

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JANUARY 29, 2021

The Regular Meeting of the Board of Port Authority of Allegheny County was held virtually on Friday, January 29, 2021, immediately following the 2021 Annual Meeting, pursuant to due public notice given as required by law.

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

The Chair called the January 29, 2021 Regular Meeting to order.

A recommendation was made for approval of the minutes of the November 20, 2020 Regular Meeting and December 23, 2020 Special Meeting. A motion was made, seconded and 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 passed since November: Operators Joseph Harmon, Clark Jordan, Robert Schwotzer, John Dunlap, Stanley Paul, Anthony Scarvace, Paul Sitler, Vincent Ragano, Richard Paul, Julius Denson, David Todd, Kenneth Johns, Ralph Graeser Sr., John Dekret, Charles Watson and Jerome Gizler; Director of Road Operations Richard Wojnar; Crew leader James Chebatoris; Maintenance person Ronald Davis; Off board fare collector Ira Levy; Laborer Robert Little Jr., secretaries Nancy Carter and Barbara Zezulewicz; repairman Norman Shanor; scheduler Daniel Nee; woodworker Lester Best; and Dominick Rose and Charles Talarico.

Ms. Kelleman included the active family members we lost to COVID-19 last month, operators Patrick Hazlett, Marlon Lucas and Andrew McNeil. On behalf of the Board and everyone at Port Authority, she wished to send her sincerest condolences to their families and friends. They are missed here at work as they are at home.

Ms. Kelleman continued reporting that as this is our first meeting of the year, she wanted to take a brief look back on 2020.

As indicated in a summary of our Annual Service Report to be presented by Mr. Tague, 2020 was a devastating year for public transit, both locally and nationally. In 2019, we served 64 million trips. In 2020, we served about 29 million trips, about a 55 percent decline. Overall revenue was down nearly \$56 million.

Ms. Kelleman added that we remain very grateful that the federal government approved the CARES Act in March and a second stimulus package in December, and as long as ridership remains down, we're holding out hope for additional relief.

She said that she won't pretend that we're through the pandemic, but she did want to let our team know how proud she is for getting us through what will likely go down as one of the worst years for our industry. And if 2020 was the year things broke, 2021 is going to be the year we grab the

pieces and continue building on the foundation we started. Ms. Kelleman noted that although the pandemic did not break the Authority, COVID showed us what was broken.

Even though she cannot go to Harrisburg in person, she has been speaking with elected state legislators about the need for a dedicated and reliable funding source to replace Act 89. Noting that she will continue to promote public transit's positive economic impact on this region to officials in Harrisburg and Washington, D.C.

Ms. Kelleman continued reporting that incoming Transportation Secretary, Pete Buttigieg, has already set the wheels in motion, telling Congress how the Department of Transportation can play a central role in helping the U.S. economy recover from the coronavirus. Greater investment in public transit will create jobs, contribute to better health and safety, improve access and mobility, and help fight climate change. She is looking forward to working with Secretary Buttigieg soon.

Public transit will be part of Western Pennsylvania's recovery. Locally, we've already begun to make getting around a little bit easier. Ms. Liptak will report that our mobile ticketing pilot will start next week. Not only is it contactless, but patrons don't even have to visit a ticket vending machine. You can pay for your ride from your phone and use your digital payment to board. Validators are installed on about 80 percent of our buses and we hope to see a full rollout by the end of the year, adding that this system allows us to extend our sales network throughout the county.

Ms. Kelleman concluded her report by stating that 2020 was a heck of a year and we suffered some major losses, but we got through it. There may be more changes we will have to make in 2021, but it's looking up already.

That concluded the remarks of the Chief Executive Officer.

Mr. Letwin congratulated Katharine and her Team for their efforts and fine work during the pandemic, especially the front-line workers who continue to come to work every day.

Next 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 three 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 \$35 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 reported that the next resolution was seeking authorization to extend agreements with GAI Consultants, Inc. and SAI Consulting Engineers, Inc., to provide inspection and engineering services. The agreements were for an initial four-year term through May 31, 2021, in a total not-to-

exceed amount of up to \$11,000,000, with the option to extend the agreements up to one additional year at the Authority's sole discretion.

To date, the inspection and engineering services have been completed in a satisfactory manner. The Performance Oversight Committee recommended extending the term of the agreements one additional year, through May 31, 2022, to continue the completion of services on current and future projects, with no increase in the previously authorized total not-to-exceed amount of the agreement.

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 final resolution seeking authorization for settlement of a public liability claim.

It was reported that an accident involving a Port Authority bus and an employee of a tire servicing sub-contractor occurred on August 4, 2016 at the Authority's Collier Garage. The employee of the tire servicing sub-contractor was checking the tire pressure and tread depth of a tire installed on a bus parked in the garage when the bus began to move.

A personal injury claim was submitted to the Authority seeking monetary recovery for the damages allegedly sustained as a result of the accident.

The parties have reached an amicable agreement to fully and finally settle the claim in the total amount of \$150,000 with no admission of fault or liability by Port Authority.

The Performance Oversight Committee recommended a settlement payment in the total not-to-exceed amount of \$150,000, to fully and finally settle this claim.

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 items for the board.

As mentioned by Ms. Kelleman in her remarks, Ms. Ellie Newman presented the committee with the Annual Service Report for Fiscal Year 2020. He reported that Service Standards are evaluated through performance metrics including ridership, cost per rider, on-time performance, crowding and equity and Title VI analysis.

As indicated by Ms. Kelleman, ridership dropped dramatically in FY 2020 due to the COVID-19 pandemic. Rail ridership saw a greater decline than bus ridership. We know that rail riders are more likely to use transit for their commute to work, whereas bus riders are more likely to be transit dependent. Overall, on-time performance saw improvements for bus and rail service.

Mr. Tague noted that this analysis was done using pre-pandemic numbers, because many of our service standards, such as minimum passengers per hour, could not be fairly evaluated due to capacity limits to allow for social distancing.

Mr. Tague reported that “When we looked at ridership, we found 10 bus routes and weekend rail service to be low-performing. Improvements are currently on hold due to capacity restrictions that allow for social distancing. We also saw overall improvements when we look at on-time performance. However, we did find that 77 routes still do not meet the minimum standard.”

“Many routes had rush hour crowding pre-pandemic. Currently we are focusing on addressing crowding on a handful of routes that are having to pass riders up due to the passenger capacity limits.”

“The Title VI analysis looks at the impact on minority and low-income riders. We did find some adverse impacts on low-income and minority riders and we are working to address them. We found that low-income riders are being disproportionately impacted by overcrowded trips during the pandemic. We also found that minority riders are being disproportionately impacted by overcrowding during the pandemic by out of service trips for the full year.”

Mr. Tague noted that it is important to report that low-income riders and minority riders were not disproportionately impacted by overcrowding before the pandemic. The full year out of service disproportionate impact on minority riders was due to staffing shortages at the East Liberty garage. All East Liberty routes are considered minority routes, hence the disproportionate impact.

The November service changes were developed with these impacts in mind and we will monitor whether these changes were successful.

Next Mr. Tague updated the Board that Port Authority received 46 new service requests in FY 2020. These were evaluated and prioritized with the pool of existing requests, totaling 215. Implementation of service changes is currently on hold until we have more clarity regarding our budget.

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

He reported that ACTC held their General Council meeting on January 27 on Microsoft Teams. The council was welcomed by CEO Katharine Kelleman. Mr. John Binsse from Port Authority Engineering Department presented the council with Port Authority’s plan to update the Belasco Light Rail Station from a low-platform station to a high-platform station which will be accessible to all riders. The council was also provided with an overview of proposed service changes and updates on funding. The next meeting is scheduled for February 24, 2021.

The CAT Committee did not have any regular committee meetings in January. The next quarterly meeting is scheduled for February 4 on Microsoft Teams.

The CAT Committee, along with the City-County Taskforce on Disabilities, did attend a special meeting convened by Port Authority to present both groups with plans to make the Belasco Light Rail Station accessible. The meeting was held on January 15.

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, January 21, and she had a resolution for the Board's consideration.

A resolution was presented to the Committee that would permit the Chief Executive Officer, Chief Financial Officer, Director of Grants and Capital Programs and Chief Development Officer to apply for and enter into grant agreements.

This resolution would apply to various federal, state and local grants the Authority regularly applies for as well as discretionary grants that the Authority may become eligible for in CY 2021.

At the meeting, Mr. Schenk noted that he would report the status of grant applications in his monthly staff reports to the Board.

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.

Next at the meeting Mr. Schenk reported on the November and December 2020 Financial Statements as follows.

Total Operating Income through November was \$28 million under budget. Every Operating Income category was below budget through the first five months of the fiscal year. Lower Passenger Revenues and ACCESS Program Service Revenues constitute the majority of this shortfall.

Total Expenses for the month of November were \$2.9 million under budget and \$20.5 million under budget for the fiscal year. Total Subsidy through November was \$7.7 million above budget.

Total Operating Income for December was \$5.6 million under budget. Passenger Revenue for the month of December was \$5.1 million under budget due to continued low ridership because of the pandemic. At the midpoint of FY 2021, Total Operating Income is \$33.6 million below plan with every revenue category below plan.

Ms. Ogoreuc noted that the Operating Income shortfall for both November and December is indirectly eligible for CARES Act reimbursement.

Total Expenses for December were \$626,054 under budget. Employee Benefits were \$1.22 million over budget primarily due to a required, retroactive payment of \$1.82 million to the ATU Pension Plan.

At the mid-point of the fiscal year, Total Expenses are \$21.1 million below budget with every category other than Salary & Wages below budget.

Total Subsidy at the mid-point of the fiscal year is \$3.06 million above budget due to a timing issue in CARES receipts versus budget in offsetting subsidy categories.

From a year over year perspective, it was reported that Total Operating Income is \$33.6 million below last fiscal year due to the pandemic. Total Expenses are \$6.59 million higher than last fiscal year due to higher Wages & Salaries and Benefits.

Total Subsidy through the mid-point of the fiscal year is \$14.8 million higher than last fiscal year due to CARES Act funding.

Ms. Ogoreuc reported that the Authority ended December with approximately \$128.9 million in Operating Reserves.

The Committee also received a update from CFO Pete Schenk on CARES ACT funding. It was reported that the Authority has invoiced \$55.8 million from the first round of CARES Act funding through September with \$85.9 million remaining.

That concluded the report of the Finance Committee.

The Chair called on Ms. Jennifer Liptak for a report of the Technology Committee. Ms. Liptak reported that the Technology Committee met on Thursday, January 21

Ms. Liptak reported that there are no contract or bid resolutions for presentation to the Board this month.

As mentioned in Ms. Kelleman's remarks, Mr. Jeffrey Devlin and Mr. Mike Veltri provided an update on the progress of the Mobile Ticketing Services project. In this first phase of the project, the majority of the bus fleet now has the new Masabi validators installed, with Rail and Incline to follow. Customers will be able to use either Port Authority's Ready2Ride app or the widely used Transit App to purchase tickets for use in this touch-free mobile service. Starting next week, the first public-use pilot will begin, with 400 customers using the service on the bus lines. Mr. Devlin also highlighted some of the project's early positive outcomes related to data analysis, which is using historical data to infer ridership patterns for scheduling decisions.

Ms. Liptak thanked the team for their commitment in moving this very important project forward.

That concluded the report of the Technology Committee.

Under New Business, Mr. Letwin announced that he would like the Committee Chairs and members to stay the same as last year. He asked the Board members please contact him directly if they are unable to serve as Chair or if they would like to be reassigned to a different Committee.

There was only one speaker under Public Comment this month. Ms. Laura Chu Wiens, representing Pittsburghers for Public Transit, addressed the Board regarding the federal stimulus, BRT and fare relief for low-income riders.

Ms. Wiens welcomed Port Authority's new Director of Diversity and Inclusion and expressed hope that the intent behind the position is not only to ensure that the transit workforce is diverse and their voices are included, but to place an equity and a racial justice lens on decisions made that will affect the public.

“As the pandemic rages and poor people continue to struggle economically, Pittsburghers for Public Transit called on Port Authority to establish an emergency program to provide free or reduced fares for people who receive food assistance.”

Ms. Wien and Pittsburghers for Public Transit are in support of the BRT project coming to fruition and would like to recognize CEO Kelleman again for reversing the original proposal to cut service frequency on the 61 and 71 bus lines. To better inform those riders, Ms. Wien suggested that rather than holding community meetings by neighborhood that the meetings around BRT service impacts name the routes affected. That will capture the many riders that use those routes as part of the transit network and may be impacted by these services changes.

That concluded the Public Comment period.

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

With no further business the meeting was adjourned.

Approved