30 percent design. The amount of --- it will be rapid. So the question is do you save service hours because now you have a rapid line, and then do you take that savings of service hours and put them elsewhere? That's really ultimately --- in terms of time, is it five minutes or is it two minutes? I don't know the answer to that. I do know riding the 71's and the 61's seats is that it takes forever.

MS. DANKO: They have too many stops, but there's a happy medium there.

MS. MCLEAN: Right.

MS. DANKO: But your general impression is that this is really a hook to drive economic development?

MS. MCLEAN: Absolutely. That's where it's used. And what we know is that economic development is successful around transit. And so that piece of it for us is an important piece. If people would ride it more frequently then as a consequence of it being express, that's important to us as a partner with both the city and the county.

MS. DANKO: But we already know those buses are mostly full going through there.

MS. MCLEAN: Hopefully we're seeing that --- the additional service we put on a lot of it was that East Side because they were packed. Unless you want to walk up to Bellefield and then you can get on no problem.

MS. DANKO: Thank you.

CHAIR FINNERTY: We're going to end this. If you have a question, we'll entertain that, but I would like to end. We have CCAC here waiting and we'd like take a ten-minute break. Do you have a question that's urgent? Go ahead and ask it.

MS. MEANS: Again, referring to the Allegheny Institute, there's a statement in here that --- I just want to read you the sentence. PAT presents today --- and they said this is from their RAD people, that RAD's saying you need money now but --- and we're giving you money now

but you might not be getting money in the future because now you have the money from Act, what is it, 89? So I'm just going to read you a sentence and then I want you to, if you can, respond to it. PAT presents today as an eligible applicant with significant regional impact and an urgent and unmet need. Fortunately, revenue growth this year allows RAD to respond to this need on a one-year basis without detriment to other program areas. Since this may not be the case next year, we urge the state and county leaders to continue their efforts to find alternative reliable transit funding sources. And they gave you how much?

MS. MCLEAN: Three million.

MS. MEANS: Three million.

MS. MCLEAN: The three million is the other --- is a portion of the match required for the 15 percent. And you know, I presented at RAD and you know, our position and my feeling is that public transportation is a public asset. We deliver people to the cultural district. We deliver people to the stadiums, all of which are funded. We take people to doctors' offices, to social services. We are a regional asset and that is to say, we're a very important regional asset.

CHAIR FINNERTY: All right. What they're saying there is that they could deny them the next year.

MS. MCLEAN: Yeah, we go every year. There's no guarantee, right.

CHAIR FINNERTY: Everybody that gets a RAD fund, PAT or --- has to go every year.

MS. MCLEAN: Absolutely.

CHAIR FINNERTY: Okay. Always. They are dedicated, but they still have to appear, I think, even though they are dedicated. I mean, there's dedicated libraries, there's dedicated --- okay. Well, thank you very much for a very informative ---.

MS. MCLEAN: Thank you.

CHAIR FINNERTY: Hopefully, we can get those buses on some other places. We're going to take about eight minutes.

SHORT BREAK TAKEN

CHAIR FINNERTY: We're going to reconvene the public hearing of the budget meeting. I believe our next group is Community College of Allegheny County. Come forth, please.

DR. BULLOCK: Good evening, Councilmembers. I'm Quintin Bullock, president for the Community College of Allegheny County, and joining me is Joyce Breckenridge, the Vice President for Business and Administration. I'd like to go through and provide some highlights of the college and to really share how the community college is a great resource in our community. Starting with our student body. Our student body is very diverse. We have --- about 65 percent of our students are part time; 35 percent are full time, a very good rich mix of diversity, 27 percent. Many students who come into us will transfer, but there is an increased number of students entering into our career programs because they align very closely with jobs in our area. And one of the unique things is that when our students graduate, we have --- 94 percent live and work locally in our area.

Of course, we've had some challenges over the last few years, but this year we've been able to begin to turn around our enrollment decline. When we take a snapshot to this time, same date last year, we are 20 points higher than before. So we are beginning to turn the ship around with the usage of some strategic enrollment initiatives, an enrollment management plan, retention strategies and extend the community outreach to carry the words and message of the county college. When you look at the enrollment breakdown, you can see the breakdown of our credit, noncredit by the district areas. And your areas align very closely with the work that we do at the college, and you can see the decline does vary from district to district, but closely aligns with the overall college's enrollment decline as well.

When we look at the return on the county's investment, 31 percent increase in earning power of Allegheny County residents with students who earned the Associate's degree over high school. We did an EMSI, which is a consultant firm that helps do impact studies. And it shows that our return is $6.67 for every dollar Allegheny County supports which is a good investment in the county, the 20-percent projected growth through 2020 on jobs requiring an Associate's degree, and 94 percent of the students who graduate will remain and live in the area.

As we begin to address our financial challenges at the beginning of this year, we wanted to demonstrate and to really look at the budget as a whole and be

excellent stewards. Last year's budget was $112 million, and we have reduced the budget for this year by $2.9 million compared to '13, '14. To support this initiative, the college facilitated a retirement incentive program that had 86 retirees. That included 36 faculty, 37 SEIU and 13 administrators. Using that retirement incentive, we are holding approximately 25 positions that will save us about $2 million per year. All right. So that savings is about $2 million per year. As we look at positions, we're looking at positions that are admission critical, but we have approved 56 positions that will be filled this budget year. When we look at the sources of our funding, to make up our $109.6 million budget, you will see that the sources come from our student tuition and fees which is about 48 and 1/2 percent, the county's share and the state share, getting 23.2 percent from the state and 18.2 percent from the county. And then other resources are coming in from our workforce development, state economic development and miscellaneous income.

How are these funds used? The bulk of our funds support instruction, which is --- the key purpose of the institution is to provide quality higher education and to ensure that we are able to have topnotch teaching faculty and staff to support the instructional and support services of the students that we serve. It's followed by institutional support, where we offer a myriad of support services to support students in achieving their educational goals and mastering that discipline, operations of our campuses and centers to ensure that they have the support that is needed to ensure services that support the operations of all the facilities, and then the support services that are dispersed across the campuses and each of our centers.

When we break down the public and private funds for '13, '14, it includes a combination of our federal grants, state grants, local grants, private contracts, third-party contracts, giving a total of about $11,966,210, in addition to the funds that we generate through our educational foundation, through fundraising and other initiatives. The fundraising of private funds raised through the educational foundation in '13, '14 included $1.8 million that was made up of special events, corporate and foundation givings of $1.4 million, individual givings that we get from internal constituents. The information that we developed in the report was the

$8.4 million, but when you take the actual endowment as of 10/13, it was $9,397,197. When we look at the trend over the last 12 years, you'll see that the endowment funds in our foundation has had a steady increase from 2002 and 2003, $2.6 million and to '13, '14, we're at $8.4 million. So we value the work of our educational foundation. They're great supporters to the college.

I think it's also important to look at how do we compare with the top competitors or the top colleges. With the Community College of Philadelphia, Harrisburg Area Community College, and then ourselves, you will see that we are the second largest in the Commonwealth, but our budget is significantly lower than our top two --- the other top two colleges. And that's been consistent over the last three years.

As we plan the future to stimulate new interests and to align to business and industry, we are focusing on areas that do yield great future potential for jobs in our area which will include cyber security. This is a program that we recently completed and it will be launched it the very near future. It has so much potential. There's a tremendous amount of interest of many students who are entering into the IT fields. And with the demands of cyber security in all assets of business, we're very confident that this will generate a new audience in support of this career field. In addition to that, we are expanding in areas of information technology, skills trades, culinary arts. The college was one of the first institutions to launch culinary arts and we see that to respond to the needs of our local hotels, restaurants and small businesses. And with the absence of a major contributor in developing this skill set, we are looking at expanding in that area to bring this back because we feel we could offer a very competitive training. And maybe we can do some pilots that will be important for business and industry.

We're continuing to expand in the energy, oil and gas areas. And of course, healthcare. We are the third largest producer in healthcare in our area. And we pride ourselves in the ability to really align ourselves with the needs of our local healthcare facilities. Our Boyce Campus is recognized for its healthcare services, but we offer nursing on each one of our campuses, and each we have a waiting list to get into our program.

As we look at the growing demands in some of the demand fields, specifically in energy, Marcellus Shale, the civil engineering technology, electronic engineering technology, as well as in gas and oil, welding, megatronics, all of these are programs that the college is invested in and really expanding to ensure that as new industry comes to the area, that we quickly identify where the needs are, develop a program to ensure that we can produce a skilled workforce to really respond to business and industry needs. And there is a green-related integrated systems engineering technology, machine technician, mechanical drafting and design technology, imaging technology, all of these are very important and will offer again opportunities for our graduate students to really earn a competitive wage.

To support this effort, of course, we value the ability to establish and maintain partnerships, partnerships with our business and industry to work with and identify interns, apprenticeships, coops, so that our students can get firsthand experience and align skills learned in the classroom in the industry. And to enhance those skills to be a valuable contributor once they are hired. And then the business and industry will see the product and the positive products that we are producing.

The Energy and Innovation Center, that's going to be in the old Connelley Building, earlier this week we signed an MOU with the EIC. There's a statement, an agreement of the college working collaboratively with them to continue to advance and expand programs that will respond to this energy area, energy fields that will offer access to surrounding communities to be able to get into a skilled trade or energy focus, to earn credentials and then go back to the communities, contribute to the economic development and also serve as a motivator and encourager to encourage other members in the community to consider going into one of the fields that will be offered at that location. Community-based organizations, our school districts, we've had a very aggressive outreach this year in reaching with our school districts to really share the value of getting our students college ready. So that fewer students will enter outdoors needing remedial work. And then we want to work with them while they are in high school so that when they come to us, they have earned college credit, they're further along in earning

their credential and are able to complete their degree in a timely manner and a more cost-effective outcome.

And we also are looking at streamlining and increasing the partnerships with our four-year colleges and universities so the students can see the value of taking the first two years at the community college, earning their Associate's degree and then continuing on to the four-year college or university of choice to complete their four-year degree. And as we speak in the community and to the parents of students, we share that if you have a desire to complete your four-year degree from a college, you will still be able to do that when you start with CCAC. Through the arrangements that we have and the agreement, students that complete the Associate's degree, the majority of their credits will transfer to the four-year colleges. It is important that they are properly advised so that they are taking the appropriate courses and earning the expected grades so that the colleges that are in agreement and are part of the agreement, will accept the majority of their credits, which will allow them to complete their four-year degree in a timely manner and at a less cost.

There are several distinctions of the college. Earlier in the fall, we dedicated the Tom Foerster Seminar Room. As you know, he was a strong supporter of the community colleges. And his legacy in history is on this community college to bring his history to the community and to also provide forums for persons that come to the college can really learn how did the community college evolve, and who was important for this and the legacy that he has provided with his being honored on the college campus. We dedicated our prison health services paramedic program on our Boyce Campus. We received some funding and that was one way of sharing an appreciation for the funds that were provided. Our FireVEST scholarship, over the last five years, we've invested almost a million dollars in providing the training to persons who are entering into fire science as the volunteer fire (sic). And nearly $202,000 have been invested in the community since 2014.

Last year at our commencement we had over 2,700 graduates which is one of our largest graduating class. And it was one of the greatest experiences that we can ever have because that's the time that we all celebrate and recognize their achievements with family and friends, and it's a great celebration. Three years back, we

started the Robert M. Mills Labor Management Institute and we've had some great speakers. And last spring we had the topic, Obligation versus the Affordability of Public Pension, Understanding New Challenges, with Bryan Kinson (phonetic) and Michael Crossey presenting. Next month, starting in December --- I'm sorry, there's one more day in this month. In December, we will have a speaker, the topic on From Conflict to Collaboration, with Neil Bisno (phonetic), President and Scott Norton and Matt Yonell (phonetic) and Lisa Williams presenting and discussing that element. So we are really looking for ways to again bring the community to the college and to be engaging and to talk on topics that will have a positive impact on all.

Additional distinctions, as I stated about the college being some of the top producers, you will see the first one, that we're number three among the nation's community colleges for the number of registered nurse graduates and number one community college in the Commonwealth of Pennsylvania. CCAC is also number six in the nation for the number of allied health community college graduates, and number one within the Commonwealth of Pennsylvania. So you can see healthcare is one of our strongest programs that closely aligns with our healthcare, quality healthcare services in the area.

So as I close --- and being President now for eight months, I've had a chance to really embrace the strong commitment of CCAC and the value it brings to our community. And I see my vision to ensure that the college is a vital economic player throughout Southwestern Pennsylvania so that our business and industry will tap us to be providing to craft trainings that will have a positive impact their workforce, continue to look for ways to develop and expand our career workforce programs, programs that are specific to this is what industry needs versus programs that we just enjoy doing. So as we review the programs, it's very important for me to assure that CCAC is continuing to expand in areas where there is documented growth and opportunities for jobs upon graduation, as well as to ensure that all students are receiving exceptional learning experiences throughout their tenure at the community college, and to position the college to be recognized as an institution that supports and ensures students achieving excellence and success.

So that's the Community College of Allegheny County. We are very excited about our legacy and the work

that we are doing. And in the next year and a half we'll be celebrating 50 years of excellence and continuing another 50 years to come. Thank you very much.

CHAIR FINNERTY: Thank you very much. We appreciate you coming in and for waiting, and we're sorry it took so long. We're going to start with Councilwoman Danko and save the best for last with Chuck Martoni.

MS. DANKO: Welcome, and I'm happy you're here and welcome to CCAC and welcome to Allegheny County Council. I'm not sure if Dr. Martoni has told you. I'm a big fan of the community college. I had been an adjunct there for, I don't know, at least ten years, I think.

DR. MARTONI: More like 100 years.

CHAIR FINNERTY: There you go.

MS. DANKO: I better quit soon. You meant that I taught that many students. No. I loved it. I think the community college is money well spent, well invested. Does the education foundation have restrictions or what is that money targeted for? I see, you know, that the balance has continued to grow. Are we spending any of it or are we just trying to build it to a certain level? What's going on with that?

DR. BULLOCK: With the educational foundation, they do provide scholarships. They make contributions to support special program needs. They contribute to professional development for our faculty and staff. And they continue to look for ways to supplement equipment and supplies as the college comes forth to present justification for requesting additional funds.

MS. DANKO: Is there an annual report online or anything that we could get a copy of it?

DR. BULLOCK: Yes. There is an annual report that is produced annually and we will be sure that you get a copy of it.

MS. DANKO: Thank you. One of the --- I like, I think it was page 11, the targeted professions that you're working on. One of my sisters is in cyber security. She keeps telling me to tell all the kids cyber security, go for this. But one of the other things, and I mentioned it last year with --- I forget his title, acting president, the person who was here last year. And we talked about that some places are doing these like three months coding boot camps to try and get students into being able to do coding because that is a huge field also. And you know, the private sector is starting to fill it in different

cites. And I was wondering if any --- you know, you have information and technology here, but I was wondering if any thought had been given to any kind of that coding boot camp?

DR. BULLOCK: We did develop courses and a short package of courses to accommodate billing and coding. In fact, we had a meeting --- I had a meeting along with another trustee just last week with AHN, Allegheny Health Network. One of the questions they asked can you help us in producing coders for business? Absolutely, we have courses. And it's a matter of packaging it. It is also a part of your health information technology but we did develop courses in billing and coding.

MS. DANKO: When I said coding, I meant like web design coding, not health coding.

DR. BULLOCK: Oh. We are working on areas in computer programming that will include that component. It is one of the areas in the information technology and engineering component.

MS. DANKO: Thank you.

DR. BULLOCK: I've never heard it as coding.

MS. DANKO: Well, I keep hearing coding camps. You know, they have on in Austin, one in Boston. If you talk to those people, they'll know about it.

CHAIR FINNERTY: Councilman Futules.

MR. FUTULES: I promised I wasn't going to ask any questions.

CHAIR FINNERTY: That's good. Councilwoman Rea?

MS. REA: I'm not going to ask a question. I just want to comment on all of the --- not this necessarily because this is just kind of review, but on this brochure and whoever did it, and I don't know who's responsible for it, but I think it's the best plan I've ever read or I have seen. I mean, it really gives a lot of information about the students, about you as President and your programs. So you know, I think it really is. And I've seen a lot of them. So whoever did it, they're doing a really good job.

DR. BULLOCK: Thank you. Our Vice President, Nancilee Burzchechi, Susan Bank and Elizabeth Johnston, the Director of Public Relations.

MS. REA: Thank you. I think it's really a wonderful piece put out for the college. Thank you.

CHAIR FINNERTY: Councilwoman Means.

MS. MEANS: I have a question. How many --- right now you have a good working relationship with Cal U. I understand that they accept a lot of your credits. What other local universities accept your credits?

DR. BULLOCK: All of the colleges in this area accept our credits. In fact, they accept all of them. Students are required to complete their Associate's degree and an Associate's degree that is specific to what has been agreed upon that the colleges would accept the students or advise. And pending their successful completion of the course, the credits are accepted.

MS. MEANS: And how many of the students go on and get their four-year degree? Do you have that?

DR. BULLOCK: It's approximately 50 percent of our students start and continue on to college.

MS. MEANS: Can I ask another question? I can come back to it later.

CHAIR FINNERTY: Yes, go ahead, ask another question.

MS. MEANS: I just want to comment. If there's less children/students, graduating from high school, don't you think that plays into why enrollment is down at all the colleges in the area?

DR. BULLOCK: Well, of course, a decease in the number of students in high school does have an impact. But it also says that there's also those students who don't even choose to go to college. So it doesn’t matter how you connect with both. And that does require a rethinking or repackaging of what it is you're offering, and to better explain what is college to you. And that everyone needs some level of college to get competitive jobs. And that's the message that we've been providing is just really explaining to target audiences that traditionally have not even considered college as an option, to say yes, you need college but you may not need a four-year degree, but you need even a national certification, a certificate or specific course skills to allow you to get into the workforce and then continue those studies to complete credentials as you need.

MS. MEANS: Thank you.

CHAIR FINNERTY: Councilman Macey?

MR. MACEY: Well, thank you, Mr. Chairman. I know you accused me of taking a half hour giving a dialogue and I certainly won't ascribe to disappoint you. But Mr. Bullock, Nancilee, thank you for being here. And

I noticed in CCAC South that there's been an increase of 982 students for 2013, '14, and I suspect that has to do with you, Doctor Charlene Newkirk and a good friend of mine, Brenda Trettel. But having an undergraduate degree from CCAC and having a --- about this far away from getting a management degree in aviation, I want to say that CCAC South is --- and that whole organization, but partial CCAC South, it's in my neck of the woods. It's a great organization. I have a daughter that when the Port Authority was here took two buses to get to CCAC Youth and eventually went on to California and then Pitt. Now she's a director of some kind of --- she does something special at Pitt.

But I noticed that over the course of I don't know how many years now for the aviation program, we've had some challenges. And I served on the aviation advisory board. And one of the breakthroughs was to get the Veteran's Administration to pay us, which was real important because there was a struggle. Aviation is a very, very expensive program. And I'm just wondering if, in fact, at some time in the future you would consider, in fact, maybe even right now we can dedicate full-time employees for the aviation program. The reason why I tell you that is because we have the airport. We have Pittsburgh Flight Training Center. We have PIA. We have the opportunity to be a leader in the aviation program. And what we're having in the aviation world is a --- the baby boomers are going to be leaving, and there's going to be a tremendous need for pilots, inspectors, air traffic controllers, you name it, mechanics. And I believe that we're really on the precipice of being a leader in this area. But I don't think we can do it with part-time employees. We need some dedicated people full time.

And that takes me back to the 56 positions that you say you're going to add. Are they going to be part time or full time? I understand that a lot of part-time people do it because of added income, and they may already have another job. But some people want to do this full time. And they want to be able to be a part of and feel this is where they're going to work and maybe spend the rest of their careers. So if we can only look at that one area and possibly some other areas that need complete attention. Because I personally don't believe that, being part time, a person feels a part of, and if they can see a

future or they can't move forward or get that full-time position, I don't see the dedication.

DR. BULLOCK: You raise a very good point and one of the areas that I observed when I first came here. My former colleague had a very successful aviation and air traffic control program. And one of the recommendations that I made was it needs a full-time faculty. So that is an area that we are anticipated to have a beginning full-time presence because you're absolutely right. You have to have a full-time presence to really be an investor and to support the growth and provide the continuum. So it is an area that we are looking at and anticipate to have a full-time presence.

MR. MACEY: Hopefully with full-time employees we may be able to find additional funding, we may be able go to the airlines, their foundations and other areas where we can find more money to support that. Thank you.

DR. BULLOCK: Thank you.

CHAIR FINNERTY: Councilman Martoni.

DR. MARTONI: Well, I really haven't much to say, that the community college is --- but I will say that our students --- the most important thing we have is our students. Our students transfer everywhere, not just to Pittsburgh and Western Pennsylvania. I have students in my campus that transferred to Syracuse, all over the whole United States of America. That's what really counts. And we are among the best at that. We are the best in the country. And of the students that are in career programs, probably 98 percent of them end up in good-paying jobs mostly right here in our own county. So it's just a great program, great students, great faculty, great administrators, and just a great place.

CHAIR FINNERTY: I have a few questions for you also. First of all, I'd just like to compliment you on the Western Campus up there with the mechanics, auto mechanics, welders, et cetera. You know, 50 percent going on to colleges, it's a high number. And it's a high number because our community college has mechanics, has welders and other trades that are necessary in this county and in America. I taught school for 30 years. And they look at your high school and they say how many kids went to college? Well, that's not the most important thing. The most important thing is probably how many kids in six years are out and making a great living? Is it the ones that went to a four-year college or is it the ones that,

the kid that became a plumber or an electrician or an auto mechanic? These things are important. They make the world go round. And that's one thing that you do very well. You put people out in those fields that they can supplement themselves without any trouble and actually start their own business. So I think that's important that we get that step.

You mentioned, though, to change the subject, about Connelley. Is that Connelley Trade, Connelley Building, you said, Connelley Trade?

DR. BULLOCK: Yes.

MR. FINNERTY: Did they finally get through that green --- that's going to be the green building?

DR. BULLOCK: It's evolving. There's no occupancy yet, but it's scheduled to open sometime in early 2015.

CHAIR FINNERTY: Oh, okay. And on page 13, and you don't really have to go there, it's just that you talk about school districts and about bringing in students from the school district to get college credits and to make sure that by the time they're ready to go to college, they're ready to take on that academic burden.

DR. BULLOCK: Yes.

CHAIR FINNERTY: Is that volunteer or you identify?

DR. BULLOCK: Well, we work very closely with the school counselors to work with our representative and it does require testing to take the college placement test, to test them to proficiency. And once they meet that criteria, the schools identify the courses that they are eligible to take that would give them credit for high school as well as credit for college. We call that college in the high school. College in the high schools, though, we teach the college classes in the high school utilizing teachers that meet credentials and confirm they have the credentials that are required to teach the course. And then the students are able to earn their college credit and satisfy high school credit at the same time. And then they continue to take those classes in the 11th and 12th grade.

And then we have what's called dual enrollment. Dual enrollment is for --- any high school student that takes the test has to demonstrate competency and they will come to one of our campuses or center to take a class and earn credit that will also be credit for high school and

credit for college, toward college. And the intent of that is if they take the test early and do not demonstrate proficiency, they could then engage in the remedial work while in high school and then retest again at a future date to test proficiency and then take college courses. So when they graduate they are college ready and are not spending the first year or year and a half in remediation.

CHAIR FINNERTY: Thank you. That's a great program. I don't know who thought it up but it's fantastic for the student, I think it is. And I'd just like to congratulate you all. I think CCAC is a great place. It's done a lot of good for a lot of people. And like you said, 94 percent of the graduates are still here in Allegheny County. And we are big supporters, at least I am --- big supporters of CCAC. And I think all of us are actually.

DR. BULLOCK: Thank you.

CHAIR FINNERTY: Thank you very much. Just one more, Councilwoman Danko.

MS. DANKO: I bring this up every year, too. A lot of Pittsburgh college students end up utilizing CCAC. Do you have any kind of report on how many students from Pittsburgh public schools utilize the promise to start at CCAC, make it to the end of the first semester, you know, how many get through?

DR. BULLOCK: We do have a report. We get the largest percentage of students from Pittsburgh from the community college, approximately 300 students. We do generate a report annually to share the data and we can get that summary for you.

MS. DANKO: And you can send it to ---?

CHAIR FINNERTY: Well, anything that somebody requests up here that they're going to send, send it to our Budget Director, Walt Szymanski, and he'll look it over and get it out to everybody.

MS. DANKO: Would that also include any foundation funding that comes to help those students out? My understanding was that some promised dollars went directly to CCAC to sort of help with some of that remedial programming.

DR. BULLOCK: Yes. I believe it's $50,000 that the college receives to support that effort.

MR. DANKO: So it's like a semester or a year?

DR. BULLOCK: For the year.

MS. DANKO: Thank you.

CHAIR FINNERTY: I know you have a question; right? I knew you did.

MR. FUTULES: You told me or us that there is a specific program for kids knowing they're going to go to the university. I have a son graduating high school this year, and I'm torn between should I send him to the community college or do I send him directly to a university and save money by coming to the community college? I'm torn between what direction my family should go. And I'm sure there's a lot of families out there that think the same way. And is there some sort of way we can get word to the people, yeah, sure, your child can go to our community college and just go to that university and get the same degree they would have anyway, instead of going four years there and spending probably another $50,000. You know, that's where I'm torn right now.

DR. BULLOCK: Well, if you have the conversation with me, I guarantee you before you leave, he will be there. But you're absolutely right. That's the message that we have been communicating on, the important role the community college plays in completing your education. And to give you some numbers, a student that selects the community college to earn their Associate's degree, the first two years compared to public four-year college, you will save $19,000. We compare that to a private for the first two years, you will save $54,000. So automatically just for the first two years and you've earned their associate's degree, you're saving $19,000 or $54,000. And when you transfer on to the four-year college of choice, you will still earn your Bachelor's degree from your college of choice and have that much amount of money back in.

And I also believe that a student has to come and participate in an open house, talk to the student leaders, tour the facilities. If he's in science, come over to the college and see the state of the art new KLI Science Building, talk to students who are in the programs. You will find that they will see our facilities or compare them to our four-year colleges. When you compare the quantity of support service programs, we are well above what our competitors can offer, from the math café, a learning commons, 101 tutoring, open computer labs, the list goes on. And that is also a commitment for teaching. Class size is much smaller compared to a four year. So the intent is that you enter us the first two

years, small class, quality instruction. Our faculty, our credentials, are competitive as compared to our four-year institutions. And the cost speaks for itself. No one has a better cost for the quality of instruction that we provide. So I invite you to bring your son to the college, any one of our campuses, and I can assure you he will not be disappointed and will get the quality education to prepare him for transfer.

MR. FUTULES: Thank you. That's the part that confuses me. My daughter is at Pitt and she went her first year. But during the summer, she had gone to the community college and took three classes, but she was told there's a window when you can't take them any more. And I imagine ---.

DR. BULLOCK: You have to take it in the beginning.

MR. FUTULES: Yes, that's exactly --- that's what's confusing to some. Thank you.

CHAIR FINNERTY: Councilwoman Rea? You can't get junior and senior credits. That's specific to the college that they're going.

DR. MARTONI: When you went to college ---.

CHAIR FINNERTY: What? I went to Duquesne.

DR. MARTONI: Where did you start? What campus?

CHAIR FINNERTY: You didn't know he owned a campus, did you?

MR. FUTULES: You told me how old it was and how old was it, 50 years?

DR. BULLOCK: It will be 50 years next year.

MR. FUTULES: I was a grad over 40 years ago and I feel like I was one of the first ones.

CHAIR FINNERTY: Well, you were. All right. Councilwoman Means?

MS. MEANS: I wanted to ask, I was at the campus, South Campus, this fall, probably the first week of school. And now that I'm on County Council, when I walk around a facility and I know it's ours, I look at the cracks in the sidewalk or --- you know what I mean? And I feel a little differently about what I'm seeing. And I was a little disappointed at --- I think it needs an upgrade. I was in the building, I think the main building where --- and I just was wondering who's in charge of maintenance and I didn't hear anything about, you know, who can, you know, ---. Just the walls are kind of like chalky. I don't know if you've been in there. I just was

surprised. I just thought it needs an upgrade and I didn't know if we have a plan for that, is it the County's responsibility, if the school budgets it, can you ---?

DR. BULLOCK: That's a very good point. This year we did put some funds into the budget for deferred maintenance. And that's the intent, is to do those repairs. And I charged Vice President Breckenridge to develop a plan that we will prioritize to schedule upgrade maintenance on all of the campuses every year using the funds that we have available. We can't complete everything every year, but we want it on a schedule so that we can do it as the fundings do come available. So it is something that I recognize. And I strongly believe that we want to ensure our facilities are up to par. Because we speak of quality and we speak of being competitive with our four years, that we have to live up to our commitment to what we state.

MS. MEANS: So do you have like a five-year plan?

DR. BULLOCK: They're working on it. But we did budget this year. Within the '14, '15 budget the Board of Trustees did approve $500,000 that was specifically to help us address some of the beginning deferred maintenance.

MS. MEANS: That would be across all your campuses; right?

DR. BULLOCK: Yes.

MS. MEANS: I remember last summer there --- I think it was like 2013, there was some talk about how the daycare centers lose money and they were going to close them and there was such a public outcry they didn't. Can you --- are we still losing money in the daycare centers? And then I was told that that is not really the student population using the daycare center. So I don't know. Do you have any numbers on that?

DR. BULLOCK: Well, we do have four daycare centers and the Board of Trustees has a resolution in early spring to close the daycare centers effective December 31, 2014. They have been losing funding and part of the agreement was that they would be self-sustaining, would not include any college-operating dollars. That was an initiative for the college to put out a RFP. An RFP went out trying to identify if there were potential interests to open them through a different arrangement. And the results did not yield any interest at that time.

So they are currently scheduled to close on all four campuses December 31, 2014.

MS. MEANS: So this year?

DR. BULLOCK: This year.

MS. MEANS: Am I allowed to ask another question or do I have to wait? I can wait.

CHAIR FINNERTY: Well, there's no more so go ahead.

MS. MEANS: No, I can ---.

MR. MACEY: Well, you mentioned about the popcorn ceilings, cracks, that's character in that building. They were like that 20 years ago. That's nothing new. But I'd like to thank you again for keeping the FireVEST Program alive. I volunteer in emergency services training. I think it's a great program. We've have several people in our company, Number Three in West Mifflin, to graduate from there. And in fact, one who's a captain and she's a firefighter. And she may be our chief some day in the near future. But say it costs us a million dollars. Well, if it costs us a million dollars, think about this, it saves us --- our firefighters save the taxpayers $62 million a year. So the program is working and in this day and age of trying to get volunteers which is becoming very difficult, this program is a success. Thank you.

DR. BULLOCK: Thank you.

CHAIR FINNERTY: Councilwoman Means?

MS. MEANS: I don't know if this microphone even works right, but can you tell me how many full-time instructors you have versus part time or is everyone part time? I was trying to listen for that.

DR. BULLOCK: I don't have those numbers with me. I have my Vice President of Human Resources.

MS. MEANS: Oh, it's in her book.

DR. BULLOCK: 270 full-time teaching faculty.

MS. MEANS: I know everyone is giving these glowing remarks, but I'm sorry to tell you that I receive complaints about some of the professors or instructors. And as a County Councilperson, I don't know what I can do about, you know, the concerns. Some of the comments I've heard is the instructors talk about drinking and how much they enjoy drinking. And I think that's not a good example for a lot of these kids. That's one complaint. I also was concerned about a professor, a particular professor I heard complaints about. And I even had a conversation with the dean --- I mean, we don't have to

talk about this in public, but I was told by the dean that --- I wanted to go in that class and observe for myself what I heard about it. And I was told that the union contract or --- the dean wouldn't even be allowed to go into the classroom and observe. My husband is a college professor and I know they observe each other and the students rate them. But I don't know. Is that true, that the dean couldn't, because of the union contract, go and observe an instructor?

DR. BULLOCK: Well, let me address both of your concerns. Any concern you have of faculty I would ask to send those concerns to us. We do have a mechanism that we can address and investigate on that matter. Because there are some things that are just not tolerated, but in order to address it, we like to know and we will definitely be accountable for that. In regards to evaluation, there is contractual language that specifies evaluation of faculty. In our most recent contract, it does offer all new hires will do annual reviews and that is a beginning change. As you know, contracts, we honor what's in the contract and --- but we're optimistic that our new contract will offer new opportunities.

MS. MEANS: Thank you.

MS. DANKO: I just want to address what you said, too. If often seemed to me that the evaluations were --- the adjuncts were evaluated, every class, every semester, and the full-time faculty were rarely evaluated. I think it was once every three years at one point, I may be wrong. But you know, is it one class once a year that they're being evaluated in? Is that the new contract, or is it every class that they teach at the end of one semester?

DR. BULLOCK: Well, the new contract will allow while we are developing an instrument for the evaluation, and they will be visited in the first, second, third and fourth year. Number of classes that would be visited, that's not --- I don't recall that detail saying it would be only one class, it was specifically evaluation. But we are committed to ensure our faculty are offering the quality instruction that our students deserve. So it's a good step in a new direction.

CHAIR FINNERTY: Any other questions? I think --- in relation to faculty and teachers, I think that's something that you should take up with the president ---

MS. MEANS: I will. Thank you.

CHAIR FINNERTY: --- personally, not in this forum --- not in this forum. That's not what we're here for. I don't have any other questions. Looks good. Doctor, thank you for coming, we appreciate it.

DR. BULLOCK: Thank you.

CHAIR FINNERTY: Like I said, we're supporting you a hundred percent.

DR. BULLOCK: Thank you.

CHAIR FINNERTY: Adjourned.

PUBLIC HEARING ADJOURNED AT 8:01 P.M.

CERTIFICATE

I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stenographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.

Court Reporter