

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, NOVEMBER 20, 2020

The Regular Meeting of the Board of Port Authority of Allegheny County was held virtually on Friday, November 20, 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)*

Jennifer Liptak, Vice Chair
Michelle Zmijanac
John Tague
Stephanie Turman
Ann Ogoreuc
Senator Jim Brewster
Representative Lori Mizgorski
Representative Austin Davis
Jessica Walls-Lavelle
Sandy Garfinkel, General Counsel

The Vice Chair called the virtual November 20, 2020 Board of Director's Regular Meeting to order and reminded everyone that the meeting was being recorded.

A recommendation was made for approval of the minutes of the October 23, 2020 Regular Meeting. A motion was made, seconded and unanimously passed.

The Vice 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 former employees of Port Authority who have passed away since we last met. They included Operators Lawrence Healy, Richard Rothe, Marshall Jarrett, James Buzon, Gary Antonovich, Marlin McGraw and Frank Marcus, workers compensation specialist Marjorie Millsap, and technician Shelia Alston.

Ms. Kelleman continued reporting by stating, "We've made it to the last meeting of 2020, and what an incredible, remarkable and difficult year it's been." As Thanksgiving is next week, she wanted to express her sincerest gratitude for all 2,700 employees we have here at Port Authority, our fabulous riders, and "the incredible support we've received from so many throughout our region. These past eight months have not been easy, but we've worked tirelessly to continue to provide public transportation every day regardless of what was happening globally, nationally or locally here in Allegheny County."

Ms. Kelleman continued reporting that Port Authority's frontline employees have been nothing less than heroic. On behalf of everyone at Port Authority and all of our customers, she thanked

them for showing up every day and night in service of our riders and for the sacrifice they continue to make for us all.

Ms. Kelleman stated that unfortunately, more than 100 of Port Authority's coworkers have tested COVID-19 positive, and wished them all a full and speedy recovery. She also thanked Port Authority's riders for staying home when we needed them to and those returning if they could.

Ms. Kelleman also thanked the riders for being patient if a bus passed them up because it was too full because capacity limits, and thanked them for wearing a mask.

Ms. Kelleman stated that "Most of all, whether you've been riding or not, thank you for your continued support." She stated that we might not know how the pandemic will affect us next week, next month or next year, but promised that "we'll continue working hard to keep you safe and providing the service you need to whatever extent we can. Whether you're an employee, a rider or a supporter, I promise that we will get through this together."

At this time Ms. Kelleman acknowledge Chief Engineer, Keith Wargo, who has worked here at Port Authority since 1991. "If you've ridden on a Port Authority-owned bridge, through a Port Authority-owned tunnel, the light rail system or have been under the Allegheny River on the North Shore Connector, you can thank Keith. For nearly 30 years, Keith has been responsible for directing all of Port Authority's engineering and construction activities." He has also managed the maintenance of the light rail transit system, power, track and busways, non-revenue vehicles and facilities.

Ms. Kelleman thanked Mr. Wargo for his hard work, dedication and years of service to Port Authority.

Ms. Kelleman handed it over to Chief Development Officer, David Huffaker, who presented Mr. Wargo with a plaque. Mr. Huffaker thanked Mr. Wargo for his dedication and hard work during the past 30 years, and in particular, thanked him for his support and for sharing of history when he arrived here at the Authority. He congratulated Mr. Wargo on his well-deserved retirement.

Mr. Wargo thanked Ms. Kelleman and Mr. Huffaker for their support. He thanked his dedicated staff, consultants and great mentors he worked with along the way, stating that it was an honor and a privilege to work for an organization as wonderful as Port Authority, and thanking the Board for the opportunity and for their continued support.

Ms. Kelleman concluded her report by saying that she wanted to wish everyone a happy Thanksgiving and she is grateful to be here at Port Authority.

That concluded the report of the Chief Executive Officer.

Before calling for the next report, Ms. Liptak also thanked Mr. Wargo for his dedication throughout the years. She noted that she has had the opportunity to work with Keith on a number of projects, both small and large, in particular the North Shore Connector and BRT project. She wished him well in his retirement.

The Vice Chair called on Ms. Zmijanac for a report of the Performance Oversight Committee. Before giving the Committee report, Ms. Zmijanac also wanted to thank Mr. Wargo for the many tours of the system and projects throughout the years and for keeping the Board informed.

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 five 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 the award of bids listed in the resolution for the total amount of approximately \$1.3 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 seeking authorization to award construction contracts for the Manchester Garage Engine Test Facility project.

The Manchester Main Shop rebuilds 40-60 bus engines a year and this facility is used to test the rebuilt engines. The existing equipment is the original equipment and nearly 30 years old.

Five bids were received for the general construction contract, four bids for the mechanical construction contract, four bids for the plumbing construction contract, and seven bids were received for the electrical construction contract.

The Performance Oversight Committee recommended awarding the General Construction contract to Yarborough Development, Inc., in the amount of \$1,263,307; the mechanical construction contract to R&B Mechanical, Inc., in the amount of \$346,500, the plumbing construction contract to First American Industries, Inc., in the amount of \$424,900; and the electrical construction contract to R.E. Yates Electric, Inc., in the amount of \$164,000, all subject to completing 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.

The next resolution sought authorization to enter into an agreement to provide employee benefits consulting services. Following a request for proposals seeking a firm to providing these services, three proposals were received and evaluated. The highest-ranking proposer, Willis Towers Watson US LLC, is recommended for agreement award.

The Performance Oversight Committee recommended entering into an agreement with Willis Towers Watson US LLC for an initial term of three years, plus two option years to be exercised at the Authority's sole discretion, with a total not-to-exceed amount of \$825,000.

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 sought authorization to extend and amend agreement with Commercial Consulting to provide Drug and Alcohol Compliance Program services.

Ms. Zmijanac reported that in January 2018, the Board authorized the Authority to enter into an agreement with Commercial Consulting for an initial three-year term not-to-exceed \$1,327,300, with two option years.

As the agreement is set to expire on February 28, 2020, the Performance Oversight Committee recommended exercising the first option year to extend the agreement through February 28, 2022, with no increase to the 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.

The final resolution sought authorization to extend and amend agreement with UPMC Work Partners to Provide Managed Care Services.

Ms. Zmijanac reported that the Board authorized an award of agreement to UPMC Work Partners for an initial term of five years, with two option years, for a total authorized not-to-exceed amount of \$3.5 million.

In November 2019, the Board authorized exercising the first option year with no increase in the total authorized not-to-exceed amount.

Ms. Zmijanac noted that if the second option year is exercised, Port Authority anticipates a Diverse Business Utilization rate for off-site medical case management support in the five to eight percent range.

The Performance Oversight Committee recommended exercising the second option year to extend the agreement through January 31, 2022, with no increase in the current total authorized 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.

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.

That concluded the reported of the Performance Oversight Committee.

The Vice 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 a few updates for the Board.

Mr. Tague reported that Mr. David Huffaker provided the Committee with an update on the BRT project. He reported that we are at a very exciting time in the project because the 90 percent design review was submitted to the FTA in September.

Last week, Port Authority held two online meetings through Microsoft Teams to provide BRT project stakeholders with an update. County Executive Rich Fitzgerald and CEO Katharine Kelleman provided opening remarks and participants were able to ask questions at the end by using the chat function. "We have received very positive feedback from those meetings. If anyone is interested in more information, the presentations and design documents are posted to the Port Authority website. We are planning to hold public meetings in January to share this information and engage with the community."

Mr. Tague stated that we hope to put the project out for bid this winter and begin construction by fall of 2021. Construction will take about two years. If the project remains on schedule, Port Authority should see revenue service by late 2023.

Mr. Huffaker also provided an update on the Long-Range Plan. He reported that public engagement continues for our Long-Range Plan, NextTransit. Three public meetings and a stakeholder meeting were held online this week. Each meeting consisted of a review of plan information and then an opportunity for participants to ask questions and engage with a mapping exercise.

Mr. Huffaker stated that Port Authority plans to continue public outreach in November and December, including take-one cards on buses with information about the project and additional pop-up tables if the stay-at-home advisory is lifted. Bus cards will include a call-in number so that people without internet can engage with the plan.

He stated that Port Authority is also encouraging people to provide feedback through the project website at www.nextransit.network.com. The next phase of public meetings for the plan will take place early in 2021.

Mr. Tague then updated the Board on the Annual Service Report. He reported that the Annual Service Report is now on a fiscal-year calendar basis. It was initially intended to be presented at this month's committee meeting, however, due to the large service changes taking place this Sunday, our Service and Planning teams have not been able to address the report on the initial timeline and so the report will instead be presented at the January Planning and Stakeholder Relations Committee meeting.

Lastly, Mr. Tague gave an update on the Committee for Accessible Transportation and Allegheny County Transit Council.

The CAT Committee met November 12, 2020 via Microsoft Teams for their regularly scheduled quarterly meeting. The committee was provided an update on the November Service Changes, Port Authority COVID-19 policies and procedures and the status of the Long-Range Plan. Information was also provided to the committee about opportunities to participate in the in next round of NEXTransit public meetings which were held earlier this week. Quarterly meeting dates of the CAT committee have been finalized for the year 2021. The following dates were chosen for the meetings; February 4, May 6, August 5, November 4. All meetings are expected to take place virtually using Microsoft Teams unless otherwise noted.

The Allegheny County Transit Council met on November 18, 2020 via Microsoft Teams for their regularly scheduled meeting. The council was provided with an update on the mobile app and the status of current transit-oriented development projects. The council will be participating in a special meeting being held via Microsoft Teams on December 9th, 2020 for the purpose of providing the council with a presentation on the Annual Service Report. The ACTC meeting dates have not yet been finalized for 2021. However, they are expected to be held virtually using Microsoft Teams unless otherwise noted.

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

The Vice Chair called on Ms. Ogoreuc for a report of the Finance Committee, which met virtually on Thursday, November 12, 2020.

Ms. Ogoreuc reported that at the meeting, Chief Financial Officer, Peter Schenk, presented the October Financial Statements. He reported that for the month of October, Total Operating Income was \$5.7 million under budget.

Total Operating Income for the fiscal year continues to be under budget by a total of \$22.5 million. Every revenue category is below budget through the first four months of the fiscal year. Lower Passenger Revenue and ACCESS Program Service Revenue constitute the majority of this shortfall.

Mr. Schenk noted that this shortfall in Total Operating Income will indirectly be covered by CARES Act Funding. He added that the Authority submitted another CARES Act invoice for approximately \$4.8 million which takes total CARES Act Invoicing to \$36.3 million.

Total Expenses for the month were \$3.7 million under budget and \$17.6 million under budget for the fiscal year. Ms. Ogoreuc noted that every expense category other than Salary and Wages was below budget.

At the meeting, Mr. Schenk explained that for every dollar under budget, the Authority will use one dollar less of the \$42 million in deferred revenue budgeted to balance the FY 2021 Budget.

Total Subsidy for October was \$626,841 below budget due to a shortfall in vehicle overhaul funding which won't be received in FY 2021 without new State capital funding. Total Subsidy from a fiscal year-to-date perspective is \$1.5 million above budget due to CARES ACT Funding.

Finally, Mr. Schenk reported that the Authority ended the month of October with \$139.6 million in Operating Reserves.

With no other business conducted, that concluded the report of the Finance Committee.

The Vice Chair called on Senator Brewster for a report of Financial Audit Committee. Senator Brewster reported that the Financial Audit Committee held a public meeting on Thursday, November 12, 2020.

Representatives from Maher Duessel, Certified Public Accountants, reported to the Committee that the audit of financial statements 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 FY 2020 with revenues exceeding expenses by \$1.3 million before non-cash item adjustments for other post-employment, benefits, pensions and depreciation and with the use of CARES Act funding. It was also reported at the meeting that the combined deferred revenue over the past eight fiscal years totaled \$133 million after accounting for non-cash entries related to post-employment benefits, pensions and depreciation. The Authority's total net position was down \$64.1 million mainly due to lower Capital Assets, Net of Depreciation, and Deferred Inflows and Outflows of Resources Related to Pensions and OPEB .

Senator Brewster proposed that the Board formally accept the Fiscal Year 2020 Audit Report and authorize the Chairperson of the Authority's Board and the Chairperson of the Financial Audit Committee to sign the Fiscal Year 2020 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.

Under New Business, Ms. Liptak reported that the Board will elect officers at its Annual Meeting in January 2021. On behalf of the Chair, Mr. Letwin, Ms, Liptak requested the Nominating Committee, consisting of Chair, Stephanie Turman, and members, Ms. Ogoreuc

and Representative Austin Davis, to prepare to nominate a slate of proposed 2021 officers at that meeting.

Ms. Liptak then moved on to the public comment portion of the meeting.

One speaker addressed the Board, Mr. Paul Groark, regarding technology and devices that can be used to assist in transit trip planning. Staff has reached out to him and offered to put him in touch with relevant IT personnel.

The Vice Chair announced Annual meeting and next Regular meeting of the Board will be Friday, January 29, 2020.

With no further business the meeting was adjourned.

Approved