

PERFORMANCE OVERSIGHT COMMITTEE MEETING

November 15, 2018

The meeting was called to order at 9:00 a.m. in Port Authority's Neal H. Holmes Board Room located on the fifth floor of the Heinz 57 Center with the following in attendance:

Board Committee Members

Michelle Zmijanac, Chair
Jeff Letwin

Other Board Member

John Tague
Ann Ogoreuc

1. Approval of Minutes:

The Committee approved the minutes from the October 18, 2018 Performance Oversight Committee meeting.

2. Proposed Resolutions:

There were three resolutions reviewed by the Performance Oversight Committee.

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

The Performance Oversight Committee agreed to recommend awarding the five items presented at the meeting for the total amount of approximately \$29.3 million.

Mr. Wargo presented the next resolution seeking authorization to Award a Construction Contract for the West Mifflin Garage Oil/Water Separator Replacement Project.

Mr. Wargo explained that the separators are part of a system required by the Authority's stormwater management permit to provide treatment of stormwater runoff generated in the operating areas of the garage property. The work will consist of the installation of new oil/water separators, replacing the two approximately 30-year old separators located at the West Mifflin Garage.

Mr. Wargo reported that bid documents were prepared and publicly advertised. After review of the bids by staff, it was determined that the bid of Wheels Mechanical Contracting & Supplier, Inc. was the lowest responsive bid from a responsible bidder meeting the Authority's requirements for the contract.

The Performance Oversight Committee agreed to recommend awarding the contract to Wheels Mechanical Contracting & Supplier, Inc., for \$1,315,570, subject to completing the pre-award requirements.

Mr. Mike Cetra presented the final resolution seeking authorization to Adopt and Implement the FY 2019-20 Internal Audit Work Plan.

He explained that on November 21, 2007, the Board adopted an Internal Audit Department Charter as a statement of policy and an expressed commitment to provide financial and operational oversight for 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 Audit Work Plans.

In order to further strengthen the transparency and fiscal oversight of the Authority, the Performance Oversight Committee agreed to seek approval and adoption of the FY 2019-20 Audit Work Plan for the period January 1, 2019 through June 30, 2020.

3. Financial Report:

At the meeting, CFO Peter Schenk reported that Total Operating Income for the month of October was \$262,360 under budget primarily due to lower Passenger Revenues. Total Expenses for the month of October exceeded budget by \$792,079, which was primarily due to a \$1.4 million payment related to repairs associated with this summer's flood.

Total Subsidies for the month were reported at \$3.3 million under budget due to a timing issue associated with State Operating Assistance. State Operating Assistance is on budget from a year-to-date perspective.

4. Pennsylvania's Rail Transit Safety Review Program Update

PennDot representatives provided the Committee an overview and summary of Pennsylvania's Rail Transit Safety Review Program and an update on ongoing activities. The Rail Transit Safety Review Program provides comprehensive and ongoing safety and security assessments of fixed guideway transit systems within the Commonwealth. The activities include oversight of Port Authority's light rail system, busways and the Monongahela Incline.

With no further business, the meeting was adjourned.