

PORT AUTHORITY OF ALLEGHENY COUNTY  
MINUTES OF THE REGULAR BOARD MEETING  
FRIDAY, JULY 24, 2020

The Regular Meeting of the Board of Port Authority of Allegheny County was held virtually on Friday, July 24, 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, Jeffrey Devlin, chief technology officer, Jim Ritchie, chief communications officer, Bryan Campbell, director Legal and Consulting Services and Diane Williamson, executive assistant

The Chair called the virtual July 24, 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 those affected by the pandemic.

A recommendation was made for approval of the minutes of the June 26, 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 Port Authority employees who have passed away in June. They are Laurence Sigecan, Douglas Biehl, April Pratt, Edward Salmon, James Jones, Martin Kleebank, George Broderick and Robert Neilson

At this time Ms. Kelleman acknowledged the retirement of Bryan Campbell, Port Authority's legal director who has been with us for more than a decade. Bryan and his wife, Kela, are moving to Tennessee, where we wish them a long and peaceful retirement.

Bryan has been known throughout Port Authority for his strong work ethic, wise legal counsel and willingness to tackle any project or challenge that came his way – whether it was a tough case, a complex contract, or helping to address findings in a performance audit. If the measure of success of one’s career is leaving a place better than you found it, then Bryan’s career as a lawyer and Port Authority employee was an unequivocal success.

On behalf of Ms. Kelleman, Chief Legal Officer, Mike Cetra, and the entire agency, Ms. Kelleman presented Bryan with a plaque to recognize him for his outstanding service to Port Authority and wish him well in retirement.

Ms. Kelleman announced that on July 26, we will be celebrating the 30-year anniversary of the passage of the Americans with Disabilities Act. Transportation is an integral part of the act. We have made progress over the past 30 years at Port Authority providing accessible and affordable transportation, but we still have a lot to do. As we celebrate, we need to reflect on how far we have come, but we need to remain vigilant on making it possible for individuals with disabilities to live independently in their communities.

Finally, Ms. Kelleman said that she wanted to talk a little this morning about change. We all know change is a constant, and we all know change is coming.

Allegheny County has gone through a lot of change over the years. We’ve even seen quite a bit of change in just the last few months. It’s important for us as a transit agency to think about change so we can be prepared for the future.

What will our region look like next year or years in the future? Where will the jobs be? Where will our riders be going to and coming from? The ongoing pandemic making its second wave across the nation serves to highlight how important it is to prepare. But change was going to happen with or without the coronavirus, and that shouldn’t affect our opportunity now to prepare for the future.

Ms. Kelleman stated that as she has often said, that when she came to Port Authority, it was not to maintain status quo, it was to help build on past successes and to help move Allegheny County forward.

We want to hear from you how we can best fill the gaps in our network. We want to hear your priorities – is it getting to and from Downtown more easily, providing better connections to more suburban destinations or maybe it’s late-night service that’s not currently available. We want to hear about your experiences (good and bad) so we can make the best decisions for our future.

We started this discussion with key stakeholders on June 2nd. Now, we’re asking for your input, and on Monday, we’ll kick off our first phase of engagement sessions at 1 pm and 7 pm for NEXTransit, our long-range plan that will help us prepare for the future through 2045.

There will also be two sessions on Thursday, August 6 and 9 a.m. and 5:30 p.m. and on Tuesday, August 25 at 12:30 p.m. and 4 p.m.

Meetings can be accessed by visiting [nexttransit.network/series1](https://nexttransit.network/series1), or by calling 855-925-2801 and using meeting code 8676. The sign-in information is the same for all six meetings.

Ms. Kelleman concluded her report by stating that we are looking to have a robust and inclusive discussion that includes all voices from 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 last week, via WebEx, and had three resolutions for the Board's consideration.

The Committee first reviewed seven 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 bids listed in the resolution for the total amount of \$9,956,660.47.

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 extend and amend an agreement for property and casualty risk management services.

In October 2016, the Authority entered into an agreement with Aon Risk Services, Inc. of Washington D.C., to provide these services for an initial term of three years for a total not-to-exceed amount of \$324,000, to be allocated on an as-needed basis through task specific work orders. The agreement also contains two option years to be exercised by the Authority in its sole discretion.

In July 2019, the Board authorized the Authority to exercise the first option year extending the term of the agreement to September 30, 2020, while increasing the total not-to-exceed amount to \$432,000.

The Performance Oversight Committee recommended exercising the second option year and extending the term of the agreement with Aon one additional year to September 30, 2021, and to increase the previously authorized total not-to-exceed amount to \$540,000.

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 extend and amend a Lease Agreement with New Cingular Wireless PCS, LLC.

It was reported that In July 2000, the Authority entered into a 20-year lease agreement with New Cingular for the maintenance and operation of a cellular communications tower on a designated portion of the roof of the Authority's Wood Street Station.

The Authority staff and its real estate consultant conducted a market assessment and have determined the proposed rental rate is fair, reasonable and consistent with market rates.

Ms. Zmijanac noted that the Federal Transit Administration is also in agreement with the terms of the Lease Amendment.

The Performance Oversight Committee recommended entering into a Lease Amendment with New Cingular Wireless to extend the lease up to an additional 20 years for a base rent in the first extension year of \$31,800 with annual rent adjustments of three percent.

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 reported that also at the meeting, Senior Internal Auditor, Glenn Meister, reported on the Audit of Fiscal Year 2020 Annual Physical Inventory. He reported that the audit resulted in no observations.

In general, the FY 2020 inventory was conducted in a manner that provides reasonable assurance that inventory items were accurately counted, adjustments to on-hand quantities were recorded correctly in Peoplesoft, the cut-off process was properly followed for requisitions and receipts issued before and after inventory, and significant variances were resolved and recorded correctly in PeopleSoft.

That concluded the reported 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 two resolutions for the Board's consideration.

The first resolution seeks authorization to amend Port Authority of Allegheny County's Transit Service Standards. The new standards will include language that defines minimum service days for various route types. Following Board approval of the amended transit service standards, staff is planning 10 major service changes in November

On behalf of the Planning and Stakeholder Relations Committee, Mr. Tague respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed the resolution be approved as presented.

The next resolution seeks authorization to approve Title VI Analysis for planned November 2020 major service changes. The proposed changes are additions to service and therefore will result in no disparate impacts on minority populations and no disproportionate burden to low-income populations. This resolution would formally approve Title VI Analysis for the November 2020 major service changes.

On behalf of the Planning and Stakeholder Relations Committee, Mr. Tague respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed the resolution be approved as presented.

Mr. Tague next gave an update on our advocacy groups, Allegheny County Transit Council and the Committee for Accessible Transportation.

ACTC held board elections last month. As we did not have the results in time for last month's meeting, Mr. Tague shared the following results and congratulated all those elected.

Jay Walker, President  
Ralph Williams, Vice President  
Andrew Hussein, Secretary  
Brandin Adams, Treasurer

Mr. Tague gave special thanks to outgoing President Jim Keener for his service to the council.

Mr. Tague continued reporting that ACTC held their General Meeting last night. They were provided with an update on the Transit Service Standards, the Long-Range Plan and a legislative update on current transit funding.

The Committee for Accessible Transportation will hold its next meeting virtually on August 6 from 5:30 pm - 7:30 pm. The agenda has not yet been finalized for this meeting.

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, July 16, 2020.

Ms. Ogoreuc reported that Chief Communications Officer, Jim Ritchie, gave a brief presentation of Port Authority's Advertising Sales Program which surpassed \$3 million in revenue for the first time in the agency's history in the last fiscal year. This represents an 8.8 percent increase over the previous year and a 47 percent increase over the last five years.

Ms. Ogoreuc noted that our advertising revenue supports the Authority's operating budget and helps pay for daily expenses. Our projected budget for the current year is \$2.75 million but this will be impacted by COVID-19. Staff plans to keep the Committee updated on this situation.

Next at the meeting, Chief Financial Officer, Peter Schenk, presented the unaudited FY 2020 Operating Budget financial results.

Mr. Schenk stressed to the committee that these were unaudited financial results and that there would be significant entries made prior to the final audited numbers.

It was reported that the Authority ended FY 2020 with an unaudited Operating Budget deficit of \$28.55 million. And for the month of June, Total Operating Income was \$6.08 million under budget. Total Passenger Revenue constituted \$5.4 million of this variance. The preliminary Total Operating Revenue for FY 2020 was \$20.59 million under budget. A shortfall in Passenger Revenue of \$20.32 million due to COVID-19 was predominantly responsible for the variance in Total Operating Revenue. The shortfall in Total Operating Revenue will be included in the CARES ACT invoice for the month of June.

Mr. Schenk then reported that Total Unaudited Expenses for the month were \$9.01 million under budget despite increased payroll expenses for vehicle cleanings and material and supply expenses related to these cleanings. Total Unaudited Expenses for the fiscal year were \$39.7 million below budget which will assist in preserving CARES Act funding.

Mr. Schenk reported that both the monthly and fiscal year expense levels exclude approximately \$5 million in accrued salary and wages.

Total subsidy for the month was \$37.7 million below budget due to lower local subsidy, a timing issue with State Operating Assistance and not using Deferred State Operating Assistance. The preliminary total subsidy for FY 2020 is \$47.7 million below budget due to lower local subsidy and not using Deferred State Operating Assistance.

Ms. Ogoreuc noted that staff continues to work closely with Allegheny County on possible ways to mitigate a possible COVID-19 related shortfall in Local Operating Subsidy.

In closing, Ms. Ogoreuc reported that the Authority ended the fiscal year with \$117.78 million in Operating Reserves.

That concluded the report of the Finance Committee.

The Chair called on Ms. Liptak for a report of the Technology Committee that met on Thursday, July 16, 2020. Ms. Liptak had two resolutions for consideration.

For data center hosting and managed security services, the agency issued a request for proposals in preparation for the expiration of the existing contracted services. Ideal

Integrations, Inc., was determined to have the highest rated proposal in both categories which are Data Center Hosting and Managed Security Services.

Ms. Liptak noted that the use of a local and external firm who specializes in providing these services is a positive strategic action as running a data center is not a core competency of the agency.

The resolution would authorize the Authority to enter into an agreement with Ideal Integrations, Inc, for a three-year term, not to exceed \$3,263,000.

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.

The second resolution is for technology consulting services. The agency released a request for proposals to establish a pool of firms across multiple categories ranging from infrastructure to software. 38 proposals were received, and eight firms were selected as the highest ranking for agreements across various categories.

The highest-ranking firms are Deloitte Consulting, Inc, GNC Consulting, Inc, IT Works! Inc. doing business as Volanno, Ideal Integrations, Inc, IQ, Inc, 3DI, Inc, Janus Software, Inc, and Global Solutions Group.

Ms. Liptak mentioned that six of the eight firms are DB/DBE, which speaks to the commitment of the agency. The resolution would authorize the Authority to enter into agreements with this pool of firms for a four-year term, with the total not to exceed \$8,639,200.

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 concluded her remarks by reporting that also at the meeting, Phillip St. Pierre, director Service Planning and Scheduling, presented on the technology tools and data that his team uses to establish the best possible routes and service. It was good to see the healthy mix of data insights and public outreach that goes into these decisions.

That concluded the report of the Technology Committee.

There were no speakers signed up to address the Board in July.

The Chair announced the next regular meeting of the Board will be Friday, September 25, 2020.

With no further business the meeting was adjourned.