

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, JUNE 13, 2019
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 the DLCC Executive Board Room in Pittsburgh, PA 15222, on Thursday, June 13, 2019 commencing at 10:36 A.M. E.S.T.

Members of the Authority

Present: Sen. Wayne Fontana, Chairman
Michael Dunleavy, Member
Councilman Anthony Coghill
Councilman Nicholas Futules, Member
Rev. Glenn Grayson, Member
Sala Udin, Member

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Bill Williams, Rhea Thomas, Rifat Qureshi, Sharon Mink, Simona Loberant, and Maggie Pike of the Authority; Morgan Hanson, Solicitor; Clarence Curry of CF3 Management; Tim Muldoon, Ryan Buries, Kevin Fonner, Jeremy Ganch, Hiedi Strothers, Kevin Mielcarek, Bryan Powell, Kyle Knox, Amanda Brooks of SMG; Connie Hendrick and Kali Mullen of Willis Towers Watson; and Frederick Winkler, architect.

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 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 May 9, 2019. 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 (DLCC), authorization to enter into an agreement with Nathan Contracting LP in a lump sum amount of \$99,888 for fireproofing repairs.

Mr. Kevin Mielcarek stated that Wiss, Janney, Elstner Associates, Inc. (WJE) performs scheduled structural inspections of DLCC. This project is in response to the last inspection where WJE noted areas that fireproofing needs to be repaired and replaced.

A public bid was advertised in the Pittsburgh Post-Gazette, the New Pittsburgh Courier and on the SEA website. The project manual was also sent directly to 40 contractors.

A pre-bid meeting was held on April 11, 2019, with two companies in attendance. Two bids were received, with Nathan Contracting being the lowest responsible bidder. SMG and WJE did a scope review with Nathan and are recommending award. There is 11% MBE and 1% WBE on this project.

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. 5612

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 Nathan Contracting LP in a lump sum amount of \$99,888 for fireproofing 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 Senator Fontana introduced the next item on the agenda under North Shore Riverfront Park (NSRFP), authorization to issue a final change order with Frank J. Zottola Construction in a lump sum amount of \$103,790 for concrete and caulking repairs, and other miscellaneous items.

Mr. Tom Ryser stated that in July 2017, CSD Engineers performed a routine five-year structural inspection of NSRFP riverwalk, bridges, and sheet pile wall. They submitted a report outlining their findings in August 2017. Among other things, they reported concrete spalling on the face of the sheet pile wall, surface concrete cracks & spalling and damaged or missing cleats along the riverwalk.

A bid package was issued for the repairs identified in CSD's 2017 report and in June 2018 the Board authorized a contract with Frank J. Zottola Construction based on anticipated quantities and unit prices for the repairs.

Zottola was not able to complete the work in 2018 due to park events and weather related delays. Over the winter, the North Shore Riverfront Park flooded multiple times. This change order is for adjustment of final quantities based on unit prices plus additional scope of work. Three spalls along the sheet pile wall required a significant amount of additional quantity to repair properly (\$60,469). The additional scope of work included replacement of two sidewalk slabs from Mazerowski Way to the riverwalk damaged by the winter flooding (\$12,402.06); removal of several junction boxes and replacement with concrete (\$2,500); and, per the request of the City of Pittsburgh Fire Department, removal of a recessed fire hydrant that was not functioning concrete replacement fill (\$7,500).

The Authority reviewed the changes with CSD Engineers who agreed with the additional quantities.

Senator Fontana asked if there were any questions from the Board.

Councilman Nick Futules asked if using the words "previous repair that has failed" is normal. Mr. Ryser explained that along the sheet pile river wall there was damage and original repairs were done in 2011 and 2012. Those repairs were patches on the wall. With flooding and ice coming down the river, those repairs were anticipated to have about 7 to 8 years of use. Councilman Futules asked if the new repairs were considered a permanent fix. Mr. Ryser replied they were the same type of repairs.

Councilman Coghill asked how gouges on the wall below the water surface get repaired. Mr. Ryser answered that a coffer dam, which entails building a wall around the gouge, is used or underground grout is used.

Senator Fontana asked if a bill was sent to the Pittsburgh Fire Department. Mr. Ryser replied that no bill was sent, as it was a private fire hydrant that SEA installed and we coordinate with the City if there is a fire down on the riverwalk.

Senator Fontana asked if there were any more 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. 5613

RESOLVED by the Board of the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into an agreement to issue a final change order with Frank J. Zottola Construction in a lump sum amount of \$103,790 for concrete and caulking repairs, and other miscellaneous items; 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 continued on to the next item on the agenda under North Shore Garage, authorization to enter into an agreement with Steele City Contracting LLC in a lump sum amount of \$11,960 for first floor retail space demolition.

Mr. Bill Williams of the SEA explained that the first floor retail space at the North Shore Garage is currently vacant. The space is approximately 15,000 square feet and was previously occupied by three restaurants that shared a large kitchen. The SEA's real estate agent, Avison Young, recommended removing some walls, partitions, existing bars, and miscellaneous seating throughout the space to create sight lines for better visuals for prospective tenants, and to create four distinct sections of the retail space. Construction Junction was contacted to see if they would have an interest in the bars or other materials. After a walkthrough, Construction Junction responded that they cannot repurpose the items for their store.

Nine (9) companies were contacted and the project was posted on the SEA website. Two (2) quotes were received, with Steele City Contracting LLC providing the lowest quote. The project is scheduled to be completed in June or July. It is recommended that the Board approve this request in a lump sum of \$11,960.

Senator Fontana asked if there were any questions from the Board.

Councilman Coghill asked if Steele City Contracting was not based in Pittsburgh but Maryland. Mr. Williams stated that the company is based out of Maryland but the owner is from Wilkinsburg.

Senator Fontana asked if there were any more 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. 5614

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to enter into an agreement with Steele City Contracting LLC in a lump sum amount of \$11,960 for first floor retail space demolition at the North Shore Garage; 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 Heinz Field, authorization to reimburse PSSI Stadium Corporation in a not-to-exceed amount of \$65,850 from the Heinz Field Capital Reserve Account for installation of fire alarm strobes and transponders.

Mr. Bill Williams explained that under the terms of the Lease between the SEA and the Steelers, the Authority is required to pay for certain capital repairs to Heinz Field. The Steelers are seeking reimbursement for the Heinz Field Fire Alarm Strobe installation for the total reimbursement of \$65,850. The Board approved the fire alarm strobe and corresponding transponders replacement at the March 2019 Board Meeting. The approval was for the procurement of parts from Johnson Controls. At that time, it was expected that the installation would be done by electrical staff at Heinz Field. An electrical permit was submitted to the City of Pittsburgh for approval. This submittal was denied as the installation needed to be performed by an electrical contractor registered with the City of Pittsburgh which the Heinz Field electrical staff was not.

The Steelers obtained three quotes for this installation and recommends Emerald Electric as the low responsible bidder, an MBE firm, and having previous work experience at Heinz Field. This project is expected to be completed by August 1, 2019. The warranty for the project is one year for labor and materials. This reimbursement will be funded from the Heinz Field Capital Reserve Account.

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. 5615

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to reimburse PSSI Stadium Corporation in a not-to-exceed amount of \$65,850 from the Heinz Field Capital Reserve Account for installation of fire alarm strobes and corresponding transponders replacement; 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 continued on to the next item on the agenda under SEA Operating, authorization to bind all insurance for July 1, 2019 to June 30, 2020 at a cost not-to-exceed \$363,224 plus processing and workers compensation auditing fees.

Ms. Rosanne Casciato explained that Willis is in the third year of a three-year term as the insurance broker for the SEA. In that capacity, they obtained insurance quotes on SEA's behalf for the upcoming year. Willis was notified early in the process that AIG, the existing property insurance carrier, would have a 60% increase in rates. This was mainly due to the recent natural disasters across the country, increased costs of terrorism insurance and the fact that the property rates for the SEA facilities have been held steady since 2014.

Willis marketed the property insurance to 9 companies and received quotes from 4. All four companies performed inspections of the DLCC, garages and Northshore Riverfront Park and confirmed the properties were in good operating condition.

AIG's final quote was the lowest at \$220,137 all quotes also included changes to the deductibles from \$10,000 to \$25,000.

In addition to property insurance, quotes were received for Worker's Compensation; Public Officials Liability; General, Umbrella and Excess Liability; Cyber insurance; and Business Auto. Without the property change, rates would have remained substantially the same.

Ms. Casciato explained that the flood insurance is a national program with rates set by the National Flood Insurance program; cyber insurance is a joint policy of the SEA/SA and the cost is split between the two, and workers compensation increased due to a claim in 2017 year.

In 2018 the SEA purchased a new truck for the Convention Center which increased the auto insurance cost. Also, every year in September, the worker's compensation insurance carrier does a payroll audit to finally confirm the work's compensation premium for the 12 month period ending the prior June 30.

Regarding the public officials coverage, Willis received a quoted from Chubb for \$511 less than AIG however because of continuity for potential prior claims Willis is recommending staying with AIG. We are currently waiting for clarification on AIG changes in terminology on defense provisions and if AIG confirms certain items would trigger defense, we would recommend renewing the public officials coverage with AIG. If they don't we would likely move the public officials coverage to Chubb as they are providing a duty to defend all claims at a slightly less premium.

Willis (Carlye Metcalf-Venturino, Connie Hendrick, and Kali Mullen) reviewed the proposal with Board member Jill Weimer (Treasurer), SEA staff (Mary Conturo, Rosanne Casciato and Rhea Thomas) and Ryan Casciani from Henderson Brothers, our Risk Management Consultant. Henderson Brothers recommends accepting the Willis proposal and binding the insurance effective July 1, 2019.

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 carried, and the following resolution was approved:

RESOLUTION NO. 5616

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to bind all insurance for July 1, 2019 to June 30, 2020 at a cost not-to-exceed \$363,224.32 plus processing and any workers compensation auditing adjustments/fees; 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.

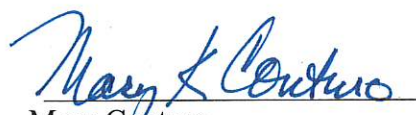
Councilman Futules stated it may be a good idea to receive a report when projects are completed especially if there are any cost overruns. Currently, they are working on the DLCC roof and he would like to take a tour of the completed project when the roof is finished with other Board members to see the progress of things they approved

Senator Fontana stated that there have been tours in the past, and although it's hard to coordinate everybody at the same time but it's a good idea to do that. Senator Fontana also asked if Board members get completion reports.

Mary Conturo stated that if there are added costs it goes back to the Board but we will work on getting a more formal status update.

Councilman Coghill asked if the groundbreaking for the I-579 CAP project is on Friday June 14, 2019. Mary Conturo replied yes, at 2 o'clock. Councilman Coghill asked if the groundbreaking means they will be starting work. Mary Conturo replied the contract is signed and they have already started non-site work.

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 10:53 A.M.


Mary Conturo
Assistant Secretary