

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY MAY 28, 2021

The Regular Meeting of the Board of Port Authority of Allegheny County was held virtually on Friday, May 28, 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, Jennifer M. Liptak, Ann M. Ogoreuc, John L. Tague Jr., Stephanie Turman, Jessica Walls-Lavelle, Michelle Zmijanac, Representative Lori Mizgorski and Acting General Counsel, Sandy Garfinkel.

The Chair called the May 28, 2021 Regular Meeting to order.

A recommendation was made for approval of the minutes of the April 23, 2021 Regular 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 first asked for a moment of silence for the retired employees who passed away in April, including operators Albert Clark and Russell Jumper; automotive mechanic Charles Jones; body repairperson Joseph Olasiin; Claims Department manager Jack Moore; Building Maintenance person Ruper King Sr. and operator/dispatcher Marlene Thomas.

Ms. Kelleman added that she also wanted to offer our sincerest thoughts and prayers for our transit family in California at the Santa Clara Valley Transportation Authority after an employee there shot and killed nine people at a rail facility before killing himself. Most, if not all, of the victims were transit employees.

Ms. Kelleman announced that the fare changes are not being presented today because the Title VI analysis is not yet complete. It will be finished before we present the fare changes to the Board next month. She added that we do not believe this will have an impact on our ability to implement the changes, ideally, on January 1, 2022.

Next Ms. Kelleman presented the FY 2022 Preliminary Operating and Capital Budgets. She reported that the last 14 or so months have been among the most challenging of her professional career as planning through, and for, uncertainty is challenging. Ms. Kelleman added that if someone said all of this was going to happen and we'll be back to normal in a year or even two years, we could have dealt with that situation. But the problem we face is that nobody really knows what's next.

The transit industry in the U.S. is estimating that the impact of COVID will linger for up to four to five years. That's the true potential we must face, and plan for, as best we can. While it's necessary to understand the challenge, there is light ahead as COVID cases have significantly decreased, Pennsylvania is on track to have 70 percent fully vaccinated population in June and this region and state are opening back up for business.

Ms. Kelleman continued reporting that Port Authority's ridership is starting to come back. Weekday and Saturday ridership were up eight percent in April over March. If it had not been for the Easter holiday, Sunday ridership would be up as well. Overall, ridership remains 35 to 40 percent pre-pandemic levels. Ms. Kelleman predicted that it will return, we just don't know when.

Through all of this, Port Authority, and the transit industry, benefitted from three rounds of federal funding to help offset the negative impacts of COVID, which include lost ridership, increased costs, and workforce disruptions due to illness and exposure. She noted that if we had only received one round of federal support, we'd be planning now for service cuts in the coming fiscal year.

At our current ridership levels, we will exhaust all three rounds of the CARES Act Funding, in 2024. If 75 percent of our ridership returns, we gain about another two years, meaning we would face service cuts in our FY 2026 budget year. Our job is to protect and preserve transit service so that the people who live and work in Allegheny County can rely on it. When service levels are at risk, uncertainty can spread to those we serve.

Port Authority will continue to push forward and to continue to drive the progress that we started pre-pandemic. Yet, we will do so with fiscal caution, to ensure that we can stretch this vital relief funding for as long as we can, so that we can protect our service to the community for as long as we can. Noting that we also are working with partners statewide to identify a replacement for when Act 89 disappears in FY 2023. This will be another vital step in our future, and we'll continue reporting on this as it evolves.

Next Ms. Kelleman reported on our long-range transportation plan, NEXTransit, which unveiled a preliminary list of priority projects and programs this week and held three online public meetings to walk the community through the process to date and preliminary findings. We saw strong participation from the community and encourage others from the public to look at the preliminary recommendations on the project's website. We continue to look for feedback to make sure we get it right.

Ms. Kelleman concluded her report by stating that the draft NEXTransit plan will be ready in July and we will have another round of public meetings, including hopefully some in-person meetings.

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 virtually last week, and she had five resolutions for the Board's consideration.

The Committee first reviewed seven 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 \$3.1 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.

The next resolution was seeking authorization to establish the fifth-year budget with Transdev Services, Inc.

Ms. Zmijanac reported that In April 2017, the Authority's Board authorized the award of a five-year agreement with Transdev Services, Inc., to provide professional services to coordinate and administer paratransit services for individuals with disabilities and elderly persons in Allegheny County, also known as ACCESS.

The agreement specifies that a not-to-exceed amount for the agreement will be established for each fiscal year. The Performance Oversight Committee recommends a not-to-exceed amount for the agreement's fifth fiscal year, covering the period July 1, 2021 through June 30, 2022, in the total amount of \$2,710,000.

Ms. Zmijanac noted that the proposed amount represents a 0.3 percent decrease when compared to the costs approved for the previous fiscal year.

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 was seeking authorization to enter into a Permanent Easement Agreement for the Mount Washington Tunnel Hillside Stabilization project.

Ms. Zmijanac reported that over the past several years, the hillside on the southern portal of the Mount Washington Tunnel experienced various flooding and mudslide issues. It was noted at the meeting that this is a critical connection for the Authority's buses and light rail vehicles between the Station Square Transit Station and South Hills Junction Transit Station.

The Authority has developed a plan to stabilize the hillside, but to complete the project, the Authority requires permanent access to, and the use of, a portion of the property adjacent to the tunnel owned by 288 Paul Street LLC.

The Performance Oversight Committee recommended entering into a Permanent Easement Agreement with the property owner to complete the project and maintain improvements post-completion.

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 was seeking authorization to award a construction contract for the McCandless Park and Ride Site Improvements project.

Ms. Zmijanac reported that the work includes demolition and construction of paved bus layover and customer parking areas, ADA upgrades, underground stormwater management systems, site amenities and improvements, LED light upgrades, installation of an operator relief facility, bus shelters and landscaping.

It was also noted at the meeting that this resolution would further authorize the Authority to enter into any necessary agreements with the Township of McCandless to maintain the adjacent sidewalk and the newly installed stormwater retention system.

The Performance Oversight Committee recommended awarding the contract to the lowest responsible bidder, Murin and Murn, Inc., in the amount of \$3,320,341.00, subject to completion of 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.

Ms. Zmijanac presented the final resolution seeking authorization to award four construction contracts for the East Liberty and Manchester Equipment Improvements project.

After bids were received, it has been determined that the lowest responsive bids from responsible bidders meeting the Authority's specifications for the project are as follows: Mosites Construction Company, in the amount of \$900,630.00 for the General Construction Contract; Lugaila Mechanical, Inc., in the amount of \$2,223,000.00, for the Mechanical Construction Contract; First American Industries, Inc., in the amount of \$312,000.00, for the Plumbing Construction Contract; and Westmoreland Electric Services, LLC, in the amount of \$493,600.00, for the Electrical Construction Contract.

The Performance Oversight Committee recommended awarding the contracts to the above stated Contractors, subject to completion of the 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.

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 had several updates to report.

First, Mr. Tague updated the Board on the major service changes scheduled for June 20, 2021. He reported that bus route 69 Trafford is being shortened on its inner end to the Wilkinsburg Station. This is significant for the communities of Pitcairn, Wilmerding, Turtle Creek and Forest Hills because it removes their direct access to Downtown Pittsburgh. Port Authority is no longer permitted to use the existing layover location in Trafford and we are working to identify an alternate location.

Mr. Tague reported that the Authority is adding new Sunday service to bus route 4 Troy Hill in concert with last years' update to our Service Standards, which calls for local bus routes to have service seven days a week.

Some minor service changes scheduled for June 20, 2021 include several downtown bus routes being moved to accommodate continued outdoor dining along portions of Penn Avenue. Many of these changes have already been in place as temporary detours.

The P2 bus route will begin a pilot project and will only go inbound as far as Penn Station along the East Busway. It will no longer use bus stops on Liberty Ave, Smithfield Street and Grant Street in downtown. This is being done as a pilot to test operational changes and rider responses to apply to the P1 bus route, which consistently experiences overcrowding.

Bus route 81 and 83 will permanently shift from Bigelow Boulevard to Bellefield Avenue. This is being done in coordination with the University of Pittsburgh's Bigelow project

Mr. Tague announced that the Planning and Service Development Department will not issue evaluations for new major service requests in its FY 2021 Annual Service Report.

Staff is focusing solely on changes to ridership and schedules because of the pandemic and post-pandemic environment.

As mentioned in Ms. Kelleman's report, staff held public meetings for the South Hills Junction Station Area Plan on May 10 and May 24 and 25 for the long-range plan, NEXTransit.

At the meeting Ms. Ellie Newman also presented a tool in development by staff that will allow for an easier way to explore stop-level ridership for multiple stops at a time using an online map where users can draw a circle around their bus stops of interest. This tool will save significant staff time and allow the public to understand rider patterns more easily without having to submit a formal request. In the future, we hope to add light rail station ridership and trip counts by route for stops.

Mr. Tague concluded his report by updating the Board on the Committee for Accessible Transportation and the Allegheny County Transit Council.

The CAT Committee met virtually on May 6 from 5:30-7:30 pm for their regular quarterly meeting. Port Authority staff provided updates on the status of Belasco Station, the Title VI Analysis for November 2022, a bus stop Accessibility Survey Preview, and a funding update along with the liaison update containing items of interest to the committee. The next quarterly meeting is scheduled for August 5, 2021 and will be conducted using Microsoft Teams.

ACTC met virtually on May 26 from 5:30-7pm. They were provided an overview of the June service changes and a finance and budget overview along with the liaison update containing items of interest to the council. The council's next meeting is scheduled for June 23, 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, May 20.

First, CEO Katharine Kelleman gave an update on the Fare Policy Change process. She reported that the public hearings are complete, and the Title VI Report is being finalized. A resolution to adopt the proposed changes will be presented at the June Board meeting.

Both CEO Kelleman and CFO Peter Schenk presented the preliminary FY 2022 Operating and Capital Budgets.

Ms. Kelleman presented the preliminary FY 2022 Operating Budget. She stressed that the transit industry continues to experience significant ridership loss and overall uncertainty on future ridership levels. She went on to emphasize that the Authority will continue to focus on maintaining current service levels while taking great care of both employee and rider safety.

Ms. Kelleman also stated that the Authority will be transitioning from a COVID-19 focus, to instead re-focusing on pre-pandemic organizational initiatives.

Mr. Schenk reported that the preliminary FY 2022 Operating Budget would set revenues at pre-pandemic levels to simplify invoicing of federal stimulus funding. The preliminary Operating Budget is set at \$494,238,449 which is an increase of \$8.57 million or 1.76 percent over the FY 2021 Budget. Mr. Schenk also reported on the preliminary FY 2022 Capital Budget. The preliminary Capital Budget totals \$227.8 million with \$18.6 million for Debt Service, \$147.5 million for Fixed Guideway Improvements, \$54.9 million for Facility Improvements and \$6.7 million for Support Programs.

Mr. Schenk then presented a resolution for authorization of Port Authority staff to file grants and submit invoices and status reports with the Pennsylvania Department of Transportation. PennDOT requires the Authority to identify, and the Board of Directors to approve positions that will have access to PENNDOT's electronic system (DOTGRANTS). The identified positions are included in Exhibit A.

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, Chief Financial Officer, Peter Schenk, reported on the April 2021 Financial Statements. He reported that Total Operating Income for the month of April was \$5.1 million under budget. Through April, Total Operating Income is \$54.8 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 most of this shortfall due to the pandemic.

Total Expenses for the month of April were \$963,802 under budget due to lower Fringe Benefit expense and despite a \$2.8 million charge for retroactive wage payment related to the ATU Local 85 contract. The Authority's Total Expenses are \$35.6 million under budget for the fiscal year. Mr. Schenk reported that if these trends continue, the Authority will not have to use any Deferred Revenues for operating purposes.

Total Subsidy for the fiscal year is \$5.87 million above budget due to CARES Act receipts that have offset lower Passenger Revenue.

Finally, Mr. Schenk reported that the Authority ended April with approximately \$143.4 million in Operating Reserves.

That concluded the report of the Finance Committee.

The Chair called on Ms. Liptak for a report of the Technology Committee.

Ms. Liptak reported that the Technology Committee met on Thursday, May 20 and she had one item for the presentation this morning.

She presented the procurement bid for the purchase of equipment, installation, and configuration assistance (as necessary) of 95 Cisco 9300 Series Catalyst switches using a competitive bid contract of the Commonwealth of Pennsylvania Department of General Services. Under "Networking Equipment & Related Services", ePlus Technology Inc. has been awarded a contract and the Authority wishes to make purchases under the terms and conditions of this contract #4400020304 in the amount of \$897,408.82.

The Committee found the bid proposal to be in accordance with the Authority's procurement policies and procedures and consistent with a Commonwealth bid and contract appropriate for a cooperative purchase, the prices to be fair and reasonable and the bidder to be responsive and responsible.

On behalf of the Technology Committee, Ms. Liptak 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 Technology Committee.

The Chair announced the next Regular meeting of the Board will be Friday, June 25, 2021.

With no further business the meeting was adjourned.