

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, DECEMBER 14, 2017
AT THE DAVID L. LAWRENCE CONVENTION CENTER
PITTSBURGH, PENNSYLVANIA
COMMENCING AT 10:36 A.M. E.S.T.

A meeting of the Board of Directors of the Sports & Exhibition Authority of Pittsburgh and Allegheny County (the "Authority") was held upon proper notice in Room 333 at the David L. Lawrence Convention Center in Pittsburgh, PA 15222, on Thursday, December 14, 2017 commencing at 10:36 A.M. E.S.T.

Members of the Authority

Present: Sen. Wayne Fontana, Chairman
Councilman James Ellenbogen, Member (via telephone)
Sala Udin, Secretary
Jill Weimer, Member
Rev. John Welch, Member

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Taylor Blice, Steve Morrison, Rifat Qureshi, Sharon Mink, Rachel Cohen and Maggie Pike of the Authority; Morgan Hanson, Solicitor; Tom Ryser of TPR; Tim Muldoon, Ryan Buries, Eileen Letson, Conor McGarvey, Liz Latkowski, Hiedi Strothers and Joe Garcia of SMG; Frederick Winkler, architect; and Matt Butter of the Pittsburgh Pirates.

Senator Wayne Fontana called the meeting to order with the Pledge of Allegiance. Mr. Morgan Hanson followed with a roll call of the Board Members. Mr. Hanson confirmed that Councilman James Ellenbogen was attending via telephone, and that he could hear the other Board Members and the Board Members could hear him. Mr. Hanson advised that a quorum was present.

Beginning with public participation, Senator Fontana asked if any members of the audience would like to address the Board. Seeing none, he moved to the next item on the agenda,

approval of the minutes from the meeting of November 9, 2017. A motion was made, seconded and unanimously approved.

Senator Fontana continued on to the next item on the agenda under David L. Lawrence Convention Center, authorization to issue a final change order with Emerald Electrical Services, LLC in a not-to-exceed amount of \$5,478 for additional bracing of piping in the west cooling tower.

Mr. Ryan Buries explained that the SEA Board approved a contract with Emerald Electrical Services in April 2017 for cooling tower improvements. The project included replacing the clean and balance chamber on the west tower and other components on the east tower. Through the course of construction, the need for additional bracing was identified on the east tower. However, that need was identified too late to include in the scope of the west tower. This change order is to add the additional bracing to the construction of the west tower in the amount of \$3,894. With respect to the east tower handrail and louver installation, there was a delay change order requested by the vendor due to some materials not having been included in the initial order. The vendor provided the missing components at no additional cost to the Authority, a value of about \$2,861, and the delay change order for the contractor was \$1,584.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5508

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a final change order with Emerald Electrical Services, LLC in a not-to-exceed amount of \$5,478 for additional bracing of piping in the west cooling tower; and further that the proper officers and agents of the Authority are authorized to take all action and execute

such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, authorization to issue a change order with Pittsburgh Electric Motor Repair, Inc. in a not-to-exceed amount of \$5,339 for pump repairs.

Mr. Buries explained that the Board approved a lump-sum contract with Pittsburgh Electric Motor Repair in October 2017. During the off-site rebuild and evaluation of the pumps, they discovered additional repairs were necessary in the amount of \$2,277 on chilled water pump #1 and \$3,062 on condenser water pump #2. Personnel from Veolia Water, the operator of the chilled water plant, reviewed the change order request and advise the scope and costs as acceptable. The work will be completed in December 2017 and will include a one-year warranty on repairs.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5509

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a change order with Pittsburgh Electric Motor Repair, Inc. in a not-to-exceed amount of \$5,339 for pump repairs; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, authorization to enter into an agreement with Horizon Information Services in the amount of \$12,930 for security camera replacements.

Mr. Steve Morrison explained that the Authority and Convention Center's management reviewed the current security system and recommend the replacement of some failed pan, tilt, zoom cameras and the addition of a garage exit lane camera for license plate recognition. The

project was advertised on the website. Three companies were solicited for quotes. Two companies attended a pre-quote walkthrough. Both provided quotes. Horizon's quote was slightly under and it includes 100% WBE participation. The Authority is recommending the Horizon quote, and the quote includes warranty for installation and hardware.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5510

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into an agreement with Horizon Information Services in the amount of \$12,930 for security camera replacements; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, authorization to rescind Resolution No. 5492 and to enter into an agreement with Burns Industrial Equipment in the lump sum amount of \$38,810 for the purchase of forklift, including the trade-in of 2004 Hyster 80 forklift.

Mr. Conor McGarvey explained that at the October 2017 Board meeting, the Board authorized the purchase of an electric powered forklift from Equipco Material Handling Solutions in the amount of \$33,528. Despite having been sent the Purchase Order Agreement before bids were submitted, Equipco requested that changes be made to the terms and conditions after they submitted their bid. After discussion with the Authority's solicitor, it was determined that the requested changes were not acceptable. All bids were then rejected and pricing was sought through the COSTARS program.

Pricing and trade-in value for a DLCC forklift was negotiated with two vendors through COSTARS and Burns Industrial Equipment was selected with a price of \$42,335 for a Yale ERP045VL Electric Forklift. The Yale forklift meets or exceeds DLCC sustainability policies by having a decibel rating below 70dBa at the operator's ear, being battery powered, and having no onsite emissions.

As part of the purchase, SMG is recommending a 60-month extended warranty at a cost of \$975. SMG is also recommending trading the DLCC Hyster 80 forklift at a trade-in value of \$4,500. SMG reviewed Govdeals.com and Ebay for sale prices for comparable used forklifts and concluded that the \$4,500 trade-in value was fair. Total including the warranty and trade-in is \$38,810. Delivery time is expected to be approximately 16-18 weeks after the purchase order has been executed.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5511

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to rescind Resolution No. 5492 which authorized an agreement with Equipco Material Handling Solutions for the purchase of an electric forklift, and to enter into an agreement with Burns Industrial Equipment in the lump sum amount of \$38,810 for the purchase of forklift, including the trade-in of 2004 Hyster 80 forklift; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item under North Shore Riverfront Park, authorization to amend agreements with Venture Outdoors to extend term five years to i)

December 31, 2022 for use of the riverwalk for kayak rental concession, and ii) November 1, 2022 for the TriAnglers fishing program..

Ms. Rachel Cohen explained that in December 2012, Venture Outdoors entered into a license agreement to provide kayak rentals along the riverwalk by the Roberto Clemente Bridge. The current term expires on December 31, 2017. Venture Outdoors has requested that the term be extended for another five-year period, from January 1, 2018 to December 31, 2022. Venture Outdoors pays an annual license fee which includes an annual increase of 3%.

In May 2014, Venture Outdoors entered into a license agreement to provide a free lunch-time fishing program called the TriAnglers. The program is held every Wednesday from 11:30 a.m. to 1:00 p.m. from May through October, and free equipment and bait is provided. The current term expired November 1, 2017, and Venture Outdoors has requested to extend that term for five years as well.

Venture Outdoors also notified the Authority staff that they may be required to vacate the licensed area due to the future 6th Street Bridge renovations scheduled to be done August 2020 to December 2021. Should Venture Outdoors vacate the license area during the bridge renovations, the license fee will be suspended until after completion of bridge repairs and their return to the site. Venture Outdoors must notify the Authority no later than thirty (30) days prior to vacating the site.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5512

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Chairman, Vice Chairman, Executive

Director and other proper officers are authorized to amend agreements with Venture Outdoors to extend term five years to i) December 31, 2022 for use of the riverwalk for kayak rental concession, and ii) November 1, 2022 for the TriAnglers fishing program; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item under PPG Paints Arena, authorization to reimburse the Penguins \$120,642 from the PPG Paints Arena Capital Reserve Fund for the purchase and installation of flooring for the Captain Morgan Club, Key Bank Club, and the media room.

Mr. Taylor Blice explained that in September 2016, the Penguins requested reimbursement from the Capital Reserve Fund in the amount of \$248,888 for flooring for the Captain Morgan Club, the Key Bank Club, and the media room. The carpet in these areas is original to the building and is in need of replacement. They have appeared in the last few annual inspections. However, while investigating, the Authority staff found there was still time left on the warranty, and rejected the request by notifying AEG, the manager of the facility for the Penguins. AEG contacted Masland, who is the manufacturer of the original carpeting. Through negotiation, Masland offered a \$9,000 reduction for the warranty in lieu of a claim.

In November of this year, the Penguins submitted a new request, and the resubmission request was for \$120,642. The reduced amount takes into account the credit due from the warranty, plus a change in the material, going from broadloom to a carpet square, which has a better warranty and better for repairs. The main difference is there will be some vinyl in the areas where there is food service in the media room.

The amount is broken out into two components: the material from Masland is \$64,242, which includes the \$9,000 credit, plus shipping. The carpeting has a lifetime limited warranty. Regarding the installation, AEG went for proposals, with Wright Commercial Floors being IM#62233

recommended for the installation. They will also supply the vinyl product for the media room. The vinyl has a 10-year warranty. The installation warranty is one year, and it has 12% MBE participation.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5513

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Chairman, Vice Chairman, Executive Director and other proper officers are authorized to reimburse the Penguins \$120,642 from the PPG Paints Arena Capital Reserve Fund for the purchase and installation of flooring for the Captain Morgan Club, Key Bank Club, and the media room; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item under SEA Operating, authorization to issue a change order with CFC-3 Management Services at a cost of up to \$42,240 plus expenses not-to-exceed \$1,000, for MBE/WBE oversight for the 12-month period of January 1, 2018 through December 31, 2018.

Mr. Doug Straley explained that CFC-3 is Mr. Clarence Curry, who has served as the Authority's Senior Diversity Coordinator in the past 10 years. This requested extension is for a 12-month period at the same current fee, and there are prorated deductions if he is on a break for one week or more. The fee is \$3,520 per month with an allowance of up to \$1,000 for the year for any expenses that are pre-approved by the Executive Director. Mr. Curry, as part of his duties for this coming year, will work with the private developers in both the Lower Hill and the North Shore developments to maximize their participation plans for any new construction. He will also

be doing ongoing monitoring of MBE/WBE participation plans and workforce utilization efforts on all SEA projects, and participate in evaluation of professional service and construction proposals, as well as provide coordination services for contracting and maintenance work at all SEA facilities. Mr. Curry will be available 10-15 hours per week on a flexible schedule, and the Authority believes that this is a reasonable fee, as the Authority evaluated other fees from other diversity coordinators. This rate is approximately \$59/hour for 15 hours per week and \$88/hour for 10 hours per week.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5514

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Chairman, Vice Chairman, Executive Director and other proper officers are authorized to issue a change order with CFC-3 Management Services at a cost of up to \$42,240, plus expenses not-to-exceed \$1,000 for MBE/WBE oversight for the 12-month period of January 1, 2018 through December 31, 2018; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, authorization to issue a change order to TPR, LLC in an amount not-to-exceed \$116,840, to be billed on hourly rates based on actual hours, for general owner's representation services through December 31, 2018.

Mr. Straley explained that TPR, LLC is Mr. Tom Ryser. Tom has consulted with the Authority for over 16 years and is a registered professional engineer in Pennsylvania. Tom's history and experience with the Authority on its projects and with its facilities is significant, and

his expertise with respect to infrastructure and transportation projects has been very valuable on the projects he has worked.

This extension to his professional services keeps the billing rate unchanged at \$80 per hour, and he is only paid for hours worked on a monthly basis. It is estimated that the amount will cover the cost for 12 months of service. The Authority believes this hourly rate is fair when compared with other professional engineering rates charged on Authority projects. The projects that Tom will be working on in this coming year include completion of the Lower Hill Infrastructure and closeout, the I-579 "Cap" Project oversight, any future Lower Hill Infrastructure projects, any stadium or arena projects that he would work on, and some projects at the Convention Center related to structural and roof modifications and some painting.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5515

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Chairman, Vice Chairman, Executive Director and other proper officers are authorized to issue a change order to TPR, LLC in an amount not-to-exceed \$116,840, to be billed on hourly rates based on actual hours, for general owner's representation services; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, acceptance of the schedule for regular Sports & Exhibition Authority Board meetings for the calendar year 2018.

Mr. Straley explained that as part of the Authority by-laws, the Authority has to publish its meetings for 2018. The meetings will be held the second Thursday of each month beginning at 10:30 a.m.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5516

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that the schedule for regular Sports & Exhibition Authority Board meetings for the calendar year 2018 will be the second Thursday of each month at 10:30 A.M., David L. Lawrence Convention Center; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, authorization to approve the 2018 Sports & Exhibition Authority Operating and Capital Budgets.

Ms. Rosanne Casciato explained that the 2018 Operating Budget for the Convention Center and the Authority is a balanced budget. The total revenues and expenses are each \$16.7 million. The revenues and expenses for the Convention Center are each \$14.2 million, and the total revenues and expenses for Other Operations are each \$2.5 million.


In prior years, the 10th and Penn lots and P1, P2 and P3 lots were included as operating revenue for the SEA. In November 2017 the SEA and the Stadium Authority closed on the 2017 Parking System Bonds and so this revenue is now restricted to the bonds. The net operating revenues related to the North Shore Garage, North Shore Riverfront Park, and all the parking lots and the related capital projects are each separately budgeted and balanced.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5517

RESOLVED that the attached 2018 Operating and Capital budgets of the Sports & Exhibition Authority of Pittsburgh and Allegheny County are hereby approved; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

The next item was public participation, and Senator Fontana asked if anyone in the audience desired to address the Board. There being no additional comments or business, Senator Fontana asked for a motion to adjourn. Upon a motion duly made, seconded and unanimously carried, the meeting was adjourned at 10:55 A.M.


Mary Conturo
Assistant Secretary