

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, FEBRUARY 28, 2020

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, February 28, 2020, at 9:30 a.m., at the Authority's Administration Offices, 345 Sixth Avenue, Pittsburgh, Pennsylvania, 15222-2527, pursuant to due public notice given as required by law.

Board Members

Jeff Letwin, Chair
Jennifer Liptak
Michelle Zmijanac
John Tague
Stephanie Turman
Ann Ogoreuc
Senator Jim Brewster
Representative Austin Davis
Joel Lennen, General Counsel

Media

Ed Blazina, Post-Gazette

Port Authority Staff:

Katharine Kelleman, chief executive officer, Jim Ritchie, chief communications officer, Maurice Bell, chief operations officer, Mike Cetra, chief legal officer, Pete Schenk, chief financial officer, Adam Brandolph, Public Relations manager, Don Rivetti, deputy chief operations officer Maintenance, Darcy Cleaver, assistant manager Passenger Amenities, Amy Silbermann, director Planning, Ed Typanski, director Grants & Capital Programs, Sarah Kastelic, Digital Communications specialist, Dan DeBone, Sr. Government & Community Relations officer, Jeff Faddis, contract specialist Professional Services, Phillip St. Pierre, director Service Planning and Scheduling, Fred Buckner, Associate Contract Specialist, Melissa Rubin, internal communications program manager, Anthony Trona, director Purchasing and Materials Management, Greg O'Hare, assist director Capital Programs, Lee Smith, instructor first level, Shelley Smith, Advertising account coordinator, Danielle Hillgartner, assistant to director Rail Service Delivery, Julie Leistner, administrative assistant, Terri Landis, director Advertising Sales, Kim Zelen, manager Contract Administration, Heather Wilhelm, director service delivery West Mifflin, Jerimaine Ward, manager Contract Administration, Karen Dorman, Legal assistant, Mike Zotal, dispatcher, Craig Stewart, route foreman, Catharine Terrill, senior contract specialist, Anna Marie McKibben, contract specialist, Erica Costa, Procurement contract administrator, Robert Cox, assistant manager LRT Systems, Mike Heidkamp, deputy COO Transportation, Robert Valenzuela, associate contract specialist, Mark Finnegan, contract specialist, Bryan Campbell, director Legal Consulting Services, Sarah Rizk, Planning intern, Moira Egler, Transit Oriented Development program manager, Jason Zollett, director Legal Consulting Services, Ben Claus, manager LRT Systems and Power, Dana Barber, director Benefits, Craig Toocheck, senior planner, Diane Williamson, executive assistant

All Star Awardees

John DeAngelis, manager Contract Administration

Cathy Frye, insurance administrator
Eric Alexandroff, substation maintainer
David Hedges, substation maintainer
Josh Weiss, operator
Michael Zutich, dispatcher

Other

Carolyn Lenigan, Dave Haines AECOM, Holly Douglas, Cosmos, George Settelmaier, KS Engineers, Sara Davis Buss, Eckert Seamans, Noah Sagen, CDR, Mike Moorman, WSP, Meghann Bornak, WSP, Bob Hurley, GAI, Bryant Williams, Rachel Weiss, Surae Hedges, Laura Wiens, PPT, Jeff DiPerna, Local 85, Dorothy Alexandroff, Lydia Alexandroff, Noah Alexandroff, Ted Kielur, ATU Local 85, Lauren Wholey, Regina Thorton, WSP, Steve Palonis, ATU Local 85, Ted Kielur, ATU Local 85

The Chair called the February 28, 2020 Regular Meeting of the Board to order.

Following the pledge of allegiance, a recommendation was made for approval of the minutes of the January 24, 2020 Annual Meeting and Regular Meeting. A motion was made, seconded and unanimously passed.

The Chair called on Ms. Kelleman for the report of the Chief Executive Officer.

Ms. Kelleman started her report by asking for a moment of silence as she read the names of the employees and former employees that passed away this month: Operators Leo Nestler, William Allen and James Wilder; Mechanic Anthony Ziccardi, Sr.; Theodore Hardy, Director of Engineering and Construction; Wayne Burgess, Bus Assignment Shifter; and Charles Comer, Body Repairperson.

Ms. Kelleman reported that today we are presenting a new award to seven employees who exemplify what it means to go above and beyond the call of duty here at Port Authority. It is called the All-Star Award.

Ms. Kelleman then acknowledged the following employees:

The first employee, Mr. John DeAngelis, took the lead role last year making sure we could get a part for the Light Rail System. Ms. Kelleman noted that getting parts is trickier than you would imagine. John has worked tirelessly and she is comfortable saying we would not be hitting the rails today if we didn't have John doing this work.

The next employee recognized was Cathy Frye, Port Authority's Insurance Administrator. In June, Cathy aggressively and diligently pursued \$2.75 million in an insurance settlement after severe flooding damaged the Blue Line. Thank you, Cathy for recovering those funds and all the other amazing things that you do.

Next were Substation Maintainers, Eric Alexandroff and David Hedges. In November, Eric and David helped police apprehend an armed robbery suspect when they followed the robber and provided the vehicle's license plate information to police. Ms. Kelleman thanked them for their bravery.

The next two employees are operators, Jason Seman, who was unable to attend this morning, and Joshua Weiss, who helped save a man's life in October when they observed a man slumped over the steering wheel of his car. They not only called the police but also managed to flag down emergency responders who saved his life. Ms. Kelleman thanked them for their quick response and civic duty saving a man's life.

The final employee honored was Dispatcher, Michael Zutich. Mike was in a railcar when his instructor suffered a medical emergency. Mike secured his vehicle, rendered aid and radioed for help.

On behalf of Port Authority's 2,600 employees, and the 1.2 million people across Allegheny County, Ms. Kelleman thanked the recipients. Your actions saved time, money, but most importantly, lives.

Next, Ms. Kelleman provided an update on our ongoing community meetings. So far, we've held meetings in Downtown Pittsburgh, East Liberty, Millvale and Monroeville. She reported that we have had a really good turnout and have had wonderful interactions and conversations. We have five more meetings scheduled and the next meeting is next week in McKeesport on Wednesday evening.

If you can't make any of these meetings, there is a video of the first meeting on our website at www.portauthority.org/gettogether.

That concluded the report of the Chief Executive Officer.

The Chair called on Ms. Zmijanac for a report of the Performance Oversight Committee.

Ms. Zmijanac reported that the Performance Oversight Committee met last week, and she had a few items to report.

There were two resolutions reviewed by the Performance Oversight Committee.

The Committee first reviewed six procurement items and determined the bids to be in accordance with the Authority's procurement policies and procedures, the prices were determined to be fair and reasonable and the bidders were determined to be responsible and the bids responsive. The Performance Oversight Committee recommended for award the six items listed in the resolution for the total amount of approximately \$2.9 million dollars.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed the resolution be approved as presented.

Ms. Zmijanac presented the other resolution seeking authorization to enter into contracts with a pool of firms for construction management services.

Port Authority requires construction management services in the categories of Bridges, Heavy & Highway; Garage and Facility; and Rail & Systems. In order to obtain qualified firms to perform the services, a request for proposals was prepared and publicly advertised.

Ms. Zmijanac continued reporting that 11 proposals were received for the Bridges, Heavy & Highway category; 10 were received for the Garage and Facility category; and four proposals were received for the Rail & Systems category.

The proposals submitted by CDR Maguire, Inc. and WSP USA Inc., have been determined to be the highest-rated proposals in the Bridges, Heavy & Highway category. The proposals submitted by WSP USA Inc., and SAI Consulting Engineers, Inc., have been determined to be the highest-rated proposals in the Garage and Facility category.

Finally, the proposals submitted by WSP USA, Inc., and SAI Consulting Engineers, Inc., have also been determined to be the highest-rated proposals in the Rail and Systems category.

The Performance Oversight Committee recommended entering into agreements with the above-mentioned firms, in the identified construction management services categories, for a total not-to-exceed amount of \$16,500,000, to be allocated on an as-needed basis through task specific work orders.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed the resolution be approved as presented.

Also at the meeting, Mr. David Huffaker, chief development officer, recognized our Engineering Division for an award it received from the Western PA Engineers Society for their efforts in mobilizing and overseeing Port Authority's recovery from the Norfolk Southern train derailment last year.

Ms. Zmijanac congratulated all employees today for their outstanding awards and specifically for this award honoring our Engineering Department staff as we got through the Norfolk Southern derailment.

That concluded the report of the Performance Oversight Committee.

Next, the Chair called on Mr. Tague for a report of the Planning and Stakeholder Relations Committee.

Mr. Tague reported that the Committee met last week and he had three updates for the Board.

The first update referred to our community outreach. As you heard from Ms. Kelleman, the Authority has kicked off a round of community engagement meetings throughout the county. There have been four meetings so far and staff is very pleased with the turnout. It has been several years since we've been out in the community. People really seem to appreciate the fact that we are willing to show up and hear them out. There are five more meetings scheduled and we will probably be adding even more locations.

On a personal note, Mr. Tague said that when we hired Ms. Kelleman, this is exactly what we wanted to see; more community engagement. As a Board Member and Chair of the Committee, and as a rider, he stated that he appreciates all the effort that goes into making these meetings happen.

The second update referred to the 2020 annual service changes. The Service Planning Department evaluates service requests annually and will implement the following major changes on March 15.

The proposed major service changes to be implemented include adding Saturday service to Route 60, Walnut Crawford Village; adding weekend service to CCAC Boyce campus on Route 67 Monroeville; Route 68 Braddock Hills Flyer will no longer operate on weekends but will be served by P-68; adding additional Sunday service on Route 53 Homestead Park; and adding Saturday and Sunday service between Millvale and downtown on Route 2, Mount Royal.

Mr. Tague continued reporting that the Federal Transit Administration Title VI Regulations and Port Authority's Title VI Program requires us to complete an analysis prior to the implementation of any planned major service changes. In conducting the Title VI analysis, staff evaluates proposed major service changes to determine if there will be an adverse effect impact for minority populations and/or a disproportionate burden for low-income populations. We are happy to report that since these changes are additions that will increase transit services provided to minority and low-income populations, these changes do not have adverse impact or disproportionate burden concerns.

Lastly, Mr. Tague updated the Board on the Bus Stop Consolidation Program. This program began in December with Bus Route 16 Brighton and 51 Carrick. Although we are early in the process, the data looks promising. There is noted improvement in on-time performance with one month of data on hand. Staff will continue monitoring and should learn more through additional months of data. Mr. Tague noted that staff made it clear that they will be coming back to the Planning and Stakeholder Relations Committee later in the spring with more complete analysis of the program.

That concluded the report of the Planning and Stakeholder Relations Committee.

The Chair called on Ms. Ogoreuc for a report of the Finance Committee, which met on Friday, February 20, where four resolutions were reviewed.

Ms. Ogoreuc presented the first resolution seeking authorization to extend and amend the Authority's agreement with Cowden Associates, Inc., to provide Pension Plan Actuarial Services.

In February 2017, the Board authorized an agreement with Cowden for the actuarial services for an initial three year term and a total not-to-exceed amount of \$814,250 with two additional option years to be exercised at the sole discretion of the Authority. To date, Cowden's work has been satisfactory and in compliance with the agreement and the Authority has determined that it is in its best interest to exercise both option years at this time to extend the term of the Agreement to March 25, 2022 and to increase the previously authorized total not-to-exceed amount of the Agreement to \$1,627,300.

On behalf of the Finance Committee, Ms. Ogoreuc respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed the resolution be approved as presented.

The second resolution presented by Ms. Ogoreuc was seeking authorization to extend and amend the Authority's agreement with Maher Duessel to provide Audit and Pension Plan Audit Services.

In February 2016, the Board authorized an agreement with Maher Duessel to provide audit services for an initial three-year term and for a total not-to-exceed amount of \$343,500. The agreement contains two additional option years to be exercised at the sole discretion of the Authority. In January 2019, the Board authorized an amendment to exercise the first option year of the agreement and to increase the total not-to-exceed amount to \$448,000.

To date, the services performed by Maher Duessel have been satisfactory and in compliance with the agreement. Therefore, the Authority has determined that it is in its best interest to exercise the second option year extending the agreement to March 25, 2021 and increasing the total not-to-exceed amount of the agreement to \$570,840.

On behalf of the Finance Committee, Ms. Ogoreuc respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

Ms. Ogoreuc presented the third resolution seeking authorization for issuance of Port Authority of Allegheny County Special Transportation Revenue Bonds, Refunding Series of 2020. It was noted at the meeting that the Authority has retained PFM Financial Advisors LLC to serve as its Financial Advisor.

The Authority previously issued Special Revenue Transportation Bonds, Refunding Series of 2011. Current low interest rates present the opportunity for the Authority to refinance the 2011 Bonds and reduce the debt service costs of the Authority. As such, the Authority, after consulting with PFM, has determined that it is its best interest to refinance the 2011 Bonds through issuance of

Special Revenue Transportation Bonds, Refunding Series of 2020, in one or more series, on a taxable or tax-exempt basis, and in an aggregate principal amount not-to-exceed \$160,000,000.

The proceeds of the 2020 Bonds are to be used to finance the costs, including underwriting and issuance costs, of refunding the 2011 Bonds on the earliest possible redemption date.

This resolution would authorize the Authority to take all actions necessary and proper to issue the 2020 Bonds and complete the 2020 refunding project.

On behalf of the Finance Committee, Ms. Ogoreuc respectfully requested approval of the resolution. It was moved, seconded and agreed the resolution be approved as presented. Mr. Letwin noted his abstention as his firm represents one or more of the entities.

The last resolution presented seeks authorization to engage the underwriting group for the 2020 Bonds.

Ms. Ogoreuc reported that the Authority issued a request for proposals for underwriting services and received 21 proposals to perform underwriting services, including 16 proposers that wanted to be considered as senior underwriting manager or the co-manager and five firms that wanted to be considered as the co-manager in the connection with the issuance and sale of the 2020 Bonds.

An Evaluation Committee was convened to evaluate the proposals. Based upon its evaluation, it was determined that the highest rated proposal was submitted by a joint venture of J.P. Morgan and certified MBE/DBE and veteran owned firm, Academy Securities. Therefore, J.P. Morgan and the Academy are recommended to serve as the book running senior managers in connection with issuance of the 2020 Bonds.

The Evaluation Committee further concluded that Bank of America Securities, PNC Capital Markets LLC and RBC Capital Markets should serve as co-managers in connection with the issuance and sale of the 2020 Bonds.

This resolution would authorize the Authority to engage the identified firms as the underwriting group in connection with the issuance and sale of the 2020 Bonds

On behalf of the Finance Committee, Ms. Ogoreuc respectfully requested approval of the resolution. It was moved, seconded and agreed the resolution be approved as presented. Mr. Letwin once again abstained from the vote.

Finally at the meeting, CFO, Peter Schenk presented the Financial Reports through January 2020.

He reported that Total Operating Income for the month of January was \$61,025 below budget due to lower Passenger and ACCESS Revenue. However, for the fiscal year to date, Total Operating Income is \$424,004 over budget due to higher Interest Income and Advertising Revenue. Total Expenses for the month were \$1.83 million below budget. Total Expenses for the fiscal year

are \$18.98 million below budget predominantly due to lower Materials & Supplies, Purchased Services and Other Expense costs.

Total Subsidies for the month were \$2.2 million below budget primarily due to lower State Operating Assistance. However, for the fiscal year to date, Total Subsidies are \$9.7 million above budget due to higher State Operating Assistance which will normalize by year-end.

That concluded the report of the Finance Committee.

Under new business, Mr. Letwin presented a resolution pertaining to CEO, Katharine Kelleman's contract and performance bonus for 2019. With the resolution before you, and pursuant to the contract, the Chair is seeking approval for Ms. Kelleman's bonus for her performance of 2019 in the amount of \$22,287.

Mr. Letwin made a motion to approve the resolution as presented. It was moved, seconded and unanimously agreed the resolution be approved as presented.

The Chair announced the next regular meeting of the Board will be Friday, March 27, 2020.

The meeting was adjourned.