

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JUNE 29, 2018

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, June 29, 2018, 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
Ann Ogoreuc
John Tague
Stephanie Turman
D. Raja
Rob Vescio
Senator Jim Brewster (via phone)
Joel Lennen, General Counsel

Media

Ed Blazina, Post-Gazette

Port Authority Staff:

Katharine Kelleman, chief executive officer, Bill Miller, chief operations officer, Pete Schenk, chief financial officer, Jeffrey Devlin, chief information officer, Mike Cetra, assistant general manager Legal and Corporate Services, Barry Adams, assistant general manager Human Resources, Ed Typanski, director Grants and Capital Programs, Catherine Terrill, Professional Services contract specialist, Adam Brandolph, Public Relations representative, Darcy Cleaver, assistant manager Passenger Amenities, Tony Trona, director Procurement and Materials Management, Tom Noll, director Technical Support, Eric Bilsky, assistant director Capital Programs, Inez Colon, director Employment Josh Banyas, manager Capital Programs, Breen Masciotra, TOD project manager, Bill Wheeler, FTA Planning Fellow, John Beeler, manager Customer Services, Fred Mergner, assistant manager, Scheduling and Service Planning, Diane Williamson, executive assistant.

Other

Carolyn Lenigan, Glenn Walsh, Laura Wiens, PPT, March Wiezorak, AG, Steve DeGenaro, Dave Haines, AECOM, Grego Cerminara, Michael Baker, Inc., Michelle Hinds, SAI, Bill Trimbath, Collective Efforts LLC, Dan Frederick, Monazoh Basin, David Haffaker, Sound Transit.

The Chair called the June 29, 2018 Regular Meeting of the Board to order.

After the recital of the pledge of allegiance, a recommendation was made for approval of the minutes of the May 25, 2018 Regular Meeting. A motion was made, seconded and unanimously passed.

The Chair called on Ms. Kelleman for a report of the Chief Executive Officer. Ms. Kelleman began her comments by honoring Port Authority employees and retirees who passed in May. The retired operators are Eugene Evans, Daniel Gaertner, Aaron Schelgel, Charles Wilcox, Charles Taylor, Charles Emery and James Pizzuto; and for the Maintenance team, retired Maintenance employee, Ray Starn.

Ms. Kelleman departed from her prepared comments to talk about Ms. Margo Carter, our Employee Relations manager, who passed away just a few weeks ago. Margo was one of the first people Ms. Kelleman met when she came to Port Authority back in January. Margo was lively and engaged, recently promoted to a managerial role in a department that she loved, and Ms. Kelleman really thought that if Margo was any indicator of the employees here, it was just a matter of time before we were getting awards for being a topnotch agency. We had an amazing team that needed to be unleashed. Margo set the tone for Ms. Kelleman every time she saw her on the rails and in the city. She had a happy smile and she knew everyone. Ms. Kelleman was definitely on Team Margo.

Ms. Kelleman continued by stating that we lost her quickly and unexpectedly. It is a testament to her that so many mourn her, and I'll say that we are poorer for the loss but richer for having known her. Ms. Kelleman also found out that Margo was a senior pastor at the Grace Tabernacle Community Church in Crafton and the founder of the Go-Go Girls, which is a female mentoring program at the First Baptist Church in Bridgeville. Margo was amazing here and everywhere she went. She leaves behind a 14-year old daughter, so our thoughts are with her family. If her daughter is half the woman Margo is, she's well on her way to be amazing.

Ms. Kelleman then changed the topic to all the hard work from our Maintenance Team last week during the flooding. As a transplant from Florida, I'm used to flooding, but this surprised even me. We lost 50 tons of ballast in two hours from our Overbrook Line, and we are in the process of getting 800 tons of ballast to repair the line overall. It was a calamity, but our crews worked around the clock to get us back up and running within a few days.

Ms. Kelleman continued reporting that the Library Line is a little over 100 years-old, so it might take a little longer to put it together. But the quick recovery and fantastic efforts from our team have been outstanding.

Next, Ms. Kelleman was happy to report that May ridership was up again, four percent year over year from the previous month, so we are on a positive trend for the year. We are not letting up and are seeing ridership increase every day, so we are victims of our own success. Our buses are full and they continue to be full.

Ms. Kelleman then reported that the Board is considering the FY 2019 budget this morning, which has been tied to a tactical plan outlining our five subject areas for next year. In her hiring process, the Board made it very clear that it was time to go beyond the status quo here, that both Pittsburgh and Allegheny County wanted it, and they were looking for the leader who could deliver it. The residents of the County deserve this service and our budget will establish short term goals for next year that will later work for longer term success and a full-fledged robust and strategic plan for our following fiscal year.

Ms. Kelleman continued reporting that our tactical plan is focused on an excellent customer experience, a 10 percent increase in our on-time performance, a focus on our Facilities Maintenance Plan, the creation and adoption of a 20-year long term plan, and service planning blocks that can line us up for BRT and success throughout our communities taking a closer look at all of our scheduled employee engagements, financial processes, and the heavy lift our team is ready to do. Let us continue to plan for the future with our BRT increase and making a strategic investment to our existing rail and bus infrastructure to make sure we're ready to accommodate this increased ridership growth and that we're positioned for the future.

Ms. Kelleman concluded her remarks by stating that we are not keeping the status quo going anymore. We are planning for a bright robust future for public transportation, and as you've heard her say, Pittsburgh can be the place that redefines what it is to be a bus agency in the 21st century and this is a first critical step in that direction. Investing in our system sets the tone for our agency and that tone is excellence. Our team is ready to deliver it and we're lining up a plan with funding to make sure that we can. Our riders deserve better and Allegheny County deserves better.

That concluded the report of the Chief Executive Officer.

The Chair called on Ms. Zmijanac, Chair of the Performance Oversight Committee, for a report from the Committee. Ms. Zmijanac reported that a meeting of the Performance Oversight Committee was held on June 21, 2018 and the minutes from the previous meeting were approved by the Committee.

First the chief financial officer, Peter Schenk, reported that Total Operating Revenues through May were approximately \$5.1 million higher than budget, principally due to higher Passenger Revenues. It was reported that Total Expenses through May were approximately \$16.4 million under budget. Total subsidies were approximately \$481,814 under budget, which is a timing issue with State Operating Assistance. Subsidies should be on budget by fiscal year-end.

There were four resolutions reviewed by the Performance Oversight Committee for consideration by the Board.

The Committee first reviewed four procurement items. The Committee found the bids to be in accordance with the Authority's procurement policies and procedures, the prices to be fair and reasonable, and the bidders to be responsive and responsible. The Performance Oversight Committee therefore recommended for award the four items highlighted in the resolution for the total amount of \$1,345,360.

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

The next resolution sought Authorization to Award a construction contract for the LED Lighting Upgrades project. Ms. Zmijanac reported that the Authority wishes to upgrade the existing lighting systems in the maintenance and storage areas at South Hills Junction Building #1 and the Ross, Collier and East Liberty Garages. The work would also include upgrading high bay lighting at the Steel Plaza and Wood Street Stations.

Ms. Zmijanac stated that it has been determined that the bid of TSB, Inc., d/b/a Schultheis Electric, is the lowest responsive bid from a responsible bidder meeting the Authority's specifications. The Performance Oversight Committee, therefore, recommended awarding the contract to Schultheis Electric, in the amount of \$2,712,621, subject to completing all pre-award requirements.

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

Ms. Zmijanac stated that the next resolution seeks authorization to amend the Travel and Expense Reimbursement Policy. It was reported at the Performance Oversight Committee meeting that the Authority maintains a set of guidelines and procedures for the reimbursement of travel expenses incurred by employees in performing business-related activities. Management wishes to amend the Policy to make various changes, including requiring that the Authority book hotel and other lodging reservations for employees traveling on business, ensuring employees utilize public transportation during out-of-town travel whenever feasible and making other administrative updates and clarifications.

Ms. Zmijanac stated that the Performance Oversight Committee recommends approving the amended Travel and Expense Reimbursement Policy attached to the resolution as Exhibit A.

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

The final resolution recommended by the Performance Oversight Committee was Authorization to Enter into an Interagency Cooperation and Reimbursement Agreement with the Pennsylvania Turnpike Commission to study transportation funding and develop options for the future. Pursuant to Act 89, the PA Turnpike Commission makes annual payments to the Pennsylvania Department of Transportation, some of which supports transit programs.

The Authority has benefitted from Act 89 through a capital improvement program and stable operating funding and wants to take proactive steps to ensure a reliable and sustainable source of transportation funding exists in future years. The Turnpike Commission wishes to work with the Authority to study the state of transportation funding.

Ms. Zmijanac stated that the Performance Oversight Committee recommends entering into the Agreement with the Pennsylvania Turnpike Commission for the completion of the study for a total not-to-exceed amount of \$205,000.

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

That concluded the report of the Performance Oversight Committee.

The Chairman called on Mr. John Tague for the report of the Planning and Stakeholder Relations Committee.

Mr. Tague reported that the Committee met last week and he had several items to report to the Board.

At the meeting, Mr. Schenk presented the Authority's proposed tactical plan. This proposed plan would set Authority-wide goals for each division.

Next, Mr. Tague reported that Mr. Schenk provided an update on the new Customer Service Center. Employees moved into their new space during the June 23-24 weekend. The new space provides an

improved customer experience where customers can access a ticket vending machine, purchase fare products or speak with a Customer Service representative. Port Authority is planning a grand opening event for later this summer.

Mr. Tague further reported that the Allegheny County Transit Counsel met last week. Ms. Andrea Elcock and Ms. Aniqua Zahra presented the Annual Service Report and answered questions about service planning.

Mr. Tague continued reporting that he had an opportunity to participate in the Community Transportation Association of America on June 10 through June 14 in Pittsburgh. Generally, the CTCA operates smaller vehicles such as minivans and para-transit-sized vehicles. Mr. Tague acknowledged the participation of a number of Port Authority employees, as well as Ms. Karen Hoesch from ACCESS. Two of the ACCESS providers, Con-Tran and First Transit, provided vehicles to the roдео.

Finally, Mr. Tague stated that the Planning and Stakeholder Relations Committee is recommending approval of the FY 2019 operating and capital budgets. The Operating budget totals \$441 million and the Capital Budget totals \$146 million. Both budgets balance anticipated expenses with anticipated revenues and grants.

On behalf of the Planning and Stakeholder Relations Committee, Mr. Tague respectfully requested approval of the resolution.

Before a vote was taken, Mr. D. Raja advised that he would be voting “no” and wanted to share an explanation for his vote to the budget stating that he is not in favor of adding 40 new positions at the cost of \$4.76 million for 2019 without an additional source of funds or revenues. Mr. Raja continued explaining that as he evaluates every expense, from his perspective, as a Board member, he looks to see the priority in regard to service. As you know, many times we have speakers come to ask for more service and Mr. Raja evaluates every new expense against this. He does, however, understand many times it’s a balancing act. His concern is that cost for the addition of these 40 positions will continue to remain as we go forward and we would begin to draw down on the reserves that have been built up over the years, and we would face a shortfall sometime in the future without knowing what the source of funding or revenues would be.

The Chair thanked Mr. Raja for his explanation and asked if there was any more discussion. Mr. Tague stated that he has been involved in public transit in Allegheny County for almost two decades. He has seen the good and the bad. I’ve endured all of the years that we had to cut and cut and cut. Port Authority is at a critical moment, and I feel the only way to move forward is to invest in the system. I believe in the vision Ms. Kelleman brought here and believe that it is essential that we improve the overall customer experience. We would not be able to move forward unless we address the fundamentals of the systems. He concluded by stating, “I, for one, fully support the budget and fully support investing in our transit system that is so vital to our community.”

Next, Ms. Liptak thanked CEO Kelleman and staff for their due diligence. Thank you, Mr. Tague, for his diligence and the Committee for the work that they’ve done. A year ago we were looking for a CEO and our organization had some pretty challenging issues before us related to policies that were held up by the Board and others but also policies that were concerning to the community.

Ms. Liptak said she personally feels we found a superstar in Ms. Kelleman and she is pleased with the work that she has done to bring in the community input and remind us, especially me as a Board Member, that the customer's voice matters. That's a constant message that she has put out to the community and it's important, and we need to make sure that this is something that I as a Board member should consider every time I make a vote. For some time, we've settled for the system that we've had, but strived for the system our people deserve. I think it's time that we continue to move forward and give Ms. Kelleman the tools that she feels she needs to do that. Ms. Liptak stated that she is fully supportive of the budget, and thanked Ms. Kelleman and her team for the efforts moving forward.

At this time, the Chair asked for a motion. The motion was then moved, seconded and passed with an eight to one vote.

Next, the Chair called on Mr. Rob Vescio for a report from the Technology Committee. Mr. Vescio, Chair of the Committee, stated that he did have a few items to report from the first Technology Committee meeting held on June 21, 2018.

The Committee was introduced to Mr. Jeffrey Devlin, Port Authority's new Chief Information Officer. Mr. Devlin joined Port Authority in late May 2018. At the meeting, he provided the Committee with his background and experience of over 30 years of technology and leadership. Mr. Devlin also described his 100-day plan, which encompasses three major components. These include focusing on the customer experience, an assessment of the technology ecosystem and steps to be positioned for success. He provided information on each of these areas including strengths and weaknesses identified to date.

The presentation concluded with a visual depiction of the software applications in the technology ecosystem categorized under customer experience, operational services and administrative functions. In this, Mr. Devlin noted a positive about the current ecosystem in that most focus is on the customer experience and that an appropriate amount of technology is positioned within the operational and administrative areas.

Mr. Vescio noted that there were no resolutions presented at the first meeting.

That concluded the report of the Technology Committee.

Mr. Letwin remarked that this is very exciting and we keep moving in the direction of where we want the Authority to go in terms of recognizing that technology is where our future lies and in finally putting together a team to focus on that for the Board. We look forward to a lot of positive developments as this process moves forward.

The Chair then noted that we had a glitch in our system for signing up to speak at the Board meeting and not everyone had the opportunity to sign up in a timely manner. Mr. Letwin opened the meeting and asked for anyone wishing to address the Board.

Ms. Laura Wiens from Pittsburghers for Public Transit, addressed the Board. Ms. Wiens thanked Board members John Tague and Stephanie Turman and CEO, Katharine Kelleman for attending PPT's Rider's Vision launch on Monday, and noted that she does see a path forward in collaboration on a lot of improvements for our system to grow ridership and to grow equity, things that are

achievable in the near term even without extensive expansion of funding. She further stated that we are invested in the fight to ensure that both sustained funding continues to come from the State and that we look at additional sources of revenue and funding because we know that there's no other guarantee of growth and ridership than actually expanding the number of routes that we have, expanding frequency and expanding service span over evenings and weekends.

Ms. Wiens said that she hopes the Board had an opportunity to take a look at PPT's Rider's Vision. PPT thinks that this is an opportunity to really talk about the ways that transit is a critical asset for all sorts of things including the importance of it as a solution for climate change and air quality problems that we have in the region, the importance of it for stimulating economic development and adding new economic opportunities for depressed regions, and why it needs to be a critical partner with affordable housing.

There being no further business to conduct, the meeting was adjourned.

The next Regular Meeting of the Board will be Friday, July 27, 2018.

Approved