

PORT AUTHORITY OF ALLEGHENY COUNTY



Operating and Capital Improvement Budget

July 1, 2018 – June 30, 2019

Fiscal Year 2019

PortAuthority.org

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Allegheny County

Allegheny County is located in the Southwestern corner of Pennsylvania. It was founded on September 24, 1788, by General John Forbes, who combined portions of Westmoreland and Washington Counties. At the center of the County, the Allegheny and the Monongahela rivers converge to create the headwaters of the Ohio River. The population, per a 2017 estimate, stands



at 1,223,048 which makes it the second most populous county in Pennsylvania. The City of Pittsburgh, located in the heart of the three rivers, is the county seat. The County is 745-square miles; 730 square miles of land and 15 square miles of water. Much of Allegheny County is covered with forests and farmland. Temperatures are highest in July with an average of 83 degrees and January is the

coldest with an average low of 21 degrees. Average precipitation is 3.1 inches per month with approximately 150 days per year with some level of precipitation.

According to the most recent census, there were 533,960 households, 308,009 families and 2.23 persons per household residing in Allegheny County. Population density was 1,676 per square mile of land. The racial makeup was 81.5% White, 13.2% Black or African American, 0.1% American Indian, 2.8% Asian, 1.6% Hispanic or Latino, 0.5% from other races and approximately 0.3% from two or more races. Median age for county residents was 41.3 years and 52.1% of the population was female.

The County is home to several Fortune 500 companies including Kraft Heinz, PPG Industries, PNC Financial Services, United States Steel, Crown Holdings, Dicks Sporting Goods and WESCO International. In addition to corporate headquarters, Allegheny County has world renowned cultural attractions. The Carnegie Museums, the Andy Warhol Museum of Art, the Pittsburgh Zoo, the National Aviary, and the Heinz History Center are all located in the region. These cultural attractions validated Pittsburgh and Allegheny County as one of the “Best All-American Vacation Destinations” for the summer of 2014, according to the *Travel Channel*.

The County is governed under a Home Rule Charter. This structure was implemented in 2000 and abolished a three-commissioner system. Under the Home Rule Charter, the County residents elect a County Chief Executive Officer and a 15 member Council.

Port Authority of Allegheny County

The Port Authority of Allegheny County was established in January of 1958 and operates pursuant to the Commonwealth of Pennsylvania’s Second Class County Port Authority Act. The transit operations for the modern day Port Authority began on March 1, 1964, with the formal consolidation of 33 private transportation carriers, including Pittsburgh Railways Company. The Authority was created for the purpose of planning, acquiring and holding, constructing, improving, maintaining, and operating a comprehensive public transportation system within Allegheny County by utilizing the full powers of the Second Class County Port Authority Act. The powers of the Authority also include the ability to borrow money for costs of projects related to the Authority and to issue negotiable, interest-bearing debt obligations. Any debt issuance by the Authority is the obligation of the Authority and shall not become indebted or an obligation to the Commonwealth or Allegheny County.

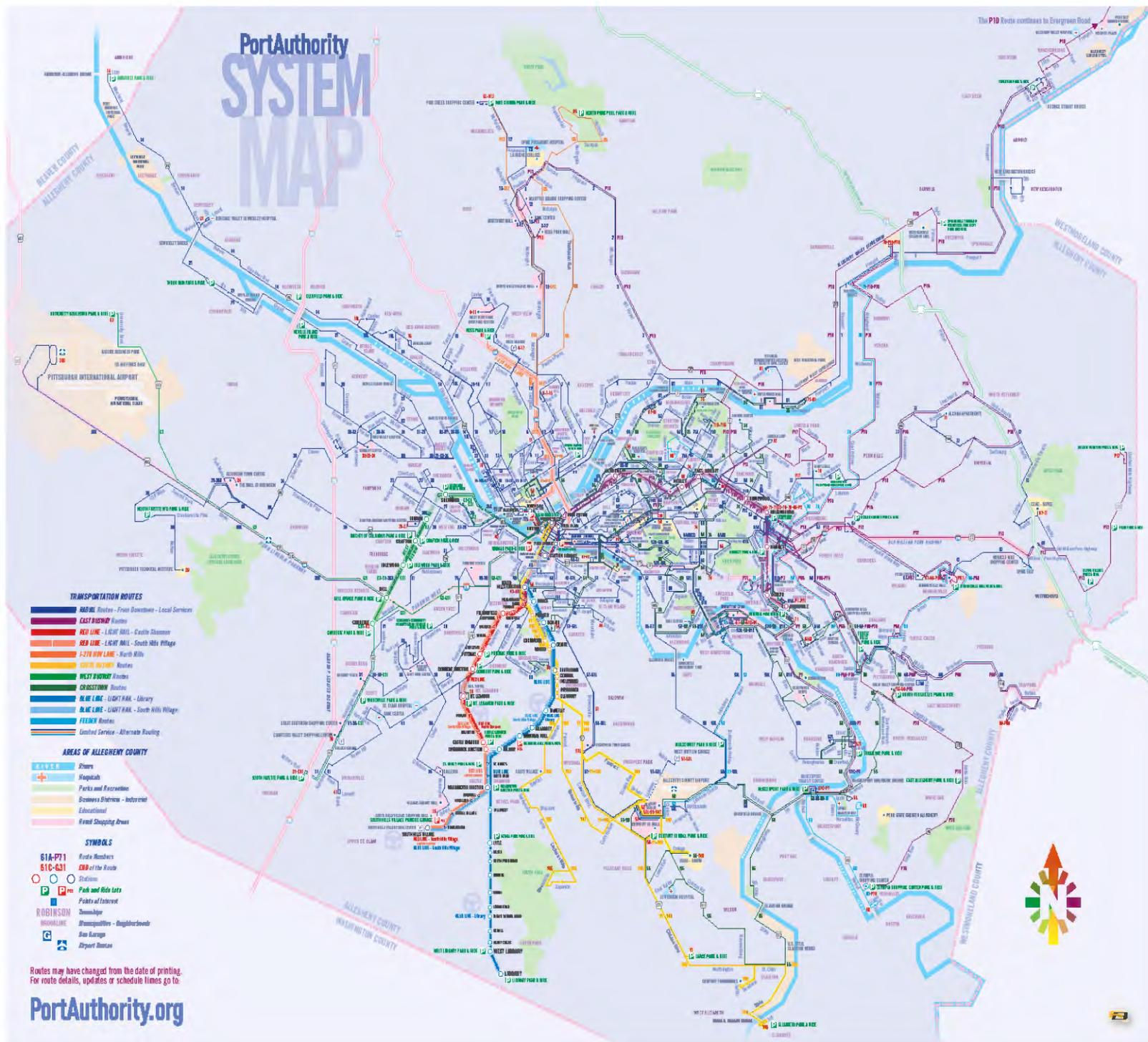
The Port Authority operates within the 745-sq miles of the County, serving a population base of 1.3 million people. The transit network includes fixed route bus service, the light rail system, and the Monongahela Incline. The Authority also provides ACCESS service, a coordinated, shared-ride paratransit system offering door-to-door, advanced reservation transportation for elderly and handicapped persons. ACCESS has been recognized as one of the nation’s premier paratransit systems.

The Port Authority directly operates approximately 730 buses that vary in size from 35 to 60 feet, 83 light rail vehicles, and the Monongahela Incline. Port Authority assets include 7 maintenance and storage garages, 3 exclusive busways (the 4.3-mile South Busway, the 9.2-mile Martin Luther King Jr. Busway, and the 5-mile West Busway), the Wabash Tunnel and the 26.2 mile “T” light rail system.

In 2013 the Commonwealth of Pennsylvania passed legislation that altered the composition of the Port Authority of Allegheny County’s Board of Directors. Under the new legislation the board increased to 11 members that are appointed by the Governor, two caucuses of the General Assembly, the County Executive, and County Council. The board structure provides representation from the funding stakeholders.



Port Authority of Allegheny County System Map



Port Authority of Allegheny County 2017 Agency Profile

Chief Executive Officer - Katharine Eagan Kelleman

General Information

Urbanized Area Statistics - 2010 Census	Service Consumption
Pittsburgh, PA	266,556,677 Annual Passenger Miles (PMT)
905 Square Miles	63,230,618 Annual Unlinked Trips (UPT)
1,733,853 Population	212,518 Average Weekday Unlinked Trips
77 Pop. Rank out of 498 UZAs	95,929 Average Saturday Unlinked Trips
	62,944 Average Sunday Unlinked Trips
Service Area Statistics	Service Supplied
775 Square Miles	32,480,903 Annual Vehicle Revenue Miles (VRM)
1,415,244 Population	2,405,478 Annual Vehicle Revenue Hours (VRH)
	939 Vehicles Operated in Maximum Service (VOMS)
	1,175 Vehicles Available for Maximum Service (VAMS)

Modal Characteristics

Modal Overview	Vehicles Operated in Maximum Service		Uses of Capital Funds				
	Directly Operated	Purchased Transportation	Revenue Vehicles	Systems and Guidelines	Facilities and Stations	Other	Total
Demand Response	0	266	\$0	\$0	\$0	\$0	\$0
Inclined Plane	2	0	\$0	\$252,264	\$0	\$0	\$252,264
Light Rail	57	0	\$0	\$25,306,606	\$3,494,653	\$63,596	\$28,864,855
Bus	614	0	\$33,583,102	\$13,101,745	\$18,905,009	\$773,059	\$66,362,915
Total	673	266	\$33,583,102	\$38,660,615	\$22,399,662	\$836,655	\$95,480,034

Operation Characteristics

Mode	Operating Expenses		Uses of Annual Passenger Miles		Annual Unlinked Trips		Annual Vehicle Revenue Miles		Annual Vehicle Revenue Hours	
	Fare Revenues	Capital Funds	Miles	Revenue Miles	Revenue Miles	Revenue Hours	Revenue Miles	Revenue Hours		
Demand Response	\$35,216,342	\$10,816,149	11,791,613	1,486,771	9,256,183	620,046	6,043	169,646		
Inclined Plane	\$1,019,940	\$836,482	29,714,858	7,759,217	2,170,772	1,609,743	43.1	92.9		
Light Rail	\$63,074,777	\$9,210,530	224,980,637	53,389,294	21,039,819	1,609,743	1,175	185.2		
Bus	\$302,782,796	\$78,982,204	266,556,677	63,230,618	32,480,903	2,405,478				
Total	\$402,093,855	\$99,845,365								

Performance Measures

Mode	Service Efficiency		Service Effectiveness	
	Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Vehicle Revenue Hour	Operating Expenses per Unlinked Passenger Trip	Unlinked Trips per Vehicle Revenue Mile
Demand Response	\$3.80	\$56.78	\$2.99	0.2
Inclined Plane	\$72.19	\$168.78	\$14.66	42.1
Light Rail	\$29.06	\$371.80	\$2.12	3.6
Bus	\$14.39	\$188.09	\$1.35	2.5
Total	\$12.38	\$167.16	\$1.51	1.9

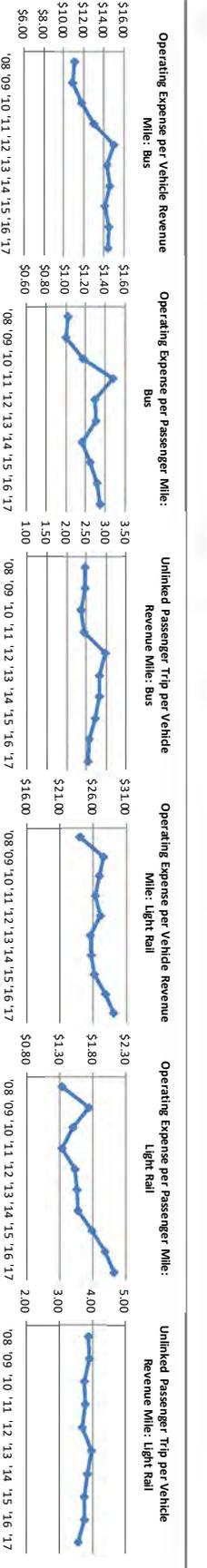
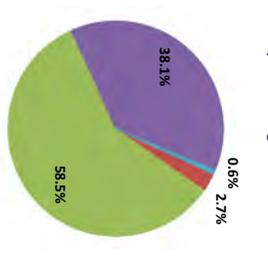
Financial Information

Sources of Operating Funds Expended	Operating Funding Sources
Fare Revenues	\$99,845,365 24.6%
Local Funds	\$39,516,572 9.8%
State Funds	\$228,239,300 56.3%
Federal Assistance	\$33,396,143 8.2%
Other Funds	\$4,254,590 1.0%
Total Operating Funds Expended	\$405,251,970 100.0%



Sources of Capital Funds Expended	Capital Funding Sources
Fare Revenues	\$0 0.0%
Local Funds	\$2,621,009 2.7%
State Funds	\$55,871,542 58.5%
Federal Assistance	\$36,590,924 38.1%
Other Funds	\$596,599 0.6%
Total Capital Funds Expended	\$95,480,034 100.0%

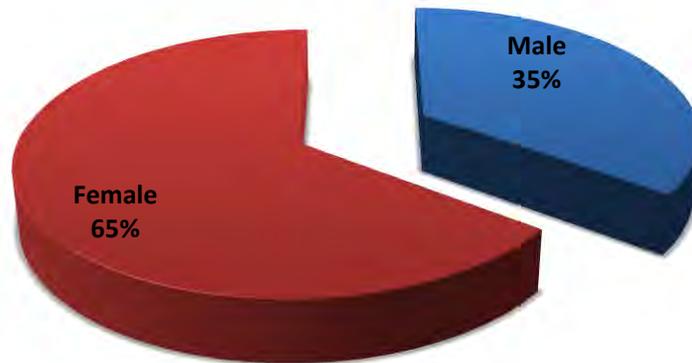
Summary of Operating Expenses (OE)	Average Fleet Age in Years
Salary, Wages and Benefits	\$301,988,748 75.1%
Materials and Supplies	\$37,906,916 9.4%
Purchased Transportation	\$35,191,339 8.8%
Other Operating Expenses	\$27,006,852 6.7%
Total Operating Expenses	\$402,093,855 100.0%
Reconciling OE Cash Expenditures	\$3,158,115
Purchased Transportation (Reported Separately)	\$0



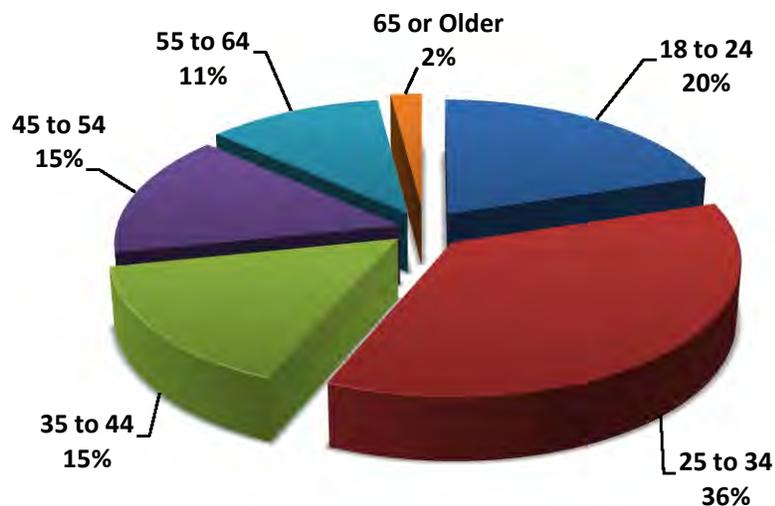
Port Authority Ridership Profile

The following charts represent a typical adult Port Authority passenger and were derived from the data recorded as part of the 2014 Rider Study. This survey was conducted by a consultant contracted by the Port Authority between November 10, 2014 and January 20, 2015. Their criteria for inclusion were the respondent had to be 18+ years of age and have used the Port Authority's services in the past year. In total, 1,941 surveys were completed as part of this study.

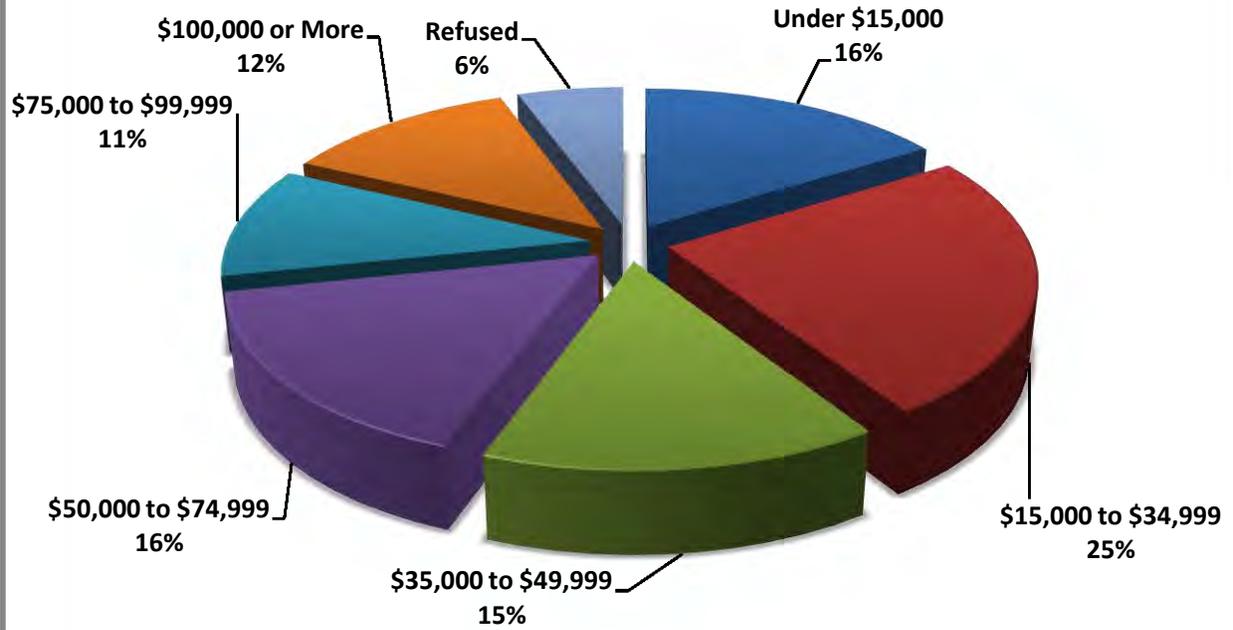
Gender of Port Authority Passengers



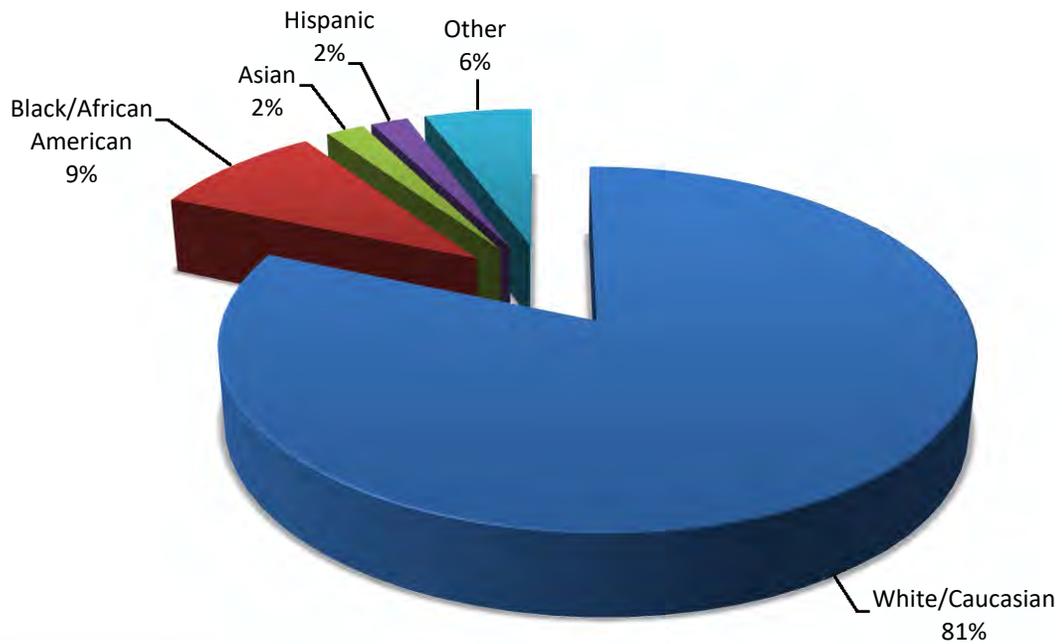
Age of Adult Passengers



Household Income



Ethnicity



Fiscal Year 2019 Budget Development

FY 2019

A budget represents a financial plan based on the best available information at a point in time. The Port Authority's annual operating budget, along with the performance against it, is the most visible element of fiscal responsibility. This fiscal responsibility is necessary to assure the long term success of the Port Authority and stable service for customers and the region.

Operating Budget Process

Port Authority begins its budget preparation cycle each January. Kickoff of the budget process begins with the Finance department providing the Budget Request Forms to each department.

See Operating Budget Development Timeline.

Capital Budget Process

The development of the Capital Improvement Program (CIP) originates with the review of the Port Authority's Capital Needs Study. The objective of this review is to evaluate assets, assess risk, prioritize needs and forecast necessary capital expenditures to enhance transit service while maintaining the integrity of our current infrastructure.

See Capital Budget Development Timeline.

The Operating and Capital Budgets at the Port Authority must be considered and submitted for approval together, as they have become increasingly interdependent as certain sources of funds can be used interchangeably. Balancing this usage of Capital funding for operating purposes with expansion and state of good repair projects is the only way to address the daily requirements of the organization, assess the future Capital needs, and achieve the company vision and organizational goals established by the Port Authority.

Fiscal Year 2019 Operating Budget Development Timeline

Operating Budget Timeline

Completed By:	JAN	FEBRUARY			MARCH			APRIL			MAY			JUNE			JULY							
	31	7	14	21	28	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	3	
Department Managers Department Directors Division AGMs	Budget request forms provided by Financial Planning & Budgets department and Completed by all Divisions.																							
Financial Planning & Budgets Personnel	Initial budget requests are reviewed and compiled along with company-wide revenue projections.																							
Department Managers Department Directors Division AGMs	Financial Planning & Budgets personnel meet with each department and division to review and finalize budget submissions.																							
Financial Planning & Budgets Personnel	Compilation of Initial FY 2019 Operating Budget. Additional department budget meetings if changes are deemed necessary.																							
Financial Planning & Budgets Personnel Senior Staff	Preliminary FY 2019 Operating Budget presented to the Chief Executive Officer and Senior Staff. Preliminary Budget presented to the Board's Planning and Stakeholder Relations Committee and ACTC during this period.																							
Financial Planning & Budgets Personnel Senior Staff	Final FY 2019 Budget presented to the Board of Directors. Approval of Final FY 2019 Budget at the June Board Meeting.																							
Financial Planning & Budgets Personnel	Final FY 2019 Budget data uploaded to the PeopleSoft Database.																							

DELIVER AN EXCELLENT CUSTOMER EXPERIENCE

- **Develop a system-wide service plan to maximize availability of public transit**
 - a) Long range 20-year service plan
 - b) Initiate mid-term service plan with community vision
 - c) Develop I.T. strategic plan to integrate services, including mobile fare and other apps.
 - d) Plan and construct BRT to allow expedited loading to maintain improved service & reliability
 - e) Centralize service center and customer service
- **Develop and deploy maintenance plan to support service plan**
 - a) Make the line 95% of the time.
 - b) Vehicle overhaul program bus and rail
 - c) Station/stop upgrades
- **Improved accessibility and on time performance (73% goal at 1 minute early to 5 late)**
 - a) Overhaul route and relief schedules
 - b) Fleet/maintenance stabilization
 - c) Enhance Bus PM Schedule to Improve Mean Distance between Road Failures (MBRF)
 - d) Road Supervisors /Traffic Dispatchers to Monitor Clever CAD to increase on-time performance
- **Introduce new Market Research Concepts**
 - a) Use Voice of Customer research data and Customer Service data annually to support divisional enhancements and recommend opportunities
 - b) Use customer feedback loops to improve service quality
 1. e.g. Address complaints in 72 hours and resolve in 10 business days

DEVELOP A FINANCIAL SUSTAINABILITY PLAN

- **Develop Board approved Financial Policies**
 - a) Adopt a Board approved fare policy review process including the establishment of fare recovery ratio target
 - b) Adopt a Board Debt Policy
 - c) Conduct a comprehensive review of the Operating and Capital Budget process.
 - d) Adopt a Board approved Treasury Management Program.
 - e) Adopt a Board approved Operating Budget Reserve Policy
- **Explore increasing current revenue sources and developing new revenue streams**
 - a) Update U-Pass agreements
 - b) Review opportunities for increasing Advertising Revenue on Fixed Route or ACCESS vehicles
 - c) Explore naming rights for current and future service
 - d) Investigate paid parking at the Port Authority owned lots
 - e) Explore alternative funding scenarios for the eventual replacement of the Light Rail Transit fleet and Non-Revenue Vehicle Fleet
- **Develop a Performance and Productivity Reporting Framework**
 - a) Respond to PennDOT PAAC System Performance Review
 - b) Use new Maintenance Work Order System to begin to develop productivity reports
 - c) Develop multi-year Strategic Plan
 - d) Explore creation of Project Management Office (PMO)
- **Enhance the Sustainability Program to drive future cost containment**
 - a) Explore opportunities for new technologies that may reduce future operating costs.
 - b) Assist in a fuel diversification program.

DEVELOP AN AGENCY-WIDE SAFETY PROGRAM

- **Promote a culture of safety first via implementation of an Agency Safety Plan for Port Authority**
 - a) Review and convert System Safety Program Plan, using Federal Transit Administration Safety Management Systems (SMS) principles and guidance into an Agency Safety Plan.
 - b) Update Security and Emergency Preparedness Plan to include cyber security and payment card industry (PCI) compliance policies and procedures.
- **Enhance training programs with focus on SMS awareness and implementation, workplace safety and security accident prevention and investigation and incentive programs for employees**
 - a) Operations and Facilities management to complete SMS Awareness online module.
 - b) System Safety to provide SMS Awareness training to Board.
 - c) Coordinate with Transportation Safety Institute to hold SMS Principles for Transit training program for Operations and Facilities Division Management.
 - d) Develop Division and Operator recognition programs based upon revenue vehicle miles without a chargeable accident performance.
 - e) Develop Division recognition program for prevention and reduction of workplace injuries.
- **Deploy Port Authority police in a strategic manner using community oriented policing principles**
 - a) Use key crime statistical information and analysis of service areas and transportation modes for strategic deployment of police and security resources.
 - b) Complete installation of security cameras at key stations along the East Busway, including Herron, Negley and Roslyn Stations.
 - c) Use community-oriented policing principles and training to improve police visibility and interactions with the riding public, including officer visibility and positive interaction with riders and engaging employees and patrons in safety and security initiatives such as “See Something, Say Something” and domestic violence and personal safety awareness training.
- **Develop and deploy cyber and PCI initiatives**
 - a) Develop an employee training program to increase awareness of potential cyber attacks

DEVELOP AN EMPLOYEE ENGAGEMENT PROGRAM

- **Set a baseline for engagement and acknowledgement**
 - a) Desk audit
 - b) Engagement survey
 - c) Program audit
- **Begin Port Authority University Concept**
 - a) Consolidate all training under one umbrella entitled “Port Authority University”
 - b) Initiate a succession plan for key positions.
 - c) Promote and encourage staff to continue learning/training and use that knowledge internally
 - d) Increase and improve management training programs for new and existing managers and high potential management candidates.
 - e) Develop refresher training for Operators, Supervisors and Movement Directors.
 - f) Implement a new Rail Maintenance Training and Overhead Linesperson training program.
 - g) Conduct a training needs analysis of the positions currently in the Maintenance Apprenticeship Program (MAP).
- **Develop employee recognition programs**
 - a) Annual event calendar
 - b) Develop appreciation events and calendar
 - c) Revive Roadeo
- **Focus on employee wellness, fitness and well-being**
 - a) Expand on the fitness room survey and complete the project for each garage location.
 - b) Encourage employee wellness through financial incentives within the healthcare benefits package.
 - c) Encourage use of the internal Employee Assistance Program (EAP); Establish EAP availability 24/7
 - d) Enhance employee financial wellness by offering a Roth 401(a) contribution program.
- **Labor Relations**
 - a) 300 Committee
 - b) Open Door forums and other committees such as Scheduling Committees

IMPROVE CUSTOMER AND PUBLIC COMMUNICATIONS AND BETTER ENGAGE COMMUNITIES

- **Initiate Integrated Marketing Plan**
 - a) Develop Plan goals and timeline.
 - b) Develop Branding Plan
- **Integrate Public Message**
 - a) Legislative: Economic Development Study, Turnpike Study Funding
 - b) Ridership/Community: Vision, transparency, value, responsiveness
 - c) Employees via Employee engagement
- **Upgrade Community Involvement**
 - a) Develop & deploy to include parades, school career days, speaker's bureau, sponsorships, major events (Grand Prix, Rib Fest, Community Days)
 - b) Reboot community/municipal relationships
 - c) Re-establish Pittsburgh COMTO Chapter
 - d) Complete and Share Economic Impact Study

Summary of Assumptions

FY 2019

In order to project expenses and revenues for FY 2019, it was necessary to make several key assumptions. These are briefly reviewed below under the following categories: Fare and Service Levels, Ridership, Passenger Revenues, Expenses and Operating Grants.

Fare and Service Levels

- The Port Authority Fare structure will remain unchanged from FY 2018.
- Minor service adjustments in September 2018 with the aim to continue to improve the overall performance of the system and reach areas with little to no service.

Ridership

- Overall paid ridership is expected to remain consistent with FY 2018 levels.

Passenger Revenues

- Passenger revenues are projected to decrease by approximately 2% or \$2.1 million vs. FY 2018 actuals. This is due to a one-time accounting entry change that occurred in FY 2018.

Expenses

- Operating expenses total \$441.3 million. An increase of 8.9%, or approximately \$36 million over FY 2018 actuals. The majority of the additional expenses are attributable to a 6.3% increase in Wages & Salaries and a 5.4% increase in Employee Benefits driven by the continued rise in the Authority's Pension obligations.

Operating Assistance

- Port Authority receives operating assistance from state and county governments. For FY 2019, these funds are budgeted at a total of \$273 million, an increase of \$8.2 million over FY 2018.

Operating Grants

- Port Authority receives operating grants from federal, state, and county sources. These funds totaled \$63.6 million in the FY 2019 budget. An increase of \$14.7 million over FY 2018 actuals.

FY 2019 Operating Budget Summary

FY 2019

Amounts in Thousands ('000)	FY 2019 Operating Budget	
Revenues:		
Passenger Revenue	\$	78,050
ACCESS (Shared Ride) Service		11,455
Contract Services		10,779
Advertising		2,750
Interest Income		916
Other Income		722
Total Operating Revenues	\$	104,672
Expenses:		
Wages and Salaries	\$	168,760
Pensions and Employee Benefits		158,633
Materials and Supplies		45,623
Provision for Injuries and Damages		4,634
Purchased Services		15,051
Utilities		8,483
Other Expense		11,906
ACCESS (Shared Ride) Service		28,183
Total Gross Operating Expenses	\$	441,273
Deficit Before Subsidy	\$	(336,601)
Subsidy Source		
Federal		41,365
State		252,249
Local		39,987
Regional Asset District		3,000
Total Subsidy	\$	336,601
Operating Surplus/(Deficit)	\$	-

The purposes of the financial and budgetary policies at the Port Authority are to ensure and support sound fiscal management.

Financial Planning Policies

Balanced Budget

The Port Authority is required to adopt balanced Operating and Capital budgets each fiscal year. A balanced budget is defined as a budget where revenues are equal to expenses. It is a policy of the Port Authority that the balanced budgets are presented to the Port Authority Board of Directors to be adopted at the June board meeting, prior to the start of the fiscal year on July 1st. If a variance from the balanced budget occurs, this is reported as an Operating Surplus or Deficit.

Fiscal Year

The Port Authority's budget is prepared on a fiscal year basis, which begins July 1 and ends on June 30.

Basis of Accounting

As the Port Authority is a governmental entity, the basis of accounting conforms to the Governmental Accounting Standards Board (GASB) Statement No. 11. The accrual basis of accounting is used in measuring financial position and operating results in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. Revenues are recognized in the accounting period in which they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

The budget is prepared on the same basis of accounting as the financial statements, except that depreciation and other post-employment benefits are not budgeted. All transactions are accounted for in a single enterprise fund that combines both operating budget and capital budget activities into a consolidated financial statement.

Fund Balances

Port Authority currently utilizes a single enterprise fund for operating purposes. The General Fund is specifically established for the appropriation of revenues and expenses associated with transit operations. Port Authority does not utilize fund accounting in the traditional sense. Consequently, Port Authority reports total equity rather than fund balance.

Revenue Policies

The Port Authority has both Operating and Non-Operating Revenue sources. Operating revenues consist of those revenues that result directly from the ongoing principal operations of the company. These consist primarily of user charges. Non-Operating revenues are related to grants and subsidies received as well as other financing and investing activities. All revenues are recorded when they are earned.

Fare Structure

Port Authority currently operates under a Single Zone fare structure. This replaced the former two zone, distance-based structure in FY 2017. Act 89 legislation requires the Port Authority to adopt a fare policy that allows for the periodic review of fares. This policy was adopted by the Port Authority in FY 2016.

Diversification of Revenues

The Port Authority will continue to explore areas for revenue diversification that can supplement passenger revenue and subsidies. Some of these areas include, growing the footprint of our advertising program, expanding and improving our current Park and Ride system and developing new business and community partnerships.

Budget Control and Monitoring

Budgetary controls are established at various levels to have effective control over expenditures within the Port Authority. The budget is prepared by financial analysis on both current and historical information. This analysis is used to project both revenues and expenses at the departmental level. Each fiscal year the Operating and Capital budgets go through many levels of review prior to final board adoption. This budget approval process provides control over expenditures and ensures that the budget reflects the strategies and goals that are adopted by the Port Authority Board of Directors.

All divisions within the Port Authority are expected to adhere to budgeted guidelines. Each division manager is held accountable to operate within their respective budget.

During the fiscal year, Financial Planning & Budgets staff will provide each department with monthly budget reports reflecting actual expenditures and obligations. Along with these monthly reports, each department in our Transit Operations division must review monthly and quarterly variance reports and answer for any variance that exceeds a predetermined amount. Also, quarterly meetings are held with each division manager to review their respective division's year-to-date expenses and budget availability by account. All department and division managers have the ability to access their budget performance on a monthly or quarterly basis electronically as needed.

Expenditures

Numerous financial safeguards and controls are prevalent throughout the Port Authority to reduce and eliminate unnecessary spending. The majority of disbursements being made from the Port Authority are handled through purchase orders which allow for tracking of actual costs compared to budget. Final payment by our Accounts Payable department will not be made unless the disbursement passes budget check.

Four Year Comparison

Fiscal Years 2016 - 2019

FY 2019

Amounts in Thousands ('000)	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	FY 18 vs. FY 19
Revenues:					
Passenger Revenue	\$ 81,853	\$ 79,041	\$ 78,998	\$ 78,050	\$ (948)
ACCESS (Shared Ride) Service	12,640	12,127	11,797	11,455	(343)
Contract Services	9,992	10,329	11,190	10,779	(411)
Advertising	2,328	2,610	2,823	2,750	(73)
Interest Income	432	472	1,067	916	(151)
Other Income	443	505	843	722	(121)
Total Operating Revenues	\$ 107,688	\$ 105,085	\$ 106,719	\$ 104,672	\$ (2,047)
Expenses:					
Wages and Salaries	\$ 149,542	\$ 152,634	\$ 158,753	\$ 168,760	\$ 10,007
Pensions and Employee Benefits	140,459	148,413	150,546	158,633	8,087
Materials and Supplies	40,116	37,703	41,627	45,623	3,996
Provision for Inj. and Damages	3,088	2,042	1,861	4,634	2,773
Purchased Services	9,919	9,810	10,554	15,051	4,497
Utilities	7,486	8,023	7,462	8,483	1,021
Other Expense	4,927	6,016	6,992	11,906	4,914
ACCESS (Shared Ride) Service	26,356	26,037	27,281	28,183	902
Total Gross Operating Expenses	\$ 381,894	\$ 390,679	\$ 405,077	\$ 441,273	\$ 36,196
Deficit Before Subsidy	\$ (274,206)	\$ (285,594)	\$ (298,357)	\$ (336,601)	-
Subsidy Source					
Federal	\$ 21,845	\$ 31,652	\$ 30,927	\$ 41,323	\$ 10,396
State	229,682	233,596	242,183	252,249	10,066
Local	33,393	36,185	37,438	39,987	2,548
Regional Asset District	3,000	3,000	3,000	3,000	-
Other	511	244	119	42	(77)
Total Subsidy	\$ 288,430	\$ 304,677	\$ 313,668	\$ 336,601	\$ 23,010
Operating Surplus/(Deficit)	\$ 14,224	\$ 19,083	\$ 15,311	-	-

Fiscal Year 2019 Operating Budget

FY 2019

Operating Revenues

FY 2019 revenues for operations are approximately \$441 million and include passenger revenues, federal, state, and local operating assistance and capitalization grants. Passenger revenues to support operations are expected to represent 24% of the Authority's operating revenue. This includes the sale of fare products, cash fare payments, ACCESS program fees, contracted services through the U-Pass program, interest income, and advertising revenue.

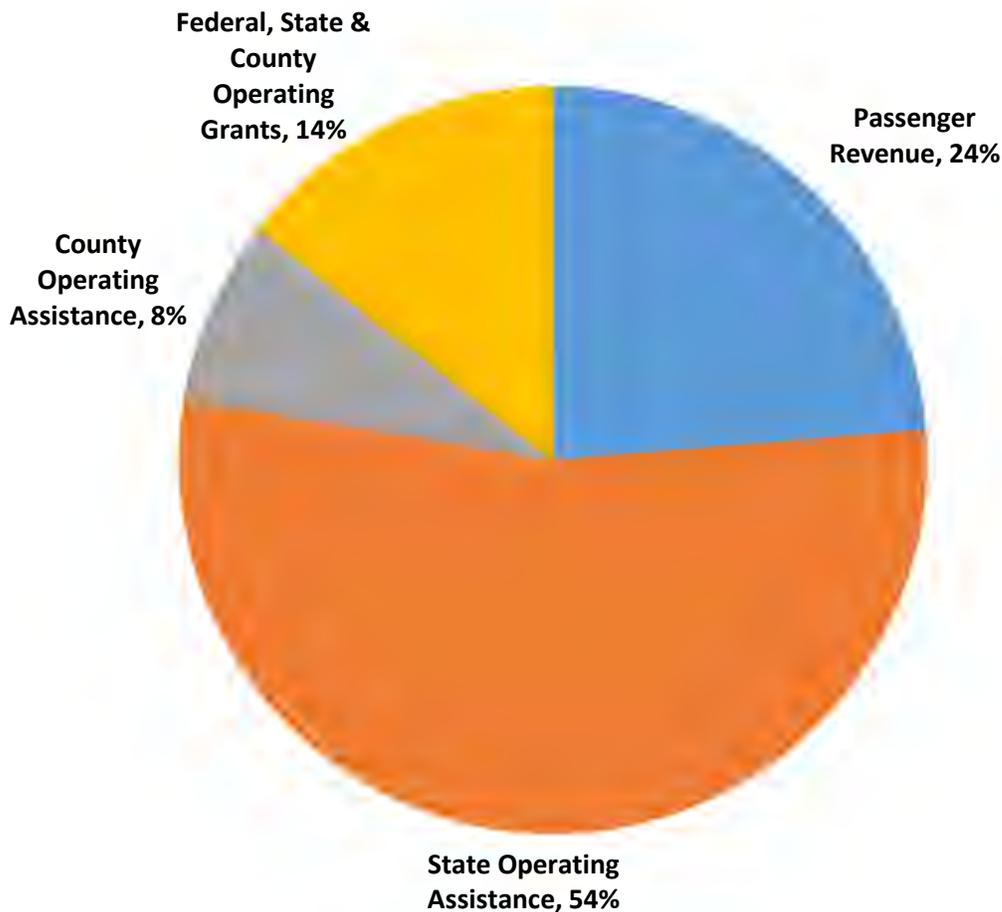
Total Revenue for Operations

\$000	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% change FY18 vs. FY19
Passenger Revenue					
Farebox Revenue	\$81,853	\$79,041	\$78,998	\$78,050	-1.2%
Access Program Service	12,640	12,127	11,797	11,455	-2.9%
Contract Services	9,992	10,329	11,190	10,779	-3.7%
Advertising	2,430	2,610	2,823	2,750	-2.6%
Interest Income	69	472	1,067	916	-14.2%
Other Income	705	505	843	722	-14.4%
Total Passenger Revenue	107,688	105,085	106,719	104,672	-1.9%
Operating Assistance					
State Operating Assistance	221,614	224,939	230,041	237,716	3.3%
County Operating Assistance	30,238	30,728	31,671	32,265	1.9%
Regional Asset District	3,000	3,000	3,000	3,000	-
Reserves	-	-	-	-	-
Total Operating Assistance	254,852	258,667	264,712	272,980	3.1%
Operating Grants					
State Grants	8,068	8,657	12,142	14,534	19.7%
Federal Grants	21,845	31,652	30,927	41,323	33.6%
County Grants	3,154	5,457	5,767	7,722	33.9%
Other	511	244	119	42	-64.8%
Total Operating Grants	33,578	46,009	48,956	63,621	30.0%
Total Revenue	396,119	409,762	420,387	441,273	5.0%

Overall, FY 2019 total operating revenue is projected to increase by approximately \$21 million, or 5%, compared to FY 2018.

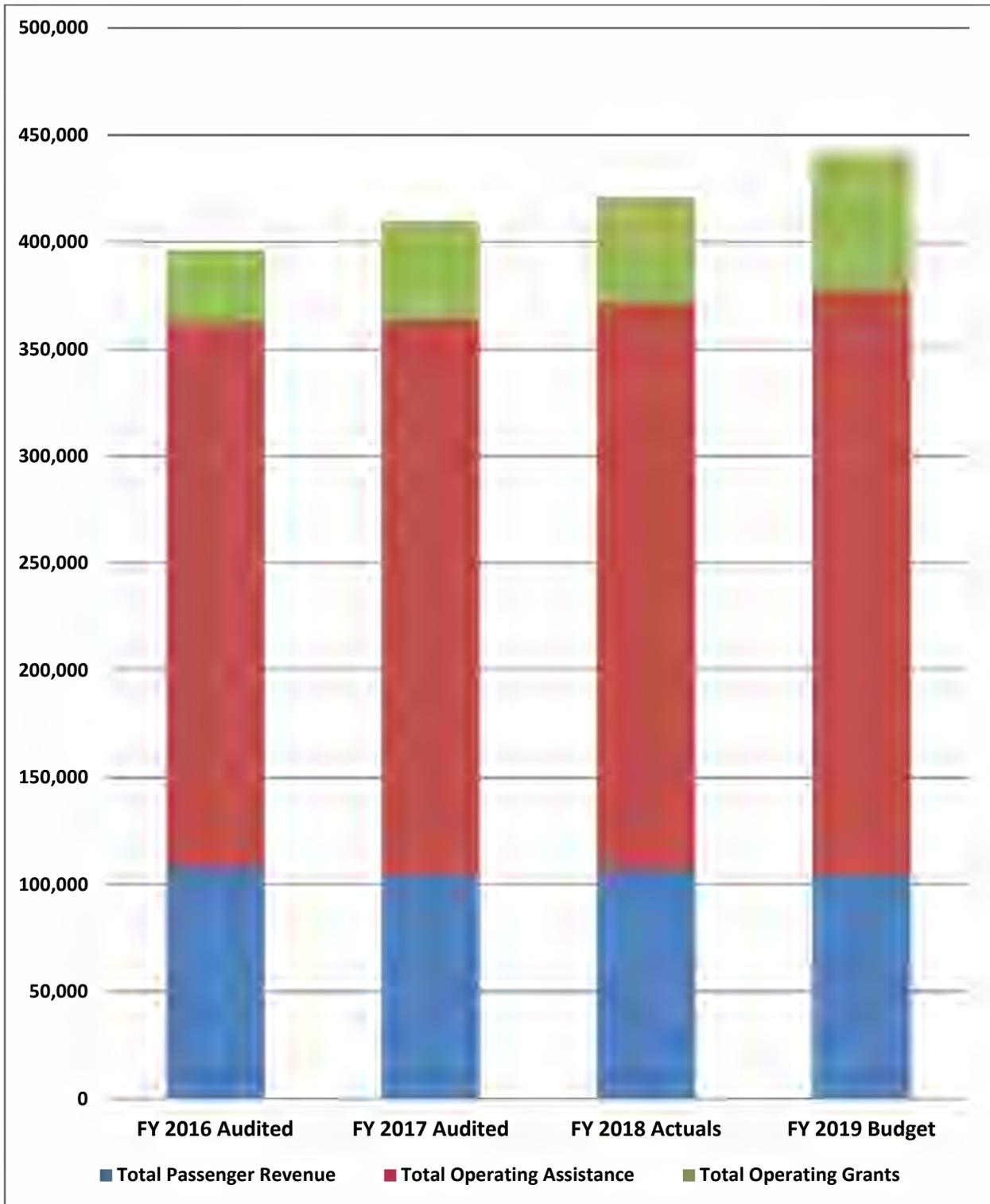
Operating Assistance from state and local sources provide roughly 62% of budgeted revenue. State Operating Assistance for FY 2019 is \$237.7 million; which includes \$2.62 million in deferred State Operating Assistance from previous fiscal years. As was the case under Act 44, State Operating funding requires a 15% local match. Allegheny County will contribute \$32.2 million with the remaining \$3 million matched by the Allegheny Regional Asset District (RAD). RAD is a special purpose County-wide district that administers grants to “regional assets,” such as museums, parks, and transportation. Grants are made possible by a portion of the proceeds of a 1% County Sales and Use Tax.

Total Revenue Sources



Federal, State and County Capital grants supplement operating expenses and represent 14% of FY 2019 revenue. These grants underwrite expense in the Authority’s operating budget that are, by definition, eligible expenses under State and Federal capital assistance grants. Examples include eligible preventive maintenance activities to sustain federally-funded capital assets, “State of Good Repair” projects of the Authority’s, and State Capital Bond funds used to support the Vehicle Overhaul Program (VOH), which extend the useful life of its fleet. Also included in this category are expenses associated with the Authority’s staff who work on engineering design and management of the Authority’s capital projects.

Total Revenues – FY 2016 to FY 2019



Operating Expenses

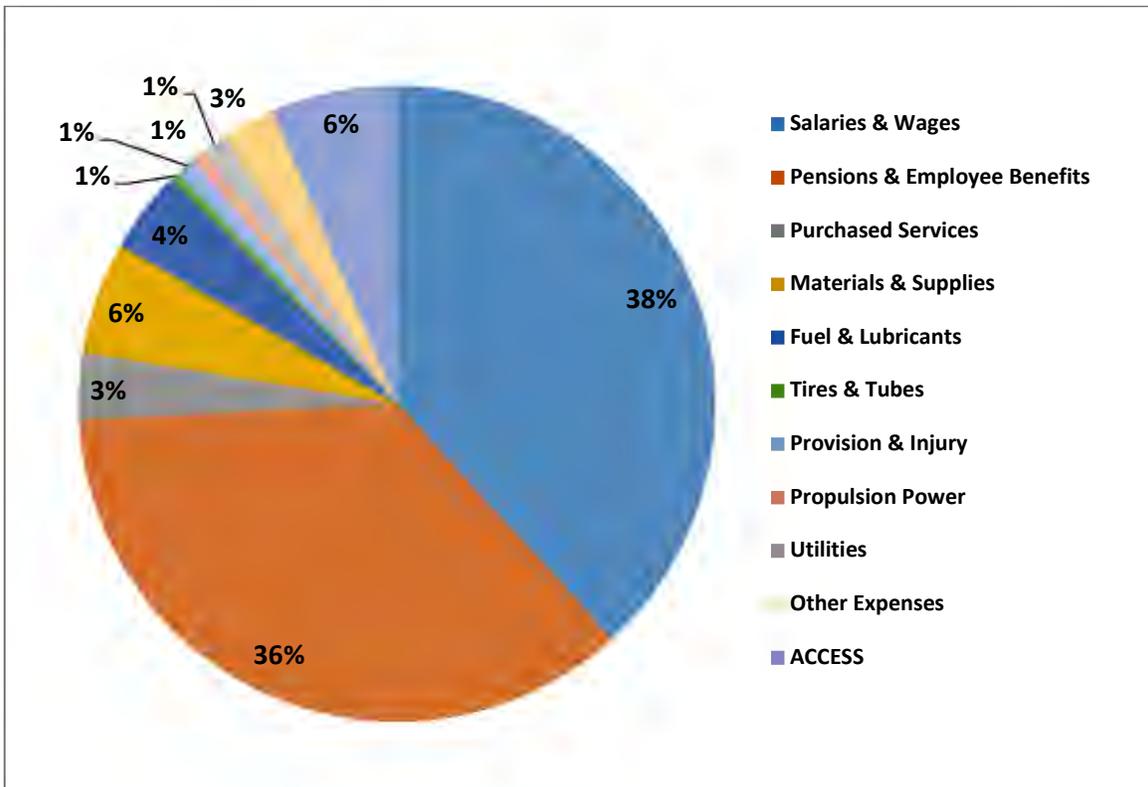
Port Authority Operating expenses are categorized according to the Uniform System of Accounts required by the National Transit Database. These categories include salaries and wages, pension and employee benefits (fringe benefits), materials and supplies, provision for injuries and damages, purchased services, utilities, other expenses, and ACCESS contracted services. FY 2019 budgeted labor costs (salaries, wages, and benefits) represent 74% of operating expenses. Salary and wage expense total \$168.8 million and increased due to contractual wage increases, wage progressions and increased staffing for key tactical plan projects. Benefit expenses include healthcare for active employees and retirees, pension obligations, unemployment compensation, as well as vacation, sick, holiday pay and taxes. These expenses total \$158.6 million for FY 2019; of which approximately 77% are dedicated to the Authority's obligations for healthcare and pension. Healthcare costs for both active and retired employees increased by approximately 6% compared to FY 2018 due to increased staffing and assumed premium increases.

Operating Expenses by Account

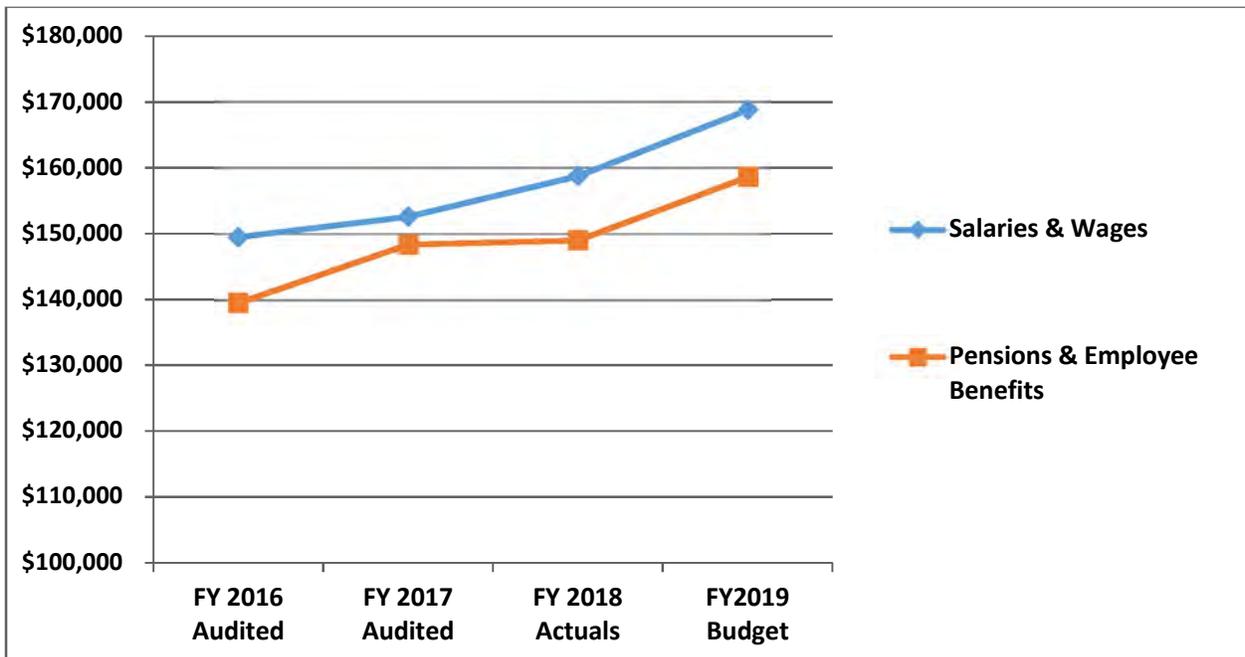
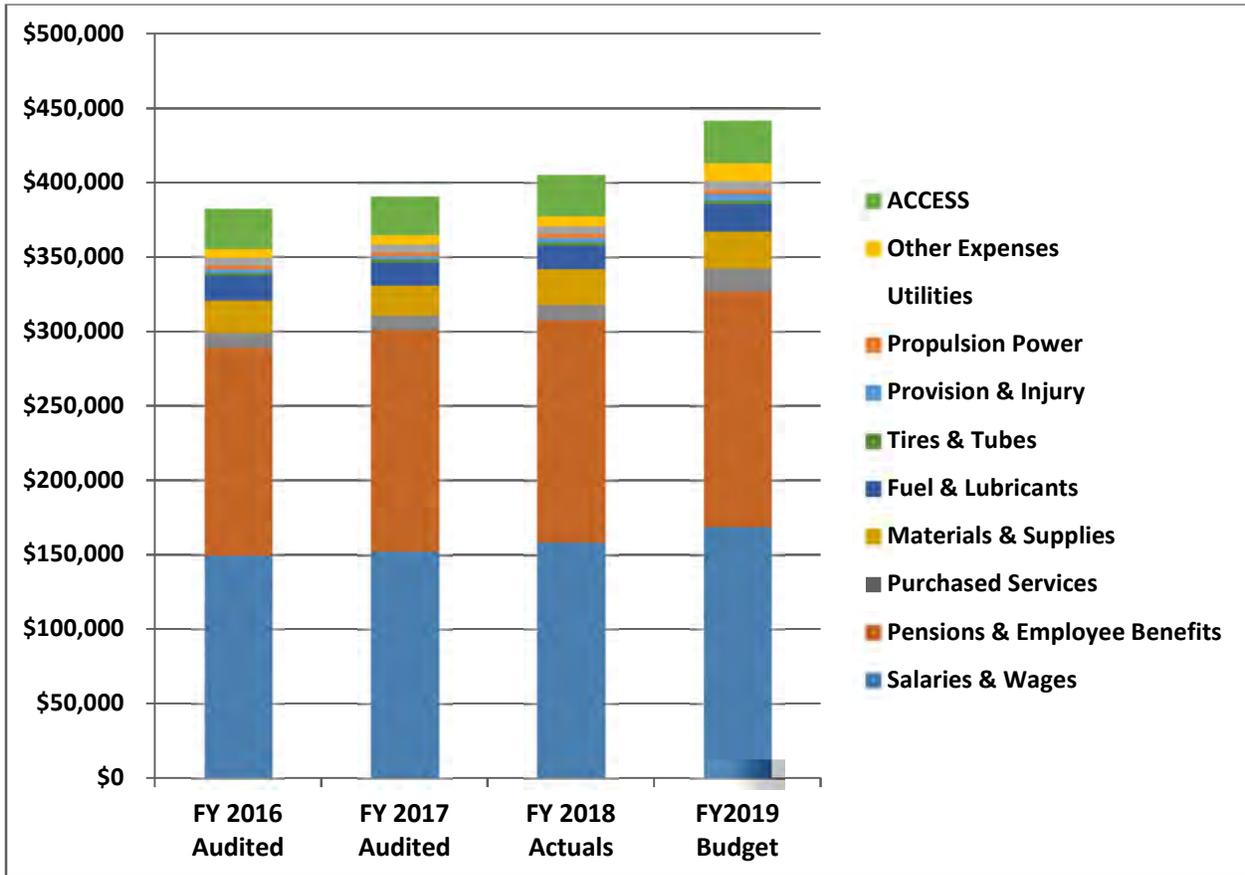
Expense Accounts \$000	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY2019 Budget	% change FY18 vs. FY19
Salaries & Wages	\$149,542	\$152,634	\$158,753	\$168,760	6.3%
Pensions & Employee Benefits	139,546	148,413	149,056	158,633	6.4%
Purchased Services	9,919	9,810	10,554	15,051	42.6%
Materials & Supplies	21,975	20,108	23,910	25,119	5.1%
Fuel & Lubricants	16,295	15,675	15,727	18,303	16.4%
Tires & Tubes	1,847	1,920	1,990	2,201	10.6%
Provision & Injury	2,823	2,042	3,351	4,634	38.3%
Propulsion Power	2,547	2,653	2,675	2,615	-2.3%
Utilities	4,939	5,370	4,787	5,868	22.6%
Other Expenses	6,105	6,016	6,992	11,906	70.3%
ACCESS	26,356	26,037	27,281	28,183	3.3%
Total Gross Expenses	381,894	390,679	405,077	441,273	8.9%

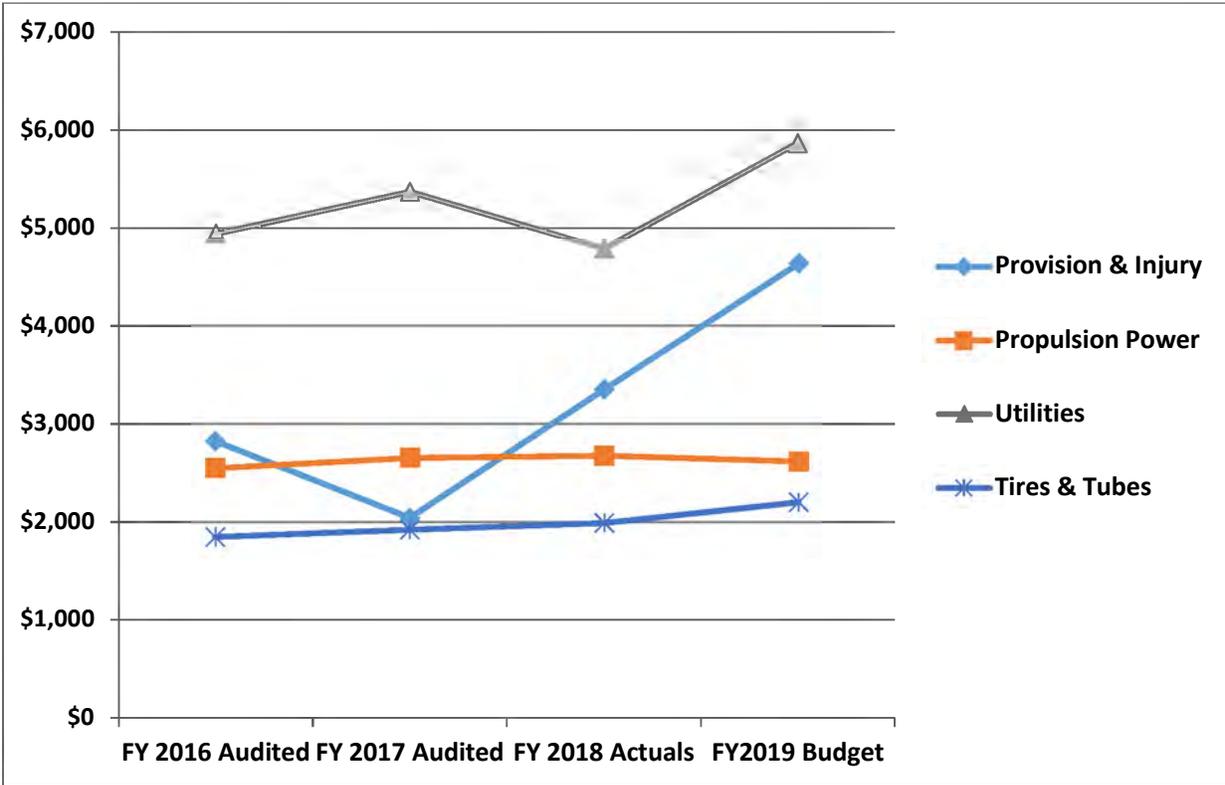
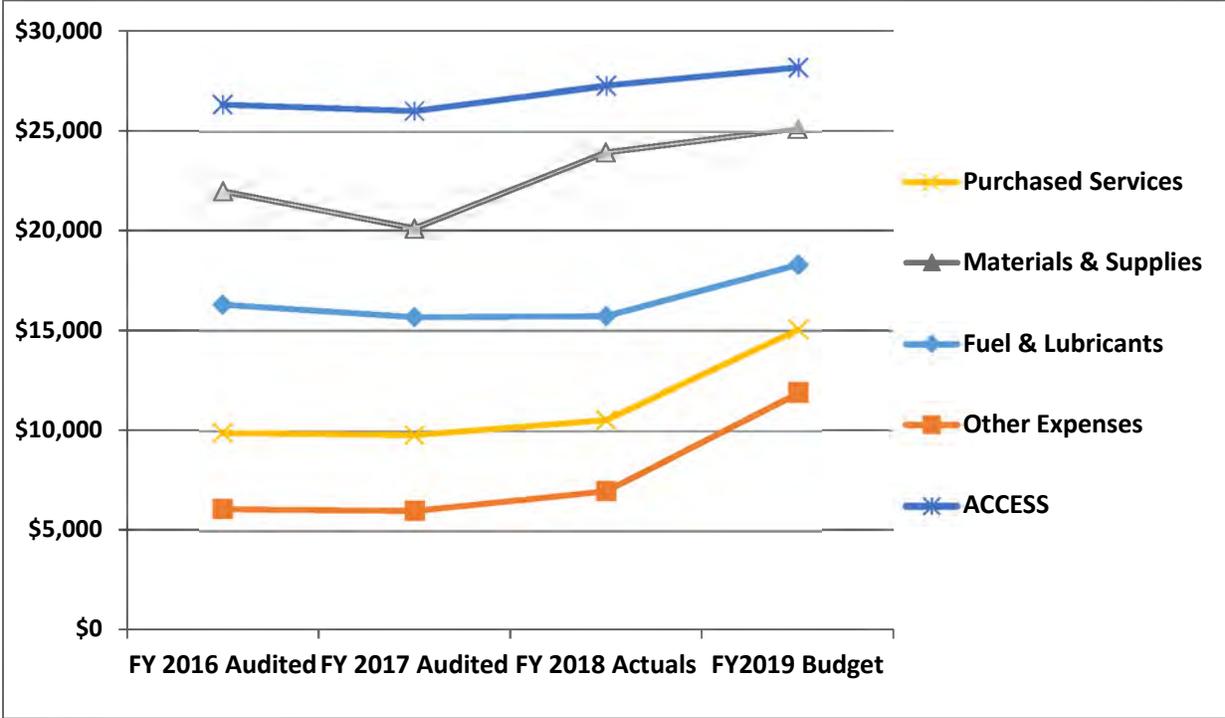
Material and supplies expenditures are expected to increase by 5% over FY 2018 actuals due to increased part requirements for our light rail vehicles. Fuel and Lubricants are budgeted to increase 16% due to uncertainty of future diesel fuel and gasoline costs. Purchased services include work done by outside contractors, equipment purchases, and general engineering expenses related to capital infrastructure expenditures. It is expected to increase by 42.6% due to increased monthly server costs, the need for temporary help and increased work provided by outside contractors. Utilities include electricity, propulsion power, natural gas, and water & sewage for Port Authority locations. These expenses are projected to increase compared to FY 2018 actuals due to delayed billing. The usage and costs should remain relatively consistent year-over-year. Most Port Authority locations have made the switch to LED lighting as part of the Facility Improvement Project to help reduce future utility costs. The Other expense line items include marketing and communication, insurance, rental equipment and buildings, banking services, employee development and software support. These expense items are expected to increase by approximately \$5 million over FY 2018. This increase is due to the lease payments for our headquarters and new service center being paid out of the Operating budget. Previously, the lease was paid out of the Capital budget. Additional insurance requirements and increased Software License also contributed to the expected costs increase. The ACCESS expense is projected to increase by 3%.

FY 2019 Operating Expenses by Source



Operating Expenses – FY 2016 to FY 2019



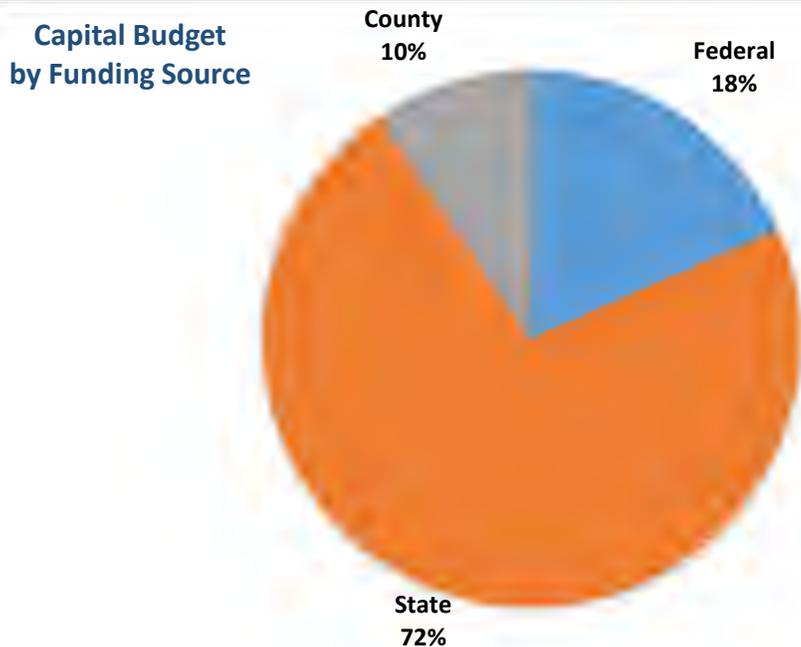


Fiscal Year 2019 Capital Budget

FY 2019

FY 2019 Capital Budget by Anticipated Funding Source

	FY 2019 Amount
Federal Funding	
Section 5307 Urbanized Area Formula Grant	\$14,585,000
Section 5307 CMAQ Flex	\$6,172,000
Previously Awarded Section 5309 Fixed Guideway	\$2,820,000
Section 5339 Bus and Bus Facilities	\$3,192,000
Total Federal Funding	\$26,769,000
State Funding	
ACT 89 Section 1514 Discretionary	\$97,757,000
Previously Awarded ACT 89 1514 Discretionary	\$6,842,000
Total State Funding	\$104,599,000
County Funding	
2019 County Capital – Bus Rapid Transit	\$5,000,000
Previously Awarded County Capital – Bus Rapid Transit	\$5,000,000
2019 County Capital – State of Good Repair	\$3,703,000
Previously Awarded County Capital – State of Good Repair	\$257,000
Total County Funding	\$13,960,000
Total FY 2019 Capital Funding Sources	\$145,328,000



On November 25, 2013, Governor Corbett signed into law Act 89, a comprehensive transportation funding bill for the Commonwealth of Pennsylvania. This historic legislation provides long-term, dedicated funding for public transit as well as roads, bridges and multimodal transportation. Act 89 along with federal FAST Act funds, and Allegheny County local matching funds will provide Port Authority a predictable, growing source of funds to make critical infrastructure repairs and improvements for years to come.

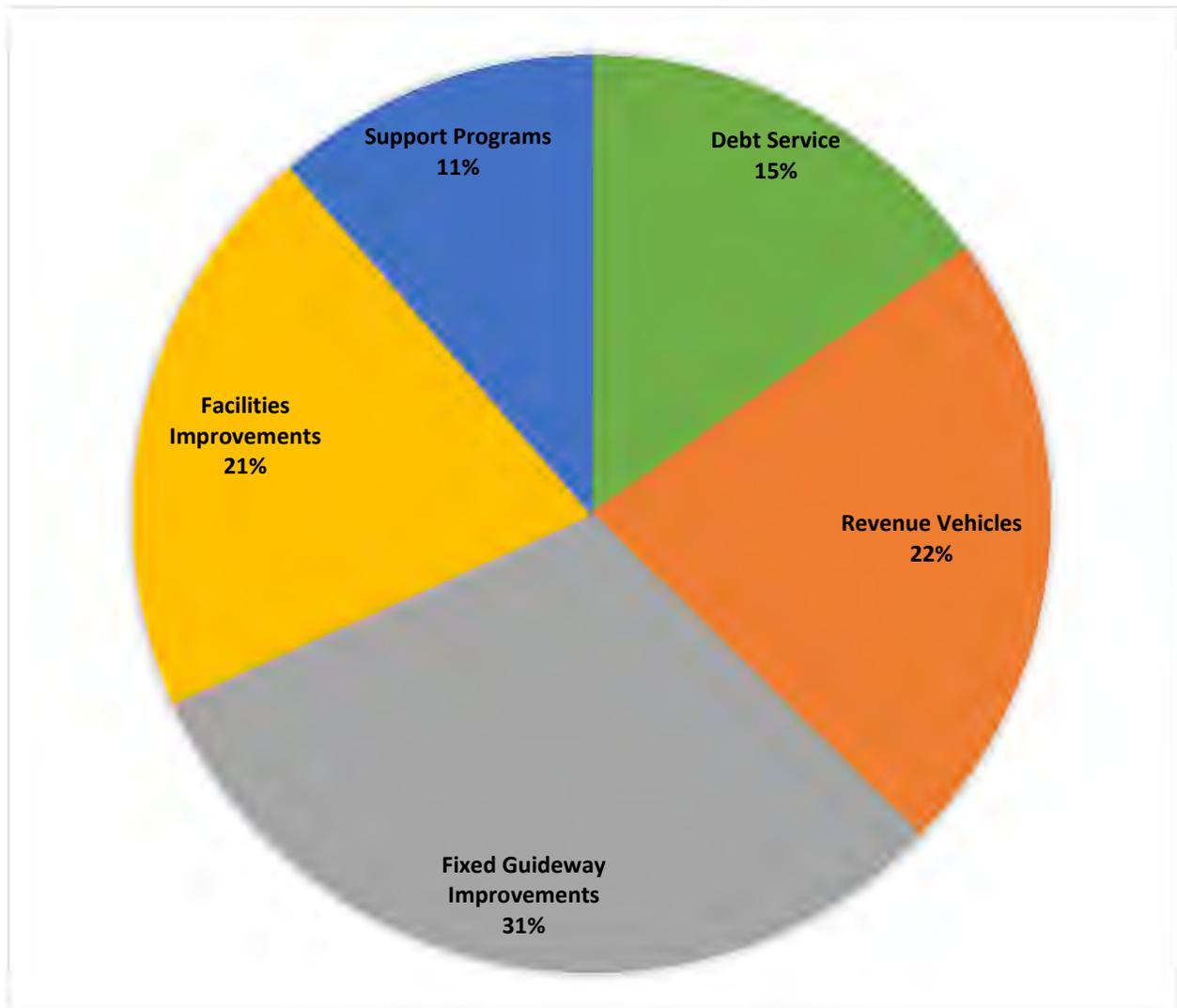
The projected growth in Act 89 of capital funding will permit Port Authority to begin addressing its \$550 million State of Good Repair/Deferred Maintenance backlog due to chronic funding shortfalls. Port Authority's FY 2019 Capital Improvement Budget (CIP) will continue to be focused solely on currently held infrastructure assets and state of good repair. Port Authority's FY 2019 CIP will continue to build upon the FY 2015 through FY 2018 CIP investments and continue capital programs to repair and/or replace assets that have long exceeded their useful life. Port Authority's FY 2019 CIP totaling \$145.3 million, includes \$104.6 million in state funds, \$26.8 million in federal funds, and \$14 million local funds.

With the anticipated FY 2019 funds, Port Authority has allocated projects that will bring assets to a state of good repair, enhance system safety, and various improvements transit service. FY 2019 capital improvement programs are focused on the following categories:

- **Debt Service** – *Bond debt incurred for the construction of the LRT Stage II Line and construction costs for the expansion of the Martin Luther King East Busway.*
- **Bus Replacement** – *The replacement of 59 - 40' low floor clean diesel buses that have met or exceeded their useful life (12 years) and the purchase of 2 New Flyer Electric buses.*
- **Fixed Guideway Improvements** – *The Port Authority's assets include various Fixed Guideways including 3 busways, 2 LRT Lines, 79 Transit Bridges, 5 Tunnels, and 1 Incline. Some key FY 2019 projects include Kenmawr Bridge Span, B&O Bridge Restoration, East Busway Bridge, Mt. Washington Tunnel Lighting, Mt. Lebanon Tunnel Fan Replacement, ATS System Upgrade, Oakland BRT Signal Improvements, East Busway Fence Replacement, and implementing a Rail Replacement Program.*
- **Facility Improvements** – *Rehabilitation of Port Authority's various Facilities including 4 bus operation facilities, the Bus Main Shop facility, the South Hills Rail facility, communication towers, and our Heavy Equipment facility. Within the 2019 CIP, additional funding will support the previously CIP approved rehab of the interior facility improvement project, and the West Mifflin facility expansion project. Some key FY 2019 projects include the McKeesport Park and Ride Expansion Phase II, Heinz 57 Center Improvements, Wash Rack Replacement at Collier and Ross Bus Garages, Manchester Main Shop Hoist Replacement, LRT Stage I & Stage II Platform and Lighting Repairs, Upgrade Paint Booth and Pit Repairs at the South Hills Village Rail Center, and CBD Escalator Modernization.*

- **Transit Support Program** – Includes enhancing Information Technologies, updating Port Authority’s network infrastructure, and the replacement of various non-revenue support vehicles and shop equipment. Within the 2019 CIP, Port Authority will replace 8 Port Authority Police vehicles, 6 Route Foreman trucks, and 2 Maintenance Training passenger vans that have reached their useful life, various shop equipment items including a new front loader and fork lifts, new hardware and software upgrades including the Microsoft SharePoint Implementation, PeopleSoft Human Resource Upgrade, and Mobile Ticketing Application.

Capital Expense by Project Percentages



Capital Projects by Designation

Debt Service \$22,085,000

- \$22,085,000 - 2011 Series Bond Debt Service

Revenue Vehicle Replacement \$32,150,000

- \$28,796,000 - (59) 40' Low Floor Clean Diesel Buses
- \$2,354,000 - (2) 40' New Flyer Electric Buses
- \$1,000,000 - Light Rail Vehicle CAF Mid-Life Overhaul

Fixed Guideway Improvements \$44,935,000

- \$24,020,000 - Fixed Guideway Improvements
- \$12,415,000 - Bridge Improvements
- \$8,500,000 - Tunnel Improvements

Facility Improvements \$29,639,000

- \$15,014,000 - Rail Operations Facility Improvements
- \$13,025,000 - Bus Operations Facility Improvements
- \$1,600,000 - Park & Ride Facility Improvements

Support Programs \$16,519,000

- \$9,376,000 - Information Technology Hardware/Software & ITS Programs
- \$3,800,000 - Other Support Programs
- \$3,343,000 - Support Vehicles and Shop Equipment

Debt Service

Port Authority's Debt Service includes payments on Series 2011 Special Revenue Transportation Bonds. These bonds were used to refund the Special Revenue Bonds, Series 2001, which provided funds for the construction of the Stage II LRV Line and for construction on the East Busway Extension, and to refund the 2004 Note. Proceeds from the refunding of the 2004 Note were applied to the termination of a Swap Agreement. The final year of debt servicing of the Series 2011 bonds is FY 2029.

Annual Debt Service Requirement

Fiscal Year			
Ending June 30	Principal	Interest	Debt Service
2012	\$9,360,000	\$12,723,916	\$22,083,916
2013	\$9,550,000	\$12,536,716	\$22,086,716
2014	\$9,910,000	\$12,174,716	\$22,084,716
2015	\$10,305,000	\$11,778,316	\$22,083,316
2016	\$10,820,000	\$11,266,066	\$22,086,066
2017	\$11,360,000	\$10,727,066	\$22,087,066
2018	\$11,925,000	\$10,161,098	\$22,086,098
2019	\$12,520,000	\$9,566,538	\$22,086,538
2020	\$13,140,000	\$8,943,088	\$22,083,088
2021	\$13,830,000	\$8,255,888	\$22,085,888
2022	\$14,555,000	\$7,534,050	\$22,089,050
2023	\$15,315,000	\$6,769,913	\$22,084,913
2024	\$16,115,000	\$5,885,875	\$22,000,875
2025	\$16,965,000	\$5,199,838	\$22,164,838
2026	\$17,810,000	\$4,271,588	\$22,081,588
2027	\$18,705,000	\$3,381,088	\$22,086,088
2028	\$19,770,000	\$2,315,700	\$22,085,700
2029	\$20,890,000	\$1,189,575	\$22,079,575
Total	\$252,845,000	\$144,681,033	\$397,526,033

Revenue Vehicle Replacement

The Port Authority plans to procure 59 new clean diesel 40 ft buses from Gillig. These new buses will replace existing buses that have met or exceeded their useful life of 12 years. Also, the Port Authority will be purchasing two all-electric buses from New Flyer.



Fixed Guideway Improvements

- BRT Downtown – Oakland Final Design
 - Allegheny County, the City of Pittsburgh, Port Authority of Allegheny County, and the Urban Redevelopment Authority of Pittsburgh have proposed a Bus Rapid Transit (BRT) system that connects Downtown Pittsburgh with Uptown, Oakland, and several other communities. BRT is a high-quality bus-based transit system that delivers fast, comfortable, and cost-effective services via dedicated lanes and fast and frequent operations. The Final Design phase is budgeted in the FY 2019 Capital budget.

- Bridge/Tunnel/Rail Inspection NBIS / NTIS
 - Annual increment of the Bridge Inspection Program which provides periodic inspections of bridges on a bi-annual basis. Periodic NBIS inspections assess structural conditions on a regular basis, which allows for prediction of rehabilitation and replacement needs in order to maintain structures in a state of good repair. Ultrasonic rail inspections are also performed under this project. This year's scheduled inspections will also include the annual Monongahela Incline non-destructive cable & Fall Protection testing, and the inspection of the Panhandle Bridge over the Monongahela River including the underwater inspection of the bridge piers.

- Kenmawr Bridge Additional Span
 - The Authority-PennDOT agreement for the Authority to assist in funding the design and construction of an additional span of the Kenmawr Bridge located at the terminus of the East Busway to benefit and allow potential future access by the Authority underneath Kenmawr Avenue and adjacent Norfolk Southern Railroad.

- B&O Bridge Painting and Restoration
 - The B & O Bridge is located on the East Busway. The existing concrete bridge deck has numerous area of deterioration and requires extensive repairs. Additional required work on the bridge includes replacement of the neoprene strip seals and concrete repairs. The project also incorporates the placement of an epoxy surface treatment over the entire bridge deck along with painting of the exposed steel surfaces to increase the remaining service life of the bridge.

- East Busway Bridge Repairs
 - This project comprises the repairs and painting of three (3) of the 78 Port Authority owned and maintained bridges along the Authority East Busway. Repairs consist of concrete crack, spall, and delamination repair, drainage repairs, joint repairs, steel repair, bearing repairs, and painting. This project is intended to proactively identify and repair known problem areas that can typically cause significant future costly damage and deterioration.

- Bridge Preventative Maintenance
 - This program continues the annual increment of moderate maintenance repairs for seven (7) of the 78 Port Authority owned and maintained bridges along the Authority Transit System. Repairs generally consist of concrete crack, spall, and delamination repair, drainage repairs, joint repairs, steel repair, bearing repairs, and painting. This program is intended to proactively identify and repair known problem areas that can typically cause significant future costly damage and deterioration.

- Mt. Washington Tunnel – Conduit, Lighting and Cable Replacement
 - Replacement of all the conduit, cabling, mounting hardware and luminaires installed in the Mt Washington transit tunnel. The existing infrastructure is corroded beyond repair. Proposed project consists of removal and replacement of all conduit, power cabling, junction boxes, disconnect switches, cable trays, expansion joints and all associated hardware related to the electrical infrastructure within the tunnel structure. Additionally, as part of the project, consideration for addition of a fire stand pipe will be analyzed during the preliminary design phase.

- Mt. Lebanon Tunnel Fan Replacement
 - The Mt. Lebanon Tunnel houses four (4) emergency ventilation fans which are over 30 years old, very loud and bothersome to the surrounding communities, and the existing infrastructure is corroded beyond repair due to water leaks in the tunnel. The proposed project consists of removing fans, conduit, power cabling, junction boxes, disconnect switches, cable troughs and all related equipment within the tunnel structure, and replacing with new. It also includes the addition of variable speed drives (VFDs) to control fan speed, which will allow the fans to be run continuously at low speed to reduce moisture.

- Rail Replacement Program
 - Multi-year rail replacement program throughout the LRT System. As identified as part of the regular rail inspection program, the existing rail on the system exhibits gauge wear and shelling that requires approximately 30,000 LF of rail to be replaced over the next several years in order to maintain a state of good repair. The Work of this project consists of replacing approximately 10,000 LF of rail per year along with contracting services for required flash-butt welding.
- Replacement of Automatic Trip Stop (ATS) Equipment
 - Upgrade the current Automatic Trip Stop system (ATS) used on our fleet of Light Rail Vehicles (LRV). This system has been in operation since 1986 and was designed for the LRV's built by SIEMENS. Since that time, the original SIEMENS LRVs have been overhauled by CAF and the new CAF LRVs have been introduced to the fleet. This upgrade will cover the replacement of Wayside and LRV equipment. The ATS System is a safety feature that prevents LRV collisions by prohibiting second vehicle/ trains from entering an already occupied track circuit. The ATS components have become obsolete and more frequent false trips have occurred. These false trips affect operations and sometimes the ATS system is cut out in order to resume operations, thus leaving the track circuits without protection and jeopardizing the safety of the system.
- Central Business District (CBD) Plinth Repairs
 - The concrete plinths and track tie plates which support the rail in the Central Business District (CBD) tunnel are 35 years old and exhibit significant levels of deterioration and are in need of rehabilitation. Continued deterioration of the concrete plinths and tie plates could negatively impact the structural integrity of the plinths, safety, and revenue service.
- East Busway – Edgewood Avenue Fence Replacement
 - The existing right of way fence along the East Busway and Edgewood Avenue that divides the inbound lane of the East Busway and Edgewood Ave is in poor condition and exhibits significant levels of deterioration and is in need of replacement.
- Rail Wear and Geometry Inspection
 - This project consists of the annual inspection and assessment of the Authority system track-work as required by the Authority Maintenance and Inspection Standards. The inspection and assessment comprises of measuring track geometry and rail wear to identify area of track that exceed allowable thresholds specified in the Authority Standards and determine trend analysis results and to program and prioritize track replacement in an effort to maintain a state of good repair of the track system. This project also consists of an evaluation of system track-work to determine the need for future rail grinding and prioritization of section of track to correct rail surface defects in order to return the rail to its target profile which optimizes rail/wheel interaction, resulting in increased rail service life and improved ride quality.

Facility Improvements

- McKeesport Park and Ride Phase II
 - Includes design and construction of Phase II improvements to the McKeesport Transportation Center. These improvements include; site reconfiguration with pavement, sidewalk and retaining wall construction, bi-directional bus lane and layover, new station platform and canopy, new comfort station (restrooms and break room area), parking lot expansion from 65 spaces to 114, new drainage system, and new overhead lighting.

- Repp Road Communication Tower Parcel
 - Purchase the parcel of land that contains the Authority's Repp Road Communication Tower. The current land owner wants to sell the parcel rather than continuing a year-to-year lease agreement.

- Heinz 57 Center Admin Building Improvements
 - Renovate the area vacated by Customer Service personnel due to the opening of the new Downtown Service Center. Consists of painting, lighting improvements and general conference room upgrades.

- Wash Rack Replacement at Ross and Collier Bus Garages
 - The existing gantry wash racks and cyclone cleaner at the Ross Garage were installed during the comprehensive renovation in 1996. After twenty years of continual use, the existing wash equipment is beyond its useful life and replacement parts are becoming scarce from the manufacturers. Replacement of the two drive-thru wash racks at Collier Garage.

- Manchester Main Shop Hoist Replacement
 - Replacement of three 2-post bus lifts with 3-post scissor lifts in Bays 2,3 and 4 of the maintenance area. The original lifts were installed in the early 2000s and have exceeded their useful service life. To maintain the increasing number of articulated buses the 2-post lifts are to be replaced with 3-post lifts.

- Manchester Main Shop Overhead Shop Cranes
 - Identified a need for overhead cranes for the bus engine and transmission shop areas. These cranes will significantly increase the department's ability to support bus service operations by reducing bus down time for maintenance and over hull work through safe & efficient lifting, movement and assembly of bus engines and transmissions. Cranes will support the lifting needs of the shops now and for the foreseeable future. Nine existing Jib cranes are to be removed as part of this work.

- Manchester Dynamometer Room Improvements
 - Improvements to the existing engine testing room at Manchester to provide the capacity to withstand dynamometer testing within the required margin of safety. Included in the modifications are, but not limited to, an adequate wall and a ballistic glass window between the testing room and control room; upgrade to lighting and sprinkler system; installation of a floor isolation pad; new ballistic doors to the room and between the testing room and control room; and an adequate fresh air and exhaust system.

- South Hills Junction (SHJ) Route Foreman & EBW Emergency Vehicle Garage Improvements
 - Maintenance and cosmetic improvements to the original 33-year old interior finishes and fixtures at the SHJ Route Foreman and EBW Emergency Vehicle Storage Buildings. These include; plumbing upgrades, lighting upgrades, toilet partitions, drywall repair, ceiling repair, painting and flooring.

- Garage Painting Maintenance and Storage Areas
 - Cleaning and painting of walls in the maintenance and storage areas at the Ross, Collier, East Liberty and West Mifflin bus garages. The proposed project, in conjunction with previously approved LED lighting upgrade, will increase illumination and safety within the garages. As well as improve the cleanliness and overall environment.

- System Safety Security Improvements
 - The System Safety Department recently performed an audit/assessment of safety and security-related needs across the Authority. Improvements in our buildings and facilities could be made such that unauthorized persons cannot easily gain access, while employees and authorized visitors can still readily access the buildings and facilities. This project seeks to accomplish that by providing additional ID Card readers at man doors, providing ID Card-access automated gates at parking lot entrances, adding gates to maintenance bays, replacing or adding new fencing, and providing additional CCTV cameras.

- LRT Stage I and Stage II Platform and Lighting Repairs
 - The Stage I and Stage II LRT stations are more than 30 years old and 15 years old, respectively, and, although regularly maintained, the stations show their age and their disrepair. The deterioration and life safety items need immediate attention. Along with the life safety issues, an initiative has been implemented in association with the Station Improvement Program (SIP) to update and unify all the stations. This collaboration with the SIP is to improve Port Authority's image, increase ridership and revenue, and create opportunities for Transit Oriented Development (TOD).

- Central Business District (CBD) Escalator Modernization
 - The escalators at the Wood Street, Steel Plaza, and First Avenue LRT stations were last replaced in or around 1999. There are four (4) at Wood Street, four (4) at Steel Plaza, and one (1) at First Avenue (PAAC owns and operates the outbound side escalator only). They are all nearing the end of their useful life and have faced an increasing amount of downtime in recent years due to maintenance issues. Modern escalators feature more robust safety and tamper-resistant features, in addition to remote monitoring capability to help make it easier for facilities management to maintain the equipment.

- South Hills Village (SHV) Rail Center HVAC Upgrades
 - The SHV Carhouse HVAC systems are all original equipment installed during the construction of the building in the early 1980's. The heating coils are fed by the hot water boilers, while the cooling coils are direct expansion using a rooftop condenser. These systems together serve the HVAC needs for the majority of the Carhouse and they are requiring repairs more frequently in their old age.

- South Hills Village (SHV) Pit Concrete Repairs & Rail Replacement
 - This project consists of repairing the damaged concrete in each of the pits. It also includes the removal and replacement of the track sections associated with each of the pits. The South Hills Village Rail Center was built as part of the Stage I LRV project in the early 1980's. The maintenance pits all have areas of concrete delamination and spalling. Many of the spalls have exposed anchor bolts which attach the rails to the concrete floor. These anchor bolts have a considerable degree of corrosion / section loss. In addition, the existing rails associated with the maintenance pits have a gage which is currently out of specification. PAAC's current gage is 62 ½" and most of the track in the pit areas is only 62".

- Fire Suppression Pre-Action System at Wood Street and Steel Plaza
 - Replacement of the current Fire Suppression Pre-Action Systems at Wood Street and Steel Plaza Stations. These systems are original to the subway construction and are out-of-date. There is evidence of corrosion around the mechanical joints and equipment has experience seal failures and leaks. The Fire Pre-Action system is a critical component of the fire life safety criteria identified by NFPA and FTA.

- South Hills Village Paint Booth Upgrade
 - Upgrade the existing paint booth at South Hills Village Rail Center. There are three (3) paint booths which can be used for painting parts or LRV's. Due to age and unavailability of parts, the paint booths are not operating properly. Currently in two (2) paint booths the heat is not functioning and one (1) paint booth has no ventilation. Upgrades to the heat and ventilation systems is required to make the paint booths functional.

Information Technology Hardware/Software & ITS Programs

- Mobile Ticketing Application
 - Our riders have been requesting that the Authority begin to work on a mobile ticketing app that can be offered to the riding public for use on bus, rail and the inclines. This mobile app project can be completed in a variety of ways and in multiple phases. The first phase is to obtain an app that allows riders to buy and use various tickets through their mobile devices. Updates would then include integration with bus and rail real-time and first and last mile apps to allow the users to track the locations of their vehicles and to go to other ride sharing apps to take additional vehicle rides. The app can also be updated to include the purchase of regional transit products if implemented in a way that the regional partners can verify and count rides.
- PeopleSoft HCM 9.2 Upgrade
 - Upgrading the current PeopleSoft HCM 9.1 system to the latest software release of 9.2. There are numerous support features for 9.1 which will be end-of-support in 2018, the most important of which to Authority is yearly tax updates. This upgrade will also facilitate all of the PeopleSoft FSCM to HCM interfaces with the utilization of Integration Broker.
- Microsoft SharePoint Implementation Phase 3
 - Microsoft SharePoint will replace ePort, a 20+ year old system, and a number of old intranet applications. The majority of the budget is reserved for anticipated consulting services to implement SharePoint enterprise wide in a phased approach. Benefits and efficiencies gained; this will be the primary workflow/business process automation and collaboration platform with digital document signing, document management system functions will become searchable, durable with enhanced security, applications like Falcon will be replaced with easier to use SharePoint functionality, off-site storage will become optional where legally allowed, and SharePoint will be the platform for new application development including: Customer Service and Operations status messages, KPIs, Reporting and Business Intelligence.
- Cisco Switch Replacement
 - Replacement of existing 1GB Cisco switches in use at all garages, administrative facilities, maintenance facilities, Busway data closets and rail communication rooms. Use of power-over-ethernet switches and consolidating some areas on single 48 port switches will be utilized to reduce the equipment footprint. Current 1GB switches were installed as part of the initial network implementation in 1999 and are nearing both end-of-life and end-of-support. This project is concurrent with FY2018 Cisco Switch Replacement and ensure all switches are upgrade to 10GB throughput.
- Network Attached Storage Arrays
 - This project will consist of purchasing and installing a primary and a back-up high capacity – long term network storage array for corporate use. The arrays will store data which is not necessarily required for the day-to-day operation of the organization but must be retained for extended periods based on corporate needs. The primary and back-up systems will be geographically separated on different PAAC sites to ensure data survivability.

- 3G Bus Modem Replacement
 - Verizon 3G network being shut off December 31, 2019. All of Port Authority modems on revenue vehicles (all buses and LRV's) are with 3G service. Without replacement entire real time tracking system both public facing TrueTime and CleverCAD would not function. This presents the opportunity to upgrade modem style to Digi WR64 which will allow for on-board WiFi and cellular download to fare collection system.
- Disruption Management Module for CleverCAD
 - Clever Devices' Disruption Management Module is a module within the CleverCAD solution. It enables dispatchers to react in real time to unplanned schedule disruptions while automatically updating all passenger facing systems to ensure that customers have the most updated real-time service information they need to get where they're going. This new offering enables CleverCAD users to make route adjustments in real-time to quickly restore service that's been disrupted due to unplanned circumstances. All changes are communicated to the appropriate Clever Devices systems and are immediately reflected onboard the affected vehicles, on wayside signage, the mobile app and online to give passengers the most updated information available. CAD/AVL Disruption Management can improve overall service efficiency, make disruptions easier to manage for drivers and planners and most importantly, reduce the impact these unplanned service changes have on customers.
- Additional Sales Office Terminal Units (SOTs)
 - Additional Sales Office Terminal Units (SOTs) are need per the request of Marketing and Finance so that additional third party retailers can be signed up as regional partners and to provide Finance with some spare units that can be replaced in the field once older models require repairs. These terminals will allow Marketing to provide some areas within Allegheny County a location where a ConnectCard can be obtained and loaded, that is currently sparse in retail options. These units will also allow our current retail partners to continue to sell and reload ConnectCards should their unit need to be returned for servicing, currently there are 2 units that can be used as spares for this purpose.
- Hand Held Readers
 - The approved fare policy implemented by the Authority Board included the rail to go cashless and proof of payment. For this to be implemented, fare enforcement must have the ability to verify that all riders have paid their fare when in a paid zone or on the vehicle outside of the free zone. The Authority purchased hand held readers with the original AFC contract, but those readers are now obsolete and parts for repairs are no longer available. Software updates to the latest mobile platforms are also no longer supported through the original manufacturer. The Authority needs to obtain new readers that are integrated into the AFC system so that they can load the various action lists for verifying valid positive list cards and to upload data from checked cards into the back office. This requires the readers to be obtained through a sole source contract with the AFC vendor. The new readers are the latest offering that Scheidt & Bachmann has in their FareGo product line, MT|60 Hand Held Reader: this reader can be configured to work within the current system to provide all of the necessary data required by fare enforcement to verify card validation.

Support Vehicles and Shop Equipment

- Police Vehicle Replacement
 - The Port Authority will purchase eight new vehicles for the Port Authority Police. The vehicles scheduled for replacement range from 2006 to 2014 models and have over 100,000 miles on them.
- Route Foreman Truck Replacement
 - The Port Authority will purchase six new Route Foreman trucks. The current vehicles scheduled for replacement are nine years old with over 100,000 miles on them. These vehicles are required by the Route Foreman 365 days a year and for as many as three shifts per day. These trucks will be equipped with salt spreaders, push bumpers, radios and light bars.
- Bus and Rail Maintenance Training Passenger Transit Vans
 - Purchase of one new passenger van for the training department at Manchester and one for the Rail Maintenance training department. These vehicles will be used for training new and existing operators and maintenance personnel by familiarizing them with the Authority's infrastructure and bus routes. The vehicle currently used by Manchester is a four passenger and does not lend itself to larger classrooms. The current Manchester vehicle will be reassigned to another location and will replace an older vehicle ready for retirement. The Rail Maintenance training vehicle is a 2005 Astro van, and is at the end of its useful life.
- Front Loader and Fork Lift Replacement
 - Replacement of a Front Loader used by the Way Department and four Fork Lifts. The existing units being replaced have exceeded their useful life and are requiring extensive maintenance to keep in service.

Other Support Programs

- Transit Development Plan
 - Enable the Port Authority to perform a comprehensive review of our existing service and provide various recommendations for improvements to routes, fare policy, and the potential for additional routes.
- Wayfinding Signage
 - The plan for the final project year is to have all the artwork done for all remaining signage (approx. 7,000 stops), additional Information Display Units (IDU) and to design, fabricate and install a new park and ride totem pole (target of minimum 10 locations). All preparations will be made during this final year to prepare for installation of new signage for the remainder of the system. Specifications for bases, poles, fasteners and all other related materials would be prepared for a bid document along with necessary installation methods.

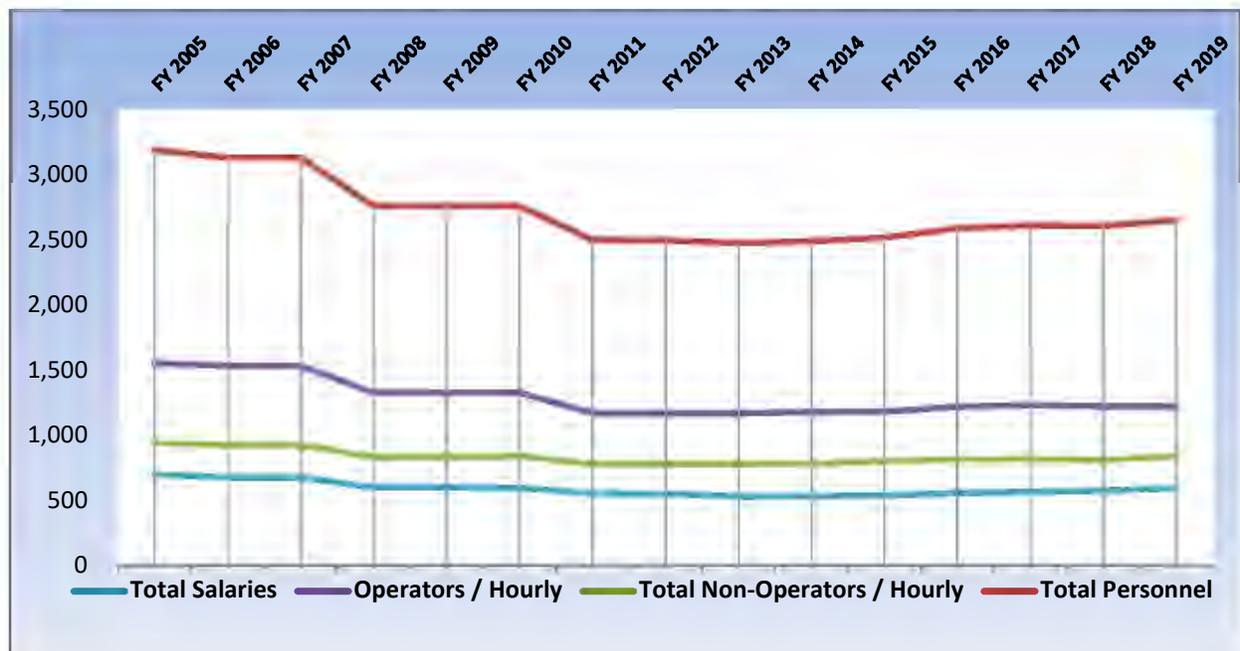
Port Authority Structure

FY 2019

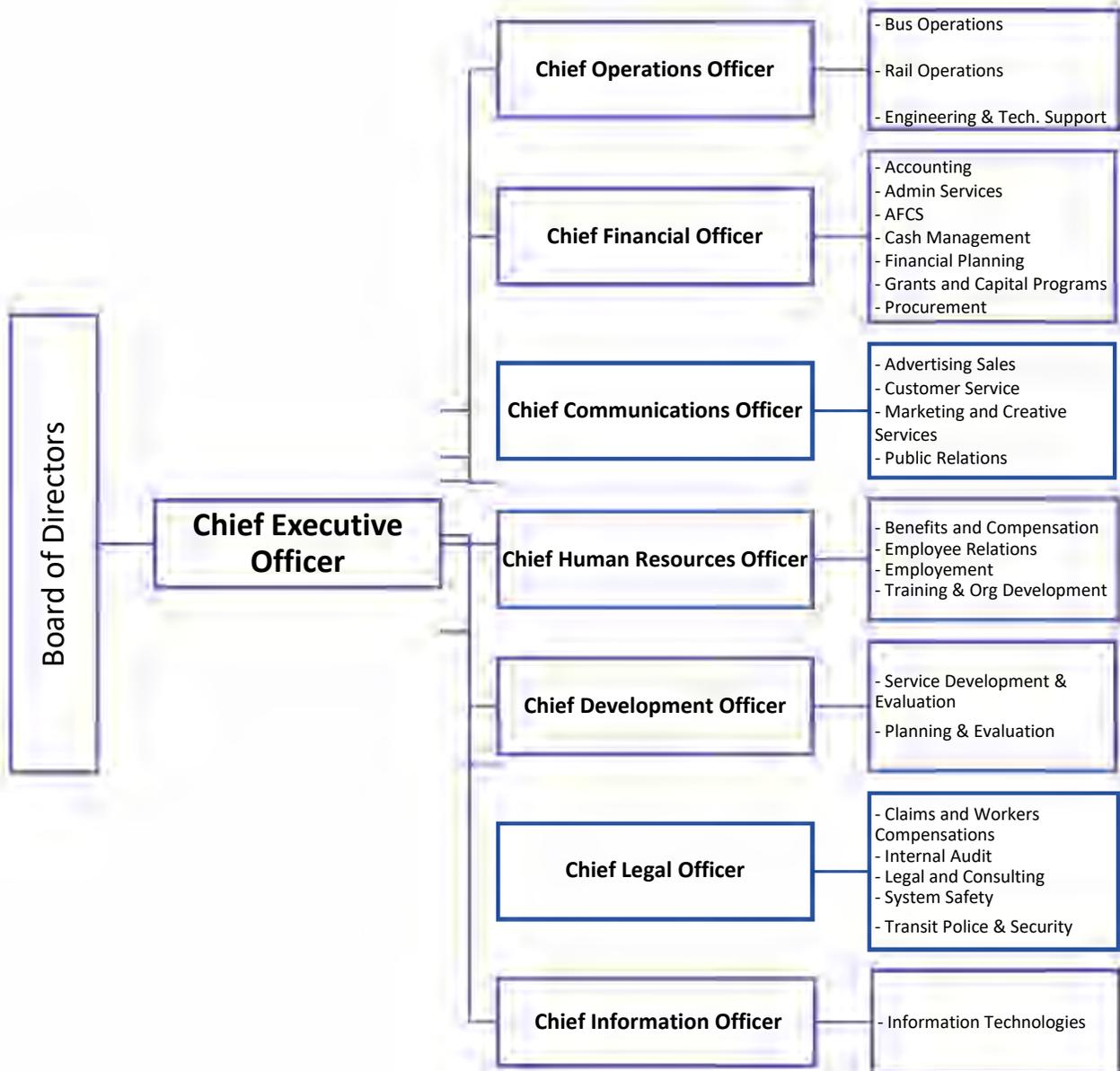
For FY 2019, the Port Authority underwent a reorganization from six divisions into eight. The existing six divisions, the Office of the CEO, Transit Operations, Finance, Marketing & Communications, Human Resources, and Legal & Corporate Services, are joined by Planning & Service Development and Information Technologies. The staff for these new standalone divisions will be moved from Transit Operations, Finance, and Marketing & Communications. Also, for FY2019, the department of Automated Fare Collection System (AFCS) has been moved under the Finance division and the Transit Police and Security has been moved under the Legal & Corporate Services division. The budget is developed based on these eight divisions and those departments reporting within each division. The Port Authority has over 90 departments at 12 locations reporting to the eight various divisions.

The Chief Executive Officer works closely with the Board of Directors and provides leadership to the entire Port Authority organization. The executive leadership team takes direction from the Chief Executive Officer and is responsible for managing the daily operations of their respective division. Together, divisions and departments work to provide quality transportation services to the Allegheny County region. The organizational structure found on the next page is a high level organizational leadership chart.

The Port Authority of Allegheny County has approximately 2,600 employees. There are three separate collective bargaining units within the Authority. Roughly 86% of the total workforce is Amalgamated Transit Union (ATU) employees, a small fraction is International Brotherhood of Electrical Workers (IBEW) union members, and the Transit Police are a separate bargaining unit. The remaining employees are non-represented employees.



Organizational Structure



FY 2019 Headcount Authorization Change

The FY 2019 authorized headcount is 2,646 which represents an increase of 40 from the FY 2018 level. Below are the approved positional changes for FY 2019.

Division / Department	Authorized Change	Headcount Change
Office of the CEO	- One Chief of Staff position added	1
Operations / Bus & Rail Operations	- One Deputy Chief Operating Officer position added - Four Offboard Fare Collector positions added	5
Operations / Technical Support	- Two Manager of Capital Programs positions added - One Admin. Assistant position abolished	1
Operations / Non-Revenue Vehicles	- One Manager of Non-Rev. Vehicle added	1
Operations / Facilities	- One Assist. Manager - Facilities added - One Facilities Supervisor position added - Eight Building Maintainer positions added - One HVAC Repairperson position added - Two Serviceperson positions added	13
Operations / Rail Maintenance	- One Manager of VOH Rail Car Maint. added - Eight Technician A's - VOH positions added - Two LRV Body repairperson positions added	11
Operations / Rail Maintenance Training	- One Maintenance Training Specialist position added	1
Finance / Procurement	- One Contract Specialist position added	1
Marketing & Communications / Customer Service	- One Customer Service Clerk position added - One Social Media Rep. position added	2
Planning & Service Development	- One Chief Development Officer position added - One Director of Planning position added - Two Route Analyst positions added	4
Legal and Corporate Services / Transit Police	- Three Transit Police Officer positions abolished	-3
Information Technologies	- One Chief Technology Officer position added - One Software Developer position added - Two Software Support (MWOS) positions added - One PeopleSoft Project Lead (MWOS) position abolished	3
	Total Authorized Headcount Increase	40

FY 2019 Budgeted Personnel - 2,646



- Office of the CEO - 3
- Finance - 108
- Human Resources - 31
- Legal and Corporate Services - 94
- Transit Ops - 2,310
- Marketing & Communications - 45
- Planning & Svc. Develop. - 23
- Information Technologies - 32

Column1	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budget FY 2018	Budget FY 2019
Office of the CEO	2	2	2	2	3
Transit Ops	2,237	2,291	2,300	2,357	2,310
Finance	125	128	130	133	108
Marketing & Communications	44	46	47	49	45
Human Resources	30	30	30	31	31
Planning and Service Development	0	0	0	0	23
Legal and Corporate Services	87	33	35	34	94
Information Technologies	0	0	0	0	32
Total	2,525	2,530	2,544	2,606	2,646

The Office of the Chief Executive

The Chief Executive Officer is responsible for all aspects of managing and overseeing the planning, financing, administration, operations, safety and security of Authority’s services. The Chief Executive Officer serves as the Authority’s representative with governmental units, agencies, and transit organizations at the federal, state, and local levels. The CEO works closely with the Port Authority of Allegheny County Board of Directors. The Board of Directors develops the strategic direction of the organization through governance oversight. This division contains the expenses for the Board of Directors. The Board is not compensated but expenses may be incurred for travel, printing, and legal counsel.

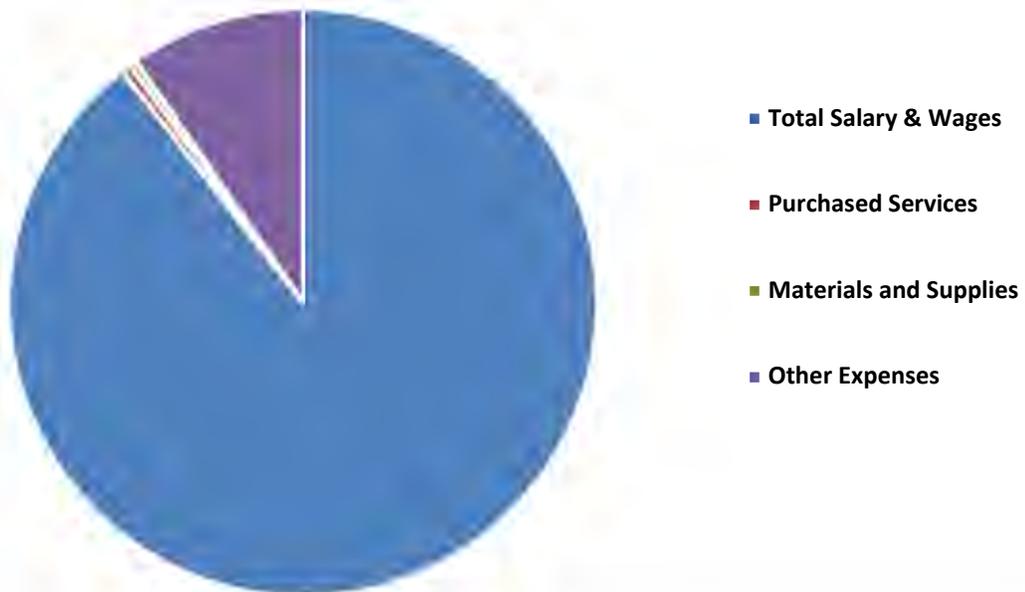
Office of the CEO – Personnel (No. of Employees)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Management	1	1	1	2
Staff Assistant	1	1	1	1
Total Personnel	2	2	2	3

Office of the CEO - Expenses by Category

Office of the CEO Expense Accounts	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Total Salary & Wages	\$279,383	\$314,200	\$466,389	\$508,186	9.0%
Purchased Services	2,871	2,225	31,869	3,000	(90.6%)
Materials and Supplies	237	242	1,045	2,240	114.5%
Other Expenses	13,668	12,301	45,254	54,750	21.0%
Total Gross Expense	296,159	328,968	544,556	568,176	4.3%
Transfers and Capitalizations	-	-	-	-	0.0%
Net Total	296,159	328,968	544,556	568,176	4.3%

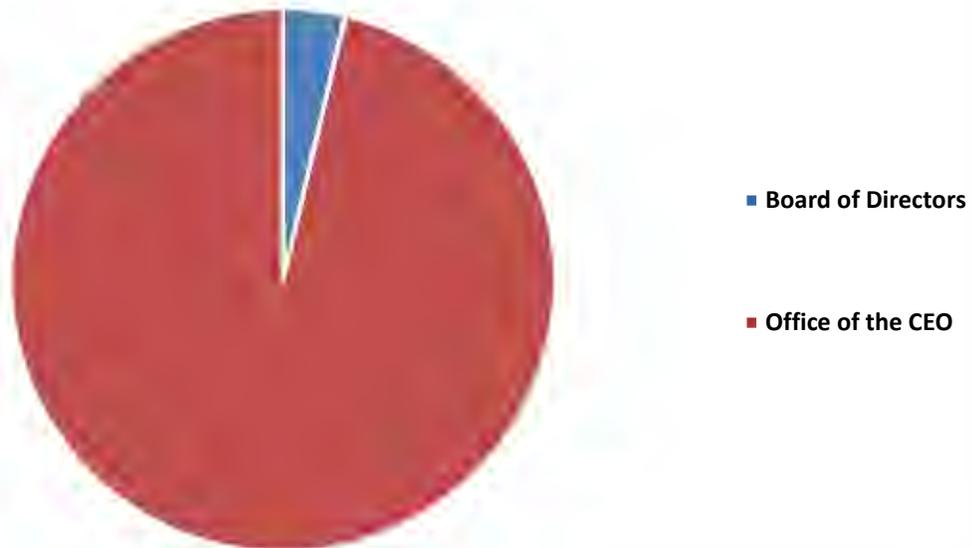
FY 2019 Office of the CEO - Budget by Category



Office of the CEO - Expenses by Department

Office of the CEO Departments	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Board of Directors	\$5,316	\$3,758	\$2,484	\$20,940	742.9%
Office of the CEO	290,843	325,210	542,072	547,236	1.0%
Net Total	296,159	328,968	544,556	568,176	4.3%

FY 2019 Office of the CEO - Budget by Department



Transit Operations

The Transit Operations division is responsible for the safe and timely delivery of transit services. It is comprised of Bus and Rail Operations, the maintenance of Port Authority’s bus and rail vehicles and the maintenance of the Authority’s facilities and rail administration. In FY 2019 the Service Development & Evaluation department was moved to the new Planning and Service Development division and the Transit Police were moved under the Legal and Corporate Services division. Transit Operations is the largest division at the Port Authority and oversees service delivery, maintenance, major overhauls and ensures a safe and secure working and riding environment for employees and customers. There are four bus garages (Ross, East Liberty, West Mifflin and Collier) that provide daily service and maintenance and one major overhaul bus garage (Manchester). Rail Service delivery has one garage for daily and overhaul maintenance (South Hills Village). South Hills Junction is a support service garage for rail and facilities administration. South Hills Junction contains the following departments; Non-Revenue Vehicles, Way, Facilities, Light Rail Transit System and Power.

Engineering and Technical Support

For budgeting and expense purposes Technical Support is included in Transit Operations. This collection of departments provide engineering support on Port Authority projects, oversees capital investments, develops technical specifications for the procurement of services and materials, reviews and evaluates engineering conditions and environmental coordination, and provides ancillary operational support. This division is also responsible for facility management which includes maintaining clean and functional T-stations throughout the system. Technical Support oversaw the implementation of our ConnectCard Fare system, the Automated Fare Collection System (AFCS). Beginning in FY 2019 the AFCS department was moved under the Finance division.

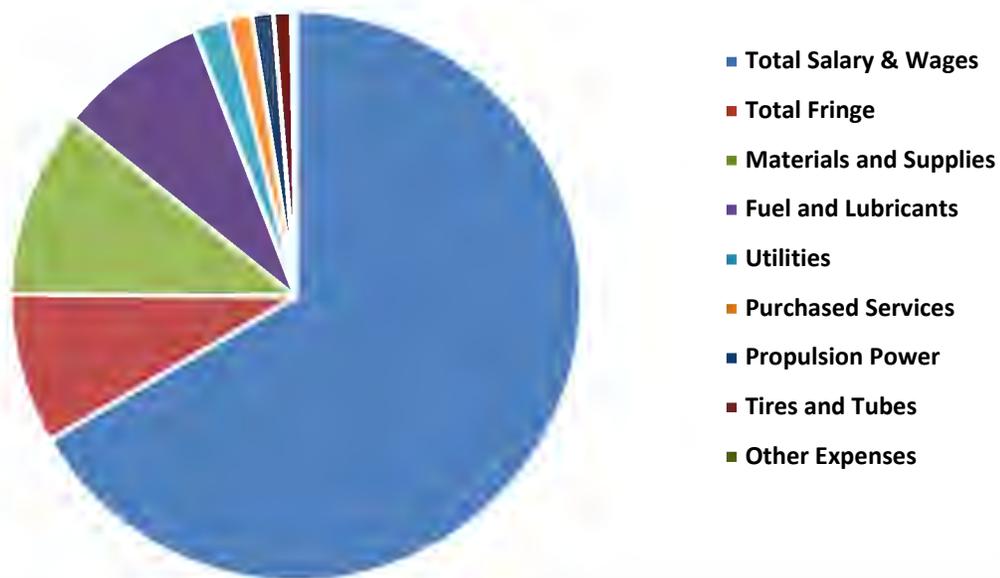
Transit Operations – Personnel (No. of Employees)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Office of Chief Operations Officer	2	2	2	2
Bus & Rail Operations	1,354	1,344	1,354	1,380
Bus & Rail Maintenance	603	600	606	639
Service Development & Evaluation	16	14	14	0
Technical Support	25	26	28	29
Facilities & Rail Administration	235	240	238	260
Automated Fare Collection System	2	2	2	0
Transit Police and Security	0	63	56	0
Total Personnel	2,237	2,291	2,300	2,310

Transit Operations - Expenses by Category

Transit Operations Expense Accounts	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change FY18 to FY19
Total Salary & Wages	\$131,704,222	\$137,518,833	142,984,688	\$144,764,037	1.2%
Total Fringe	16,350,986	16,620,068	17,880,642	18,573,970	3.9%
Purchased Services	4,383,622	4,410,688	4,451,681	2,980,700	-33.0%
Materials and Supplies	21,311,155	19,418,523	23,111,209	23,194,900	0.4%
Fuel and Lubricants	16,294,676	15,675,308	15,726,665	18,302,802	16.4%
Tires and Tubes	1,847,109	1,921,028	1,990,032	2,201,272	10.6%
Provision and Injury	(327,517)	(333,281)	(342,461)	0	0.0%
Propulsion Power	2,547,066	2,652,647	2,675,301	2,614,560	-2.3%
Utilities	3,841,330	3,851,478	3,891,800	4,249,800	9.2%
Other Expenses	293,355	256,181	268,366	587,410	118.9%
Total Gross Expense	198,246,004	201,991,473	212,637,925	217,469,451	2.3%
Transfers and Capitalizations	(5,716,614)	(5,789,405)	(8,317,739)	(9,504,800)	14.3%
Net Total	192,529,390	196,202,068	204,320,185	207,964,651	1.8%

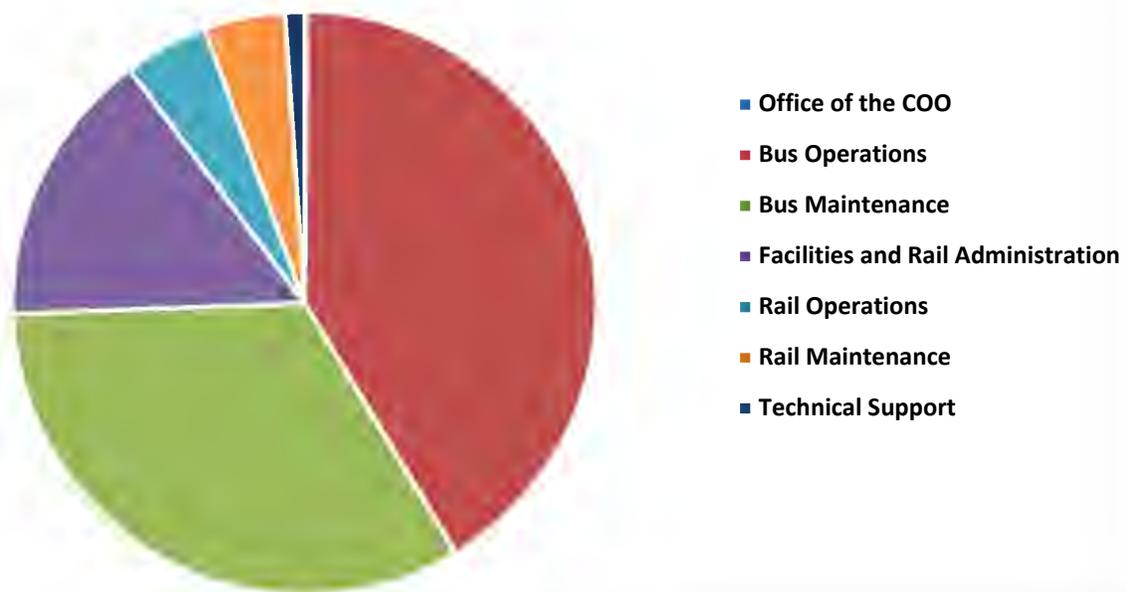
FY 2019 Transit Operations - Budget by Category



Transit Operations - Expenses by Department

Transit Operations Departments	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change FY18 to FY19
Office of the COO	\$218,962	\$216,946	\$234,393	\$244,388	4.3%
Bus Operations	76,301,636	77,267,658	80,854,802	85,724,065	6.0%
Bus Maintenance	64,812,818	61,755,293	63,189,118	68,790,025	8.9%
Service Development & Evaluation	1,156,712	1,191,570	1,087,210	0	-
Facilities and Rail Administration	27,601,224	28,576,720	29,856,277	31,926,621	6.9%
Rail Operations	9,184,640	9,179,000	9,402,167	9,689,813	3.1%
Rail Maintenance	8,439,287	9,443,566	12,015,659	9,338,869	-22.3%
Technical Support	2,291,352	2,340,526	1,806,924	2,250,870	24.6%
Automated Fare Collection System	2,522,758	2,489,040	2,025,933	0	-
Transit Police and Security	0	3,741,749	3,847,703	0	-
Net Total	192,529,390	196,202,068	204,320,185	207,964,651	1.8%

FY 2019 Transit Operations - Budget by Department



Transit Operations – FY 2018 Accomplishments

- ✓ Completed various phases of the Facility Improvement Project at Ross, Collier, West Mifflin and East Liberty bus garages, Manchester, South Hills Village Rail Center, South Hills Junction and Pitt Tower.
- ✓ Lighting at all Port Authority locations and facilities continues to be replaced by high efficiency LED lighting.
- ✓ Developed a Light Rail Vehicle (LRV) fleet maintenance plan.
- ✓ LRVs have been fitted with LED lighting, forward facing and side cameras, new destination signs and the Clever Device system has been installed.
- ✓ Completed rehabilitation of the Neville Ramp Bridge that restored the critical connection of the East Busway to the Shadyside area of the City of Pittsburgh.
- ✓ Completion of the first phase of hoist replacement at the East Liberty garage. This included a new hoist in the body shop and the replacement of five articulated bus hoists.
- ✓ Relocated and replaced the diesel fuel tanks at the Collier garage.
- ✓ Completed McKeesport building demolition and Phase 1 rehabilitation that doubles the existing park and ride capacity.
- ✓ Replaced lighting fixtures with LED lighting in the Berry St. Tunnel and replaced the CO2 equipment in both the Berry St. and Wabash Tunnels.
- ✓ Worked with System Safety to install Divisional Information Messaging Monitors (DIMMs) at the locations.
- ✓ Created the specifications for a new bus simulator.
- ✓ Usage of the new HASTUS system to address customer complaints. Road Supervisors can utilize this system on their truck laptops, increasing efficiency and resolution.
- ✓ Instituted a new program in which Student Operators are sent directly to the Rail Center as part of their initial training. This helps to maintain adequate manpower at the rails.
- ✓ Wheel chair lift audits conducted produced a 99.26% reliability rate, exceeding the goal of 95%.
- ✓ Constructed a new bus station within the Oakland section of the City of Pittsburgh. This could serve as a future Bus Rapid Transit (BRT) system station.

Transit Operations – FY 2018 Accomplishments (cont.)

- ✓ The Rail Maintenance Training Department coordinated with Tech Support, Bombardier, and Rail Technician A's to update the MAP Technician A course curriculum. Several key components were updated to the Propulsion segment of the training to provide a more comprehensive understanding of the Propulsion System of the Light Rail Vehicle.
- ✓ Completed restorations of several platforms on the LRT system; including Willow, Memorial Hall, Arlington, Kelton, South Hills Junction and Southbank.
- ✓ Replaced the collector shoes and plates on the Monongahela Incline.
- ✓ Replaced depressed tread switches, worn switches and frogs on the main rail line.
- ✓ Replaced 600 feet of curve worn rail at St. Anne's utilizing company and contract personnel.
- ✓ Developed and implemented Preventative Maintenance procedures for the North Shore Connector AC Breakers, DC Feeder Breakers and Rectifiers.
- ✓ Developed a Capital project for the upgrade of 60 Stage 1 feeder breakers.
- ✓ Strung five miles of Fiber Optic aerial cable and made strategic drops to cover our Library Line. This will expand our network for TVMs and relinquish leased Verizon T1 services in the area.
- ✓ Completed Phase 1 of the Grade Crossing Improvement project.
- ✓ South Hills Village Rail Center added a conference/training room to the maintenance building.
- ✓ Bus Maintenance Training conducted and coordinated over 200 classes with approximately 900 students attending training sessions.
- ✓ Bus Transportation Operations switched from the Midas reporting system to the Clever Device reporting system.

Transit Operations – FY 2019 Objectives

- ✓ Implement a new Maintenance Work Order System which will allow the Port Authority to track, manage, and optimize performance levels of all assets critical to business operations.
- ✓ Finish the rehabilitation of the Brilliant Viaduct Bridge that carries the mainline of the East Busway.
- ✓ Begin the replacement of the North Braddock Avenue Bridge along the East Busway.
- ✓ Replacement of perimeter concrete pavement, storm drainage and replacement of diesel fuel and gasoline tanks at the Manchester Shop.
- ✓ Addition of an emergency generator and transfer equipment at the South Hills Village parking garage and the replacement of current back-up power supplies to the radio/microwave tower equipment.
- ✓ Complete the purchase and installation of the new ST 71 Ticket Vending Machines along the rail line and at other key locations.
- ✓ Develop and begin a Vehicle Overhaul Program for the LRVs to extend their useful life.
- ✓ Install and implement electronic notification monitors for the LRV operators.
- ✓ Procure and install the new bus simulator.
- ✓ Implement the new BTO Alert System utilizing the Clever Device system.
- ✓ Bus Maintenance Training will provide new technology training for I/O Controls - Dinex G4 and Voith .6 transmission. Continue Cummins engine, and emission systems training, including the theory of operation, diagnostics and field repair. The training will be provided to all bus maintenance locations on all three shifts.
- ✓ The Manchester Main Shop will focus on preventative maintenance of the bus fleet by tuning up buses for the operating locations as the engines reach their required tune up mileage. This will improve the miles between road failures and reduce premature engine failure.
- ✓ West Mifflin bus garage expansion project; including maintenance bay expansion and concrete paving.
- ✓ Complete Phase II of East Liberty hoist replacement which involved the replacement of seven hoists.

Transit Operations – FY 2019 Objectives (cont.)

- ✓ Installation of a fall protection system at the maintenance locations.
- ✓ Replacement of the diesel fuel and gasoline tanks at the East Liberty garage.
- ✓ Continue to replace lighting throughout the system with high efficiency LED lighting.
- ✓ Replace all windows at the Monongahela Incline.
- ✓ Continue the restoration of rail platforms; including Boggs, Bon Air Denis, St. Anne's, and Highland.
- ✓ Reconditioning of several comfort stations throughout the Port Authority system.
- ✓ Elimination of Sperry Defects at McArdle and Arlington.
- ✓ Complete the East Busway Sign Renewal project.
- ✓ Replace curve worn rail with a goal of 6,000 linear feet replaced.
- ✓ Add automatic and remote switching functionality to the North Shore Connector and Stage II feeder breakers.
- ✓ Continue the remaining phases of the Facility Improvement Project at Ross, Collier, West Mifflin and East Liberty bus garages, Manchester, South Hills Village Rail Center, South Hills Junction and Pitt Tower.
- ✓ Repair and/or replacement of the Wash Racks at a number of the maintenance locations.

Finance Division

The Finance Division is comprised of Financial Planning & Budgets, Grants & Capital Programs, Accounting, Payroll, Cash Management and Procurement & Materials Management. In FY 2019 the Information Technologies departments were moved from the Finance division to their own standalone division. Also, in FY 2019, the Automated Fare Collection System (AFCS) department was moved from Technical Support to the Finance division. Responsibilities include preparing and monitoring annual operating and capital budgets; all accounting and financial documentation; Federal, State, and County government reporting and grant applications; revenue collection and processing; financial projections and analyses; purchasing, receiving, storage and distribution of materials and supplies and the administration and maintenance of our ConnectCard fare system (AFCS). The Finance division also provides oversight of the General Administrative Expenses of the Port Authority. These include corporate and general insurance expense and the federal, state & local capitalizations used to offset operating expenses.

The Finance Division in concert with Technical Support successfully implemented a SmartCard technology for fare collection. The current fare policy, effective January 1, 2017, enhanced the *ConnectCard*, allowing customers who use the card to receive a discounted fare while discontinuing the usage of paper tickets. With the expanded usage and implementation of the *ConnectCard*, the Finance Division will continue to roll-out new fare products and streamline procedural processes utilizing this new technology.

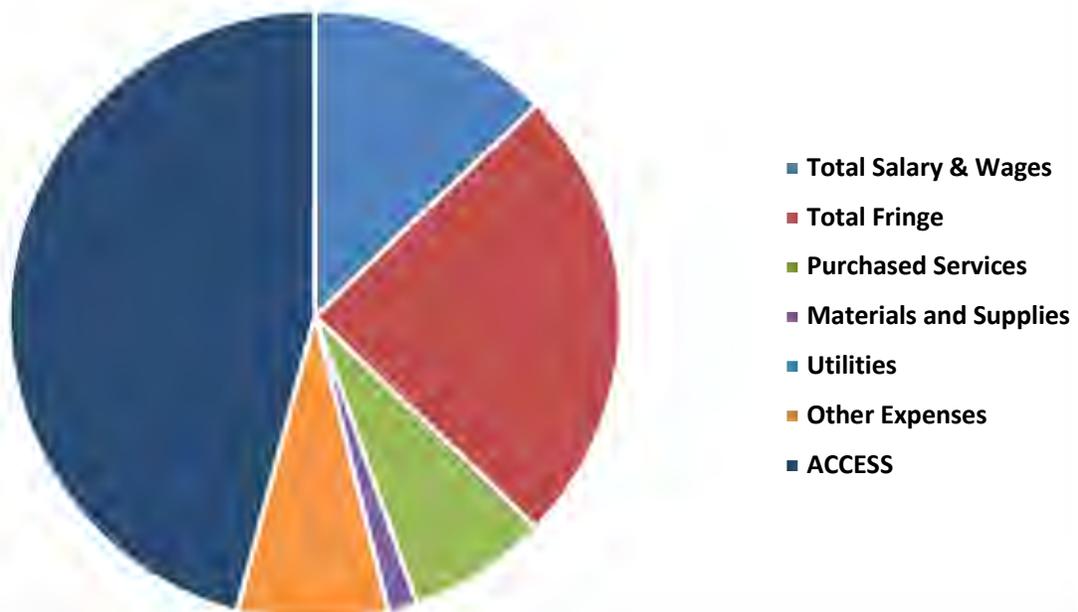
Finance – Personnel (No. of Employees)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Executive & General - Finance	2	1	1	1
Materials	41	41	41	41
Operating Accounting	4	4	4	4
Payroll	4	5	5	5
Cash Management	7	6	5	5
Service Center	5	6	7	8
Financial Planning & Budgets	4	4	4	4
General Administration	0	0	0	0
I.T. Operations	1	1	1	0
Procurement	19	22	22	23
I.T. System Development	11	10	11	0
I.T. Infrastructure & Support	11	14	13	0
Grants and Capital Programs	8	7	8	8
Automated Fare Collection System	0	0	0	1
Administrative Services & Technical Specs	8	7	8	8
Total Personnel	125	128	130	108

Finance - Expenses by Category

Finance Expense Accounts	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Total Salary & Wages	\$7,906,749	\$8,125,508	\$8,373,887	\$7,904,261	-5.6%
Total Fringe	13,219,359	13,485,921	13,457,041	14,920,706	10.9%
Purchased Services	1,956,520	1,984,470	2,539,773	4,556,965	79.4%
Materials and Supplies	398,079	383,814	460,471	938,740	103.9%
Provision and Injury	0	0	0	(300,000)	-
Utilities	1,093,388	1,517,301	894,986	10,884	-98.8%
Other Expenses	4,491,716	4,287,203	6,237,850	4,905,907	-21.4%
Interest Expense	0	0	0	0	0.0%
ACCESS	26,356,045	26,037,079	27,281,476	28,183,100	3.3%
Total Gross Expense	55,421,856	55,821,298	59,245,485	61,120,563	3.2%
Transfers and Capitalizations	(27,394,583)	(39,843,457)	(37,231,240)	(52,924,345)	42.2%
Net Total	28,027,273	15,977,840	22,014,245	8,196,218	-62.8%

FY 2019 Finance - Budget by Category



Finance - Expenses by Department

Finance Departments	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Executive & General - Finance	\$168,669	\$149,953	\$143,057	\$299,293	109.2%
Materials	3,040,591	3,084,618	3,178,657	3,557,269	11.9%
Operating Accounting	200,920	230,480	241,882	254,860	5.4%
Payroll	302,361	328,370	304,075	342,158	12.5%
Cash Management	1,185,078	1,137,928	1,138,411	1,466,647	28.8%
Service Center	369,707	411,339	351,137	463,278	31.9%
Financial Planning & Budgets	472,986	502,431	647,243	770,314	19.0%
General Administration	14,734,047	1,954,320	6,531,215	(6,407,415)	-198.1%
Information Technologies	5,518,525	6,060,590	7,026,358	0	
Procurement	1,147,512	1,297,820	1,351,917	1,504,924	11.3%
Grants and Capital Programs	216,262	202,474	413,985	539,476	30.3%
Automated Fare Collection System	0	0	0	3,079,624	
Administrative Services & Technical Specs	670,615	617,518	686,306	2,325,790	238.9%
Net Total	28,027,273	15,977,840	22,014,245	8,196,218	-62.8%

FY 2019 Finance - Budget by Department



Finance – FY 2018 Accomplishments

- ✓ Finished FY 2018 with an Operating budget surplus. Revenues exceeded budget during the first full fiscal year operating with a flat fare. Likewise, expenses ended the year under budget.
- ✓ Successfully completed a multi-month Oracle PeopleSoft Finance software upgrade project. This was a multi-departmental effort involving Payroll, Accounting, Accounts Payable, Grants Accounting, Financial Planning & Budgets, Procurement and I.T. The centerpiece of this upgrade was implementing workflow which permits electronic approvals of purchase orders and payment vouchers. Procurement also implemented new panels that enhanced our ebusiness functionality.
- ✓ Implemented the Corporate Web-Portal. This enables third-party organizations to purchase ConnectCard fare products online and setup automatic re-ordering of prepaid fare products.

- ✓ Began the pilot program of ConnectCard products for the Pittsburgh Public Schools.

- ✓ Completed the partnership with VisitPittsburgh for visitors to purchase fare products in advance.
- ✓ Implemented Pay-EZ that permits Advertising customers to pay invoices with a credit card.
- ✓ Finance personnel completed training in preparation for the upcoming Triennial review of the Port Authority.

- ✓ In concert with the Marketing & Communications Division; integrated the Customer Service call center and Downtown Service Center into a single location. Provides our customers with a one-stop shop for information and fare products.

- ✓ Participated in efforts to upgrade existing Automated Fare Collection System (AFCS) back office, operating system and ticket vending machines (TVMs).

- ✓ Assisted in the launch of the “Kid Card” program along with the associated web application and procedures.

- ✓ Completed 22 Request-for-Proposals and 11 Amendments for option years related to Professional Service Agreements.

- ✓ Transitioned the old Treasury department space into an extended Storeroom at our Manchester location. This allows for the additional storage of engines and transmissions.

Finance – FY 2019 Objectives

- Complete FY 2019 within budget from both an Operating and Capital Budget perspective.
- Cooperatively work with the State Auditor General’s Office to provide the necessary information to complete their audit of the Port Authority.
- Continue to work with the Technical Support department to insure that the Port Authority is in compliance with new National Transit Database (NTD) reporting requirements for capital assets.
- Increase the offerings in the Job Perks program by permitting customers to purchase stored value.
- Launch the Senior Card program; including card procurement, web application and administration.
- Transition Carnegie Mellon University’s program to “Tap only”.
- Develop annual inventory turnover targets to adhere to PennDOT’s Performance Goals.
- Assist the Maintenance Work Order team in the testing and implementation of the Work Order System from both an Accounting and Procurement perspective.
- Complete an RFP for Financial Analytical Services. This pool of consultants will aid in analyzing future fare changes as well as economic impact.
- Review and update procedure manuals in accordance with FTA and Pennsylvania state procurement laws that pertain to the 2nd Class Port Authority Act.
- Review the feasibility of developing a continuous cycle count inventory system that may be necessary with the new Maintenance Work Order System.
- Increase functionality on Connectcard.org to allow the purchase of ConnectCards through the website.
- Assist I.T. and Human Resources with the Oracle PeopleSoft Human Capital Management (HCM) software upgrade to Release 9.2 and complete the Payroll to General Ledger interface.
- Establish policies and procedures for expiring half-fare products.

Marketing and Communications Division

The Marketing and Communications Division oversees Marketing, Creative Services, Public Relations, Advertising, Government Affairs, and Customer Service. The responsibilities of this division include public engagement through advertising and social outreach, stakeholder relations, media relations, marketing and promotion of services; production of most public materials, such as brochures, advertising, maps, and websites; management of social media; and management of advertising on Port Authority assets to generate additional revenue. In FY 2015, the Communications Division absorbed the Customer Service department. This helped to coordinate and streamline Port Authority messaging. As a result of the FY 2019 changes, the Planning & Evaluation department has been moved to the standalone Planning & Service Development Division. The Communications Division will continue to review and integrate modern technology as a means to actively communicate with riders. Mobile applications have made it easier for our riders to pinpoint the exact location of the next bus. Further, new signage will more effectively communicate designated routes and enable riders to interact with service schedules.

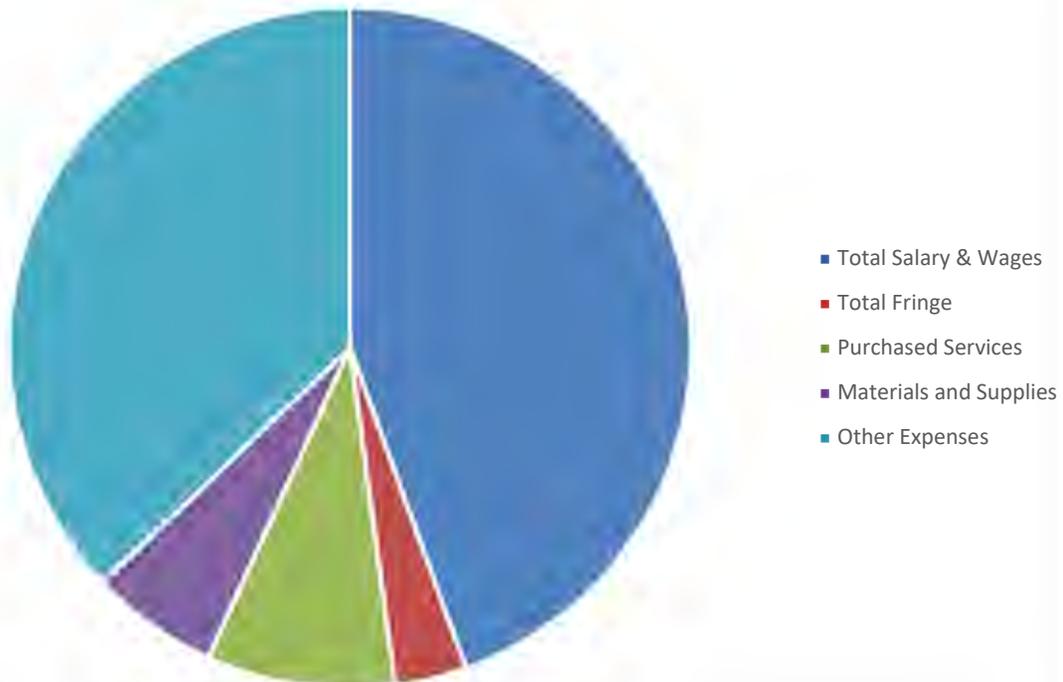
Marketing & Communications – Personnel (No. of Employees)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Executive & General - Marketing	1	1	1	2
Creative Services	4	4	4	4
Marketing	1	1	1	1
Customer Service	27	27	27	27
Planning & Evaluation	0	4	6	0
Advertising Sales	4	4	4	4
Public Relations	7	5	4	7
Total Personnel	44	46	47	45

Marketing & Communications - Expenses by Category

Marketing & Communications Expense Accounts	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Total Salary & Wages	\$2,282,849	\$2,470,826	\$2,594,092	\$2,805,155	8.1%
Total Fringe	182,443	190,502	197,772	215,000	8.7%
Purchased Services	473,795	455,005	446,534	564,500	26.4%
Materials and Supplies	191,899	269,334	284,030	384,000	35.2%
Utilities	4,530	1,607	0	0	0.00%
Other Expenses	1,230,230	1,387,392	1,123,381	2,339,510	108.3%
Total Gross	4,365,745	4,774,666	4,645,810	6,308,165	35.8%
Transfers and Capitalizations	(1,884)	(18,714)	(48,339)	(800)	-98.3%
Net Total	4,363,861	4,755,952	4,597,471	6,307,365	37.2%

FY 2019 Marketing & Communications - Budget by Category



Marketing & Communications - Expenses by Department

Marketing & Communications Departments	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Executive & General - Marketing	\$115,730	\$111,446	\$116,795	\$290,496	148.7%
Creative Services	1,209,682	1,135,327	660,321	1,660,200	151.4%
Marketing	276,800	537,270	487,010	1,073,860	120.5%
Customer Service	1,423,835	1,429,223	1,624,821	1,655,270	1.9%
Planning & Evaluation	0	106,186	264,641	0	-
Advertising Sales	813,623	881,392	922,065	929,744	0.8%
Public Relations	524,192	555,107	521,817	697,795	33.7%
Net Total	4,363,861	4,755,952	4,597,471	6,307,365	37.2%

FY 2019 Marketing & Communications - Budget by Department



Marketing & Communications – FY 2018 Accomplishments

- ✓ Assisted in the planning and execution of several new promotional/educational campaigns including the January 1 bus fare policy changes, preparations for the new cashless rail system, and several system construction projects through a variety of media and grassroots efforts.
- ✓ Created improved customer awareness through a number of specialized campaigns to promote SHV Parking Garage, Job Perks web portal transition and new VisitPittsburgh landing page for visitors to learn about Port Authority services and purchase fare products prior to arriving for their visit.
- ✓ Completed the partnership with Goodwill of Southwestern Pa to install retail sales terminals at 18 stores for the purposes of making Port Authority fare products more accessible in the communities we serve.
- ✓ On track to end FY 2018 at our Advertising revenue goal and in the process set a new fiscal sales record.
- ✓ Production costs on signage did not increase through Port Authority vendors.
- ✓ Implemented a new Customer Complaints system (GIRO). This system is tied in with the dispatch system which allows for more accurate information and better efficiency.
- ✓ Installed a new Interactive Voice Response (IVR) system by ENGHouse. Provides the ability for our customers to receive Real Time and scheduled arrival times and ConnectCard balance 24/7. Also, includes an SMS text message feature that provides Real Time and schedule arrival times.
- ✓ In concert with the Finance Division; integrated the Customer Service call center and Downtown Service Center into a single location. Provides our customers with a one-stop shop for information and fare products.

Marketing & Communications – FY 2019 Objectives

- Conduct several surveys and other forms of market research to learn more about our riders, better understand their needs, gauge rider satisfaction and help plan for the future.
- Partner with area businesses on promotions to provide additional discounts and benefits for riders to use their ConnectCard.
- Resolve municipal code issues that currently prevent advertising externally on Port Authority locations with digital signage.
- Replace interior framed signage at all subway stations with new digital signage.
- Pursue and promote longer-term advertising agreements and sponsorships with clients at prime-asset locations.
- Expand interior signage in Port Authority vehicles with the installation of a digital infotainment system.
- Increase advertising space inventory throughout the system which will allow for increased revenue growth.
- Establish a monthly employee newsletter, Transport, as part of a more active internal communications program.
- Reintroduce an Employee Outreach program that provides employee events such as an annual picnic and employee appreciation events.
- Work with the Planning and Service Development Division to integrate new technology that increases communication with our customers.
- Reallocate two Customer Service positions to Social Media Customer Service positions that will interact with customers via social media platforms (Twitter, Facebook, Web chat, etc.)
- Review and implement a new Community Involvement and Outreach Program.
- Promote and encourage staff to continue learning/training via APTA conferences and other transit industry related seminars.

Human Resources Division

The Human Resources Division includes the following departments: Employment, Training and Development, Benefits, Compensation Services, Employee/Labor Relations, and the Office of Equal Opportunity. In FY 2019, the department of Benefits & Compensation Services was split into two separate departments. This division provides a full range of human resources services to the Port Authority including the administration of healthcare, life insurance, unemployment compensation and other employee benefits programs, as well as training and organizational development.

The Human Resources Divisional goals are designed to enhance the productivity and performance by evaluation, recruitment, and fringe benefits support. Further, Human Resources will continue to ensure continued strong relationships with the three collective bargaining units.

The fringe benefit expenses in the Human Resources Division include all of the company-wide fringe benefits. These include expenses related to the pensions, defined contribution plan, active employee health care and retired employee health care.

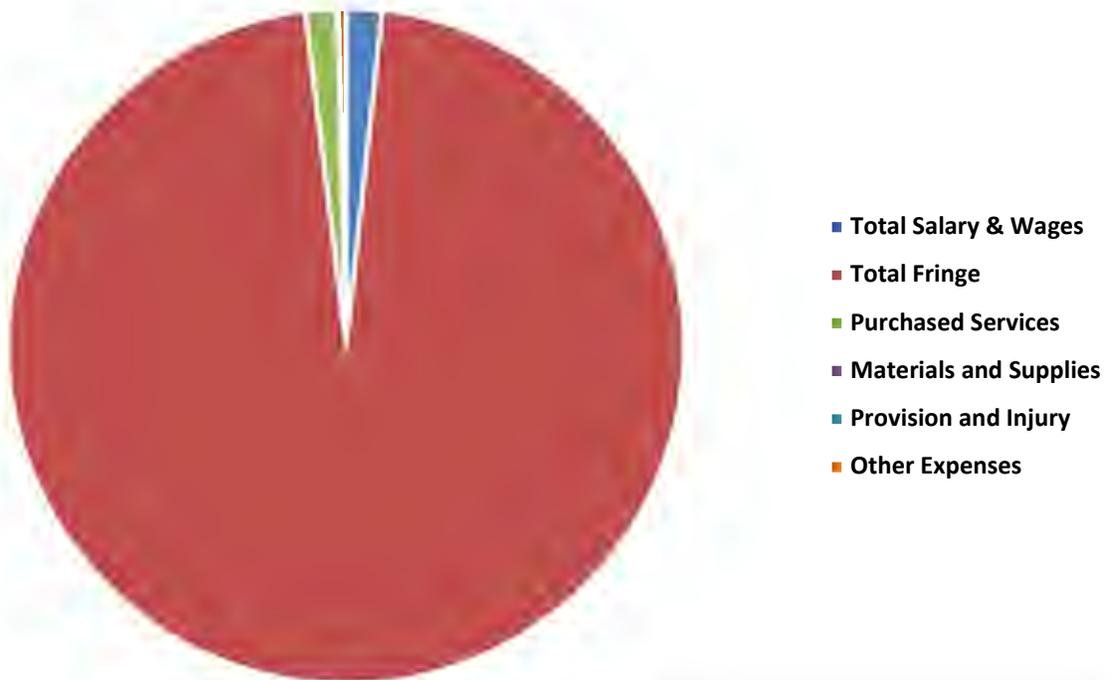
Human Resources – Personnel (No. of Employees)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Executive and General - HR	2	1	1	1
Training and Organization Development	3	3	4	4
Employee Relations / OEO	10	10	9	10
Employment	6	7	7	7
Benefits	9	9	9	7
Compensation Services	0	0	0	2
Total Personnel	30	30	30	31

Human Resources - Expenses by Category

Human Resources Expense Accounts	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Total Salary & Wages	\$1,894,887	\$2,028,851	\$2,070,881	\$2,205,680	6.5%
Total Fringe	109,465,200	117,816,443	117,772,000	124,538,710	5.7%
Purchased Services	818,383	881,179	1,030,618	1,968,316	91.0%
Materials and Supplies	12,719	15,700	19,959	41,200	106.4%
Provision and Injury	0	0	0	30,000	100.0%
Other Expenses	211,089	255,811	236,273	462,725	95.8%
Total Gross	112,402,277	120,997,984	121,129,731	129,246,631	6.7%
Transfers and Capitalizations	(340,750)	(357,891)	(1,052,596)	(1,094,000)	3.9%
Net Total	112,061,527	120,640,093	120,077,135	128,152,631	6.7%

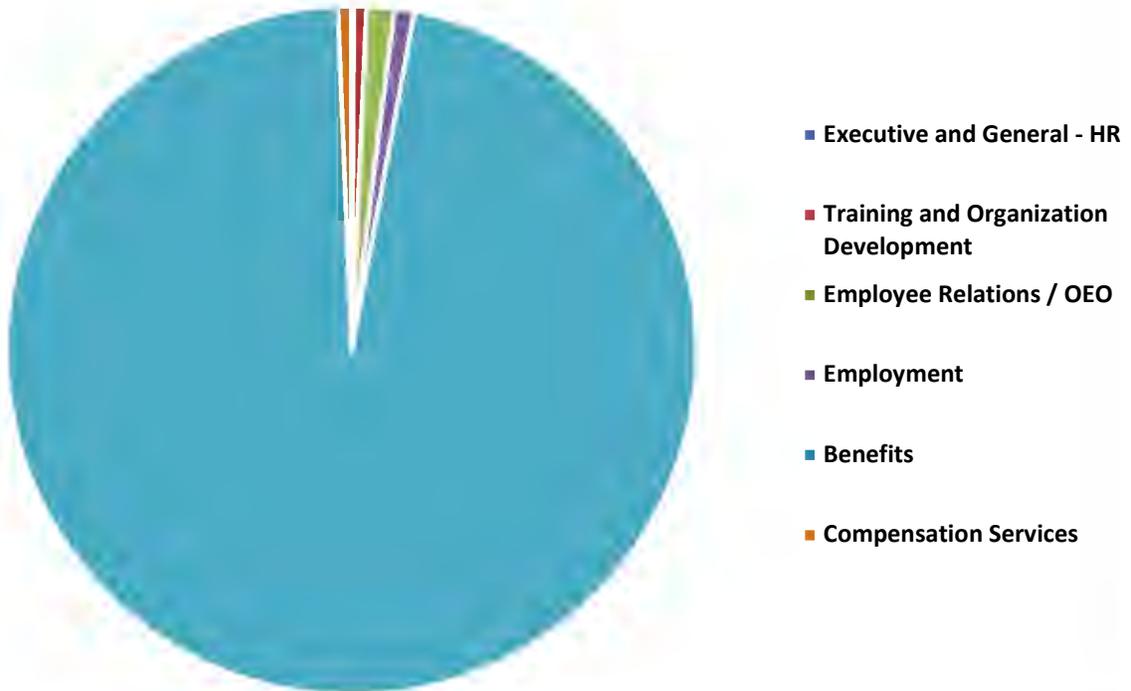
FY 2019 Human Resources - Budget by Category



Human Resources - Expenses by Department

Human Resources Departments	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Executive and General - HR	\$151,961	\$143,691	\$108,075	\$122,552	13.4%
Training and Organization Development	418,049	431,884	522,949	763,656	46.0%
Employee Relations / OEO	1,319,586	1,520,807	1,245,959	1,664,616	33.6%
Employment	719,493	719,650	985,118	1,194,960	21.3%
Benefits	109,452,438	117,824,061	117,215,035	123,583,045	5.4%
Compensation Services	0	0	0	823,802	100.0%
Net Total	112,061,527	120,640,093	120,077,135	128,152,631	6.7%

FY 2019 Human Resources - Budget by Department



Human Resources – FY 2018 Accomplishments

- ✓ Introduced a management leadership development certificate program in concert with Robert Morris University.
- ✓ Employee Relations continues to move toward its goal of the elimination of the ATU grievance backlog. Four mediation/arbitration sessions were conducted during the fiscal year which resulted in the resolution of over 150 grievances.
- ✓ Study completed for the addition of fitness areas in the workplace to improve employee wellness. This study included recommendations for room sizes and equipment based on expected usage at each facility.
- ✓ Modified existing and re-initiated the Port Authority's succession plan for key positions.
- ✓ Successfully implemented the Drug Pak drug and alcohol software program.
- ✓ Hosted and coordinated the National Transportation Institute (NTI) – Transit Academy for Federal Transit Administration (FTA) employees
- ✓ Coordinated the system-wide completion of the mandated Human Trafficking Training as required by the Pennsylvania Secretary of Transportation.
- ✓ Trained all supervisory/management employees on the new marijuana laws and issues with opioid addiction.
- ✓ Completed the validation of several tests related to positions covered by the International Brotherhood of Electrical Workers (IBEW) bargaining unit.
- ✓ Selected and deployed tri-annual Office of Equal Opportunity (OEO) training system-wide.

Human Resources – FY 2019 Objectives

- Maintain the management training program either through renewal with Robert Morris University or institute a new internal program.
- Conduct a benchmark compensation study of Non-Represented positions against the market. This will be completed via an outside consultant.
- Continue to reduce the ATU grievance backlog by an additional 10%.
- In concert with the Information Technologies Division; participate in the implementation and testing of the Oracle PeopleSoft Human Capital Management (HCM) software upgrade to Release 9.2.
- Introduce a self-service online vehicle for all employee benefits and related forms. This will simplify the process for obtaining and updated employee and depending information.
- Create a Total Rewards Statement designed to provide employees with a better understanding of their total compensation and benefits package.
- Successfully implement the Maintenance System Bid System by Trapeze Software Group, Inc. This will replace the current manual and labor intensive Maintenance System Pick.
- Review and redesign the current training portion of the new employee orientation process.
- Complete a needs assessment of the Planning for Success supervisory/management training program and implement the changes needed as a result of this assessment.

Planning and Service Development

The Planning and Service Development Division was created as a standalone division in FY 2019. It consists of the Service Development & Evaluation and the Planning & Evaluation departments. These departments and personnel were moved from the Transit Operations Division and Marketing & Communications Division.

This Division is responsible for implementing service changes, monitoring bus and rail service efficiency, developing and distributing schedules and timetables, collecting data for both state and federal reporting, maintaining databases for bus and rail stops/stations, and steering the Port Authority's long range projects.

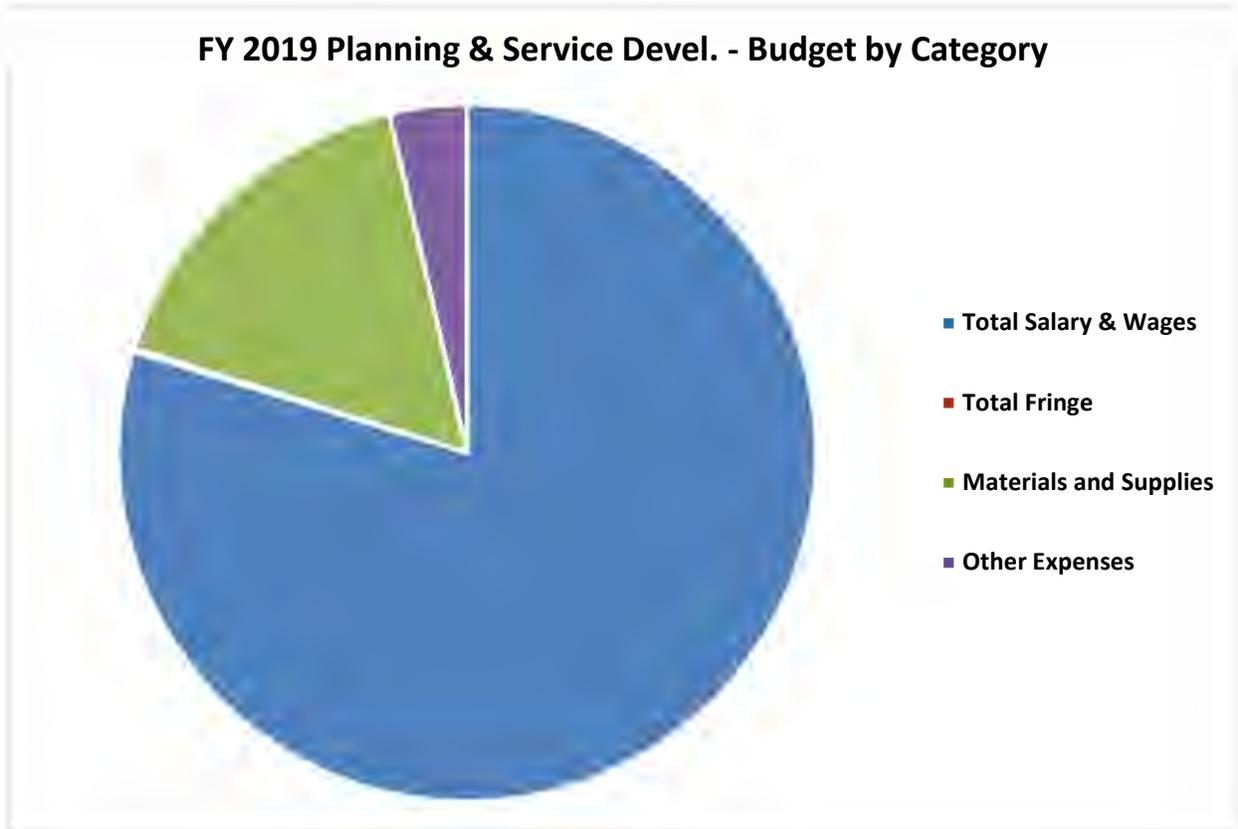
Planning and Service Development – Personnel (No. of Employees)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Executive & General - Planning & Svc. Devel.	0	0	0	1
Service Development & Evaluation	0	0	0	16
Planning and Evaluation	0	0	0	6
Total Personnel	0	0	0	23

Planning and Service Development - Expenses by Category

Planning & Service Development Expense Accounts	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Total Salary & Wages	-	-	-	\$1,622,885	-
Total Fringe	-	-	-	3,000	-
Purchased Services	-	-	-	-	-
Materials and Supplies	-	-	-	337,300	-
Other Expenses	-	-	-	73,100	-
Total Gross	-	-	-	2,036,285	-
Transfers and Capitalizations	-	-	-	(36,400)	-
Net Total	-	-	-	1,999,885	-

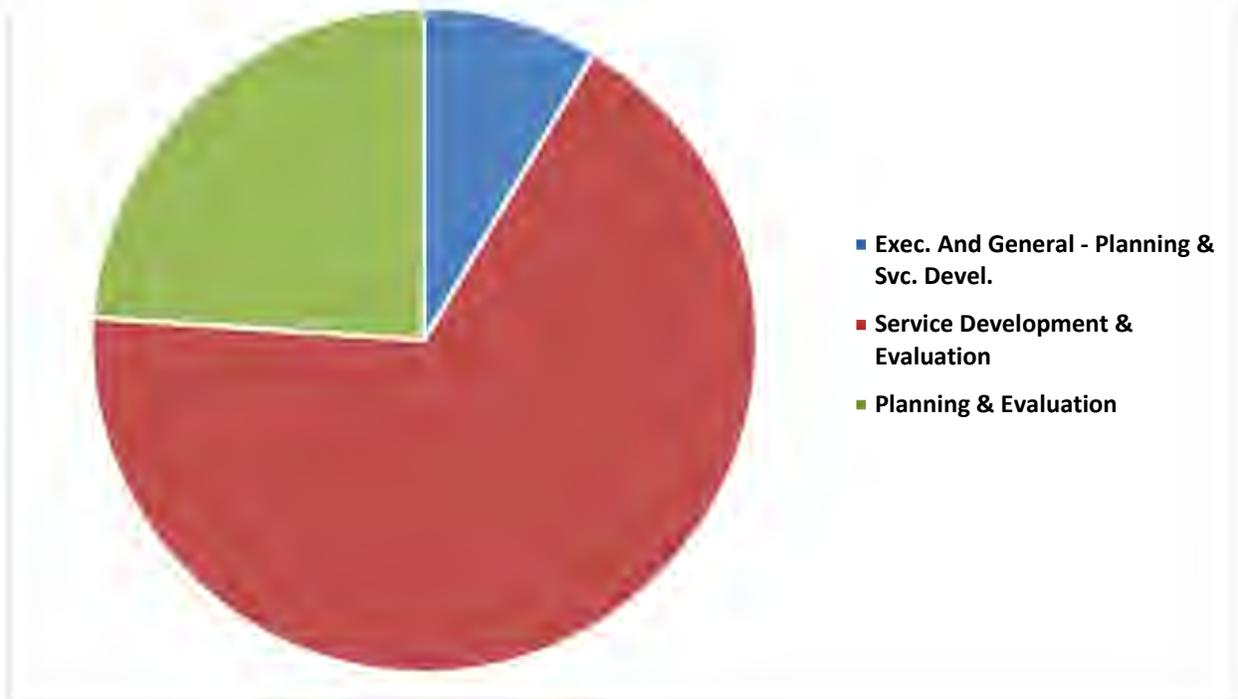
FY 2019 Planning & Service Level. - Budget by Category



Planning and Service Development - Expenses by Department

Planning & Service Development Departments	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Exec. And General - Planning & Svc. Devel.	-	-	-	\$170,000	-
Service Development & Evaluation	-	-	-	1,351,296	-
Planning & Evaluation	-	-	-	478,589	-
Net Total	-	-	-	1,999,885	-

FY 2019 Planning & Service Devel. - Budget by Department



Planning and Service Development – FY 2018 Accomplishments

- ✓ Completed roll-out of new Wayfinding signage throughout the system. These included new bus stop signs, At-stop information panels and information display units to fixed guideways.
- ✓ Completed the implementation of the Rail True Time system. All Port Authority bus and light rail routes now have available real-time information.
- ✓ Collaborated with Allegheny County, the City of Pittsburgh and the Urban Redevelopment Authority of Pittsburgh to propose a Bus Rapid Transit (BRT) system that connects Downtown Pittsburgh with Uptown, Oakland and several other communities.
- ✓ Held community input sessions for preferred service plan and design of the BRT system.

Planning and Service Development – FY 2019 Objectives

- Install, integrate, and test the Clever Devices Automatic Vehicle Monitoring module. This will assist the Port Authority and specifically Transit Operations with maintenance related issues.
- Complete Farebox Integration testing between Clever Devices and the Scheidt & Bachmann Fare system.
- Begin the installation of new passenger shelters through the bus and light rail system.
- Compile community input and finalize the BRT service plan.
- Update application documents and submit for the Small Starts Federal Grant for the BRT system.

Legal and Corporate Services

The Legal and Corporate Services Division includes the following departments: Claims and Workers' Compensation, Legal and Consulting Services, Internal Audit and System Safety. In FY 2019, the Transit Police and Security department was moved under the Legal and Corporate Services Division where they had resided prior to FY 2017. This Division provides legal and risk-management advice and representation; reviews and processes all liability, property, and workers' compensation claims made against the Port Authority; examines and evaluates the Authority's system of internal controls; serves as a liaison with the Federal, State and Local courts, funding, and oversight agencies; supervises the maintenance and development of Port Authority's real estate assets and ensures the safety and security of the Port Authority's passengers, employees and facilities.

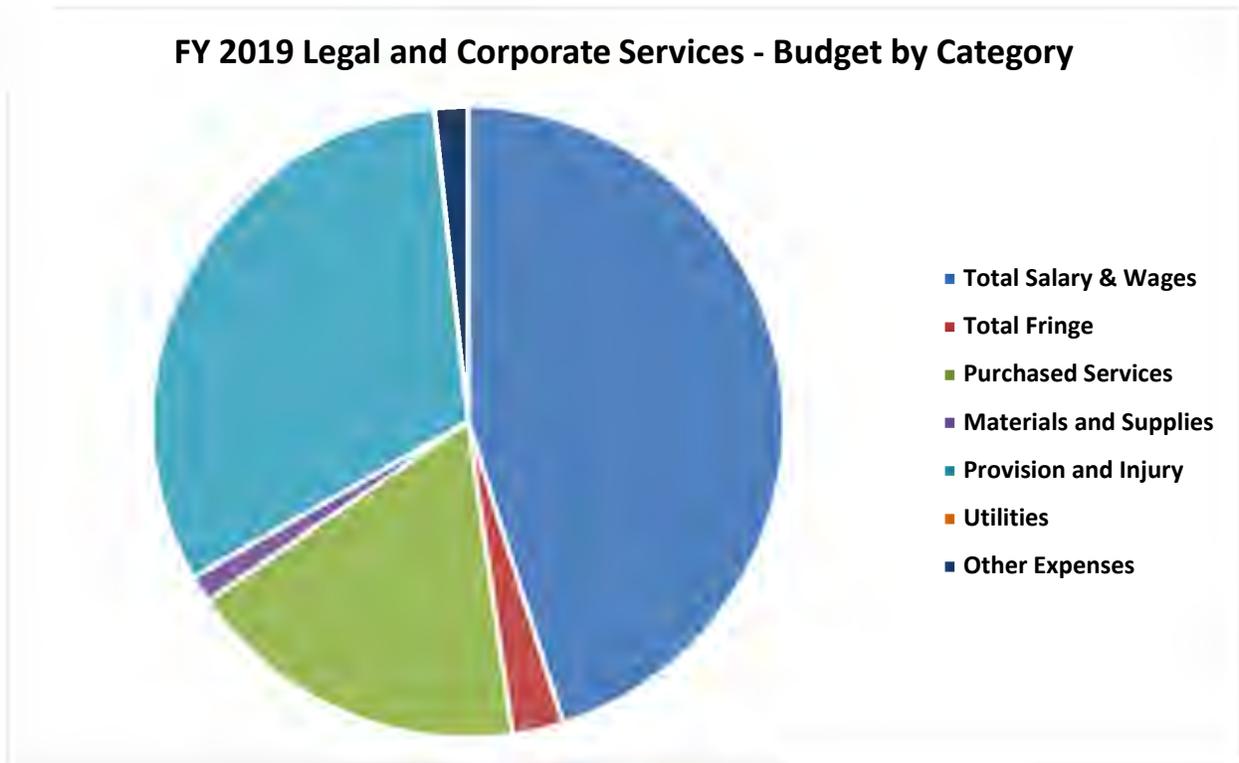
Legal and Corporate Services – Personnel (No. of Employees)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Executive and General - Legal	2	2	0	0
Legal and Consulting Services	6	7	9	9
Claims and Workers Compensation	13	13	14	13
Internal Audit	4	4	4	4
System Safety	7	7	8	8
Transit Police and Security	55	0	0	60
Total Personnel	87	33	35	94

Legal and Corporate Services - Expenses by Category

Legal and Corporate Services Expense Accounts	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Total Salary & Wages	\$5,473,788	\$2,176,040	\$2,263,298	\$6,606,425	191.9%
Total Fringe	327,984	300,357	298,462	381,200	27.7%
Purchased Services	2,283,957	2,076,811	2,053,549	2,585,000	25.9%
Materials and Supplies	60,559	19,368	33,109	204,800	518.6%
Provision and Injury	2,823,200	2,041,766	2,058,730	4,604,000	123.6%
Utilities	0	0	0	6,600	100.0%
Other Expenses	192,576	150,622	165,847	248,670	49.9%
Total Gross	11,162,063	6,764,964	6,872,996	14,636,695	113.0%
Transfers and Capitalizations	(124,409)	0	0	(60,000)	100.0%
Net Total	11,037,654	6,764,964	6,872,996	14,576,695	112.1%

FY 2019 Legal and Corporate Services - Budget by Category



Legal and Corporate Services - Expenses by Department

Legal and Corporate Services Departments	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Executive and General - Legal	\$169,044	\$174,108	\$0	\$0	-
Legal and Consulting Services	1,869,071	2,171,429	2,373,118	3,039,664	28.1%
Claims and Workers Compensation	4,785,998	3,652,224	3,707,753	6,083,662	64.1%
Internal Audit	265,485	270,242	245,462	325,238	32.5%
System Safety	595,773	498,017	546,663	870,324	59.2%
Transit Police and Security	3,352,283	(1,056)	0	4,257,807	-
Net Total	11,037,654	6,764,964	6,872,996	14,576,695	112.1%

FY 2019 Legal and Corporate Services - Budget by Department



Legal and Corporate Services – FY 2018 Accomplishments

- ✓ Successfully negotiated a license agreement with Comcast for free Wi-Fi services in the Port Authority's Central Business District (CBD) and North Shore T stations.
- ✓ Provided critical assistance and support, and achieved the successful conclusion of, the FTA Follow-up Procurement System Review. Of the twelve areas of review, there were only two findings, both which were successfully closed out within 90 days of the final report.
- ✓ Coordinated the implementation of the Revised Fitness for Duty Policy and Insulin-Dependent Diabetes Exemption Program.
- ✓ Pursued successful appeal to the Commonwealth Court regarding a significant Right-to-Know issue involving the protection of non-criminal investigatory materials.
- ✓ Enhanced the Riskmaster claims system with a Workers Compensation Excess Insurance module.
- ✓ Performed and completed several audits identified in the Board-approved Internal Audit Work Plan. These included audits of the Purchasing Card Program, FY 2017 Annual Physical Inventory, CY 2017 Security and Emergency Preparedness Plan and CY 2017 System Safety Program Plan.
- ✓ Procured a speed detection radar trailer for use on Port Authority busways and divisions/crossings.
- ✓ Installed Division Information Messaging Monitors (DIMM) at each location with the assistance of Transit Operations.
- ✓ Installed pedestrian crossing warning flashers at Negley, Wilkinsburg and Penn Park stations.
- ✓ Completed Highland Crossing safety upgrades with the assistance of Technical Support and LRT Systems.
- ✓ Created Safe Rider pamphlet and distributed throughout the system.
- ✓ Utilized crime statistics for the strategic deployment of existing police and security resources to instill confidence in our riders and employees.

Legal and Corporate Services – FY 2019 Objectives

- Coordinate and ensure timely response and close-out of the Port Authority’s scheduled FY 2018 FTA Triennial Review and anticipated State Auditor General Performance Review.
- Complete efforts to negotiate and implement a license agreement with carriers for cellular service in Port Authority’s CBD and North Shore Stations that produces revenue for the Port Authority and provides our patrons with cellular data services.
- Provide “Lessons Learned” training with Transit Operations and Employee Relations and coordinate training with the Office of Equal Employment Opportunity addressing sexual harassment in the workplace.
- Evaluate legacy Workers Compensation claims for disposition and possible loss run reduction.
- Develop an interface to successfully transition all claims payments from the Oracle PeopleSoft Financial system to the claims Riskmaster system.
- Continue to perform and complete the remaining audits identified in the Board-approved FY 2017-18 Internal Audit Work Plan.
- In consultation with Senior Management, prepare and propose the Internal Audit Work Plan for the period of January 1, 2019 through June 30, 2020. Ensure timely review and approval by the Board of Directors.
- Work with Transit Operations to improve bus rear-end lighting to help reduce accidents.
- Develop and install safety signage for the Light Rail Vehicles, “See Tracks, Think Train”.
- Develop and install safety signage for the buses, “Never Chase the Bus”.
- All System Safety employees to attend at least one TSI class, working toward TSSP certification.
- Upgrade Potomac Grade Crossing to a gated system.
- Upgrade existing video surveillance infrastructure via installation of CCTV cameras along the East Busway at Herron, Negley and Roslyn Stations, and in the Wabash Tunnel.
- Support community-oriented policing through greater officer interaction in the communities and neighborhoods they serve.

Information Technologies

The Information Technologies Division was created as a new standalone division for FY 2019. The departments included in this division are I.T. Operations, I.T. System Development and I.T. Infrastructure and Support. In previous fiscal years, the expenses and personnel for the I.T. departments were under the Finance Division.

This Division at the Port Authority is responsible for the management of the Authority’s software licensing and enterprise components, project management for software implementation and upgrades, software development and the administration and maintenance of the Authority’s technology related systems and equipment. The I.T. Division is an integral member of the Port Authority as each division and department increases their reliance on information & technology to gain efficiency and provide the customers with enhanced service features.

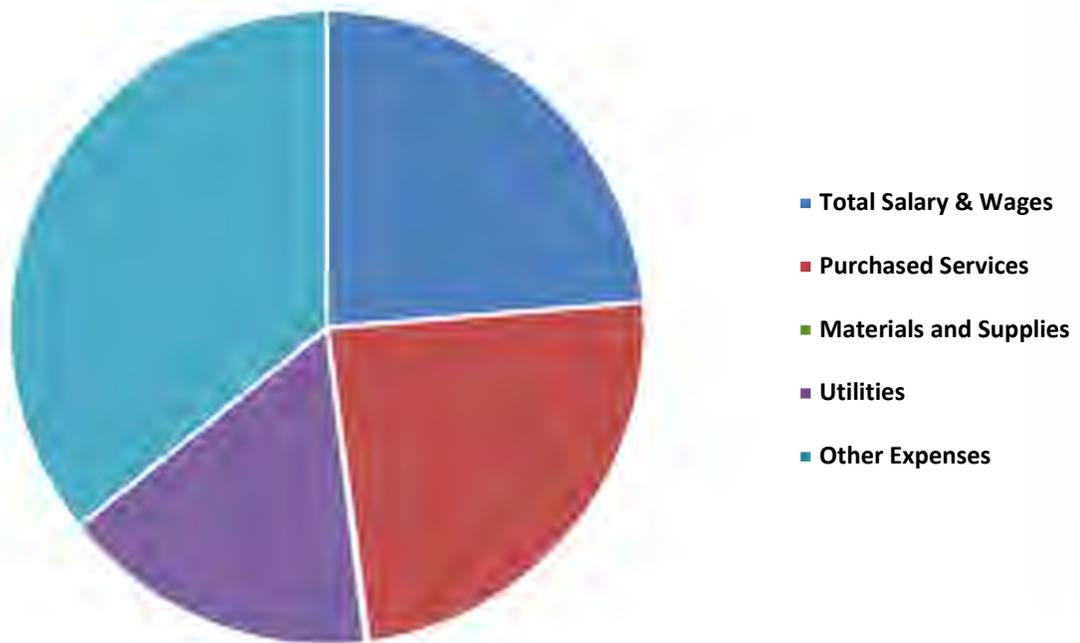
Information Technologies – Personnel (No. of Employees)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Executive & General - I.T.	0	0	0	1
I.T. Operations	0	0	0	1
I.T. System Development	0	0	0	17
I.T. Infrastructure & Support	0	0	0	13
Total Personnel	0	0	0	32

Information Technologies - Expenses by Category

Information Technologies Expense Accounts	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Total Salary & Wages	\$0	\$0	\$0	\$2,343,324	-
Total Fringe	0	0	0	0	-
Purchased Services	0	0	0	2,393,000	-
Materials and Supplies	0	0	0	15,500	-
Utilities	0	0	0	1,601,000	-
Other Expenses	0	0	0	3,534,000	-
Total Gross	0	0	0	9,886,824	-
Transfers and Capitalizations	0	0	0	0	-
Net Total	0	0	0	9,886,824	-

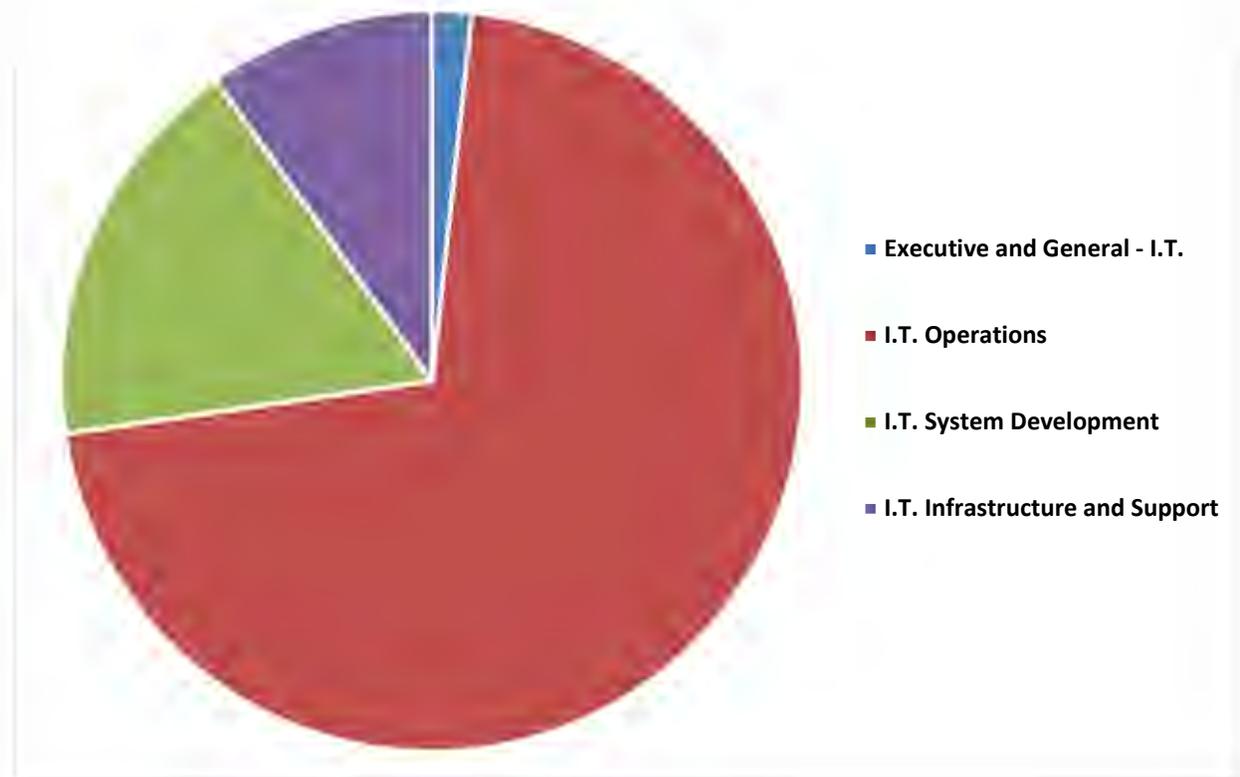
FY 2019 Information Technologies - Budget by Category



Information Technologies - Expenses by Department

Information Technologies Departments	FY 2016 Audited	FY 2017 Audited	FY 2018 Actuals	FY 2019 Budget	% Change '18 to '19
Executive and General - I.T.	\$0	\$0	\$0	\$170,000	-
I.T. Operations	0	0	0	7,019,240	-
I.T. System Development	0	0	0	1,716,536	-
I.T. Infrastructure and Support	0	0	0	981,048	-
Net Total	0	0	0	9,886,824	-

FY 2019 Information Technologies - Budget by Department



Information Technologies – FY 2018 Accomplishments

- ✓ Completed upgrade of Oracle PeopleSoft Financials and Supply Chain Management (FSCM) software from version 8.9 to Release 9.2.
- ✓ Installed VMware Horizon virtual desktop platform throughout the organization. Including all bus garage locations and store rooms.
- ✓ Upgraded all virtual desktop operating systems to Windows 10 and Microsoft Office 2016.

Information Technologies – FY 2019 Objectives

- Complete the upgrade of Oracle PeopleSoft Human Capital Management (HCM) software from version 9.1 to Release 9.2.
- Upgrade all Cisco stack switches to 10gb system-wide.
- Begin rollout and implementation of Microsoft SharePoint team collaboration software. Starting with select departments to increase organizational efficiency.

Port Authority's modal budget is presented as a component of the Operating and Capital Improvement Budgets. The purpose of the modal budget is to present the revenue and expense levels related to the modes of service provided by the Port Authority. The modes of service provided are bus, light rail, inclined plane, and the ACCESS Program. The ACCESS program, or ACCESS, is a demand response, paratransit service provided for elderly and handicapped persons. ACCESS is operated on behalf of Port Authority by the management firm Transdev. Each of the modes will be discussed individually in this section. A table is provided for each mode that indicates total ridership, revenue, and expense levels for the fiscal years 2016, 2017, 2018, and 2019. In addition, graphs illustrating revenue, expense and ridership amounts are presented for comparative purposes.

Modal ridership data for fiscal years 2016 through 2018 were calculated using monthly ridership reports. Anticipated ridership levels for FY 2019 were developed by Port Authority's Service Planning and Schedules department in collaboration with Financial Planning and Budgets for the bus, light rail, and inclined plane modes. Transdev (ACCESS) furnished detailed ridership information for the fiscal years 2016 through 2018 and developed the FY 2019 projections for the demand response service.

Passenger revenue distributions were allocated based upon the ridership and average fare analysis for each of the service modes. Senior citizen amounts were calculated separately and are shown independently from non-senior citizen passenger revenue. "Other Revenues" includes Advertising and Concession income and other non-transportation revenues such as Real Estate and Investment Income. These revenues were allocated based upon each mode's percentage of ridership relative to total Port Authority ridership. Modal expenses for bus, light rail, and inclined plane were distributed using a combination of direct cost and indirect cost allocations. The distribution of expenses is allocated utilizing and adapting accepted methods of allocation for federal reporting purposes. The ACCESS Program is a purchased transportation service and the expenses are identified and shown separately.

The table on the following page represents a comparative summary of Port Authority's revenues and expenses by each of the modes for fiscal years 2016, 2017, 2018, and 2019.

COMPARATIVE SUMMARY BY MODE

FY 2016 Actual, FY 2017 Actual, FY 2018 Actual, and FY 2019 Budget

	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 BUDGET
Operating Revenues:				
Bus	\$ 81,611,000	\$ 80,117,000	\$ 82,053,000	\$ 80,385,000
Light Rail	12,660,000	11,911,000	11,907,000	11,875,000
Monongahela Incline	778,000	930,000	963,000	958,000
ACCESS Program	12,640,000	12,127,000	11,797,000	11,455,000
Subtotal	\$ 107,689,000	\$ 105,085,000	\$ 106,720,000	\$ 104,673,000
Operating Grants	254,852,000	258,667,000	264,712,000	272,979,000
Capitalizations	33,578,000	46,009,000	48,956,000	63,620,000
Total Revenue & Grants:	\$ 396,119,000	\$ 409,761,000	\$ 420,388,000	\$ 441,272,000
Expenses:				
Bus	\$296,159,000	\$ 303,108,000	\$ 313,540,000	\$ 343,523,000
Light Rail	58,427,000	60,546,000	63,203,000	68,427,000
Monongahela Incline	953,000	990,000	1,053,000	1,139,000
ACCESS Program	26,356,000	26,037,000	27,281,000	28,183,000
Total Expenses:	\$ 381,895,000	\$ 390,681,000	\$ 405,077,000	\$ 441,272,000
Excess Revenue over Expense:	\$ 14,224,000	\$ 19,080,000	\$ 15,311,000	\$ -

Bus Mode

Bus service is the largest of the transportation services provided by the Port Authority. The active bus fleet as of June 2018 consists of (30) 35-foot vehicles, (567) 40-foot vehicles and (134) 60-foot articulated buses. The four bus garage locations where service originates are located in the following communities: Ross Township, Collier Township, West Mifflin Borough and Pittsburgh (East Liberty area). Port Authority's Main Shop, located in the Manchester neighborhood of the City of Pittsburgh, is a large facility where component rebuilding and major bus repairs are performed.



For this mode of transportation, FY 2019 ridership is expected to remain similar to FY 2018 figures. The small decrease is due to FY 2019 having one less weekday of service than FY 2018. The contractual transit agreements between the Port Authority and the University of Pittsburgh, Carnegie Mellon University, and Chatham University will also aid in a slight increase in ridership. Port Authority actively pursues partnerships with local businesses and institutions, such as the highly successful transportation programs with the local universities, to increase services provided.

For FY 2019, total bus revenues are projected to decrease by 2.0% below FY 2018 actuals. This is attributed to a 1.7% decrease in passenger revenues due to the one less weekday of service in FY 2019. Other revenues, consisting of Advertising and other non-transportation related revenues, continue to increase each year mostly due Advertising and Investment Income. However, the FY 2019 budgeted amount is down slightly compared to FY 2018 actuals. Port Authority continues to explore partnerships with institutions in the region that will improve utilization of the current fleet. Also, the Port Authority has placed an increased emphasis on customer service and the rider's experience. Importance was placed on the Port Authority making a positive impression on first time riders as well as improving the experience for existing customers. Retaining existing consumers, while attracting those whom are contemplating making a permanent switch to public transportation, will lead to increased ridership and revenue into the future. These improvements have proven effective according to our most recent 2014 Rider Survey. Overall satisfaction with Port Authority has increased to 54% compared to just 33% in 2010.

Overall expenses are expected to increase over FY 2018 levels by 9.6%. Contractual increases in salaries and wages, the continued rise in pension costs and increased staffing levels make up a large portion of these additional expenses. However, there are projected increases in materials and supplies, utilities, purchased services, and other expense. Within the category of purchased services, the estimated increase is due to the additional costs associated with the continued reliance on technology.

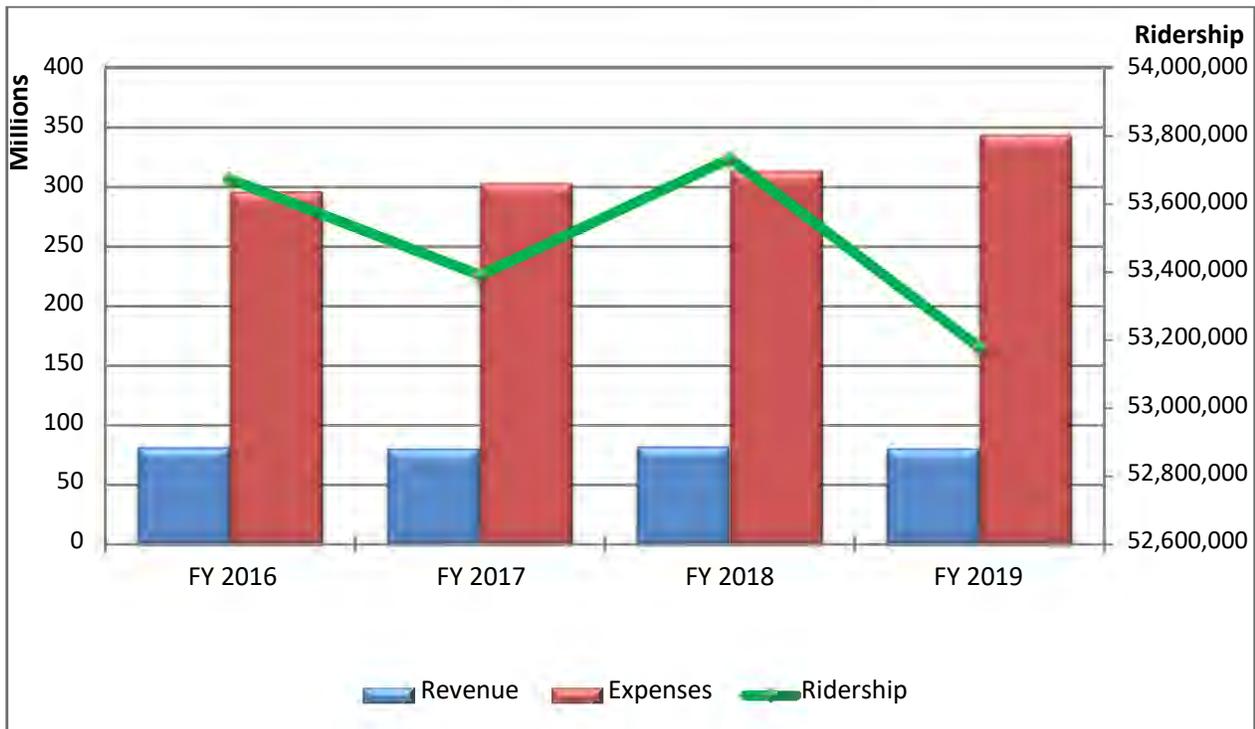
The financial data, along with ridership figures and a graphical illustration for the bus mode, can be found on the following page.

Port Authority of Allegheny County
BUS MODE

	FY 2016 <u>Actual</u>	FY 2017 <u>Actual</u>	FY 2018 <u>Actual</u>	FY 2019 <u>Budget</u>	FY19 <u>Inc/Dec</u>
<u>RIDERSHIP</u>					
Non-Seniors	49,232,000	49,094,000	49,646,000	49,091,000	
Seniors	4,440,000	4,296,000	4,087,000	4,086,000	
Total Ridership	53,672,000	53,390,000	53,733,000	53,177,000	-1.0%

	FY 2016 <u>Actual</u>	FY 2017 <u>Actual</u>	FY 2018 <u>Actual</u>	FY 2019 <u>Budget</u>	FY19 <u>Inc/Dec</u>
<u>REVENUES</u>					
Passenger Revenue	\$ 78,860,000	\$ 77,025,000	\$ 77,961,000	\$ 76,601,000	
Sr Citizen Reimbursement	0	0	0	0	
Other	2,751,000	3,092,000	4,092,000	3,784,000	
Total Revenue	\$81,611,000	\$80,117,000	\$82,053,000	\$80,385,000	-2.0%

<u>EXPENSES</u>					
Salaries & Wages	\$ 123,372,000	\$ 125,923,000	\$ 130,495,000	\$ 138,721,000	
Fringe Benefits	116,019,000	123,367,000	123,899,000	132,324,000	
Materials & Supplies	37,188,000	34,951,000	38,213,000	41,882,000	
Prov for Inj & Damages	2,932,000	2,013,000	1,820,000	4,030,000	
Purchased Services	8,778,000	8,682,000	9,340,000	13,321,000	
Utilities	3,316,000	3,554,000	3,336,000	3,792,000	
Other Expenses	4,554,000	4,618,000	6,437,000	9,453,000	
Total Expense	\$296,159,000	\$303,108,000	\$313,540,000	\$ 343,523,000	9.6%



Light Rail Mode

Port Authority's Light Rail Transit (LRT) System includes 51.2 miles of track and 83 light rail vehicles (LRVs). The LRT system includes a downtown subway system that provides service from Pittsburgh's South Hills to the downtown area. In March 2012, the Authority's 2.1 mile extension to the light rail



system opened for revenue service and now connects the downtown area to Pittsburgh's sports and entertainment venues located on the north shore of the Allegheny River. The LRT system now goes from the Gateway Subway Station underneath Stanwix Street and the Allegheny River – in twin bored tunnels below the river - to the North Shore. While remaining underground along the North Shore, the alignment travels adjacent to Bill Mazerowski Way accessing a station near PNC Park.

Continuing below grade adjacent to Reedsdale Street, the alignment transitions to an elevated alignment near Art Rooney Avenue to a station along Allegheny Avenue near Heinz Field, before terminating near the West End Bridge. This project gave the Authority the capability to extend the LRT system in the future to either the North Hills or Pittsburgh International Airport. Service and maintenance for the light rail mode takes place at the South Hills Village location in Upper St. Clair and Bethel Park Townships.

The ridership projections for FY 2019 are expected to increase slightly by 0.7% from the FY2018 total light rail ridership. This increase is projected as more riders use the LRT system to travel to and from special events in downtown Pittsburgh. These include sporting events, concerts, and Light Up Night.

For FY 2019, light rail revenues are projected to decrease by 0.3% from FY 2018 actuals. This is mostly attributable to the small FY 2019 budgeted decrease in Other Revenues.

Total expenses in FY 2019 are expected to increase by 8.3% over FY 2018 levels, slightly lower than bus mode. The majority of the increase is due to the contractual increases in salaries and wages, continued escalation of pension costs, and increased staffing levels. There are also projected smaller increases in materials and supplies, provision for injuries & damages, purchased services, utilities and other expenses.

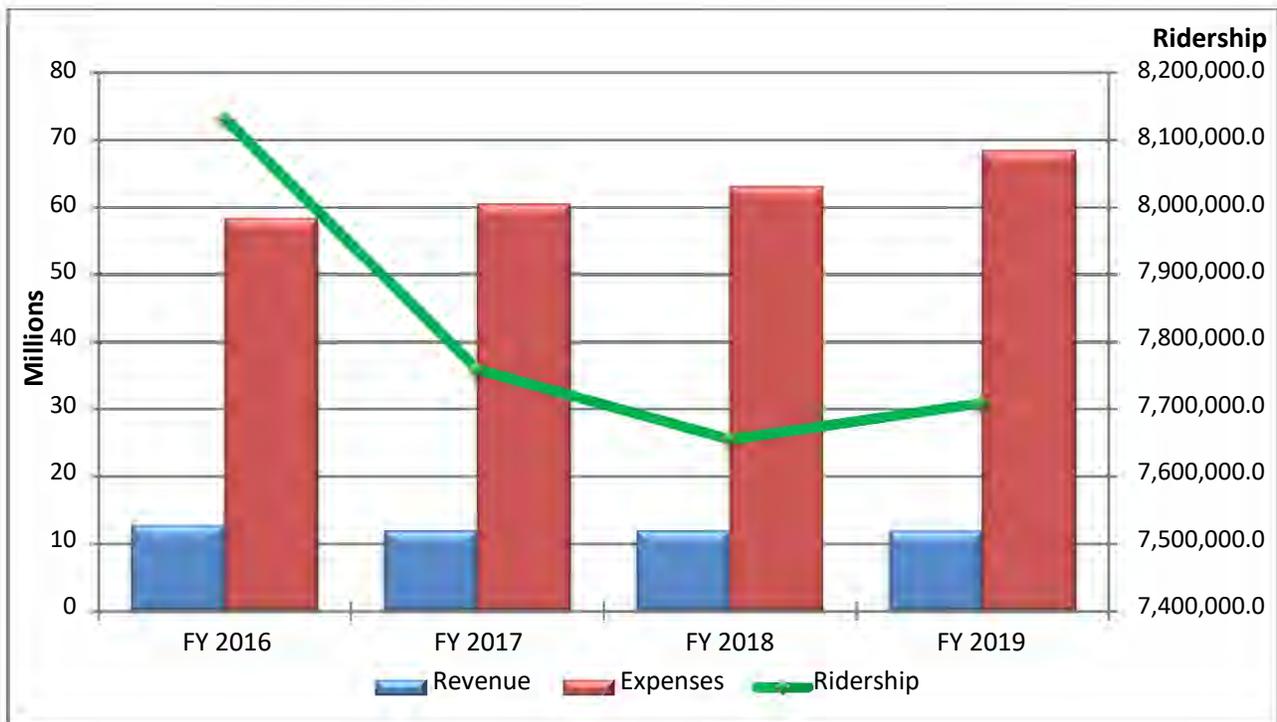
The financial data, along with ridership figures and a graphical illustration of revenues and expenses pertaining to the light rail mode, can be found on the following pages.

Port Authority of Allegheny County
LIGHT RAIL MODE

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY19 Inc/Dec
<u>RIDERSHIP</u>					
Non-Seniors	7,637,000	7,299,000	7,204,000	7,252,000	
Seniors	495,000	460,000	451,000	457,000	
Total Ridership	8,132,000	7,759,000	7,655,000	7,709,000	0.7%

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY19 Inc/Dec
<u>REVENUES</u>					
Passenger Revenue	\$ 12,233,000	\$ 11,451,000	\$ 11,313,000	\$ 11,316,000	
Sr Cit Reimburseme	0	0	0	0	
Other	427,000	460,000	594,000	559,000	
Total Revenue	\$ 12,660,000	\$ 11,911,000	\$ 11,907,000	\$ 11,875,000	-0.3%

<u>EXPENSES</u>					
Salaries & Wages	\$ 25,721,000	\$ 26,253,000	\$ 27,782,000	\$ 29,533,000	
Fringe Benefits	24,018,000	25,540,000	26,195,000	27,976,000	
Materials & Supplie	2,928,000	2,752,000	3,372,000	3,695,000	
Prov for Inj & Dam	154,000	106,000	41,000	91,000	
Purchased Services	1,111,000	1,099,000	1,182,000	1,686,000	
Utilities	4,125,000	4,421,000	4,082,000	4,640,000	
Other Expenses	370,000	375,000	549,000	806,000	
Total Expense	\$ 58,427,000	\$ 60,546,000	\$ 63,203,000	\$ 68,427,000	8.3%



Incline Mode

Travel by the incline mode dates back to the 19th century. The opportunity to experience incline travel remains an attraction for both lifelong residents as well as visitors to the area. Two inclines, the Duquesne and the Monongahela, remain in operation connecting Mt. Washington with the South Side of Pittsburgh. While both are owned by Port Authority, the Duquesne Incline is leased and operated by a non-profit organization, the "Society for the Preservation of the Duquesne Heights Incline".



Port Authority operates the Monongahela Incline. The "Mon Incline" is the oldest continuously operating funicular railway in the U.S and opened on May 28, 1870. Since its opening, the Mon Incline has had multiple renovations. In 1935, electrical equipment replaced the original steam engines. The lower station and the incline's two cars were rehabilitated in 1982 and in 1994 the upper station was restored along with many additional upgrades performed to the electrical, motor and braking systems. In September of FY 2016, the incline closed to riders for 12 weeks so that the two cars could be removed for rehabilitation. The Mon Incline travels a length of 635 feet at 6 miles per hour with a passenger capacity of 23 per car.

Ridership on the Mon Incline is anticipated to increase by 0.2% in FY 2019 compared to FY 2018 actuals. Since the closure of the Incline in FY 2016, ridership has slowly begun to rebound. FY 2019 Revenues are projected to decrease by 0.5% due to the reduced budget in Other Revenues.

As with the other modes of transportation, expenses for the Mon Incline are also expected to increase. Port Authority has budgeted for a 8.2% increase in expenses, primarily due to increases in salaries & wages, fringe benefits, purchased services and utility costs. Purchased services are driven by the increased outside contracting work for the Incline and its systems.

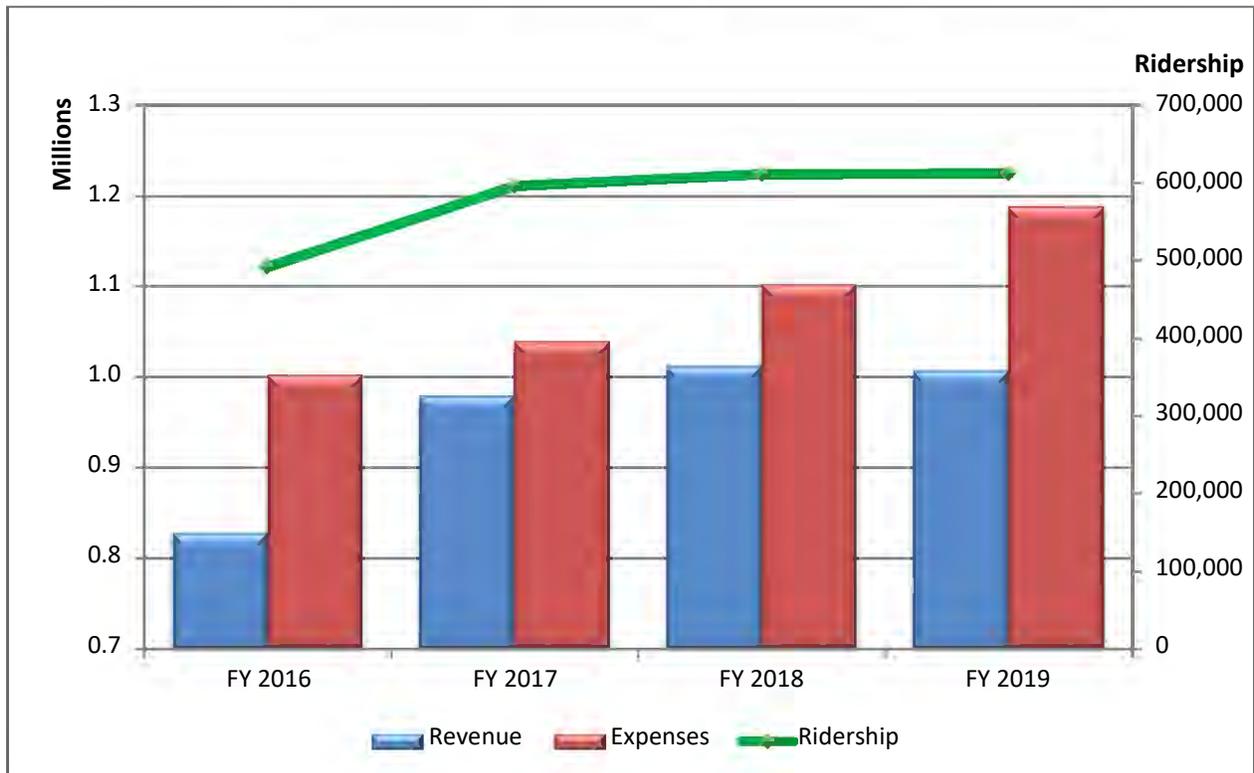
The financial data and ridership figures and a graphical illustration for the Inclined Plane Mode can be found on the following pages.

Port Authority of Allegheny County
INCLINED PLANE MODE

	2016 <u>Actual</u>	2017 <u>Actual</u>	2018 <u>Actual</u>	2019 <u>Budget</u>	FY19 <u>Inc/Dec</u>
<u>RIDERSHIP</u>					
Non-Seniors	469,000	570,000	583,000	585,000	
Seniors	23,000	26,000	28,000	27,000	
Total Ridership	<u>492,000</u>	<u>596,000</u>	<u>611,000</u>	<u>612,000</u>	0.2%

	2016 <u>Actual</u>	2017 <u>Actual</u>	2018 <u>Actual</u>	2019 <u>Budget</u>	FY19 <u>Inc/Dec</u>
<u>REVENUES</u>					
Passenger Revenue	\$ 752,000	\$ 894,000	\$ 915,000	\$ 913,000	
Sr Cit Reimbursement	0	0	0	0	
Other	26,000	36,000	48,000	45,000	
Total Revenue	<u>\$ 778,000</u>	<u>\$ 930,000</u>	<u>\$ 963,000</u>	<u>\$ 958,000</u>	-0.5%

<u>EXPENSES</u>					
Salaries & Wages	\$ 449,000	\$ 458,000	\$ 476,000	\$ 506,000	
Fringe Benefits	421,000	448,000	452,000	482,000	
Materials & Supplies	4,000	4,000	42,000	46,000	
Prov for Inj & Damage	2,000	1,000	0	0	
Purchased Services	30,000	29,000	32,000	45,000	
Utilities	43,000	46,000	45,000	51,000	
Other Expenses	4,000	4,000	6,000	9,000	
Total Expense	<u>\$ 953,000</u>	<u>\$ 990,000</u>	<u>\$1,053,000</u>	<u>\$1,139,000</u>	8.2%



ACCESS Mode

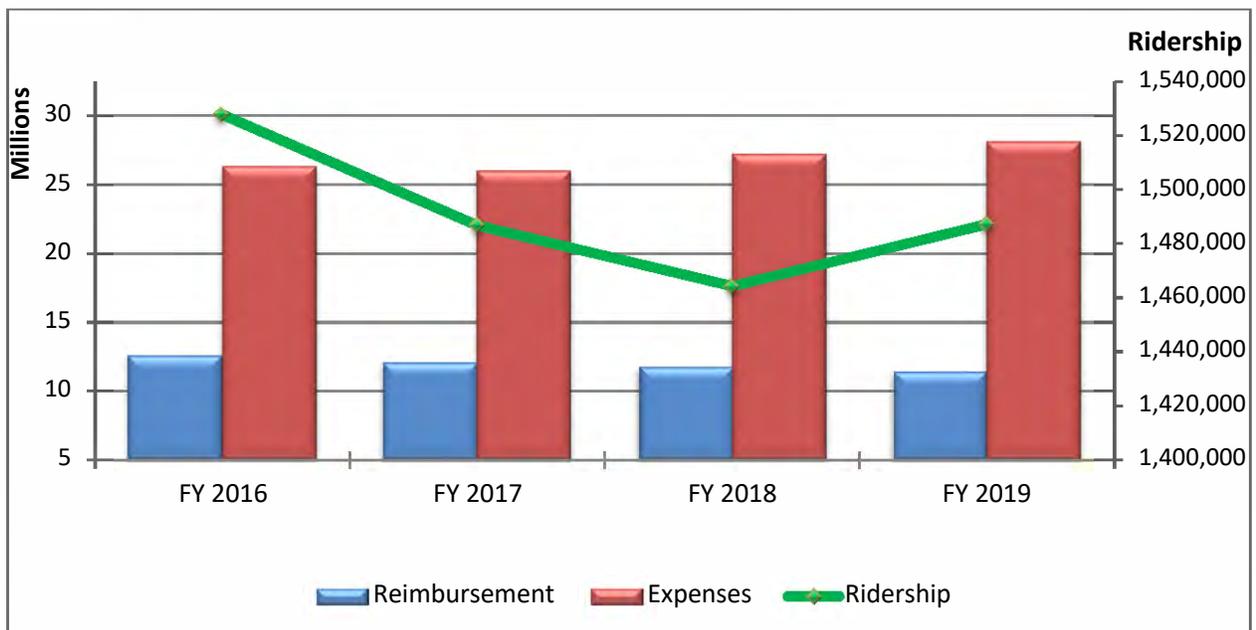
The ACCESS Program provides door-to-door service at reduced fares for older persons and those with disabilities in Allegheny County. This program is operated by Transdev, a management firm engaged by Port Authority. The actual transportation is provided by a combination of commercial carriers and non-profit community agencies under contract to Transdev.

Since ACCESS is a contracted carrier for Port Authority, only \$28.1 million of expenses pass through Port Authority's budget. Likewise, only \$11.5 million is reimbursed to Port Authority from the Commonwealth's Senior Citizen Fare Assistance Program for ACCESS senior ridership.

In FY 2019, ACCESS ridership is projected to increase by 1.6% over the FY 2018 figures. The financial data and ridership figures, along with a graphical illustration of revenues and expenses pertaining to the ACCESS mode can be found below.

Port Authority of Allegheny County ACCESS MODE

	<u>FY 2016 Actual</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Budget</u>	<u>FY19 Inc/Dec</u>
<u>RIDERSHIP</u>					
Sr. Citizen Passengers	655,609	612,379	577,690	565,000	
Other Originating Pass.	872,081	874,392	886,570	922,200	
Total Ridership	<u>1,527,690</u>	<u>1,486,771</u>	<u>1,464,260</u>	<u>1,487,200</u>	1.6%
	<u>FY 2016 Actual</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Budget</u>	<u>FY19 Inc/Dec</u>
<u>REIMBURSEMENTS</u>					
ACCESS Prgm Reimbursement	\$12,640,000	\$12,127,000	\$11,797,000	\$11,455,000	-2.9%
<u>EXPENSES</u>					
ACCESS Prgm Expense	\$26,356,000	\$26,037,000	\$27,281,000	\$28,183,000	3.3%



Administrative Headquarters

Heinz 57 Center
345 Sixth Avenue
Pittsburgh, Pennsylvania 15222-2527

Administrative Offices occupy the third and fifth floors and house the Operations and Technical Support, Human Resources, Finance, Planning and Development, and Legal and Corporate Services Divisions and the Office of the Chief Executive Officer.

Operating Divisions

Operating Divisions are located within Allegheny County and supply transit service to the County, the City of Pittsburgh and minor portions of Beaver and Westmoreland Counties. Each division is staffed by a Director of Service Delivery, an Assistant to the Director, a Manager and Assistant Manager of Maintenance, and a secretary. First line supervisors at the division level include dispatchers, instructors, maintenance foremen, and route foremen. Levels of hourly maintenance employees and operators vary depending upon the size of the division and service area.

Ross Division

The Ross Division opened in March of 1968 and services areas to the North and East of Allegheny County.

Collier Division

The Collier Division opened in June of 1969 and services areas to the South and West of the County.

East Liberty Division

The East Liberty Division opened in July of 1972 and is located on the Martin Luther King, Jr. East Busway. It is the largest of the Port Authority divisions.

West Mifflin

The West Mifflin Division opened in November of 1969 and is the second largest division at the Port Authority.

Manchester

The Main Shop is located at Manchester and is comprised of eight shop sections where heavy bus maintenance work and signage is performed for the system. Shop Sections include: Engine Overhaul, Electrical Units, Sign Shop, Transmission Overhaul, Body and Paint, Miscellaneous Units and Vehicle Overhaul.

South Hills Village Rail Center

The Rail Center houses all rail transportation and heavy and running repair maintenance services for the Light Rail vehicles. It opened in April of 1984.

South Hills Junction

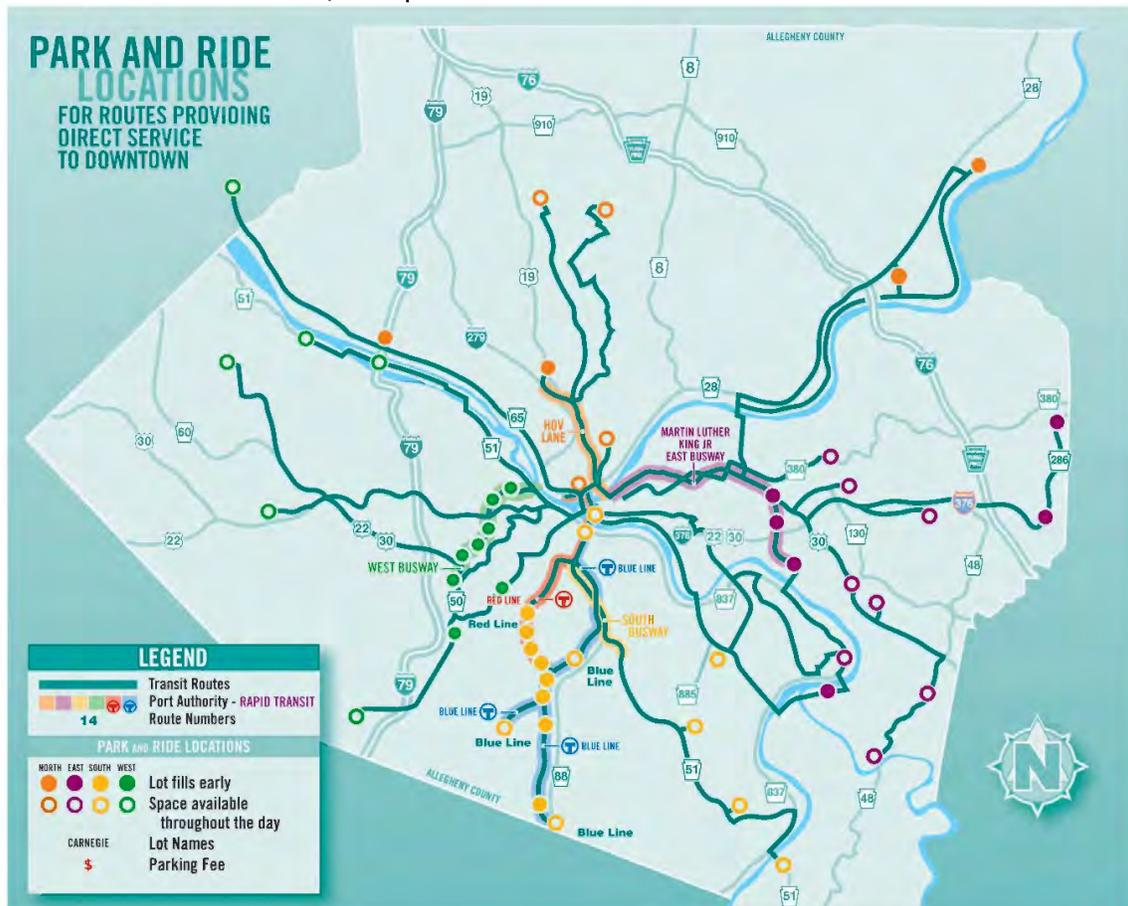
The Junction is comprised of five buildings which house the Non-Revenue Vehicles, Facilities, LRT Systems and Power, and the Way Departments. These departments are responsible for maintaining the fixed assets of Port Authority: fixed guideways (rail, incline, busways), power and signaling operation, and non-revenue vehicle maintenance. Port Authority also owns and maintains an extensive network of transit properties and rights of way throughout Allegheny County.:

Busways

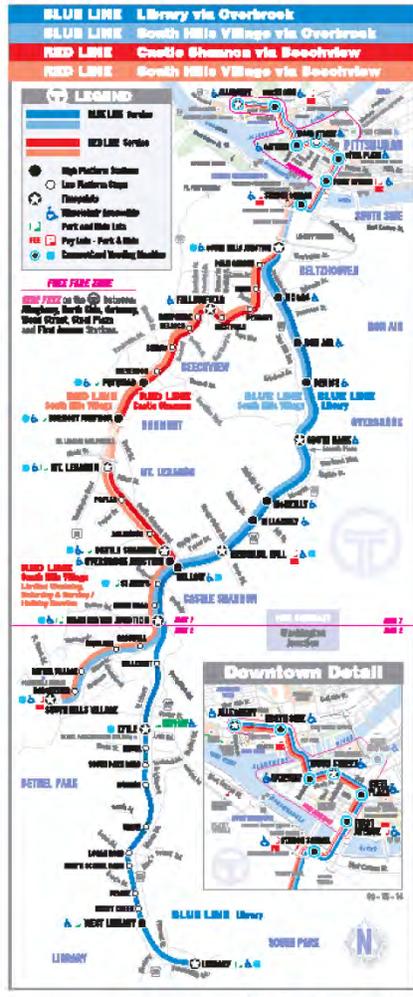
1. South Busway, 4.3 miles
2. Martin Luther King, Jr. -- East Busway, 9.1 miles
3. West Busway, 5.0 miles

Park and Ride Lots

Lots are located throughout Allegheny County with many locations along busways and T lines. We offer 53 lots with over 13,000 spaces.



Light Rail (T System)

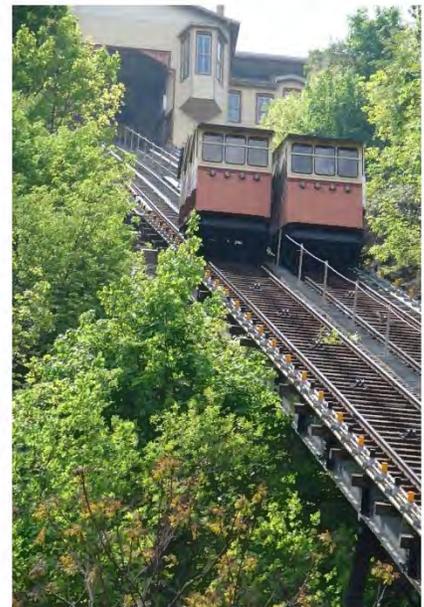


The T is a 52.4-mile light rail system that runs from the North Shore and Downtown Pittsburgh through Pittsburgh's southern neighborhoods and many South Hills suburbs.



Monongahela Incline

The incline is a popular tourist attraction that also serves daily commuters. The upper station is in the city's Mt. Washington neighborhood and the lower station is located at Station Square, where riders may transfer to the T.



Bus Rapid Transit (BRT)

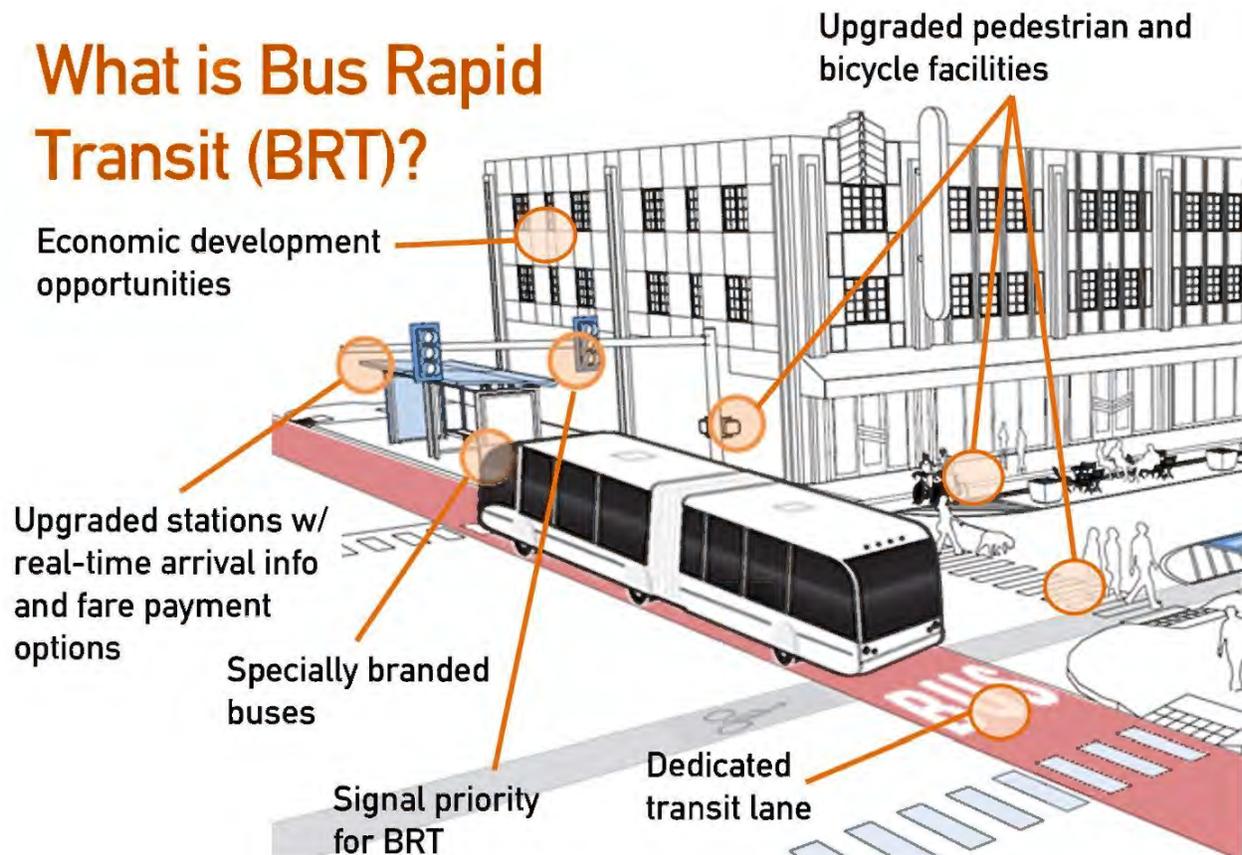
Allegheny County, the City of Pittsburgh, Port Authority of Allegheny County, and the Urban Redevelopment Authority of Pittsburgh have proposed a Bus Rapid Transit (BRT) system that connects Downtown Pittsburgh with Uptown, Oakland, and several other communities.

Bus Rapid Transit (BRT) is a high-quality bus-based transit system that delivers fast, comfortable, and cost-effective services via dedicated lanes and fast and frequent operations.

While BRT often looks different in each area it's implemented, it generally contains features similar to a light rail or metro system and is therefore more reliable, convenient, and faster than regular bus services. With the right features, BRT is able to avoid the causes of delay that typically slow regular bus services, like being stuck in traffic and queuing to pay on board.

In some systems, BRT buses run in dedicated lanes and stop at stations where riders pay before boarding the bus. Buses running on BRT lines may also receive traffic signal priority to speed them along. More modern fixtures include diesel-alternatives, like hybrid-electric or full electric buses and stations with relative bus location information.

What is Bus Rapid Transit (BRT)?



ACCESS Program – A program that provides subsidized door-to-door, advanced reservation transportation services for the elderly and handicapped residents of Allegheny County. This is the Port Authority’s demand response service.

Balanced Budget – A budget in which expected revenues equal expected expenses during a fiscal year. It is required that the Port Authority’s Board of Directors adopt a balanced budget before the beginning of the fiscal year.

Base Fare – Cash fare that is charged to an adult for regular local transit service.

Budget – An estimate, often itemized, of expected income and expenses for a given period of time.

Bus – A transit mode comprised of rubber tired passenger vehicles operating on fixed routes and schedules over roadways.

Capital Improvement Program – A financial plan for the allocation of Capital Project funds necessary to acquire, improve, or maintain the Port Authority’s fixed assets.

Debt Service – The payment of interest on and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

Deficit – The amount by which revenues fall short of expenses during a given period.

Demand Response – A transit mode comprised of passenger cars, vans or small buses operating in response to calls from passengers or their agents to the transit operator, who then dispatches a vehicle to pick up the passengers and transport them to their destinations. Vehicles do not operate over a fixed route or on a fixed schedule except, perhaps, on a temporary basis. Typically, the vehicle may be dispatched to pick up several passengers at different pick-up points before taking them to their destinations. This is the Port Authority’s ACCESS program.

Farebox Revenue – Revenues obtained from passengers and other fare subsidies. Also referred to as Passenger Revenue.

Fiscal Year – The Port Authority’s fiscal year runs from July 1 through June 30.

Fixed Guideway – A public transportation facility using and occupying a separate right-of-way or rail for the exclusive use of public transportation vehicles.

Fixed Route – An established route where transit vehicles stop to pick up and deliver passengers to specific locations following a repetitive, fixed schedule.

Funicular Railway – A cable railway ascending a steep slope, one in which an ascending car counterbalances a descending car. Also known as an Inclined Plane.

Incline – A fixed facility that is comprised of two (2) vehicles operating in opposite directions on angled, parallel tracks.

Inclined Plane – A transit mode that is a railway operating over exclusive right-of-way on steep grades with powerless vehicles propelled by moving cables attached to the vehicles and powered by engines or motors at a central location not onboard the vehicle.

Light Rail – A transit mode that typically is an electric railway with a light volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car trains on fixed rails in shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley or a pantograph.

North Shore Connector -- The 1.2 mile extension of Port Authority's Light Rail Transit System of which the centerpiece is a tunnel underneath the Allegheny River.

Operating Budget – Combines the financial plan for the allocation of projected revenues and expenses consumed in the daily operations of the transit system and specific programs to support achievement of the Port Authority's mission statement.

Paratransit – Types of passenger transportation which are more flexible than conventional fixed-route transit but more structured than the use of private automobiles. Paratransit includes demand response transportation services, shared-ride taxis, car-pooling and vanpooling, and jitney services. Most often refers to wheelchair-accessible, demand response service. This is the Port Authority's ACCESS Program.

Passenger Revenues – Revenues consisting of farebox collections, ticket sales, school permits and pass sales, weekend fare receipts, weekly permit sales, monthly pass sales, and special event fare receipts.

Ridership – Each passenger counted each time that person boards a Port Authority vehicle

Subsidy – Funds received from another source that are used to cover the cost of a service or program that is not self-supporting.

Vehicle Improvement Program – The terminology used by the Port Authority for rehabilitation of its revenue vehicle fleet.