

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, MAY 29, 2020

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, May 29, 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** (all via WebEx)

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

**Media** (via WebEx)

Ed Blazina, Post-Gazette

**Port Authority Staff:**

Katharine Kelleman, chief executive officer, Mike Cetra, chief legal officer, Pete Schenk, chief financial officer, Anthony Trona, director Purchasing and Materials Management, David Huffaker, chief development officer, Jeffrey Devlin, chief technology officer, Diane Williamson, executive assistant

The Chair called the virtual May 29, 2020 Board of Director's Regular Meeting to order and reminded everyone that the meeting was being recorded.

In place of the pledge of allegiance, Mr. Letwin asked for a moment of silence for the courageous front-line workers and lives lost due to the pandemic.

A recommendation was made for approval of the minutes of the April 24, 2020 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 and reflection for the more than 100 public transit employees in the United States who have died in the last two months as a result of the coronavirus.

Ms. Kelleman noted that it is May 29 and we have made it to yellow and green is on the horizon. She reported that these past two months have taken a catastrophic toll on our agency in many ways. Ridership took a steep decline late March, bottomed out in mid-April and we have yet to see much of a rebound.

Ms. Kelleman continued to report that our finances went from being relatively healthy to needing life support, which thankfully, came swiftly in the form of the federal CARES Act in late May and thanked our state representatives at this time.

Next Ms. Kelleman reported how Port Authority has responded to COVID-19. In late March, we reduced service by about 25 percent, instated rear-door boarding on buses in late March and shut off the fare boxes to keep riders both a healthy distance from operators and each other. A few weeks later, we limited the number of passengers on each vehicle so the remaining riders could be at a safer distance from one other. In mid-May, we brought most of our service back while we continued to monitor those routes that remained on reduced schedules. Also, over the last few weeks, we've installed Plexiglass shields on vehicles that did not already have them to keep our operators protected.

Ms. Kelleman announced that on June 1, we will resume front-door boarding and a week later we'll resume regular fare collection.

Next Ms. Kelleman updated the members on the following employee information. In the last two months, 14 of our coworkers came down with COVID-19. Four have since been cleared to return to work and the remaining 10 are on the mend.

Since the very beginning, the safety of our employees and riders has been our top priority. One of our first responses, in mid-March, was to begin disinfecting our vehicles more often, noting that we previously followed the industry standard of disinfecting vehicles once a month. We now disinfect our vehicles every day, and the preliminary budget staff presented to the Board last week represents our commitment to that effort, with an additional 58 positions dedicated to Maintenance.

Ms. Kelleman stated that we've worked side-by-side with union leadership every step of the way. Early on, we committed to making sure that any employee who fell ill, needed to care for a loved one or was considered high-risk would continue to receive their paycheck. We've brought in outside cleaning companies to disinfect garages; we've distributed gallons of hand sanitizer and thousands of masks; and we've gone beyond what has been expected of us because it's the right thing to do.

COVID-19 has disrupted the very nature of the public transit industry. Where we used to pile on a bus or light rail car, for the last two months, Port Authority, and transit agencies nationwide, have been telling riders to stay home, don't ride and only go out for essential trips.

Next Ms. Kelleman announced that our 25-year long-range plan kicked off last week and the website will launch on Monday. The plan, named "NEXTtransit," will be a blueprint for the future

of public transportation in Allegheny County. It will guide the community's vision for what our system needs and help us prioritize how to get there.

The public transit system of our future needs to be accessible and equitable, flexible and safe. We will rely heavily on public input to ensure the values, needs and wants are represented. Port Authority is a proud partner in our region's economy and vibrancy. We know that regardless of what happens in the short term, we will be here in the future.

Before concluding her report, Ms. Kelleman stated that we were delighted to get the news from the U.S. Department of Transportation for the financial support of the Bus Rapid Transit project, adding that we will continue working with our partners at the Federal Transit Administration.

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, via WebEx, and had four resolutions for the Board's consideration.

The Committee first reviewed two procurement items and determined the bids to be in accordance with the Authority's procurement policies and procedures, the prices fair and reasonable, the bidders to be responsible and the bids responsive.

The Performance Oversight Committee recommended for award the two bids listed in the resolution for the total amount of \$121,809 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 next resolution seeking authorization to establish the fourth-year budget with Transdev Services, Inc.

In April 2017, the Authority entered into a five-year agreement with Transdev to provide professional services to coordinate and administer paratransit services for individuals with disabilities and elderly persons in Allegheny County, also known as ACCESS.

The agreement specifies that a not-to-exceed amount will be established for each fiscal year.

The Performance Oversight recommends continuing the performance of services by Transdev for the fourth fiscal year for the total not-to-exceed amount of \$2,716,900, for the period July 1, 2020 through June 30 2021.

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 next resolution seeking authorization to Adopt the Collective Bargaining Agreement with the International Brotherhood of Electrical Workers, Local 29 covering the terms and conditions of employment for certain Customer Service, Benefits and other personnel of the Authority.

Prior to the expiration of the agreement on April 30, 2020, the Authority engaged in good faith bargaining with IBEW, and representatives of the Authority and IBEW have agreed on proposed terms and conditions for a short-term amendment to the agreement.

Ms. Zmijanac noted at this time that IBEW members have ratified the proposed terms and conditions of the amended agreement.

The Performance Oversight Committee recommends the Board approve and ratify the proposed terms and conditions outlined in Exhibit "A" attached to the resolution effective May 1, 2020 through April 30, 2021.

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 final resolution seeking authorization to adopt and implement FY 2021-22 Internal Audit Work Plan.

In November 2007, the Board adopted an Internal Audit Department Charter as a statement of policy and expressed commitment to provide financial and operational oversight to the Authority. In accordance with the Charter, the Authority's Internal Audit Department has conducted various audit and oversight activities over the past several years pursuant to Board approved 18-month Internal Audit Work Plans.

To continue this important oversight, the Performance Oversight Committee recommended adopting and implementing the FY 2021-22 Internal Audit Work Plan, effective July 1, 2020 through December 31, 2021.

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.

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That concluded the report of the Performance Oversight Committee.

The Chair called on Mr. Tague for a report of the Planning and Stakeholder Relations Committee. Mr. Tague reported that the Planning and Stakeholder Relations Committee met online last week and he had one item to report.

The Planning Department made a presentation to the Committee on “NexTransit,” Port Authority’s Long-Range Transportation Plan.

NexTransit will look at transit infrastructure throughout the county and help us plan where transit will be in 2045. Most importantly, this study will include significant public outreach through the process. Topics of this outreach will include the benefits and barriers to transit, where our riders want to go, how transit can get them there, what investments are most important, how we will pay for transit projects and to ensure we’ve gotten it right.

Mr. Tague continued reporting that staff is still in the process of figuring out what public outreach looks like during a pandemic. We know that we won’t be having large public meetings, adding that we also need to be sure that we are reaching people without access to the internet. We will continue to provide updates as our public outreach plan develops.

Additionally, we have engaged a large group of more than 100 stakeholders, who have graciously agreed to provide feedback and to help spread the word about the plan. We will need their help to let the community know how they can get involved. We will be providing quarterly updates to these stakeholders.

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 virtually on Thursday, May 21, 2020.

Ms. Ogoreuc reported that Chief Executive Officer, Katharine Kelleman and Chief Financial Officer, Peter Schenk, presented the Preliminary Operating and Capital Budgets. Ms. Kelleman stressed that despite COVID 19, the Authority will continue to provide a safe environment for passengers and employees alike. Ms. Kelleman also emphasized that the pandemic has caused great financial uncertainty on both the Operating and Capital Budgets.

Mr. Schenk reported that in order to simplify CARES ACT invoicing, the preliminary FY 2021 Operating Budget is at pre-COVID 19 levels. Invoices will be the differential between budget and the actual results on a monthly basis. He reported that the Authority has been in consultation with both the FTA and SEPTA regarding structuring the FY 2021 Operating Budget in order to simplify CARES ACT invoicing.

Mr. Schenk also reported that due to the impact of COVID 19 on operations and ridership, the Authority is projecting a deficit of approximately \$29 million that can be addressed through CARES ACT funding. The preliminary FY 2021 Operating Budget contains minimal CARES ACT funding as a placeholder to eventually offset reduced passenger fares and subsidies.

It was also reported at the meeting that the preliminary FY 2021 Operating Budget is balanced with \$42.4 million in Deferred Revenue. The preliminary FY 2021 Capital Budget is based on receiving \$114.5 million in State Funding which would assume a continuation of Turnpike Funding to PennDOT.

Ms. Ogoreuc noted that it was emphasized by both Ms. Kelleman and Mr. Schenk that the Operating and Capital Budgets may need to be re-opened as further financial information becomes available.

Next Mr. Schenk presented the April Financial Statements with the Finance Committee.

Mr. Schenk reported that for the month of April, Total Operating Income was \$6.09 million under budget. This result was directly due to lower ridership related to COVID-19. For FY 2020, Total Operating Income is \$6.9 million below budget. Total Expenses for the month were \$4 million under budget despite increased payroll and materials and supplies expenses for vehicle cleanings.

Mr. Schenk noted that Total Expenses from a fiscal-year-to-date perspective was \$27 million below budget which will assist in preserving CARES Act funding.

Total subsidy for the month of April was \$2.03 million under budget due to lower Local operating subsidy. The Authority is working closely with Allegheny County on possible ways to mitigate a possible COVID-19 related shortfall in local operating subsidy. Total subsidy for the fiscal year is \$8.4 million under budget. Most likely, subsidies will end the fiscal year below budget due to COVID-19. CARES Act funding will be utilized to mitigate the net shortfall of revenues plus subsidies less expenses.

That concluded the report of the Finance Committee.

The Chair called on Vice Chair, Jennifer Liptak, for a report of the Technology Committee.

Ms. Liptak reported that the Technology Committee also met on May 21 and she had one resolution for the Board's consideration. The resolution seeks authorization to enter into an agreement with DQE Communications, LLC, to provide secondary redundant wide area network services. It was noted that during a replacement of the primary network communications system in 2019 there is not a redundant or secondary network in place in the event of catastrophic interruption in the primary network services. These services are intended to provide connectivity in the event of an interruption between the various garages and locations.

The Technology Committee recommended entering into an agreement with DQE Communications, LLC, for a three-year term, not to exceed \$170,100.

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

Ms. Liptak continued reporting that Ms. Ellie Newman, Manager of Transit Analysis, made a presentation on the strategic dashboards that she has been creating to enable the agency to continue to use data and information for decision making.

Ms. Liptak concluded her report by commending Ms. Kelleman for her continued encouragement and support of the Planning group and expanded use of data and technology to drive decision making.

That concluded the report of the Technology Department.

During the public comment period, there were 25 speakers who addressed the board on topics such as the need for instituting a low-income fare program, and to allow riders to use EBT cards to board, on transit funding concerns and the Board's responsibility to provide and expand funding and on public engagement, equity and data-driven decision-making.

The Chair announced the next regular meeting of the Board will be Friday, June 26, 2020.

With no further business the meeting was adjourned.

Approved