

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, FEBRUARY 26, 2021

The Regular Meeting of the Board of Port Authority of Allegheny County was held virtually on Friday, February 26, 2021, 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.

The following members participated virtually: Jeff Letwin, Chair, Senator Jim Brewster, Representative Austin Davis, Gerald Delon, Jennifer M. Liptak, Ann M. Ogoreuc, Stephanie Turman, John L. Tague, Jr., Jessica Walls-Lavelle, Michelle Zmijanac and Acting General Counsel, Sandy Garfinkel.

The Chair called the February 26, 2021 Regular Meeting to order.

A recommendation was made for approval of the minutes of the January 29, 2021 Annual Meeting and January 29, 2021 Regular Meeting. A motion was made, seconded, and both sets of minutes were unanimously passed.

The Chair called on Ms. Katharine Kelleman for a report of the Chief Executive Officer

Ms. Kelleman asked for a moment of silence for the following former employees who are no longer with us: seat and sign repairperson Edward Westward; money room operator David Grimes; Facilities Systems supervisor Dennis Malloy; mechanic Frederic Jones; and operators Eugene Scott, Michelle Klemm and Dolores Smith.

Ms. Kelleman continued her report by updating the Board on NEXTransit, our long-range planning effort that envisions what transit may look like in 25 years. She advised that the previous day the Authority hosted two of the next four NEXTransit meetings, stating that she is thrilled with the direction long-range plan is heading.

"We've spent the last several months asking how we can improve our system, how we can get non-riders to ride with us, and how we can make the experience better for those who already. We have received more than 20,000 points of input and we are now coming back to ask: did we hear you correctly, did we miss anything, and will these proposals work for your future needs."

Ms. Kelleman noted that so far, there have been a lot of high-level discussions. And while they were very important and helpful for this step, she said she is excited to start talking about concrete projects, policies and programs that align with the Board's goals and help improve transit right here in our own backyards.

Ms. Kelleman invited the Board to join us for the next two meetings on March 2. Details can be found online at www.nextransit.network.

Ms. Kelleman continued reporting that as we talk about the future of mass transit in our region, there are so many different factors to take into consideration. One of those factors is, of course, paying to ride.

“Two years ago, we contracted with Four Nines Technologies to conduct a fare model and equity report to make recommendations that we could look to adopt. Four Nines completed a significant amount of work, and at the end of 2019 were ready to embark on a public input process when the pandemic struck.”

“It’s nearly a year delayed, and although other transit agencies are not moving forward at this time, staff will bring to the board some preliminary recommendations as Four Nines begins their public input process. Once we have that input, we’ll host the required public meetings on the final recommendations before any changes are made.”

Ms. Kelleman concluded her report by stating that this is an important first step toward a more equitable system, and we’re excited to be moving ahead.

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 she had one resolution for the Board’s consideration.

Ms., Zmijanac reported that the Committee reviewed six 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 \$2 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.

That concluded the report of the Performance Oversight Committee.

The Chair called on Mr. Tague for a report of the Planning and Stakeholder Relations Committee.

Mr. Tague reported that the Planning and Stakeholder Relations Committee met last week, and he had a few updates for the members.

Mr. Tague reported that Chief Planning and Development Officer, Mr. David Huffaker, provided the Committee with an update on the Bus Rapid Transit Project.

He reported that Port Authority held four online public meetings last month on Microsoft Teams. The meetings were staffed by Port Authority, AECOM, and the City of Pittsburgh’s Department of Mobility. Mr. Tague added that although we would have preferred meeting with the community in person, we still were able to have meaningful discussions with over 200 participants.

Mr. Tague reported that last month, Port Authority began meeting with its assigned Project Management Oversight Consultant or PMOC. This company is contracted by the FTA to help review the project's readiness for federal funding. They conduct a risk assessment and evaluate the project plan. The PMOC is expected to report back to the FTA in April and grant money could be released following a favorable report.

Mr. Tague continued reporting that we are currently at 90 percent design. We will bring a Construction Management contract to the Board as soon as Federal funding is secured. On the current schedule, we anticipate putting the construction of the project out to bid later this year and beginning construction as early as late 2021. Construction will continue through 2022 and revenue service will begin in late 2023.

Next Mr. Tague updated the Board on the Committee for Accessible Transportation and Allegheny County Transit Council.

The CAT Committee held their regular quarterly meeting on February 4, 2021 using Microsoft Teams. The Committee received updates on several items including an overview of the Annual Service Report, information related to brochures and website updates for accessible programs and services, upcoming quarterly service changes, construction updates and information regarding the mobile app and mobile ticketing validator.

The CAT Committee will have an opportunity for additional review of the placement for the mobile ticketing validator on light rail vehicles today. The next quarterly meeting is scheduled for May 6, 2021.

ACTC held their regularly scheduled meeting on February 24, 2021 using Microsoft Teams. Members received a brief update on general items of interest in the liaison report and utilized the remaining meeting time conducting a council planning session. The next general council meeting is scheduled for March 24, 2021.

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

The Chair called on Ms. Ogoreuc for a report of the Finance Committee.

Ms. Ogoreuc reported that the Finance Committee met on Thursday, February 18, and had three resolutions for the Board's consideration.

Ms. Ogoreuc presented the first resolution seeking authorization to enter into an agreement with a pool of firms for Financial Advisory Services. The pool of up to two firms is for the categories of Financial Planning Services and Debt and Investment Management Advisory Services.

Request for Proposals were sent out and an Evaluation Committee, made up of six employees from Finance and Operations Divisions, convened and selected PFM Financial Advisors LLC to perform Debt and Investment Management Services. Under the Financial Planning Services category, the Committee selected two firms, PFM Financial Advisors LLC, and NW Financial Group LLC.

The term of the agreements will be for a three-year period with the option to extend up to two additional years at the sole discretion of the Authority. Work tasks will be assigned to the contractor via work orders on an as-needed basis and a total not-to-exceed amount of up to \$400,000 is recommended for approval.

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

The second resolution was presented seeking authorization to enter into an Agreement for Financial Audit and Pension Plan Audit Services. The Authority requires an outside contractor to conduct Single Financial Audits for Fiscal Years 2021, 2022 and 2023.

The contractor will also perform annual pension plan audits for calendar years 2020, 2021 and 2022. A request for proposals was publicly advertised and a selection committee formed consisting of six members from the Engineering, Finance and Executive Divisions.

Four proposals were received, and Maher Duessel was selected by the committee based on its experience, proposal and price. The agreement with Maher Duessel would be for three years, for a total not-to-exceed amount of \$313,500, with an Authority option for two additional years.

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

Ms., Ogoreuc presented the final resolution to amend the FY 2021 Capital Budget. The Authority Board passed a resolution on June 26, 2020 that adopted a balanced FY 2021 Capital Budget beginning July 1, 2020 and ending on June 30, 2021.

Since adoption, the Pennsylvania Department of Transportation has advised the Authority of a \$820,000 decrease to its originally anticipated Section 1514 state capital funding allocation due to COVID-19 impacts.

Allegheny County has advised the Authority of an increase to its originally anticipated county capital funding allocation for FY 2021 related to the BRT project. In addition, the Authority has been notified by the Federal Transit Administration of certain increases to its originally anticipated federal capital funding allocation for FY 2021.

This resolution authorizes passage of the amended FY 2021 capital budget as set forth in Exhibit "A" to the resolution totaling \$145,275,460.

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

Ms. Ogoreuc next reported on the January 2021 Financial Statements.

She reported that Total Operating Income for the month of January was \$5.5 million under budget. Through January, Total Operating Income is \$39.1 million below budget. Every Operating Income category was below budget for the month and on a fiscal year-to-date perspective due to the pandemic. Lower Passenger Revenues and ACCESS Program Service Revenues constitute the majority of this shortfall.

Total Expenses for the month of January were \$6.5 million under budget and \$27.7 million under budget for the fiscal year. It was reported at the meeting that if these trends continue, the Authority wouldn't have to use any Deferred Revenues for operating purposes and may even have limited CARES ACT funds remaining to be utilized next fiscal year.

Total Subsidy for the month of January was \$9.7 million above budget due to a timing issue in CARES receipts versus budget in offsetting subsidy categories. Total Subsidy for the fiscal year was \$12.8 million over budget and should continue to be over budget as CARES ACT funds are recognized to offset lower Passenger Revenues.

Ms. Ogoreuc concluded her report by stating that the Authority ended January with approximately \$138.8 million in Operating Reserves.

That concluded the report of the Finance Committee.

There was one speaker during the public comment period, Mr. Fred Mergner, retired Port Authority service planner and scheduler. Mr. Mergner's statement pertained to the Bus Rapid Transit Service Plan.

He commented that although the Bus Rapid Transit project holds great promise for improving transit service throughout the East End and over 40,000 daily riders could benefit from BRT related improvements, the proposed service plan will not allow all riders to realize this promise because the plan is to short-turn four routes that will no longer serve uptown and downtown. And another route will no longer link two park and ride lots and three East Busway stations with Oakland.

Mr. Mergner offered some suggestions and encouraged the Board to have staff investigate his proposed changes as we all want the BRT to succeed. Port Authority will be the better for it and its riders deserve it.

That concluded the Public Comment period.

The Chair announced the next Regular meeting of the Board will be Friday, March 26, 2021.

With no further business the meeting was adjourned.