

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JUNE 28, 2019

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, June 28, 2019 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 (via phone)
Michelle Zmijanac
John Tague
Stephanie Turman
Ann Ogoreuc
Senator Jim Brewster (via phone)
Jessica Walls-Lavelle
Joel Lennen, General Counsel

Media

Ed Blazina, Post-Gazette

Port Authority Staff

Katharine Kelleman, chief executive officer, Vasti Amaro, chief of staff, Keith Wargo, chief engineer Planning and Engineering, Mike Cetra, chief legal officer, Pete Schenk, chief financial officer, David Huffaker, chief development officer, Adam Brandolph, Public Relations manager, Jim Ritchie, chief communications officer, Jeffrey Devlin, chief information officer, Don Rivetti, deputy chief operations officer Maintenance, David Huffaker, chief development officer, Inez Colon, chief Human Resources officer, Catherine Terrill, Professional Services contact specialist, Phillip St. Pierre, director Service Development, Tony Trona, director Purchasing and Materials Management, Fred Mergner, program manager Scheduling, Ed Typanski, director Grants and Capital Projects, Sarah Kastelic, Digital Communication Specialist, John DeAngelis, manager Contract Administration, Melissa Dunbar, Professional Services contract specialist, Robert Valenzuela, Procurement contract administrator, Chris Walker, program manager Scheduling, Melissa Girty, Government Relations and Community liaison, Melissa Rubin, Public Relations specialist, Fred Buckner, associate contract specialist, Darcy Cleaver, assistant manager Passenger Amenities, Amy Silbermann, director Planning Department, Diane Williamson, executive assistant.

Other

Carolyn Lenigan, Glenn Walsh, Regina Thornton, WSP, Robert Galvin, Josh Malloy, PPT.

The Chair called the June 28, 2019 Regular Meeting of the Board to order.

Following the pledge of allegiance, a recommendation was made for approval of the minutes of the May 31, 2019 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 last month: operators Earl Swanson, Paul Bagdon, Kenneth Schollaert and Richard Petras and Radio repairperson Charles Elsner.

Ms. Kelleman reported that she just returned from Toronto where operator Edward Rich from Rails competed in the American Public Transportation Association's 27th Annual International Rail Rodeo. The competition was truly international and operator Rich competed against teams of three from as far as Japan. It was a good learning experience and it is the first time we have entered this competition in nearly a decade. This is a big step of how Port Authority is going to reclaim the role as a national leader. For operators and maintainers to be able to showcase their skills is wonderful, and she hopes to see more participants at our local bus rodeo and rail rodeo next year.

Next, Ms. Kelleman reported that public transportation connects people to everything, which makes our communities wonderful places to be. It promotes economic growth; it is good for the environment and reduces traffic congestion much more effectively than virtually any other method out there. While our service is vital, anyone who is riding our system knows we have room for improvement. Ridership is continuing to grow and one of our constraints is not having enough vehicles to meet that demand. It takes significant investment to be able to provide the type of services that not only meet the demands today, but also lay the groundwork for future growth.

Ms. Kelleman continued reporting that stagnant and deteriorating systems not only do not attract new riders, but they are not fair to the passengers who are riding with us 60 times a month. The path to growth is fast, reliable and frequent service, not just focusing on the folks you want to attract and retaining the riders you have today, but providing better service that serves both of these groups equally. As we continue to maintain our current assets, we cannot ignore these equally challenging demands for new and improved service.

So today, our Board is considering a \$462 million operating budget and \$58 million capital budget. It is an increase of five percent over last year, and it focuses on improving or returning service to the communities we serve. This budget lays a foundation for us to provide reliable and efficient service that meets our community mobility needs today, and it will keep us moving into the future.

Next, Ms. Kelleman recognized Mr. Fred Mergner who began his career at Port Authority 32 years ago. Fred started in Customer Service, long-range planning and finally as an integral part of service planning. Fred has stated that his career here has been the culmination of a dream that he first came up with when he was 15 years old.

The Chairman congratulated Fred on his retirement and thanked him for his service.

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.

Ms. Zmijanac reported that the Committee received a summary of the financials for the month of May 2019. It was reported at the meeting that Total Operating Income was below budget by approximately \$172,464.00, primarily due to lower Passenger Revenues. However, Total Operating Income for the fiscal year remains over budget. Total Expenses for the month of May were under budget by approximately \$604,000. It was also reported at the meeting that Operating Subsidies were over budget by \$972,505 for the month due to a timing issue with State Operating Assistance.

Ms. Zmijanac continued reporting that there were four resolutions reviewed by the Performance Oversight Committee that she would like to present.

Ms. Zmijanac stated that the Committee first reviewed four procurement items and determined that the bids were in accordance with the Authority's procurement policies and procedures, the prices were fair and reasonable, the bidders responsible and the bids responsive.

The Performance Oversight Committee recommended for award the four items listed in the resolution for the total amount of approximately \$1,040,000.

On behalf of the Performance Oversight Committee, Ms. 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 Extend and Amend Agreements for General Marketing Services.

Ms. Zmijanac reported that in July 2014, the Authority's Board authorized the award of agreements to Red House Communications, Inc., Elisco Advertising Inc., Campos, Inc., and Nakturnal, LLC, for an initial term of four years for a total not-to-exceed amount of \$1,800,000. The agreements also contain two option years to be exercised by the Authority in its sole discretion.

The Board previously authorized an amendment to the agreements for the exercise of the first option year, extending the term of the agreements until August 14, 2019, and increasing the previously authorized total not-to-exceed amount to \$3,240,255. To date, the services performed by the four firms have been satisfactory and in compliance with the agreements.

Ms. Zmijanac stated that the Performance Oversight Committee recommends exercising the second option year extending the term of the agreements with the four firms to August 14, 2020, and increasing the previously authorized total not-to-exceed amount by \$793,000.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution. It was moved, seconded and agreed that the resolution be approved as presented. (Note: Mr. Letwin abstained from voting as his firm, Saul Ewing, represents one of the firms listed in the resolution.)

Ms. Zmijanc continued reporting that the next resolution seeks authorization to enter into Third Amendments to the Designated Service Agreements with the University Pass Program participants.

As part of the University Pass Program, the Authority is a party to agreements with the University of Pittsburgh, Carnegie Mellon University and Chatham University that provide eligible students, faculty and staff with access to, and use of, the Authority's public transit system in exchange for certain fees. Among other terms and conditions of the agreements, each University pays the Authority a fee of 50 percent of the Authority's base fare per card tap, which is currently \$1.25, for eligible students, faculty and staff with University-issued identification cards compatible with the Authority's smart-card fare collection system.

Ms. Zmijanac reported that previously, the agreement with Pitt was extended through June 30, 2019; the agreement with CMU was extended through July 31, 2019; and the agreement with Chatham was extended through September 30, 2019.

Ms. Zmijanac stated that the Performance Oversight Committee recommends the Board's approval to further amend the agreements with Pitt, CMU and Chatham to extend each for one additional year.

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

Ms. Zmijanac reported that the final resolution presented seeks Authorization to Extend and Amend an Agreement for Utility Consulting and Administrative Support Services.

Ms. Zmijanac stated that in September 2016, the Authority's Board authorized the award of agreement to Eric Ryan Corporation to provide utility consulting and administrative support services for an initial term of three years for a total not-to-exceed amount of \$170,400. The agreement also contains two additional option years to be exercised by the Authority in its sole discretion.

As the initial three-year term of the agreement expires on August 31, 2019, and to date, the services performed by Eric Ryan Corporation have been satisfactory and in compliance with the agreement, Port Authority wishes to now exercise both option years extending the term of the agreement to August 31, 2021, and increasing the total-not-to-exceed amount by \$110,400.

On behalf of the Performance Oversight Committee, Ms. 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 Chair called on Mr. Tague for a report of the Planning and Stakeholder Relations Committee. Mr. Tague reported that the Planning and Stakeholders Relations Committee met last week and he had three items to report to the Board, including one resolution.

The first item to report was that the Port Authority has completed the 2018 Annual Service Report. Mr. Tague stated that he was pleased that we continue with this transparent account of our service each year. Mr. Tague reported on a few highlights of the report.

First, Port Authority was the only large transit system in the country to see growth in bus ridership without a significant service increase. Bus ridership was up 3.3 percent, and overall ridership was up two percent. Our on-time performance decreased for 2018 from 66.7 percent to 65.7 percent. However, measures are now in place to improve on-time performance and already are producing positive results in 2019.

Mr. Tague continued reporting that normally this report would include an evaluation of service requests. However, the new director of Servicer Planning and Scheduling is working with the team to develop a timeline and process so that service requests will align with the budgetary process and allow time for public outreach. There will be a report later this year on service changes for 2020.

Next, Mr. Tague presented a resolution to adopt the FY 2020 Operating and Capital Budgets. The FY 2020 Capital Budget is \$58 million and the FY 2020 Operating Budget is \$463 million, noting that total State capital funding has been reduced from \$114.5 million to \$35 million. However, he added that the Authority has not yet been notified of the restoration of these funds, but we are hopeful that some of these funds will be restored.

On behalf of the Planning and Stakeholder Relations Committee, Mr. Tague recommended that the Board approve the resolution to adopt the FY 2020 Operating and Capital budgets. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

Mr. Tague's last item to report was that Committee for Accessible Transportation (CAT) and Allegheny County Transit Council (ACTC) both held regularly scheduled meetings in the month of June. CAT received an updated presentation on BRT from Mr. David Huffaker and a presentation on the Equity Index of Mobility Need from Ms. Amy Silbermann. Ms. Melissa Girty provided the CAT Committee with a liaison update related to braille plates, digital signage and priority seat height and depth. Port Authority has accepted the recommendation of CAT to raise the braille plates on all new buses to the CAT recommended height.

ACTC received an in-depth presentation of Port Authority's budget from Mr. Peter Schenk and additional information about the capital budget from Mr. Ed Typanski.

Mr. Tague then announced the newly elected ACTC Board officers: Mr. James Keener was re-elected as President; Mr. Ralph Williams is the newly elected Vice President; Mr. Brandin Adams is the newly elected Treasurer; and Mr. Jay Walker as the newly elected Secretary.

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

The Chair called on Ms. Liptak for the Technology Committee report.

Ms. Liptak reported that as there were no resolutions for presentation to the Board, the Technology Committee did not meet this month.

That concluded the report of the Technology Committee.

There were no items under New Business, nor any speakers.

There being no further business, the meeting was adjourned.

The next Regular Meeting of the Board will be Friday, July 26, 2019.