

**REGULAR MEETING OF THE BOARD  
9:30 A.M., FRIDAY, NOVEMBER 20, 2020  
AGENDA**

- I. Call to Order – Ms. Jennifer Liptak, Vice Chair**
- II. Pledge of Allegiance/Moment of Silence**
- III. Approval of Minutes:**
  - 1. October 23, 2020 Regular Meeting**
- IV. Report of the Chief Executive Officer – Ms. Katharine Kelleman**
- V. Report of Performance Oversight Committee – Ms. Michelle Zmijanac, Chair**
  - 1. Awarding of Bids**
  - 2. Authorization to Award Construction Contracts for the Manchester Garage Engine Test Facility Project**
  - 3. Authorization to Enter into Agreement to Provide Employee Benefits Consulting Services**
  - 4. Authorization to Extend and Amend Agreement with Commercial Consulting to Provide Drug and Alcohol Compliance Program Services**
  - 5. Authorization to Extend and Amend Agreement to Provide Managed Care Services**
- VI. Report of Planning and Stakeholder Relations Committee – Mr. John L. Tague Jr., Chair**
- VII. Report of Finance Committee – Ms. Ann Ogoreuc, Chair**
  - 1. October 2020 Financial Statements**
- VIII. Report of Financial Audit Committee – Senator Jim Brewster, Chair**
  - 1. Authorization to Accept FY 2020 Independent Auditor’s Report**

**IX. New Business**

**X. Public Comment:**

1. Paul Groark
2. Chris Lakin

**XI. NEXT REGULAR MEETING – January 29, 2021**

**XII. Adjournment**

# PORT AUTHORITY



BOARD MEETING NOVEMBER 20, 2020

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## **REPORT OF PERFORMANCE OVERSIGHT COMMITTEE**

## **AWARDING OF BIDS**

### **1. NON-DESTRUCTIVE TESTING OF RAIL**

This bid was publicly advertised and ebusiness documents were distributed. Three firms accepted the invitation and two bids were received for non-destructive testing of rail over a three-year period.

**RECOMMENDATION:** That a contract be awarded to the low responsible bidder that submitted a responsive bid, Smith-Emery Laboratories Inc., in the estimated amount of \$186,342.00 over the three-year period.

This price represents a four percent increase over the previous contract prices for these services three years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

### **2. CUMMINS ISB ENGINE REPLACEMENT PARTS**

This bid was publicly advertised and ebusiness documents were distributed. Five firms accepted the invitation and five bids were received for Cummins ISB Engine replacement parts over a two-year period.

The low bidder for two of the parts groupings did not bid all items in the group as required and is therefore ineligible for award.

**RECOMMENDATION:** That a contract be awarded to the low responsible bidders that submitted responsive bids as follows:

- Colonial Supply – 15 items in the estimated amount of \$468,333.85
- Cummins – two items in the estimated amount of \$64,310.00
- CBM U.S. Inc. – one item in the estimated amount of \$64,310.00

This price represents a two percent increase over the previous contract prices for these items two years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

### **3. FIRE ALARM SYSTEM TESTING AND CERTIFICATION**

This bid was publicly advertised and ebusiness documents were distributed. Five firms accepted the invitation and five bids were received for fire alarm system testing and certification over a two-year period.

**RECOMMENDATION:** That a contract be awarded to the low responsible bidder that submitted a responsive bid, Open Systems Pittsburgh, in the estimated amount of \$226,486.00 over the two-year period.

This price represents a 11 percent decrease over the previous contract prices for these services two years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

### **4. MAGNETIC TRACK BRAKE SUSPENSION PARTS**

This bid was publicly advertised and ebusiness documents were distributed. Two firms accepted the invitation and three bids were received for magnetic track brake suspension parts over a two-year period.

The low bidder proposed items that were not in compliance with the technical specifications and is therefore ineligible for award.

**RECOMMENDATION:** That a contract be awarded to the low responsible bidder that submitted a responsive bid, Hall Industries, in the estimated amount of \$139,560 over the two-year period.

This price represents a 14 percent increase over the previous contract prices for these services two years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

### **5. TRACK SWITCH HEATERS & OVERHEAD CATENARY LINE HEATERS**

This bid was publicly advertised and ebusiness documents were distributed. Four firms accepted the invitation and four bids were received for track switch heaters and overhead catenary line heaters.

**RECOMMENDATION:** That a contract be awarded to the low responsible bidders that submitted responsive bids as follows:

- Omni Control Technology Inc. – seven items in the estimated amount of \$119,299.89
- MAC Products – three items in the estimated amount of \$26,996.00

There has been no recent purchase of these items. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

**RESOLUTION**

**RESOLVED**, that recommendations as set forth in the report are accepted and that the chief executive officer or chief financial officer be, and hereby are, authorized and directed to execute such documents on behalf of Port Authority of Allegheny County as shall be required for the entry of proper contracts covering those items recommended for acceptance.

## SUMMARY OF RESOLUTION

### Authorization to Award Construction Contracts for the Manchester Garage Engine Test Facility Project

Contracts MAN-20-06 G, H, P and E (Contracts) provide for the furnishing of labor, material, equipment, tools, supervision and incidental items necessary for the construction of a new engine test facility at the Manchester Garage.

Contract MAN-20-06-G provides for General Construction work including, but not limited to, the demolition and construction of a new engine test facility and test equipment.

Contract MAN-20-06-H provides for Mechanical Construction work including, but not limited to, the demolition and construction of HVAC air handlers, cooling towers and associated controls for the test facility.

Contract MAN-20-06-P provides for Plumbing Construction work including, but not limited to, modifications to wet pipe sprinkler system, hot and cold-water systems, waste oil system and compressed air systems for the test facility.

Contract MAN-20-06-E provides for Electrical Construction work including, but not limited to, the demolition and construction of electrical systems to support the HVAC and test equipment.

Bid documents were prepared and publicly advertised by Port Authority of Allegheny County (Authority). Five bids for the General Construction Contract; four bids for the Mechanical Construction Contract; four bids for the Plumbing Construction Contract; and seven bids for the Electrical Construction Contract were received and opened on September 4, 2020.

After review of the bids by the Authority's staff and legal counsel, it has been determined that the bid of Yarborough Development Inc., in the amount of \$1,263,307.00, for Contract MAN-20-06-G, General Construction; the bid of R&B Mechanical, Inc., in the amount of \$346,500.00, for Contract MAN-20-06-H, Mechanical Construction; the bid of First American Industries, Inc., in the amount of \$424,900.00, for Contract MAN-20-06-P, Plumbing Construction; and the bid of R.E. Yates Electric, Inc., in the amount of \$164,000.00, for Contract MAN-20-06-E, Electrical Construction are the lowest responsive bids from responsible bidders meeting the Authority's specifications for the project and the prices are fair and reasonable.

It is recommended that Contracts be awarded to the respective bids of Yarborough Development, Inc., R&B Mechanical, Inc., First American Industries, Inc., and R.E. Yates Electrical, Inc., all subject to completing pre-award requirements.



## RESOLUTION

**WHEREAS**, Port Authority of Allegheny County (Authority) is engaged in the construction of the Manchester Garage Engine Test Facility (Project); and

**WHEREAS**, the work for Project includes, but is not limited to, the furnishing of all labor, material, equipment, tools, supervision and incidental items necessary for the construction of the test facility and equipment, HVAC equipment, pumps, cooling towers, electrical panelboards, controls and lighting for the Manchester Garage Engine Test Facility; and

**WHEREAS**, in order to perform Project, bid documents were prepared for Contracts MAN-20-06-G, General Construction, MAN-20-06-H, Mechanical Construction, MAN-20-06-P, Plumbing Construction, MAN-20-06-E, Electrical Construction, (Contracts), and publicly advertised; and

**WHEREAS**, five bids for the General Construction Contract, four bids for the Mechanical Construction Contract, four bids for the Plumbing Construction Contract and seven bids for the Electrical Construction Contract were received and opened on September 4, 2020; and

**WHEREAS**, the bid of Yarborough Development, Inc., in the amount of \$1,263,307.00, is the lowest responsive bid, from a responsible bidder, among the bids received for Contract MAN-20-06-G, General Construction; the bid of R&B Mechanical, Inc., in the amount of \$346,500.00, is the lowest responsive bid, from a responsible bidder, among the bids received for Contract MAN-20-06-H, Mechanical Construction; the bid of First American Industries, Inc., in the amount of \$424,900.00, is the lowest responsive bid, from a responsible bidder, among the bids received for Contract MAN-20-06-P, Plumbing Construction and the bid of R.E. Yates Electric, Inc., in the amount of \$164,000.00, is the lowest responsive bid, from a responsible bidder, among the bids received for Contract MAN-20-06-E, Electrical Construction; and

**WHEREAS**, the respective bids of Yarborough Development Inc., R&B Mechanical, Inc., First American Industries, Inc., and R.E. Yates Electric, Inc., have been reviewed by the Authority's staff and legal counsel and are recommended for award of the respective Contracts.

**NOW, THEREFORE, BE IT RESOLVED**, that the chief executive officer, chief development officer and/or chief engineer, or their respective designee be, and hereby are, authorized to enter into agreements, in forms approved by counsel, with Yarborough Development, Inc., in the amount of \$1,263,307.00, for Contract MAN-20-06-G, General Construction; R&B Mechanical, Inc., in the amount of \$346,500.00, for Contract MAN-20-06-H, Mechanical Construction; First American Industries, Inc., in the amount of

\$424,900.00, for Contract MAN-20-06-P, Plumbing Construction and R.E. Yates Electric, Inc., in the amount of \$164,000.00, for Contract MAN-20-06-E, Electrical Construction, all subject to successful completion of the pre-award requirements, and to take all such other actions as may be necessary and proper to carry out the purpose and intent of this resolution.

## SUMMARY OF RESOLUTION

### Authorization to Enter into Agreement to Provide Employee Benefits Consulting Services

#### **Description**

Port Authority of Allegheny County (Authority) requires a contractor to provide Employee Benefits Consulting Services (Services). Services include, but are not limited to, perform strategic planning of employee benefit health and welfare programs; provide underwriting analysis and actuarial services to estimate benefits costs and the effects of benefit modifications on such cost, analyze claims experience and its financial impact, assist the Authority in procuring benefit services from vendors and in post-award management of benefits contracts, provide general administrative support, assist the Authority so as to ensure compliance with benefits laws and within the overall scope of the services, perform special projects and other additional services. The agreement for Services (Agreement) will be for a three-year period with the option to extend the term up to two additional years at the sole discretion of the Authority.

#### **Evaluation Committee**

Consistent with the Authority's Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, an Evaluation Committee (Committee) was assembled to evaluate the proposals and recommend the top-rated proposers to perform Services. Committee consisted of five members representing the Finance, Human Resources and Legal and Corporate Services Divisions.

#### **Schedule**

Request for Proposals (RFP) No. 20-08 for Services was publicly advertised and an informational meeting was held on September 1, 2020. Three proposals were received on September 17, 2020.

#### **Evaluation Process**

Committee met to discuss and evaluate the proposals and determined those proposals to be in the competitive range that could potentially be able to achieve top ranked status. As a result of the review of the proposals and supplemental information provided at the request of Committee, Committee identified Willis Towers Watson US LLC as the highest rated proposer to perform Services.

A summation of Committee for the top proposer is set forth below:

### **Willis Towers Watson (Willis)**

Willis is a global advisory, broking and solutions firm with significant experience working with public sector firms, including current work with the Authority. The project work plan provided was very detailed and demonstrated a thorough understanding of the scope of services. The project organization and management plan were well structured with clear lines of communication and responsibility. Proposed project manager is well qualified with a good amount of relevant experience, as well as experience working with the Authority on the current Agreement. Proposed key personnel have significant experience in the employee benefits field and bring an average of 21 years of experience. Willis proposes using PA UCP certified DBE firm, Byars & Alexander for approximately 5.5 percent of the work. While proposed costs for the contract services are higher than the lower rated proposers, the costs were an all-inclusive flat fee for all contract years and are within the range of the Independent Cost Estimate.

### **Aon Risk Services Central, Inc. (Aon)**

Aon is a global professional services firm with sufficient experience with public sector firms, including some transit agencies. The project work plan highlighted some good information but was not very detailed nor was it tailored to the Authority's needs. Aon's project work plan provided was clear and easy to read, providing clear lines of communication and defined responsibility. The proposed project manager was well qualified with substantial experience in the vendor management field. Aon's key personnel were also well qualified with an average of 20 years of experience. Committee did express concern that there were no percentages of allocated time specified for any of the key personnel or the project manager. Aon proposes using PA UCP certified DBE firm Benefits Plus Consulting Group for 10-15 percent of the work. While proposed costs were lower than Willis', Aon did not provide complete cost information for all sections of work required. Aon's costs were within the range of the Independent Cost Estimate.

### **Negotiations**

A total not-to-exceed amount of \$825,000 is recommended for approval. Agreement will be for a three-year period with the option to extend the term of Agreement up to an additional two years at the sole discretion of the Authority.

## RESOLUTION

**WHEREAS**, Port Authority of Allegheny County (Authority) requires a contractor to provide employee benefits consulting services (Services); and

**WHEREAS**, in order to obtain a qualified firm to perform Services, Request for Proposals (RFP) No. 20-08 detailing the required scope of Services was prepared and publicly advertised; and

**WHEREAS**, three proposals for RFP were received on September 17, 2020. All proposals were reviewed and evaluated by the Authority's Evaluation Committee; and

**WHEREAS**, the proposal submitted by Willis Towers Watson US LLC (Willis) has been determined to be the highest-rated proposal for the performance of Services; and

**WHEREAS**, the negotiations with Willis have been initiated and are progressing on a proposed agreement to perform Services; and

**WHEREAS**, a total not-to-exceed amount of \$825,000 is recommended for approval for the agreement for Services (Agreement). Agreement would be for a three-year period with the option to extend the term up to two additional years at the sole discretion of the Authority.

**NOW, THEREFORE, BE IT RESOLVED** that the chief executive officer and/or chief Human Resources officer be, and hereby are, authorized to enter into Agreement with Willis for Services, in a form approved by counsel, for a total not-to-exceed amount of \$825,000 for the initial three-year period of Agreement, with the option to extend the term of Agreement up to an additional two years at the sole discretion of the Authority, and to also take all such other actions as may be necessary and proper to carry out the purpose and intent of this resolution.

## SUMMARY OF RESOLUTION

### Authorization to Extend and Amend Agreement with Commercial Consulting to Provide Drug and Alcohol Compliance Program Services

In September 2017, Port Authority of Allegheny County (Authority), in accordance with its Board-adopted Policy and Procedures for Competitive Negotiations for Professional and Technical Services, issued Request for Proposals No.17-08 to obtain a contractor to perform services to support the maintenance of the Authority's Drug and Alcohol Compliance Program Services (Services). Services include, but are not limited to, program support services; mobile collection; collection facilities; medical specialists; laboratory services; medical review officer; substance abuse professional; safety-sensitive contract compliance; and training program development and implementation.

In January 2018, the Authority's Board authorized the award of an Agreement R17-08 (Agreement) with Commercial Consulting to provide Services for an initial term of three years expiring on February 28, 2021, for a total not-to-exceed amount of \$1,327,300.00. Agreement also contains two option years to be exercised by the Authority in its sole discretion.

To date, Services performed by Commercial Consulting have been satisfactory and in compliance with Agreement. The Authority has determined that it is in its best interest to exercise the first option year, extending the term of Agreement to February 28, 2022, with no increase in the previously authorized total not-to-exceed amount of Agreement.

In accordance with the Authority's Limits of Authority Policy, the attached resolution authorizes an amendment to exercise the first option to extend the term of Agreement for an additional year to February 28, 2022, with no increase to the previously authorized total not-to-exceed amount of Agreement.

## RESOLUTION

**WHEREAS**, in accordance with its Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, Port Authority of Allegheny County (Authority), following issuance of Request for Proposals No. 17-08, authorized the award of an agreement (Agreement) to Commercial Consulting to provide Drug and Alcohol Compliance Program Services (Services).

**WHEREAS**, Agreement provides for an initial term of three years with the option to extend the term of Agreement up to an additional two years at the sole discretion of the Authority;

**WHEREAS**, the initial three-year term of Agreement expires on February 28, 2021; and

**WHEREAS**, to date, Services have been completed in a satisfactory manner by Commercial Consulting; and

**WHEREAS**, the Authority has determined that it is in its best interest to exercise the first option year of Agreement, extending the term for one additional year to February 28, 2022, with no increase in the previously authorized not-to-exceed amount of Agreement.

**NOW, THEREFORE, BE IT RESOLVED** that the chief executive officer and/or chief Human Resources officer be, and hereby are, authorized to execute an amendment to Agreement with Commercial Consulting, in a form approved by counsel, to extend the term of Agreement for one additional year to February 28, 2022, at no increase to the total not-to-exceed amount for Agreement, and to take all such other action as may be necessary and proper to carry out the purpose and intent of this resolution.

## SUMMARY OF RESOLUTION

### Authorization to Extend and Amend Agreement to Provide Managed Care Services

In October 2014, Port Authority of Allegheny County (Authority), in accordance with its Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, issued a request for proposals to obtain the services of a firm to provide oversight and coordination of the Authority's Managed Care Program (Services). Services include, but are not limited to, program development and implementation services, treatment facilities services, onsite medical case management services, claims management, program support services and litigation support services.

In January 2015, the Authority's Board authorized the award of Agreement No. R14-07 (Agreement) to UPMC Benefit Management Services, Inc. D/B/A UPMC Work Partners (UPMC) to provide Services for an initial five-year term and a total not-to-exceed amount of \$3,500,000. Agreement also contained two additional option years to be exercised by the Authority in its sole discretion.

In November 2019, the Authority's Board authorized the first of the two additional option years with no increase in the previously authorized not-to-exceed amount of Agreement

To date, Services performed by UPMC have been satisfactory and in compliance with Agreement.

The Authority has determined that it is in its best interest to exercise the second option year, extending the term of Agreement to January 31, 2022, with no increase in the previously authorized total not-to-exceed amount of Agreement.

The attached resolution authorizes an amendment to Agreement to exercise the option to extend the term of Agreement for an additional year to January 31, 2022, with no increase in the previously authorized total not-to-exceed amount of Agreement.



## **RESOLUTION**

**WHEREAS**, Port Authority of Allegheny County's (Authority) Board, following issuance of Request for Proposals No. 14-07 in accordance with its Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, authorized the award of an agreement (Agreement) to UPMC Benefit Management Services, Inc. D/B/A UPMC Work Partners (UPMC) to provide services to support the Authority staff in implementing and managing the Authority's Managed Care Program (Services) for an initial term of five-years and for a total not-to-exceed amount of \$3,500,000.00; and

**WHEREAS**, Agreement provides for an option to extend the term of Agreement for up to two additional years at the sole discretion of the Authority; and

**WHEREAS**, in November 2019, the Board approved the exercise of the first option year, extending the term of Agreement to January 31, 2021, at no increase to the previously authorized not-to-exceed amount; and

**WHEREAS**, Services performed by UPMC have been satisfactory and in compliance with Agreement; and

**WHEREAS**, in order for Services to continue to be provided, the Authority has determined that it is in its best interest to exercise the second option year and extend the term of Agreement to January 31, 2022, with no increase in the previously authorized not-to-exceed amount of Agreement; and

**NOW, THEREFORE, BE IT RESOLVED**, that the chief executive officer and/or chief legal officer be, and hereby are, authorized to execute an amendment to Agreement with UPMC, in a form approved by counsel, to extend the term of Agreement for one additional year to January 31, 2022, with no increase in the previously authorized total not-to-exceed amount of Agreement and to take all such other actions as may be necessary and proper to carry out the purpose and intent of this resolution.

## **REPORT OF FINANCE COMMITTEE**

## **FINANCIAL STATEMENTS**



Port Authority of Allegheny County  
**CONSOLIDATED STATEMENT OF NET POSITION**  
 For the Current Period  
 As of October 31, 2020

	OPERN	CAPTL	TOTAL
<b><u>ASSETS</u></b>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 113,439,384.13	\$ 23,265,887.20	136,705,271.33
Capital grants receivable	-	15,121,282.39	15,121,282.39
Other receivables	3,972,345.17	0.00	3,972,345.17
Prepaid expenses	601,114.46	-	601,114.46
Materials & supplies	18,501,075.69	-	18,501,075.69
<b>Total Current Assets</b>	<b>136,513,919.45</b>	<b>38,387,169.59</b>	<b>174,901,089.04</b>
NONCURRENT ASSETS			
Restricted assets for capital additions and related debt	-	12,462,700.88	12,462,700.88
Designated for reserve fund	38,488,582.00	-	38,488,582.00
Capital assets, net of accumulated depreciation	-	1,225,853,268.52	1,225,853,268.52
<b>Total Non-Current Assets</b>	<b>38,488,582.00</b>	<b>1,238,315,969.40</b>	<b>1,276,804,551.40</b>
<b>TOTAL ASSETS</b>	<b>\$ 175,002,501.45</b>	<b>\$ 1,276,703,138.99</b>	<b>\$ 1,451,705,640.44</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	-	6,582,991.68	6,582,991.68
Related to pensions	122,420,337.00	-	122,420,337.00
Related to OPEB	47,529,185.00	-	47,529,185.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 169,949,522.00</b>	<b>\$ 6,582,991.68</b>	<b>\$ 176,532,513.68</b>
<b><u>LIABILITIES</u></b>			
CURRENT LIABILITIES			
Accounts payable	14,177,897.98	958,339.98	15,136,237.96
Accrued compensation, benefits & withholdings	14,977,442.60	-	14,977,442.60
Unearned revenue	133,995,758.85	29,306,068.87	163,301,827.72
Reserves for claims & settlements	6,456,215.00	-	6,456,215.00
Other current liabilities	-	1,375,981.29	1,375,981.29
<b>Total Current Liabilities</b>	<b>169,607,314.43</b>	<b>31,640,390.14</b>	<b>201,247,704.57</b>
NONCURRENT LIABILITIES			
Bond payable, net	-	158,727,449.15	158,727,449.15
Reserves for claims & settlements	4,843,711.00	-	4,843,711.00
Accrued OPEB liability	624,412,121.00	-	624,412,121.00
Net pension liability	421,374,849.00	-	421,374,849.00
<b>Total Non-Current Liabilities</b>	<b>1,050,630,681.00</b>	<b>158,727,449.15</b>	<b>1,209,358,130.15</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 1,220,237,995.43</b>	<b>\$ 190,367,839.29</b>	<b>\$ 1,410,605,834.72</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Related to pensions	44,435,626.00	-	44,435,626.00
Related to OPEB	23,704,202.00	-	23,704,202.00
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 68,139,828.00</b>	<b>\$ -</b>	<b>\$ 68,139,828.00</b>
<b><u>NET ASSETS</u></b>			
<b>TOTAL NET POSITION</b>	<b>\$ (943,425,799.98)</b>	<b>\$ 1,092,918,291.38</b>	<b>\$ 149,492,491.40</b>



PORT AUTHORITY OF ALLEGHENY COUNTY

COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Month of October 2020			4 Month Year-to-Date			Notes
	Budget	Actual	Variance	Budget	Actual	Variance	
<b>REVENUE :</b>							
Passenger revenue -							
Bus, Light Rail & Incline Plane	\$7,764,550	\$2,699,997	(\$5,064,553)	\$30,455,995	\$10,010,694	(\$20,445,301)	
ACCESS program service	937,403	553,914	(\$383,489)	3,602,470	2,826,210	(\$776,260)	
Advertising	205,435	133,544	(\$71,891)	928,490	501,094	(\$427,396)	
Interest income	186,301	16,698	(\$169,603)	824,882	104,699	(\$720,183)	
Other income	70,716	38,282	(\$32,434)	297,441	156,440	(\$141,001)	
<b>Total Operating Income</b>	<b>\$9,164,405</b>	<b>\$3,442,435</b>	<b>(\$5,721,970)</b>	<b>\$36,109,278</b>	<b>\$13,599,137</b>	<b>(\$22,510,141)</b>	Total Operating Income was \$5.7 million under budget for the month and \$22.5 million under budget year-to-date. This is due to lower ridership related to the pandemic. The shortfall is indirectly eligible for CARES funding.
<b>EXPENSE :</b>							
Wages & salaries	\$13,982,899	\$13,958,150	\$24,749	\$50,234,687	\$50,702,344	(\$467,657)	
Employee benefits	13,620,059	12,641,297	\$978,762	57,312,969	52,204,924	\$5,108,045	
Materials & supplies	4,062,325	3,552,996	\$509,329	16,343,972	12,676,132	\$3,667,840	
Provision for injuries & damages	357,415	229,911	\$127,504	1,759,660	1,011,666	\$747,994	
Purchased services	1,694,311	883,169	\$811,142	6,887,899	3,241,383	\$3,646,516	
Utilities	687,339	482,171	\$205,168	2,749,556	1,768,971	\$980,585	
Other expense	1,071,102	951,209	\$119,893	5,666,578	2,865,635	\$2,800,943	
ACCESS program service	2,435,235	1,457,128	\$978,107	9,740,940	8,605,962	\$1,134,978	
<b>Total Expense</b>	<b>\$37,910,685</b>	<b>\$34,156,031</b>	<b>\$3,754,654</b>	<b>\$150,696,261</b>	<b>\$133,077,017</b>	<b>\$17,619,244</b>	Total Expense for the month of October is \$3.7 million below budget. Year-to-date Total Expense is \$17.6 million below budget with every expense category except Wages & Salaries below budget.
<b>Deficit before Subsidy</b>	<b>(\$28,746,280)</b>	<b>(\$30,713,596)</b>	<b>(\$1,967,316)</b>	<b>(\$114,586,983)</b>	<b>(\$119,477,880)</b>	<b>(\$4,890,897)</b>	
<b>Operating Subsidy:</b>							
County Drink Tax Revenue			\$0			\$0	
RAD Assistance - Local	275,000	182,143	(\$92,857)	1,100,000	728,572	(\$371,428)	
Gen Operating Assist - State	17,208,722	17,116,669	(\$92,053)	79,579,981	80,116,712	\$536,731	
Gen Op Assist - State Match 5310			\$0			\$0	
Defer State Operating Assist			\$0			\$0	
Cost of Contracting			\$0	1,863,383	1,863,383	\$0	
Redistribute to Vehicle Overhaul	550,000		(\$550,000)	1,640,000	411,181	(\$1,228,819)	
Redistribute to Capital Accounts	169,383	266,947	\$97,564	677,532	766,019	\$88,487	
Fringe Benefits Redistrib Cap Accts	85,000	86,978	\$1,978	340,000	323,088	(\$16,912)	
Preventive Maintenance	7,279,763	7,279,763	\$0	15,479,365	15,479,365	\$0	
Third Party Reimbursements	5,000	42,026	\$37,026	66,000	134,917	\$68,917	
ACCESS-5310 revenue			\$0			\$0	
ACCESS-PWD	51,600	31,433	(\$20,167)	206,400	164,623	(\$41,777)	
CARES - Port Authority	8,333		(\$8,333)	33,332		(\$33,332)	
CARES - County			\$0		2,524,217	\$2,524,217	
<b>Total Subsidy</b>	<b>\$25,632,801</b>	<b>\$25,005,960</b>	<b>(\$626,841)</b>	<b>\$100,985,993</b>	<b>\$102,512,078</b>	<b>\$1,526,085</b>	Total Subsidy for the month was \$626,841 below budget. This is due to a shortfall in Vehicle Overhaul funding that the Authority will not receive without new State Capital Funding. Year-to-date, Total Subsidy is \$1.5 million above budget due to CARES funding.
<b>Surplus/Deficit</b>	<b>(\$3,113,479)</b>	<b>(\$5,707,636)</b>	<b>(\$2,594,157)</b>	<b>(\$13,600,990)</b>	<b>(\$16,965,802)</b>	<b>(\$3,364,812)</b>	



PORT AUTHORITY OF ALLEGHENY COUNTY  
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Monthly Actuals			Year to Date Actuals			Notes
	October 2019	October 2020	Variance	FY2020	FY2021	Variance	
<b>REVENUE :</b>							
Passenger revenue -							
Bus, Light Rail & Incline Plane	\$7,764,580	\$2,699,997	(\$5,064,583)	\$30,455,995	\$10,010,694	(\$20,445,301)	
ACCESS program service	937,403	553,914	(\$383,489)	3,602,470	2,826,210	(\$776,260)	
Advertising	205,404	133,544	(\$71,860)	908,479	501,094	(\$407,385)	
Interest income	186,301	16,698	(\$169,603)	824,882	104,699	(\$720,183)	
Other income	70,717	38,282	(\$32,435)	297,542	156,440	(\$141,102)	
<b>Total Operating Income</b>	<b>\$9,164,405</b>	<b>\$3,442,435</b>	<b>(\$5,721,970)</b>	<b>\$36,089,368</b>	<b>\$13,599,137</b>	<b>(\$22,490,231)</b>	<b>Total Operating income is \$22.5 million below last fiscal year with every income category below budget. This variance will indirectly be eligible for CARES Funding.</b>
<b>EXPENSE :</b>							
Wages & salaries	\$13,308,789	\$13,958,150	(\$649,361)	\$48,430,241	\$50,702,344	(\$2,272,103)	
Employee benefits	12,406,152	12,641,297	(\$235,145)	51,371,460	52,204,924	(\$833,464)	
Materials & supplies	3,594,846	3,552,996	\$41,850	14,072,421	12,676,132	\$1,396,289	
Provision for injuries & damages	268,680	229,911	\$38,769	968,980	1,011,666	(\$42,686)	
Purchased services	1,034,036	883,169	\$150,867	2,813,529	3,241,383	(\$427,854)	
Utilities	679,573	482,171	\$197,402	1,996,511	1,768,971	\$227,540	
Other expense	1,200,112	951,209	\$248,903	2,829,276	2,865,635	(\$36,359)	
Interest		0	\$0		0	\$0	
ACCESS program service	2,320,946	1,457,128	\$863,818	9,829,150	8,605,962	\$1,223,188	
<b>Total Expense</b>	<b>\$34,813,134</b>	<b>\$34,156,031</b>	<b>\$657,103</b>	<b>\$132,311,568</b>	<b>\$133,077,017</b>	<b>(\$765,449)</b>	<b>Total Expense is \$765,449 higher than last fiscal year, predominantly due to higher Wages &amp; Salaries and Benefits.</b>
<b>Deficit before Subsidy</b>	<b>(\$25,648,729)</b>	<b>(\$30,713,596)</b>	<b>(\$5,064,867)</b>	<b>(\$96,222,200)</b>	<b>(\$119,477,880)</b>	<b>(\$23,255,680)</b>	
<b>Operating Subsidy:</b>							
County Drink Tax Revenue			-			-	
RAD Assistance - Local	275,000	182,143	(92,857)	1,100,000	728,572	(371,428)	
Gen Operating Assist - State	17,208,722	17,116,669	(92,053)	79,579,980	80,116,712	536,732	
Gen Op Assist - State Match 5310			-			-	
Defer State Operating Assist			-			-	
Cost of Contracting			-	1,756,862	1,863,383	106,521	
Redistribute to Vehicle Overhaul	464,636		(464,636)	1,851,352	411,181	(1,440,171)	
Redistribute to Capital Accounts	170,453	266,947	96,494	718,278	766,019	47,741	
Fringe Benefits Redistrib Cap Accts	39,610	86,978	47,368	262,622	323,088	60,466	
Preventive Maintenance	5,025,549	7,279,763	2,254,214	14,498,712	15,479,365	980,653	
Third Party Reimbursements	18,685	42,026	23,341	221,586	134,917	(86,669)	
ACCESS-5310 revenue			-			-	
ACCESS-PWD	52,235	31,433	(20,802)	205,570	164,623	(40,947)	
CARES - Port Authority			-			-	
CARES - County			-		2,524,217	2,524,217	
<b>Total Subsidy</b>	<b>\$23,254,890</b>	<b>\$25,005,960</b>	<b>\$ 1,751,070</b>	<b>\$100,194,962</b>	<b>\$102,512,078</b>	<b>\$ 2,317,116</b>	<b>Total Subsidy is \$2.3 million ahead of last fiscal year due to CARES Funding and Preventive Maintenance funding.</b>
Surplus/Deficit	(\$2,393,839)	(\$5,707,636)	\$ (3,313,797)	\$3,972,762	(\$16,965,802)	(\$20,938,564)	

## **REPORT OF FINANCIAL AUDIT COMMITTEE**

## SUMMARY OF RESOLUTION

### Authorization to Accept FY 2020 Independent Auditor's Report

On an annual basis, Port Authority of Allegheny County (Authority) engages an independent auditor to complete an annual single audit and financial statements audit of the Authority's finances in accordance with generally accepted auditing standards, standards applicable to financial audits contained in "Government Auditing Standards" issued by the comptroller of the United States and standards contained in OMB's Uniform Guidance. Maher Duessel was engaged as the independent auditor to complete an audit of the Authority's financial statements for FY 2020 and render an opinion as to the Authority's internal control over financial reporting and compliance with relevant laws, regulations, contracts and grant agreements (FY 2020 Audit Report).

Representatives from Maher Duessel have presented the results of FY 2020 Audit Report to the Financial Audit Committee (Committee) of the Authority's Board. Maher Duessel advised Committee that FY 2020 Audit Report concluded that the Authority's FY 2020 financial statements fairly present the Authority's financial position as of June 30, 2020 and June 30, 2019, respectively, and that the Authority has adequate controls in place to ensure accurate financial reporting and compliance with relevant laws, regulations, contracts and grant agreements.

This resolution authorizes the Authority to accept the FY 2020 Audit Report and further authorizes the Chair of the Authority's Board and Chair of Committee to formally sign and accept report on behalf of the Authority.



## RESOLUTION

**WHEREAS**, on an annual basis, Port Authority of Allegheny County (Authority) engages an independent auditor to complete an annual single audit and financial statements audit of the Authority's finances in accordance with applicable auditing and accounting standards; and

**WHEREAS**, Maher Duessel was engaged as the independent auditor to complete an audit of the Authority's financial statements for FY 2020 and render an opinion as to the Authority's internal control over financial reporting and compliance with relevant laws, regulations, contracts and grant agreements (FY 2020 Audit Report); and

**WHEREAS**, representatives from Maher Duessel presented the results of FY 2020 Audit Report to the Financial Audit Committee (Committee) of the Authority's Board; and

**WHEREAS**, Maher Duessel advised that FY 2020 Audit Report concluded that the Authority's FY 2020 financial statements fairly present the Authority's financial position as of June 30, 2020 and June 30, 2019, respectively, and that the Authority has adequate controls in place to ensure accurate financial reporting and compliance with relevant laws, regulations, contracts and grant agreements; and

**WHEREAS**, based upon Maher Duessel's presentation and a review of FY 2020 Audit Report, the Board finds FY 2020 Audit Report to be acceptable.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board formally accepts FY 2020 Audit Report and authorizes the Chair of the Authority's Board and Chair of Committee to sign FY 2020 Audit Report indicating the Authority's acceptance of report and to take all such other actions as may be necessary and proper to carry out the purpose and intent of this resolution.