

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, NOVEMBER 22, 2019

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, November 22, 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  
Michelle Zmijanac  
John Tague  
Stephanie Turman  
Ann Ogoreuc  
Senator Jim Brewster  
Representative Lori Mizgorski  
Representative Austin Davis  
Sandy Garfinkel, General Counsel

**Media**

Ed Blazina, Post-Gazette

**Port Authority Staff**

Katharine Kelleman, chief executive officer, Vasti Amaro, chief of staff, David Huffaker, chief development officer, Jim Ritchie, chief communications officer, Inez Colon, chief Human Resources officer, Maurice Bell, chief operations officer, Adam Brandolph, Public Relations manager, Jeffrey Devlin, chief information officer, Don Rivetti, deputy chief operations officer Maintenance, Darcy Cleaver, assistant manager Passenger Amenities, Keith Wargo, chief engineer, Shelley Wolf, assistant manager Customer Sales, Amy Silbermann, director Planning, Maria Nickerson, director Internal Audit, Ed Typanski, director Grants & Capital Programs, Sarah Kastelic, Digital Communications specialist, John DeAngelis, manager Contract Administration, Joe Maritato, manager Revenue Collection, Dan DeBone, Sr. Government & Community Relations officer, Jeff Faddis, contract specialist Professional Services, Phillip St. Pierre, director Service Planning and Scheduling, Kelsey Shannon, director Business & Corporate Relations, Fred Buckner, Associate Contract Specialist, Todd Stoker, director Claims, Kathy Lucas, Administrative Assistant, Diane Williamson, executive assistant.

**Recognized Customer Service Representative**

JaRonte Bryant, Customer Service representative.

**Other**

Carolyn Lenigan, Glenn Walsh, Zaheen Hussain, Dave Haines AECOM, Ramesh Bhambwani, Speaker, Ellen Hanna, Collective Efforts, Kendra Summers, Point Park, Richard Horstmann, KS Engineers, Andrew Hussein, Speaker, Alyssa Jones, Noel Bryant, Julie Bryant, Chao Li, Speaker, Nick Evashavick.

The Chair called the November 22, 2019 Regular Meeting of the Board to order.

Following the pledge of allegiance, a recommendation was made for approval of the minutes of the October 25, 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 in October: Local 85 Secretary Annie Scates and Operators John McCann, Allen Harris, Gregory Bryant, Milford Graham, Ralph Oxendine, Everlean David-Johnson and Robert Fetskio.

First, Ms. Kelleman recognized Customer Service Representative, Mr. JaRonte Bryant, who was unable to make it to last month's meeting. Mr. Bryant was recognized for having the most commendations at the Downtown Service Center. Like our operators, our Service Center employees are in the front line and deal directly with our customers.

Ms. Kelleman also recognized two Port Authority Police Officers, Andrew Kaupinis and Matthew Ferezan. These officers responded to a call on October 29 regarding a confused elderly man on a bus at Penn Station. With the help of the operator, the officers went above and beyond the call of duty and assisted the gentleman back to his home. Ms. Kelleman was told by Chief Porter that a lot of good stuff goes mostly unnoticed, but the officers' empathy in this situation was inspiring.

Also, today U.S. Attorney Scott Brady is presenting the Extraordinary Action Award to the Western Pennsylvania Opiate Task Force for their role in identifying, locating and arresting suspects responsible for a mass overdose on the South Side in which three people died.

Ms. Kelleman was happy to report that we are very proud that Port Authority Police Detective Lee Niebel is part of this elite group of law enforcement officers.

Next Ms. Kelleman thanked Mr. Kirk Pyros and his team at Allegheny Crane Rental for getting our bus out of the sink hole in downtown. The crane took six hours to be built and then the bus was extracted. We heard back from our Gillig engineers, who have come and inspected the bus, that it is in pretty good shape, and it would not be that way if it wasn't for our friends over at Allegheny Crane Rental. Ms. Kelleman noted that the bus is being worked on by our very capable mechanics and should be back on the road in December.

Ms. Kelleman then commended our Planning and Service Development Department, who have worked really hard to get creative to add service next year. We are asking for Board approval today to add weekend service in March to many communities, including Monroeville, Millvale, Etna, Shaler and Westview; Saturday service to the McKeesport area and Sunday service to Homestead, Munhall and to the Walmart in West Mifflin.

We'll also begin serving CCAC North and the Northland Public Library in McCandless, and we are going to try yet another pilot program to reduce pass ups on the P1 downtown, which was very popular last time we did that.

These additions show we are committed to making sure we stretch our resources while still providing excellent service for our customers. She told everyone to stay tuned for more revisions in the upcoming year on how we are going to get a little more creative with pulling work together so we can get more service out on the street.

Lastly, Ms. Kelleman announced that on December 6, we will be at Steel Plaza Station with Q92.9 collecting donations to support the Women's Shelter, Shelter of Greater Pittsburgh and an emergency

shelter for female victims of domestic violence and their children. The Women's Center would most appreciate donations of gift cards this holiday season. So if anyone is coming through Steel Plaza and would like to support these centers, we will be out there and will get those gift cards into the right hands.

Ms. Kelleman concluded her report by thanking everyone at Port Authority, our customers and our Board for another great year. It's been almost two years since she started here at Port Authority. Thank you for the faith you have bestowed on me and for the Board's focus on what is best for our community.

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 on November 14 and she had a few items to report.

Ms. Zmijanac reported that there were eight 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 to be fair and reasonable, the bidders 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 \$29.3 million dollars.

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 presented the next resolution seeing authorization to award a construction contract for mechanical improvements at the Operations Control Center, South Hills Village Rail Center and the Manchester Garage. Bid documents were prepared and publicly advertised and three bids were received for the contract.

After review of the bids by staff and counsel, it has been determined that the bid of Lugaila Mechanical, Inc., is the lowest responsive bid from a responsible bidder and the bid price is fair and reasonable.

The Performance Oversight Committee recommended awarding the contract to Lugaila Mechanical, Inc., in the amount of \$640,000, subject to completing all pre-award requirements.

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 presented the next resolution seeking authorization to amend the agreement with AECOM Technical Services, Inc., for Bus Rapid Transit Phase III Engineering Services.

In July 2018, the Board authorized the award of an agreement to provide management and engineering services to complete the design of the BRT Project to 60 percent. Additional services, including completion of the final design for the BRT Project to 100 percent, were also included in the agreement.

The services have been successfully completed though the 60 percent completion level and a favorable rating was received from the FTA on an application made for a federal grants application. The Authority has determined that it is in its best interest to advance the BRT design to the 100 percent level in anticipation of receiving grant funding and advancing the project to construction.

The Performance Oversight Committee recommended an amendment to the agreement to exercise the option with AECOM for completion of the design for the project to 100 percent and increasing the previously authorized total not-to-exceed amount from \$10,500,000 to \$18,000,000.

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.

The next resolution presented sought authorization to enter into agreements with a pool of firms to provide temporary technical and clerical support services on an as needed basis for employee long-term absences, vacancies and additional workload. A request for proposals for the services was publicly advertised and seven proposals were received for both services.

It was determined that the five proposers listed in the resolution were the proposers with the highest-rated proposals to perform the services under both categories.

The Performance Oversight Committee recommended entering into agreements with the five firms for a total not-to-exceed amount of \$1,000,000 for both categories, for a three-year period, with the option to extend the term of the agreements up to an additional two years at the sole discretion of the Authority.

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 presented the next resolution seeking authorization to extend and amend the agreement with UPMC Benefit Management Services, d/b/a UPMC Work Partners to provide managed care services.

In January 2015, the Board authorized the award of the agreement to UPMC Work Partners to provide these services for an initial five-year term at a total not-to-exceed amount of \$3,500,000. The agreement also contains two additional option years to be exercised by the Authority in its sole discretion. It was reported that to date, the services performed by UPMC have been satisfactory and in compliance with the agreement.

The Performance Oversight Committee recommended exercising the first option year to extend the agreement through January 31, 2021, with no increase in the previously authorized total not-to-exceed amount.

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 presented the next resolution seeking authorization to extend and amend the agreements with a pool of law firms to provide legal services.

Ms. Zmijanac reported that in September 2014, the Authority's Board authorized the Authority to enter into agreements with the identified firms in the resolution in the designated fields of law, shown on Exhibit A to the Resolution, for a five-year period with the option to extend the term of each agreement up to three additional years at the sole discretion of the Authority.

The initial term of the agreements is set to expire on December 31, 2019, and to ensure that critical legal services and representation of the Authority in various active legal matters continues, the Performance Oversight Committee recommended extending the agreements for one additional year through December 31, 2020.

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 presented the next resolution seeking authorization for settlement of a public liability claim. She explained that an accident occurred on January 1, 2015 on Fifth Avenue in Oakland when an operator was attempting to drop off passengers at a bus stop. A passenger, Xiaole Yang, was injured, and a personal injury claim was then submitted to the Authority. Ms. Zmijanac reported that the parties have reached an amicable agreement to fully and finally settle the claim in the total amount of \$130,000, subject to approval by the Board.

The Performance Oversight Committee recommended authorizing a settlement payment in the amount of \$130,000 to fully and finally settle the claim through a release form approved by counsel.

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 presented the final resolution for approval. The resolution seeks authorization to settle a property damage claim.

Ms. Zmijanac reported that on August 5, 2018, a freight train owned and operated by Norfolk Southern Railway Company derailed and several double-stacked train cars fell onto Port Authority's light rail track located near the Authority's Station Square Station causing significant property damage. Following several months of good faith negotiations, the parties have reached a proposed settlement of Port Authority's claims.

The Performance Oversight Committee recommended authorizing the Authority to fully and finally settle the claim with Norfolk Southern Railway Company for the total amount of \$2,560,964.52, payable to the Authority through a release form approved by counsel.

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.

Also at the meeting, Ms. Zmijanac reported that PennDot representatives provided the Committee an overview and summary of Pennsylvania's Rail Transit Safety Review Program and an update on ongoing safety oversight activities at Port Authority over the past year. The activities include oversight of Port Authority's light rail system, busways and the Monongahela Incline.

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 Committee met last week and he had several updates for the Board.

First, Mr. St. Pierre and Mr. Huffaker from the Planning and Development Division provided updates to the 2018 Annual Service Report. Last month, the Board approved the 2019 Annual Service Standards. One of the most significant changes to the Service Standards is that beginning next year, the report will be released in November instead of May. The new timeline will include public outreach between January and April.

Next, Mr. Tague reported on the 2020 major service changes. Mr. Tague reported that Port Authority received 194 unique major service requests in 2018. Staff removed requests that would cost more than \$250,000 or require additional vehicles during peak hours. That left 27 unique requests for staff to evaluate and rank. The changes proposed include requested additions for weekend service throughout the county. If approved, they will be implemented in March 2020.

As Ms. Kelleman touched on, Mr. Tague reported the following anticipated service changes: Saturday service will be added to Walnut-Crawford Village; weekend service will be extended to CCAC Boyce in Monroeville; extended weekend service in the Braddock Hills area; Sunday service will be added to Homestead Park; and weekend service will be added to Millvale.

Next Mr. Tague updated the Board on public outreach planned for 2020. Port Authority will host various public outreach events between January and April 2020 to solicit feedback on service requests including extending Route 88, serving Old Clairton Road and late night service for shift workers.

Next, Mr. Tague updated the Board on the Bus Stop Consolidation Program. The first round of bus stop consolidation will go into effect this weekend on Routes 16 and 51. The next bus routes scheduled for stop consolidation in March 2020 are Route 48 Arlington and Route 88 Penn.

Mr. Tague provided an update on the agency Tactical Plan. Senior leadership launched the agency-wide Tactical Plan in September 2018. There were five key areas of focus which included customer experience, safety, financial sustainability, employee engagement and customer and stakeholder engagement.

Finally, Mr. Tague reported that Mr. Schenk provided the Committee with an update on the initiatives completed under the Financial Sustainability goal and other initiatives that are still in process. It was noted at the meeting that there will be a staff event in December 2019 to close out the Tactical Plan and shift the agency's focus to developing a long-term Strategic Plan in 2020.

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

The Chair called on Ms. Ogoreuc for a report from the newly established Finance Committee. Ms. Ogoreuc reported that the first meeting of the Finance Committee was held on Thursday, November 14, and she had a few items to report.

The Committee first received a report from CFO Peter Schenk on the recent finalization of an administrative policy associated with the maintenance of the Operating Reserve Fund, originally established by Board resolution in 2017. The administrative policy details the various asset types that can be utilized as funding sources for the Operating Reserve Fund. In addition, the policy defines the schedule for adjusting the Operating Reserve Fund based upon annual budgetary changes.

The next item presented to the Committee was a resolution seeking authorization to increase the Operating Reserve Fund amount. It was reported at the meeting that based upon a recommendation from the Pennsylvania Department of Transportation, the Authority's Board passed a resolution on June 30, 2017, to implement and maintain a restricted Operating Reserve Fund. The fund was initially established in the amount of \$34,982,415, the equivalent of one month of the Authority's gross operating expenses in FY 2018. To account for growth in the Authority's annual operating budget and gross operating expenses, Ms. Ogoreuc reported that the Finance Committee recommends that the Authority increase the Reserve Fund to \$38,488,582.

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.

Lastly, CFO Peter Schenk reported that for the month of October, total operating income was \$350,704 below budget primarily due to lower passenger revenues. However, total operating income for the fiscal year was \$107,319 above budget.

It was also reported that total expenses for the month of October were \$1.49 million under budget with all categories, except utilities and other expense, reporting under plan. Year-to-date expenses are \$11.75 million under budget with all expense categories, except ACCESS expense, reporting under plan through October.

Total subsidies for the month were \$2.9 million under budget, but \$913 million over budget year-to-date. Mr. Schenk noted that this is a timing issue, and the variance will normalize by fiscal year-end.

That concluded the report of the Finance Committee.

The Chair call on Senator Brewster for a report of the Financial Audit Committee. Senator Brewster reported that the Financial Audit Committee held a public meeting on Wednesday, November 13, 2019.

Senator Brewster further reported that representatives from Maher Duessel, Certified Public Accountants, reported to the Committee that the audit of financial statement was performed in accordance with Government Auditing Standards and found to have "no significant deficiencies or material weaknesses noted." It was reported that the Authority ended fiscal year 2019 with revenues exceeding expenses by \$11.2 million before non-cash item adjustments for other post-employment, benefits pensions and depreciation.

It was also reported at the meeting that the combined deferred revenue over the past eight fiscal years totaled \$131 million after accounting for non-cash entries related to post-employment benefits, pensions and depreciation. The Authority's total net position was down \$59.8 million, mainly due to higher pension, OPEB and depreciation expense and lower Capital Grant Funding.

The Financial Audit Committee proposes that the Board formally accept the FY 2019 Audit Report and authorize the Chair of the Authority's Board and Chair of the Financial Audit Committee to sign the FY 2019 Audit Report indicating its formal acceptance by the Authority.

On behalf of the Financial Audit Committee, Senator Brewster respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

This concluded the report of the Audit Committee.

The Chair called on Ms. Liptak for a report of the Technology Committee. Ms. Liptak reported that the Technology Committee met on Thursday, November 14 and she had a resolution for the Board's consideration.

Ms. Liptak then presented the resolution seeking authorization to extend and amend the agreement with Ideal Integrations to provide Cloud Hosting Services. At its February 2016 meeting, the Board authorized the award to provide cloud server hosting for the Production Data Center to Ideal Integrations for an initial term of three years. The agreement also contains two option years to be exercised by the Authority in its sole discretion.

Ms. Liptak continued reporting that in November 2018, the Board authorized the first option year extension, and to date, Ideal Integrations has performed the services satisfactorily. The Technology Committee has determined that it is in Port Authority's best interest to exercise the second option year, extending the term of the agreement to January 31, 2021, and increasing the total not-to-exceed amount of the Agreement by \$1,939,342.

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

Also at the meeting, Ms. Liptak reported that Mr. Jim Ritchie, Communications Officer, gave a presentation focused on the enhancements made to customer communications through the use of new and improved technology.

That concluded the report of the Technology Committee

Under new business, Mr. Letwin presented a resolution. He reported that on the afternoon of July 3, 2009, Anthony Leffler was operating a Port Authority bus that was returning to the West Mifflin Garage. Following an investigation by Port Authority, Mr. Leffler's employment was terminated, and he subsequently filed a grievance and was awarded his job back following a hearing by an arbitrator, although Mr. Leffler was ultimately unable to physically return to work. Mr. Leffler was also criminally charged on July 3, 2009, for that incident, but those charges were ultimately dropped.

Mr. Leffler and his wife subsequently filed a civil lawsuit against Port Authority and various other defendants seeking damages as a result of the July 3, 2009 incident. Mr. Letwin reported that Port Authority and the Lefflers have negotiated an agreement to fully and finally settle the lawsuit for a total settlement not-to-exceed \$150,000 payable by the Port Authority to the Lefflers, in a form approved by Port Authority Legal Counsel and subject to Board approval.

Mr. Letwin respectfully requested approval of the resolution approving the settlement. A motion was made, seconded and unanimously agreed that the resolution be approved as presented.

After new business, the Chair called on the first speaker, Mr. Ramesh Bhambwani. He reminded speakers of the time limit for their presentations.

Mr. Bhambwani's remarks consisted of his concerns with the lack of weekend and evening service on the 36 Mt. Lebanon bus route. He also reiterated his concerns with the insufficient lighting, lack of sidewalks and unsafe location of the bus stop on Cedar Boulevard.

The next speaker, Ms. Chao Li addressed the Board regarding shelters near Carnegie Mellon University where she is a student. Although she is impressed with the number of buses in Oakland, there are often many students overflowing the shelters while waiting for buses during peak hours. Ms. Li requested Port Authority to look at expanding current existing bus stop shelters.

The final speaker, Mr. Hussein, addressed the board regarding his concerns with the bus restrictions, particularly on the P-Flyer and 28X routes. He believes that by getting rid of those bus restrictions, it would be an easy, cheap way to help out the busway.

Mr. Hussein concluded his report by thanking the Board and Port Authority for some of the service improvements that are going into effect this weekend, as well as considering the upcoming changes in March, especially looking at expanding evening and weekend service where possible.

There being no further business, the meeting was adjourned.

The next Regular Meeting of the Board will be Friday, January 24, 2020.