

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JUNE 26, 2020

The Regular Meeting of the Board of Port Authority of Allegheny County was held virtually on Friday, June 26, 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, Pete Schenk, chief financial officer, David Huffaker, chief development officer, Jeffrey Devlin, chief technology officer, Diane Williamson, executive assistant.

The Chair called the virtual June 26, 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 who have succumbed to the coronavirus.

A recommendation was made for approval of the minutes of the May 29, 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 retired Port Authority employees who have passed away since February:

Meredith Michaleen, Valerie Shumsky, Charles Banachoski, Russell Deily, Robert Cross, Leon Rhodes, Arthur Chess, Forrest Gilbert, John Lytle, Dewey Altman Sr., Donald Campbell, Herman Zellars, Thomas Milvahill, Donald Restauri, Albert Fiorentini, Frank Maudhuit, Jr., Joseph McIntyre, Ramond Jack, John McGlothlin, Harry Logan, John Fait, Mark Ventrone, James Ross, Robert Marcus, Laverne Brown, Royce Lysle, and Norman Garo.

Ms. Kelleman reported that today our Board will consider the 2021 operating and capital budgets. The coronavirus pandemic has placed an extreme burden and caused uncertainty throughout the public transit industry, and our priority for the upcoming fiscal year is to maintain our current service, provide a safe environment for our employees and customers and protect our system in every way possible.

The \$485.7 million operating budget represents a five percent increase in spending over last year, primarily due to higher wages and salaries and pension and benefits.

COVID-related increases in spending and any reductions in revenue – of which we expect there to be many – will be offset by CARES Act funding.

Next Ms. Kelleman reported that the capital budget is \$131.2 million. If capital funding remains steady, we would use \$22 million for debt service, \$21 million for new clean diesel buses, \$29 million on fixed guideway rail and bus improvements, \$32 million toward the Bus Rapid Transit project and \$18.5 million toward rail and bus facility improvements. She noted that if we don't receive the anticipated funding, we would complete projects that are considered safety-sensitive.

We are currently preparing what will likely be the first of many CARES Act invoice submissions.

Ms. Kelleman said that to be sure, this has been an astounding year that has challenged all of us both personally and professionally, and certainly promises to change all our futures.

She addressed her fellow employees, by simply saying thank you. Whether you've been working at a garage, from home, or taking care of your family during this crisis, you've helped us keep frontline workers moving with our essential service. The past four months have been incredibly stressful and draining, and I'm proud of the work Port Authority has done to keep our city and region moving.

Ms. Kelleman continued reporting that in recent weeks, the spotlight has shifted and stated that Port Authority stands against racism in all forms and stands with those acting to address this systemic problem and removing barriers so that people and communities no longer suffer.

To stand against racism requires action, and we've made progress in the past few years. Ms. Kelleman shared a few highlights with the Board.

- Port Authority's diversity hiring rate has improved from 57 percent in 2018 to 59 percent in 2019.
- Our diversity promotion rate has improved from 37 percent in 2018 to 52 percent in 2019.
- Now, all job interview panels include at least one diversity interviewer.

- We've expanded the number of outlets used to advertise job opportunities to minority audiences; we have advertised such opportunities in the New Pittsburgh Courier for nearly two decades.
- We re-established the Pittsburgh chapter of the Conference of Minority Transportation Officials.
- We held our first Vendor Day last fall to highlight contracting opportunities and to match vendors with new partners. Roughly one third of the attending companies were disadvantaged, meaning they are owned by minorities, women, or other groups historically disadvantaged in business opportunities.
- Port Authority's Police Department adopted a Community Oriented Policing philosophy in March 2019 that guides how it interacts with riders, employees and other members of the community each day. Its focus is on intervention and prevention through "problem solving and the building of collaborative partnerships with both patrons and employees."
- Our entire police department has received Crisis Awareness Training (CAT), which teaches de-escalation techniques.
- About 90 percent of the police department has received a 40-hour training program for Crisis Intervention Training (CIT), and we are working to complete the training for remaining officers.
- All officers have received Implicit Bias Training and all new officers will receive this training.

Ms. Kelleman continued reporting that the 2021 budget includes 68 positions for cleaning and disinfecting our vehicles and stations, which are important as we face the continuing challenges of this global pandemic. It also includes our first Director of Diversity and Inclusion and a position to support our diversity business programs, which are of even greater importance as we face years of systemic racism throughout our nation.

She reported that we are pausing our strategic plan development, which had originally slated for completion this summer, so that together we can chart how Port Authority becomes the best employer and agency to support and create a more equitable future for our region, our employees and those who rely on the service we provide.

The coronavirus pandemic and the movement for racial justice and equity have further illuminated the work remaining to create an inclusive society. Public transportation plays a critical role in this effort

These are small steps forward, but they are steps forward. And small steps can lead to big change.

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 five resolutions for the Board's consideration.

The Committee first reviewed three 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 \$718,147.20.

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.

The next resolution seeks authorization to enter into fourth amendments to designated agreements with University Pass Program Participants.

Ms. Zmijanac reported that as part of Port Authority's University Pass Program, the Authority entered into agreements with the University of Pittsburgh, Carnegie Mellon University and Chatham University.

The Performance Oversight Committee recommended extending agreements for one additional year for each university. The University of Pittsburgh agreement will be extended through June 30, 2021; the Carnegie Mellon University agreement will be extended through July 31, 2021 and the Chatham University agreement will be extended through September 30, 2021.

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 continued reporting that the next resolution seeks authorization to enter into agreements with a pool of firms for investigative services on an as-needed basis. The services would include assistance and support to the Authority in its investigations of work-related and non-occupational injuries, illnesses and liability claims.

Based on the review and evaluation of the proposals submitted, the proposals submitted by CSI Corporate Security and Investigations, Inc., Specialty Private Investigators, Inc., J.P. Investigative Group, Inc., Command Investigations, LLC and Gittings Private Investigations & Security, Inc., have been determined to be the highest-rated proposals for the performance of these services.

The Performance Oversight Committee recommended entering into an agreement with each of these firms for a total not-to-exceed amount of \$200,000 for an initial three-year term with the option to extend the term of the agreements 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 the resolution be approved as presented.

Next at the Performance Oversight Committee meeting, Mr. Burt Jennings, chief safety officer, gave a presentation on the adoption of Port Authority's Public Transportation Agency Safety Plan.

Mr. Jennings reported that the Public Transportation Agency Safety Plan establishes the requirements for implementing Port Authority's Safety Management System policies and practices and supports efficient and effective achievement of Port Authority's overall safety goals and objectives.

Port Authority's Safety Management System is a formal, top-down, organization-wide approach to managing safety risk and assuring the effectiveness of a transit agency's safety risk mitigation. It includes systematic procedures, practices and policies for managing risks and hazards.

The Safety Management System offers a proactive method for managing safety that enables agencies to identify and resolve safety concerns and challenges before they result in incidents or accidents.

Ms. Zmijanac noted that the Public Transportation Agency Safety Plan has been reviewed and received preliminary approval of the Pennsylvania Department of Transportation's Rail Transit Safety Review Program.

The Performance Oversight Committee recommended that the Public Transportation Agency Safety Plan attached as Exhibit A to the resolution be adopted and implemented.

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.

The final resolution presented by Ms. Zmijanac sought authorization to enter into an agreement to provide professional safety consulting and safety security management services on an as-needed basis.

The Performance Oversight Committee recommends entering into an agreement with K&J Safety and Consulting Services., Inc., in an amount not-to-exceed \$860,000, for the initial three-year period with the option to extend the term of the agreement 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 the resolution be approved as presented.

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 several updates to report.

Mr. Tague first updated the Board on the COVID-19 Transit Service Recovery Plans. He reported that first and foremost, we are concerned for the safety of our employees and our customers, noting that it is critical that we are providing reliable service, while planning for the unknown.

Today we have increased vehicle disinfection, provided adequate levels of service to essential workers and service equity and have the ability to scale up or down as needed.

In regards to service and ridership, it is important to note that Allegheny County moved into the Green Phase on June 5; rapid routes are operating at a frequency of every 30 minutes or better; bus ridership is starting to recover, but still 70 percent below normal ridership; noting that rail ridership is slower to recover and is still 80 percent down from normal ridership along with ACCESS/ Paratransit ridership also being down 75 percent from normal ridership.

In regard to recovery, we will continue to communicate with stakeholders, analyze high use stops for social distancing initiatives, monitor ridership, and we are tentatively planning to return to normal service levels on all routes with the August 23 service changes pending more information from the universities.

Mr. Tague next reported on the following projects which were covered at the Planning and Stakeholder Relations Committee meeting.

In regard to the BRT project, he reported that the FTA announced that the \$99.95 million grant has been allocated to the federal budget and will be available when Port Authority completes all the required steps in project readiness.

Mr. Tague also reported that the Planning Department received an FTA grant of \$682,000 to support our Transit-Oriented Communities staff in planning for TOD and transit access improvements along the East Busway.

As Katharine mentioned, the website for our long-range plan, NEXTransit, launched this month.

In regard to the Station and Park and Ride Improvements project, planning will begin for the Wilksburg Station and Wilksburg Park and Ride and the Carnegie Station Park and Ride improvements.

Next Mr. Tague announced that the Shelter Replacement project is resuming after a temporary vendor shutdown. Phase III is on track for a September/October installation.

The next steps for the Committee include presenting Transit Service Standards to the Board at the July meeting. Once the Transit Service Standards are adopted, Port Authority will be able to implement the proposed service additions. The Planning staff also intends to provide a formal Title VI presentation to the Allegheny County Transit Council and the Port Authority Planning and Stakeholder Relations Committee.

Mr. Tague continued reporting that the Allegheny County Transit Council met earlier this week. They received an overview of the proposed service changes for November and the proposed budget. They also held board elections.

The Committee for Accessible Transportation did not meet in June. The next meeting is scheduled for August 6th at 5:30 p.m. It has not yet been decided if they will meet virtually or in person.

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, June 18, 2020.

Ms. Ogoreuc reported that at the meeting, Chief Executive Officer, Katharine Kelleman and Chief Financial Officer, Peter Schenk presented the Final FY 2021 Operating and Capital Budgets for consideration.

Mr. Schenk first thanked his dedicated Finance Department staff for their work during the six-month budget process.

Ms. Kelleman continued to stress that despite COVID-19, the Authority will continue to provide a safe environment for passengers and employees alike.

Mr. Schenk reported that the primary difference between the budget presented in May and the final June version was the addition of 10 employees to clean and sanitize our facilities. The FY 2021 Operating Budget has a total of 68 new positions dedicated to cleaning both vehicles and facilities. He reiterated that in order to simplify CARES ACT invoicing, the FY 2021 Operating Budget is at pre-COVID-19 levels. Invoices will be the differential between budget and actual results on a monthly basis. Due to the impact of COVID-19 on operations and ridership, staff is projecting a deficit of approximately \$21 million, which is better than the year-end projection provided last month. Expense levels for April and May were below budget despite the increased expenses related to COVID-19 cleaning.

Mr. Schenk also reported that the Final FY 2021 Operating Budget contains minimal CARES ACT funding as a placeholder to eventually offset reduced Passenger Fares and Subsidies. The actual usage of CARES ACT funding could potentially total tens of millions of dollars during the

upcoming fiscal year. It was reported that the Final FY 2021 Operating Budget is balanced with \$42.7 million in Deferred Revenue that is distinct from CARES ACT funding.

The Final FY 2021 Capital Budget is based on receiving the \$114.5 million in State Funding which assumes the continuation of Turnpike Funding to PennDOT. Both Ms. Kelleman and Mr. Schenk stressed that the Operating and Capital Budgets may need to be re-opened as further financial information becomes available.

The Finance Committee recommended approving Port Authority's FY 2021 Operating Budget at a total of \$485,661,889 and a FY 2021 Capital Budget totaling \$131,191,888.

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

Next, at the Finance Committee meeting, Mr. Schenk reported on the May Financial Statements. He reported that for the month of May, Total Operating Income was \$7.55 million under budget. For FY 2020, Total Operating Income is \$14.5 million below budget. Both results were directly due to lower ridership related to COVID-19.

It was also reported that Total Expenses for the month were \$3.7 million under budget despite increased payroll expenses for vehicle cleanings and materials and supplies expenses related to these cleanings. Total Expenses from a fiscal-year-to-date perspective are \$30.7 million below budget which will assist in preserving CARES Act funding.

Total Subsidy for the month of May was \$18.35 million under budget primarily due to lower Local Operating Subsidy of \$8.1 million and Deferred Operating Revenue of \$11 million. The Authority continues to work closely with Allegheny County on possible ways to mitigate a possible COVID-19 related shortfall in Local Operating Subsidy. Total Subsidy for the fiscal year is \$9.9 million under budget. CARES Act funding will be utilized to mitigate the net shortfall of revenues plus subsidies less expense.

That concluded the report of the Finance Committee.

There was one speaker who addressed the Board this month. Mr. Andrew Hussein applauded the Board and Port Authority staff on the recent addition of service and urged the Board to add weekend service on the 78/P78 and Y47 routes.

The Chair announced the next regular meeting of the Board will be Friday, July 24, 2020.

With no further business the meeting was adjourned.