

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
BOARD MEETING
WEDNESDAY, JUNE 16, 2021
10:00 A.M. E.S.T.**

A general meeting of the Board of Directors of the Stadium Authority of the City of Pittsburgh was held upon proper notice on June 16, 2021. Due to the COVID-19 pandemic and guidance from public health experts, the meeting and was conducted remotely via the online conferencing platform, Zoom. Board members in attendance: Stanley Lederman, Chairperson; James Malanos, Vice-Chairman; Reverend Brenda Gregg, Treasurer and Assistant Secretary; Steve Steingart, Secretary; and Keith Reed, Member; as well as Authority staff members: Mary Conturo, Doug Straley, Rosanne Casciato, Rhea Thomas, Michael Wassil, Lauren Henderson, and Dana Kramer. Also in attendance: Diane Wohlfarth, Solicitor; Clarence Curry, Senior Diversity Coordinator, Hiedi Strothers, SMG; and Mark Belko, Pittsburgh Post-Gazette.

Mr. Stanley Lederman called the meeting to order at 10:04 A.M. Thereafter, Ms. Wohlfarth proceeded with a roll call of the Board Members, and confirmed that a quorum was present.

The following agenda items were discussed:

1. Public Participation

Mr. Lederman noted that comments from members of the public were solicited, to be received prior to the meeting. Ms. Lauren Henderson reported that no comments had been received, no registrations to speak at the meeting had been received, and no comments had been submitted via the chat function within the Zoom platform. Mr. Lederman confirmed that the agenda and meeting had been posted with advance notice. Mr. Lederman moved to the next item on the agenda.

2. Approval of the Minutes from the meeting of May 28, 2021.

A motion to approve was made, seconded and carried. The minutes were accepted. Mr. Lederman continued on to the next item on the agenda.

3. New Business

The first item read was:

- A. Authorization to extend the date of expiration of the Option Period for takedown of the Second Follow-On Parcel at the North Shore Option area until June 25, 2021.

Mr. Lederman stated that this item was brought to the Board due to ongoing, complex negotiations. The Authority has completed negotiations, however, staff thought it prudent to extend the date of expiration once again to ensure everything is done correctly. At next week's meeting, there will be representation of the joint venture of the Pirates and the Steelers and/or the developer in attendance, whom will provide an overview of what the agreement is and what will be included in it.

Ms. Mary Conturo explained that Mr. Lederman had adequately explained the item, adding that the next Stadium Authority Board meeting had been scheduled for Wednesday, June 23, 2021 at 11:00 A.M.

Mr. Lederman further explained that, by approving and passing this item, the Board is granting an extension to June 25, 2021, which is two days after the next scheduled Stadium Authority Board Meeting. This was done in order to provide Authority staff with adequate time to execute such documents once everything is authorized.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded, and the following resolution was passed:

RESOLUTION NO. 4 (2021)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to extend the date of expiration of the Option Period for takedown of the Second Follow-On Parcel at the North Shore Option Area until June 25, 2021; and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are related and proper to effectuate the terms of this resolution.

The next item read was:

- B. Authorization to enter into an agreement with Direct Energy for energy procurement for the Gold 1 Garage and West General Robinson Street Garage.

Mr. Doug Straley stated that, since 2012, the Authority and the SEA have participated in the Western Pennsylvania Energy Consortium ("WPEC") to purchase electricity with other governmental and nonprofit entities such as the City of Pittsburgh, Allegheny County, Pittsburgh Water and Sewer Authority, the Urban Redevelopment Authority, Pittsburgh Zoo, and Carlow

University. Gold 1 Garage and West General Robinson Street Garage are both considered medium (GM) users.

The consortium was initially created in order to allow these organizations to aggregate their electricity purchasing to lower costs and to fix a rate for a period of time in order to provide budget certainty. These were retail purchases for electricity.

The consortium determined that it would be advantageous to have its own PJM subaccount in order to purchase electricity on the wholesale market, instead of the retail market. In 2019, Enel X was engaged as energy advisor to WPEC to assist with the PJM subaccount and to assist in the development of the consortium's electricity procurement strategy and risk management policy.

In November 2020, the consortium (through the City) released a RFP to engage an entity for electricity procurement. The entity must be licensed to supply electricity by the Pennsylvania Public Utilities Commission. This entity will establish and manage WPEC's PJM subaccount. The entity will be responsible for a number of services related to electricity supply, such as electricity purchasing transactions, member billing, and data reporting.

Four proposals were received, and a committee made up of the seven large members of the consortium, one of which is the Authority, interviewed three of the teams submitting proposals, with the committee unanimously recommending Direct Energy for some of the following reasons: they offered the lowest price per MWh of any respondents and also waived start up fees that other respondents had included in their proposals, they displayed significant experience in the development and management of PJM subaccount procurement mechanisms, they were the only respondent with experience working with buying consortiums similar to the WPEC structure, they are licensed to supply electricity by the Pennsylvania Public Utilities Commission, they provided commitments for diversity and community involvement, and they are a local company.

Throughout the contract, the consortium will use Enel X, its energy advisor, to communicate with Direct Energy and provide options to the members along with other information and pricing. The current rate includes approximately 17% of green energy; however, each member can make the decision to increase their allocation of green energy at an increased cost based on percentage requested. Enel X is proposing a budgetary rate of \$0.063379 per Kwh, including gross receipts tax, Enel X fee, and Direct Energy fee.

All of the consortium members must enter into separate agreements with Direct Energy, with the Authority and the SEA being under one joint agreement. The contract with Direct Energy is for a term of sixty months. Direct Energy is paid based on the amount of Mwh used by each member. Direct Energy will be paid a fee equal to \$0.062 per MWh based on the amount of energy consumed by member.

Transmission and distribution will continue to be provided by Duquesne Light. The Authority will receive two invoices each month: one from Duquesne Light and one from Direct Energy. The Sports & Exhibition Authority approved entering into the agreement at their June 10, 2021 Board meeting.

Mr. Lederman asked if any Board Members had any questions.

Mr. Keith Reed requested clarification on Direct Energy's role, inquiring if whether they were going to be the Authority's electricity supplier for the Gold 1 Garage and West General Robinson Street Garage, or if they were going to be a broker that looks at the market to find the best wholesale price for energy supply for the Authority.

Mr. Straley explained that Direct Energy would be working with Enel X to search the market to provide the best wholesale purchases, based on different terms for the consortium as a whole.

Mr. Reed asked if this situation was a kind of formality due to the Authority's membership in the consortium and the consortium purchases energy for a number of buildings and facilities to get the best price.

Mr. Straley confirmed that to be correct.

Mr. Lederman asked if any Board Members had any other questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded, and the following resolution was passed:

RESOLUTION NO. 5 (2021)

RESOLVED by the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into an agreement with Direct Energy for energy procurement for the Gold 1 Garage and West General Robinson Street 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.

The next item read was:

- C. Authorization to bind all insurance from July 1, 2021 to June 30, 2022 at a cost not-to exceed \$79,710, plus processing fees.

Ms. Rosanne Casciato stated that Willis of Pennsylvania is currently in its fifth year of a five-year agreement as the insurance broker for the Authority and the SEA. In that capacity, quotes were obtained for insurance for the upcoming insurance year. In total, nine different carriers responded to Willis' request for the Authority's various insurance needs. Most of these declined to submit final proposals or, if they did, the proposal was higher than the rates below. Authority insurance costs increased \$6,555, or 8.96%. Per Henderson Brothers, the Authority's Risk Management Consultants, the industry benchmark has been a 10.7% increase.

Due to the COVID-19 pandemic, no companies performed inspections of the properties this year. Willis received quotes from the Authority's existing carrier, Chubb, and AIG. This insurance will be written with Chubb, which increased 5.96%, or \$2,659. Public Officials renewal with AIG increased 38%, from \$5,926 to \$8,209. We will switch to Chubb, which is \$7,843, or a 32% increase. This insurance is based on exposures and mandatory increases by the carrier. The General Liability, Auto Liability, and Umbrella will remain with Cincinnati. The renewal premiums are flat or decreased slightly. Cyber insurance is a joint policy of the Authority and the SEA, and the cost for \$1 million coverage is shared between the two. Because of the increase in ransomware and cyber-attacks world-wide, insurance companies have increased cyber policies across the board. The Authority's share of the cyber policy has increased 74% to \$4,772.

Henderson Brothers recommends accepting the Willis proposal and binding the insurance, effective July 1, 2021. A Summary of policy coverages can be found on the Willis insurance proposal, which is page 11 of the supporting back-up provided in the packet distributed to the Board for this meeting.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded, and the following resolution was passed:

RESOLUTION NO. 6 (2021)

RESOLVED by the Board of the Stadium Authority that its Executive Director and other proper officers are authorized to bind all insurance from July 1, 2021 to June 30, 2022 at a cost not-to-exceed \$79,710, plus processing fees; and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are related and proper to effectuate the terms of this Resolution.

4. Public Participation

Mr. Lederman asked if there were any comments from the public through the Zoom platform. Ms. Henderson reported that no further comments had been received. Mr. Lederman asked for a motion to adjourn. The motion was seconded and unanimously carried.

5. Adjournment

The meeting was adjourned at 10:20 A.M.