

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

The Regular Meeting of the Board of Port Authority of Allegheny County was held virtually on Friday, March 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, John L. Tague Jr., Stephanie Turman, Jessica Walls-Lavelle, Michelle Zmijanac and Acting General Counsel, Sandy Garfinkel.

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

A recommendation was made for approval of the minutes of the February 26, 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 acknowledged that Port Authority lost its fourth employee, John Majeski, to COVID-19 last month. In addition to being a wonderful coworker, he was a beloved husband, father, grandfather and brother. "Our thoughts continue to be with his family and the families of each of the employees we've lost to this horrible virus." Ms. Kelleman asked for a moment of silence for John along with operators Gregory Creola and James Biery, and Maintenance trainer Harry Weber Jr., who also passed away in February.

Next Ms. Kelleman recognized a few employees. The first was Port Authority's Director of Internal Audit, Maria Nickerson, who is retiring from Port Authority. Maria joined Port Authority as an associate auditor in 2013 and has been director of the department since 2018. During her career at Port Authority, Maria has been known for her attention to detail and professionalism and has helped to maintain and improve the department's focus on improving Port Authority's business processes and internal controls. She's leaving the department in Hadiza Buhari's capable hands.

On behalf of Mike Cetra and our entire management team, Ms. Nickerson was presented with a plaque to commemorate her hard work and dedication.

Next, Ms. Kelleman recognized Dale Knutson, who in 2018 helped establish and became the first director of Port Authority University. Although he has only been here in Pittsburgh for three years, Dale has more than 30 years in public transit, and his sense of humor, anecdotes and work ethic will absolutely be missed.

Ms. Kelleman then recognized Port Authority Police Officer, Nick Masi, who on March 7 was dispatched to a bus for the report of a passenger who fainted but was conscious and alert. When Officer Masi arrived, the passenger was unresponsive and had no pulse. Nick performed CPR and was able to revive the passenger before paramedics arrived and later transported the passenger to the hospital.

Ms. Kelleman continued her report by stating that today she would be asking the Board to open a 40-day public comment period to consider changes to our current fare structure. She reported that Port Authority's last fare increase was in 2012 and the last fare changes in 2017 was an overall decrease.

"This time, we are proposing to eliminate the 25 cent discount for ConnectCard users; eliminate transfers by turning the \$2.75 fare into an unlimited three-hour pass; and making the weekly and monthly passes rolling, which means they'll expire seven and 31 days after their first use."

As this process begins, Ms. Kelleman assured everyone that Port Authority is listening, noting that she believes that Port Authority has shown that we're open to listening, whether to make modifications on large projects that impact thousands of riders or smaller ones that affect just a handful.

Ms Kelleman stated that she is confident that the changes being proposed meet the needs of Port Authority riders, including the need for a more equitable system that neither rewards the privileged nor punishes those who rely on transit the most, providing some relief for low-income riders and simplifying our fares, particularly for visitors. These changes meet Port Authority's needs, too, by helping to provide financial stability, particularly considering the events of the past year, maintaining a satisfactory fare recovery level, and ensuring that fares keep up with the pace of inflation.

Perhaps the most important aspect is that unlike some of the other options, Port Authority will be able to make these changes relatively soon. "If approved, we're hopeful that we can deliver these changes before the end of the calendar year."

She explained that these changes represent tangible improvements to our current system. "Most of our riders travel within two three-hour windows each day. Therefore, a trip with a transfer to and from work or school that would cost \$7 with a ConnectCard today will cost \$5.50 if these changes are implemented."

Rolling passes, meanwhile, allow customers to get the most out of their passes. Rolling passes mean greater convenience and greater flexibility. It means customers don't have to miss out on the first few days of a weekly or monthly pass while waiting to get paid. It means customers can buy a pass and then use it when they need it the most.

Ms. Kelleman reported that the Authority is aware that there are fare options beyond what's been proposed, and some obvious shortcomings remain, namely how we can better serve cash users or at the very least provide better access to the benefits of a ConnectCard. She acknowledged that the Authority has not been entirely satisfied with the limitations of its current fare technology, and that we are reviewing different options to meet our customer's needs, but pointed out that some of the options are a bit more complicated. Some, frankly, come down to money that the Authority doesn't currently have.

Ms. Kelleman concluded her report by stating that it is important to stress that she considers these changes to be the beginning of this conversation, not the end. "We are committed to making fares more equitable, flexible and more useful overall."

That concluded the report of the Chief Executive Officer.

Mr. Letwin then announced that in accordance with the applicable provisions of Pennsylvania's Sunshine Act, the public comment period will appear before the Board Standing Committee reports today as the Board will be voting on whether to proceed to the public comment period for the FY 2022 Proposed Fare Policy changes.

There were five speakers addressing the Board, representing Pittsburghers for Public Transit, Pittsburgh Food Policy Council, Just Harvest, Casa San Jose and Alliance for Police Accountability organizations.

All speakers were in agreement of their support of the proposed policy changes for rolling bus passes and free transfers on ConnectCards. They were also in agreement that they were happy to hear in Ms. Kelleman's remarks the issue with cash fares, as cash riders are disproportionately very low-income residents of Allegheny County. They are more likely to have to make multiple transfers to get to key destinations like Oakland and downtown.

Some speakers were critical regarding the public process that led to these recommendations. They were disappointed that this coming comment period is intended to solicit feedback on these narrow recommendations.

Some of the speakers urged the Board to not raise fares during a pandemic. As the pandemic rages and underprivileged people continue to struggle economically, the organizations called on Port Authority to establish an emergency program to provide free or reduced fares for people who receive food assistance.

The full comments of the speakers were recorded and appear in the audio transcription of the meeting.

That concluded the Public Comment period.

The Chair called on Ms. Zmijanac for a report of the Performance Oversight Committee.

Ms. Zmijanac reported that the Performance Oversight Committee met virtually last week, and she had one resolution for the Board's consideration.

The Committee 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 that the award of bids listed in the resolution for the total amount of approximately \$2.1 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 several updates for the board, including one resolution to present for consideration.

Ms. Breen Masciotra, Manager of Transit Oriented Communities, gave the Committee a presentation on Port Authority adopting an Art Policy and how the agency would benefit from having one. Art is important to transit because it improves the customer experience, encourages ridership, improves the perception of transit, enhances community livability, deters vandalism and increases safety and security. Having an Art Policy would set expectations for review, consideration and approval of adding or removing art on Port Authority property.

The Policy would govern art at stations and facilities owned by Port Authority, provide transparency and a uniform process, authorize creation of an Arts Committee to advise the CEO, and authorizes staff to issue guidelines for: permanent art, temporary art, and deaccessioning or removal of art

If the Board chooses to adopt an Art Policy as recommended, Port Authority can form an official Art Program which would become effective April 1, 2021. Full program implementation to be determined.

On behalf of the Planning and Stakeholder Relations Committee, Mr. Tague respectfully requested approval of the resolution. It was moved, seconded, and unanimously agreed that the resolution be approved as presented.

Next at the meeting, Ms. Amy Silbermann, director Planning, provided an update on NEXTransit. The project is currently in "Theme IV: Which investments are most important?"

Through extensive data collection and public participation, we've heard where transit projects are most needed, and we have turned that into a list of proposed projects, policies and programs which are listed on the project website (www.nextransit.network).

Public engagement for Theme IV kicked off about a month ago and an update on engagement was presented. It was reported that there were four public meetings, 11 meetings attended by invitation from our stakeholder organizations. There were over 600 attendees across the 15 meetings with over 600 survey responses. Mr. Tague noted that paper surveys are at the Downtown Service Center and at some select bus stops in areas where we didn't immediately see zip code responses in our online surveys. These surveys will be available until April.

The next steps will be continuing to attend our stakeholder organizations' meetings where we've been invited to speak about the project through the rest of March. Staff will be participating in project cost/benefit analysis, prioritization, and more public engagement through the spring with a draft plan this summer.

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

On March 23, Port Authority held a special meeting for members of CAT and City County Task Force on Disabilities to provide the groups with an overview of Port Authority's NEXTransit project. The next meeting is scheduled for May 6 using Microsoft Teams.

On March 24, ACTC held its general council meeting. The council was provided with an overview of the NEXTransit project along with a general update on items of interest. The next council meeting is scheduled for April 21 using Microsoft Teams.

Mr. Tague added that more information about upcoming meeting dates for CAT and ACTC can be found on the Port Authority website.

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, March 18, and she had three resolutions for the Board's consideration.

First, Chief Executive Officer, Katharine Kelleman, reviewed the fare policy review work of fare consultant, Four Nines Technologies. She summarized the items Four Nines Technologies reviewed on industry best practices and the components of the Title VI review that is a requirement of the Federal Transit Administration with any fare change.

After Ms. Kelleman summarized the fare changes for the Committee, Chief Financial Officer, Peter Schenk, presented a resolution for Authorization to Proceed to a Public Comment Period for the FY 2022 Proposed Fare Policy Changes. The comment period would be from March 26 to May 5 and include a formal public hearing.

During the public comment period, members of the public will be able to provide comment on the proposed fare policy changes outlined in Exhibit A to the resolution.

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.

Mr. Schenk presented a second resolution to amend and extend an agreement with Brink's U.S., for Armored Car and Cash Management Services.

Ms. Ogoreuc reported that in January 2017, the Board authorized a three-year agreement award to Brink's for a total not-to-exceed amount of \$3,500,000 with two additional option years at the Authority's sole discretion. In April 2020, the Board exercised the first option year until May 4, 2021 and increased the not-to-exceed amount to \$4,268,600.

The services provided by Brink's under the contract have been satisfactory, therefore, the Finance Committee recommended approval of the second option year which would expire May 4, 2022 and increase the total not-to-exceed amount by \$743,400 to pay for the services during the additional year of the agreement.

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.

Chief Legal Officer, Michael Cetra, presented a third resolution to the Committee seeking authorization for Port Authority to enter into a Second Amendment to the Funding Agreement with the Stadium Authority of the City of Pittsburgh.

Ms. Ogoreuc reported that on April 1, 2015, Port Authority and the Stadium Authority entered into a five-year agreement for North Side T Station free fares. On November 1, 2019, the agreement was extended one year from April 1, 2020 through March 31, 2020.

Since March 2020, the COVID-19 pandemic has adversely impacted utilization of Stadium Authority garages and lots on the North Shore.

It was reported at the meeting that the parties have negotiated a one-year extension for \$265,000, but the Stadium Authority would not resume payments until 90 percent utilization of its North Shore garages and lots is met for three consecutive months. In the interim, Port Authority will utilize CARES Act funding to make up the revenue loss because it is directly attributable to the pandemic.

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.

Chief Financial Officer, Peter Schenk, then reported on the February 2021 Financial Statements. He reported that Total Operating Income for the month of February was \$5.5 million under budget. Through February, Total Operating Income is \$44.7 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 February were \$3.9 million under budget and \$31.7 million under budget for the fiscal year. Mr. Schenk reported 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 February was \$11.4 million under budget due to lower Local Tax Subsidy and no Deferred Revenue recognition. Total Subsidy for the fiscal year was \$1.4 million over budget and should continue to be over budget as CARES ACT funds are recognized to offset lower Passenger Revenues.

Ms. Ogoreuc reported that the Authority ended February with approximately \$136.5 million in Operating Reserves.

That concluded the report of the Finance Committee.

Under New Business, Mr. Letwin presented a resolution seeking authorization to award CEO Katharine Kelleman a bonus of \$21,908.

Mr. Letwin reported that the Authority hired Ms. Kelleman in January 2018 to lead an agency that had been stagnant as it dealt with financial problems. With finances stable, she expanded the management team to include long-range planning and technology development; revised plans for the Bus Rapid Transit system to eliminate service cuts in the Monongahela Valley; and implemented the largest service increase in 10 years last fall by expanding weekend service in some areas.

Mr. Letwin reported that Ms. Kelleman's contract calls for a base salary of \$230,000 a year, but she is eligible for annual bonuses of up to 10 percent based on whether she meets a series of targets set by

the board. He stated that Ms. Kelleman's performance this year has been phenomenal and has met the targets.

The Chair asked for a motion to approve the resolution as presented. It was moved, seconded, and unanimously agreed.

The Chair announced the next Regular meeting of the Board will be Friday, April 23, 2021.

With no further business the meeting was adjourned.

Approved