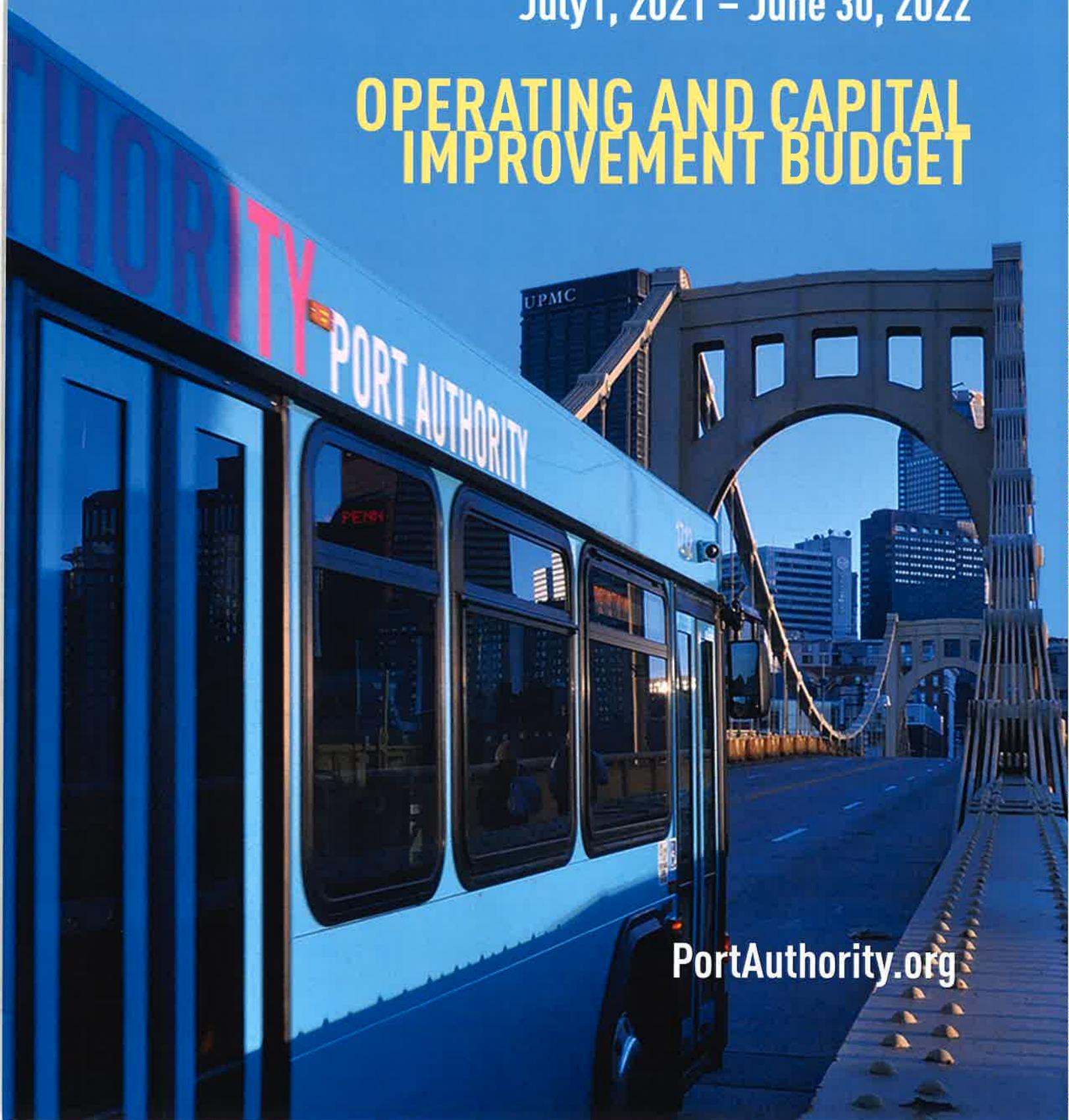


Port Authority of Allegheny County

Fiscal Year 2022

July 1, 2021 – June 30, 2022

**OPERATING AND CAPITAL
IMPROVEMENT BUDGET**



PortAuthority.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Allegheny County Port Authority
Pennsylvania**

For the Fiscal Year Beginning

July 01, 2020

Christopher P. Morill

Executive Director

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Senator Jim Brewster, Secretary of the Board of Directors

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Michelle Zmijanac

Chief Executive Officer

Katharine Eagan Kelleman

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Donald A. Rivetti, Jr., Chief Operating Officer

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Table of Contents

FY 2022 Operating and Capital Improvement Budget

- Board of Directors..... 2
- Senior Staff 3
- Message from the CEO..... 6
- Regional and Port Authority Profile..... 9
 - Allegheny County 9
 - Port Authority of Allegheny County..... 10
 - Port Authority of Allegheny County System Map..... 11
 - Agency Profile 12
 - Port Authority Ridership Profile 13
- FY 2022 Organizational Goals 15
- Fiscal Year 2022 Budget Development 18
 - Operating Budget Process 18
 - Capital Budget Process 18
 - Fiscal Year 2022 Operating Budget Timeline 20
 - Fiscal Year 2022 Capital Budget Timeline..... 21
- Summary of Assumptions 22
- FY 2022 Operating Budget Summary 24
- Financial and Budgetary Policies 25
 - Financial Planning Policies..... 25
 - Revenue Policies 26
 - Budget Control and Monitoring..... 27
- Four Year Comparison: Fiscal Years 2019 - 2022 28
- Fiscal Year 2022 Operating Budget 29
 - Operating Revenues..... 29
 - Operating Expenses..... 32
- Fiscal Year 2022 Capital Budget..... 36
 - Capital Budget..... 36
- Port Authority Structure 58
 - Organizational Structure 59

FY 2022 Headcount	60
Divisional Summaries and Expenses	61
The Office of the Chief Executive	61
Transit Operations	64
Finance Division	69
Marketing and Communications Division	74
Human Resources Division	77
Planning and Service Development	82
Legal and Corporate Services.....	87
Information Technologies	92
Modal Budget	96
Port Authority Modal Budget.....	96
Port Authority Physical Plant	105
Glossary of Terms	109

Introduction

I am pleased to present to you the FY 2022 annual Port Authority of Allegheny County (The Authority) Operating and Capital budgets for fiscal year ending June 30, 2022. This budget document provides a financial plan to assist in the day-to-day decision making of the Authority, as well as the basis for a forward focused plan for a long-range view of the company.

Over the past 18 months, the COVID-19 Pandemic has highlighted the added importance the Authority plays in serving its community. Even though the Authority has been impacted by the COVID-19 pandemic, as has the rest of the world, the FY 2022 budget will be used as a financial guide to ensure the Authority has the resources in place to provide the public safe and reliable service into the future.

Background

Beginning in late FY 2020, the Authority was operationally and financially impacted by the COVID-19 pandemic. In March 2020 Pennsylvania governor, Tom Wolf, declared a disaster emergency in the commonwealth followed by an order to temporarily close all non-life-sustaining businesses. Public transportation was permitted to continue to operate as a specifically defined life sustaining business and government operated entity. The Authority quickly developed and implemented various COVID-19 patron and employee safety protocols including the suspension of employee travel, daily disinfecting of transit vehicles, stations, and work areas, a masking requirement for both employee and patrons, an employee temperature screening protocol and vehicle capacity limitations. The FY 2021 budget included over 60 new positions to continue nightly disinfecting of vehicles and stations. The Authority has also awarded a contract to install air filtration systems in its revenue vehicles to enhance the safety of the riding public.

In addition, the Authority continues to follow Transportation Security Administration (TSA) regulation by requiring both employees and customers wear masks on revenue vehicles. The company has also held on-site vaccination clinics for those employees that have not made their own vaccination arrangements.

The Authority was a recipient of \$141.5 million in CARES ACT funding at the end of FY 2020 and has utilized over \$105 million combined in FY 2020 and FY 2021 to sustain operations. In addition, the Authority has qualified for \$143.7 million in Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Funding and another \$216.9 million in American Rescue Plan Act (ARPA) Funding. All three of these federal funding sources will be utilized to offset the reduction in ridership due to the pandemic. The FY 2022 Budget is balanced using ARPA funding since this source of funding does have a time limitation.

In addition to Federal resources that will sustain operations, the Authority continues to work with Federal, State and Local Officials to identify capital budget sources of funding that can aid in restoring capital infrastructure such as buildings, buses, rail cars and fixed guideway and equipment.

With passage of the federal infrastructure legislation, the Authority is optimistic additional funding and resources will be made available to address some of the long-standing, high-cost projects that are long overdue to be addressed.

Achievements

The Authority completed a review of its fare structure in FY 2021 and will be instituting changes in mid-FY 2022 that will improve customer ease of use in the system. The Authority will be eliminating the \$1 transfer charge and instead creating a three-hour pass that will enhance the customer experience by making it less costly and burdensome to transfer between revenue vehicles.

The Authority was able to take advantage of the low interest rates in the financial markets and re-finance its outstanding 2011 Bond offering. The favorable interest environment resulted in the Authority reducing its debt payment by approximately \$3 million annually.

The Authority realizes the importance of public transit in the lives of Allegheny County residents. The company has completed a comprehensive, twenty-five-year, Long Range Plan that was presented to the Board of Directors in early FY 2022. The Long-Range Plan is entitled NEXTransit and is a culmination of an 18-month public process that has garnered over 21,000 Public Engagement points during that timeframe. NEXTransit was developed from public input around the following Themes:

Theme #1-Benefits and Barriers to Transit

Theme #2-Where Do You want to Go?

Theme#3- How Can Transit Get You There?

Theme #4- What Investments are Most Important?

Theme #5- Draft Priority Projects and Policies

Theme #6- Moving the NEXTransit Plan Forward

The NEXTransit Plan identifies values, programs and policies that are important to the community. The Plan further identifies potential projects that can enhance system efficiency or provide opportunities for expansion.

This plan will prove instrumental in providing information to various stakeholders on how the Authority improves both opportunities and the lives of residents of the region. The NEXTransit Plan can also prove instrumental in future discussions with stakeholders surrounding future resource needs.

Finally, the Authority has contracted with a Mobile Application provider that has installed mobile app readers on our bus fleet and is making plans to install validators on the railcar fleet. In the near future, our riders will be able to purchase their fare products from their phones. For customers without cell phones or unbanked, a new network will be available to purchase tickets with Optical Character Recognition (OCR) codes that can be used on-board with the mobile app infrastructure.

Future Challenges

The Authority, as with all public transit agencies, is still assessing the long-term impact of the global pandemic. It is possible past customers have permanently altered their travel patterns, especially if employers no longer require in-person work. The organization will continue to be nimble in reacting to changing demands.

We are committed to improving the service we provide to the community as we continue to plan for the future. The Authority will develop a Strategic Plan in FY 2022 that will build on the success of the Tactical Plan that was completed in FY 2020. The Strategic Plan will identify a new Vision, Mission, and Values to guide priorities and allocation of resources for the organization over the next five years.

The Authority will continue to monitor current funding levels to ensure the Authority remains on firm financial ground. We will continually monitor the financial impacts of the pandemic on the company and review funding opportunities whether at the Federal, State or Local level.

Acknowledgement

I would like to thank the Authority's Board of Directors for their leadership and support during these trying times. I would also like to extend my appreciation to all of the Authority's employees and the Department Management for all they have done to keep transportation service available to the public. Most importantly, I would like to say thank you to our loyal riders, for whom it is an honor to serve.

Respectfully submitted,



Katharine Kelleman
Chief Executive Officer
Port Authority of Allegheny County

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 the 2020 Census,



stands at 1,250,578 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 541,541 households and 2.19 persons per household residing in Allegheny County. Population density was 1,676 per square mile of land. The racial makeup was 79.9% White, 13.4% Black or African American, 0.2% American Indian, 4.2% Asian, and 2.3% Hispanic or Latino. About 2.3% of the population were two or more races. Median age for county residents was 41.3 years and 51.6% 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, 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 career opportunities and cultural attractions helped Pittsburgh and Allegheny County to be ranked No. 3 on the *2019 National Geographic Traveller Cool List*, and help Pittsburgh get ranked in the top 10 cities to live and travel to by various organizations including *WalletHub* and the *Economic Intelligence Unit*.

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 1.415 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.

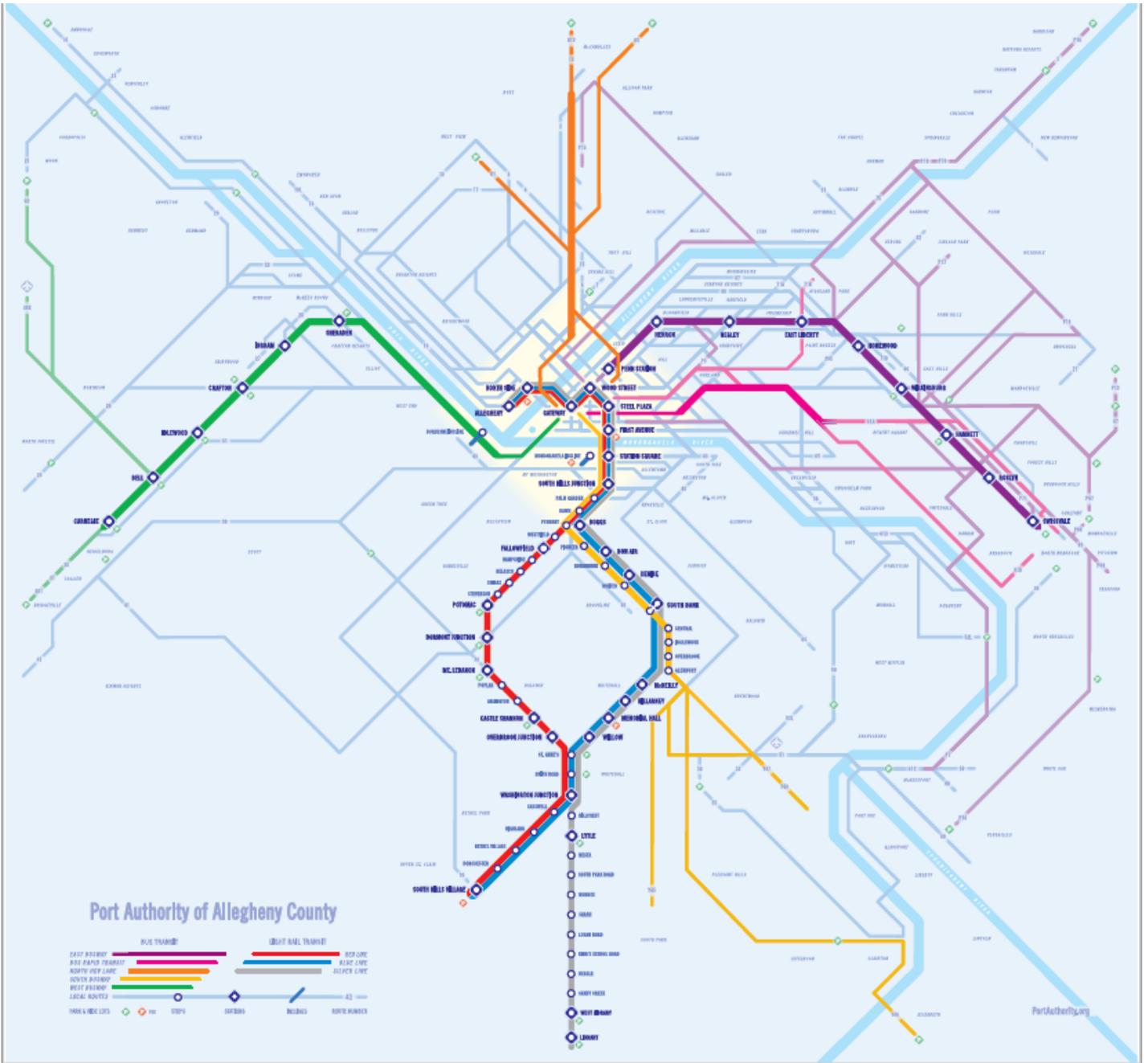
The Port Authority directly operates approximately 725 buses that vary in size from 35 to 60 feet, 81 light rail vehicles, and the Monongahela Incline. Port Authority assets include 7 maintenance and storage garages, 3 exclusive busways (the 4.3-mile South Busway, the 9.2-mile Martin Luther King Jr. 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.

FY2021



Port Authority of Allegheny County System Map



Port Authority of Allegheny County

2019 Annual Agency Profile

Chief Executive Officer: Mrs. Katharine Kelleman
(412) 566-5186

<http://www.portauthority.org/>
345 Sixth Avenue
3rd Floor
Pittsburgh, PA 15222-2527

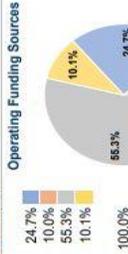
General Information

Urbanized Area Statistics - 2010 Census
Pittsburgh, PA
905 Square Miles
1,733,653 Population
27 Pop. Rank out of 498 UZAs

Database Information
NTDID: 30022
Reporter Type: Full Reporter

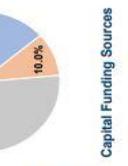
Sources of Operating Funds Expended
Fares and Directly Generated \$108,549,068
Local Funds \$43,761,273
State Funds \$243,163,284
Federal Assistance \$44,211,407

Financial Information



Service Supplied
31,955,492 Annual Vehicle Revenue Miles (VRM)
2,382,972 Annual Vehicle Revenue Hours (VRH)
942 Vehicles Operated in Maximum Service (VOMS)
1,145 Vehicles Available for Maximum Service (VAMS)

Sources of Capital Funds Expended
Fares and Directly Generated \$50,000
Local Funds \$6,524,495
State Funds \$59,404,139
Federal Assistance \$28,012,826



Modal Characteristics

Modal Overview	Vehicles Operated in Maximum Service		Uses of Capital Funds		Total
	Directly Operated	Purchased Transportation	Systems and Facilities and Stations	Guideways	
Demand Response	-	279	\$0	\$0	\$0
Inclined Plane	2	-	\$10,050	\$75,987	\$86,037
Light Rail	58	-	\$15,190,349	\$3,055,397	\$18,300,036
Bus	603	-	\$18,843,683	\$21,001,768	\$79,013
Total	663	279	\$34,979,923	\$24,133,152	\$93,991,460

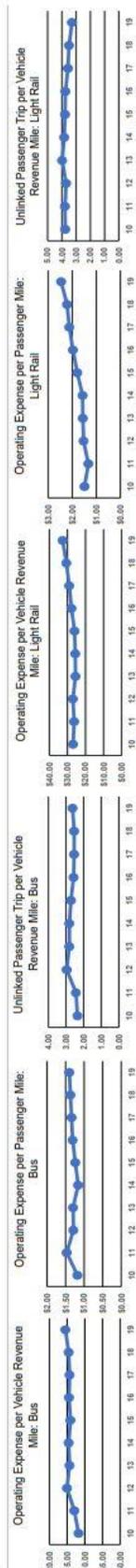
Summary of Operating Expenses (OE)
Labor \$321,429,415 (74.1%)
Materials and Supplies \$44,565,012 (10.3%)
Purchased Transportation \$36,790,500 (8.5%)
Other Operating Expenses \$30,750,860 (7.1%)
Total Operating Expenses \$433,535,787 (100.0%)
Reconciling OE Cash Expenditures \$6,149,245
Purchased Transportation (Reported Separately) \$0

Operation Characteristics

Mode	Operating Expenses	Fare Revenues	Uses of Capital Funds		Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Vehicles Available for Maximum Service	Vehicles Operated in Maximum Service	Percent Average Fleet Spare Vehicles, Age in Years*
			Capital Funds	Passenger Miles					
Demand Response	\$36,821,276	\$12,302,396	\$0	11,406,050	8,840,834	581,076	2	279	16.0%
Inclined Plane	\$1,249,320	\$474,284	\$66,037	50,363	10,450	4,472	2	2	0.0%
Light Rail	\$71,102,939	\$7,777,491	\$18,300,036	28,696,028	2,177,387	168,173	83	58	30.1%
Bus	\$324,362,252	\$80,223,958	\$75,605,387	231,734,106	55,016,645	1,629,251	728	603	17.2%
Total	\$433,535,787	\$100,778,129	\$93,991,460	272,078,547	31,955,492	2,382,972	1,145	942	17.7%

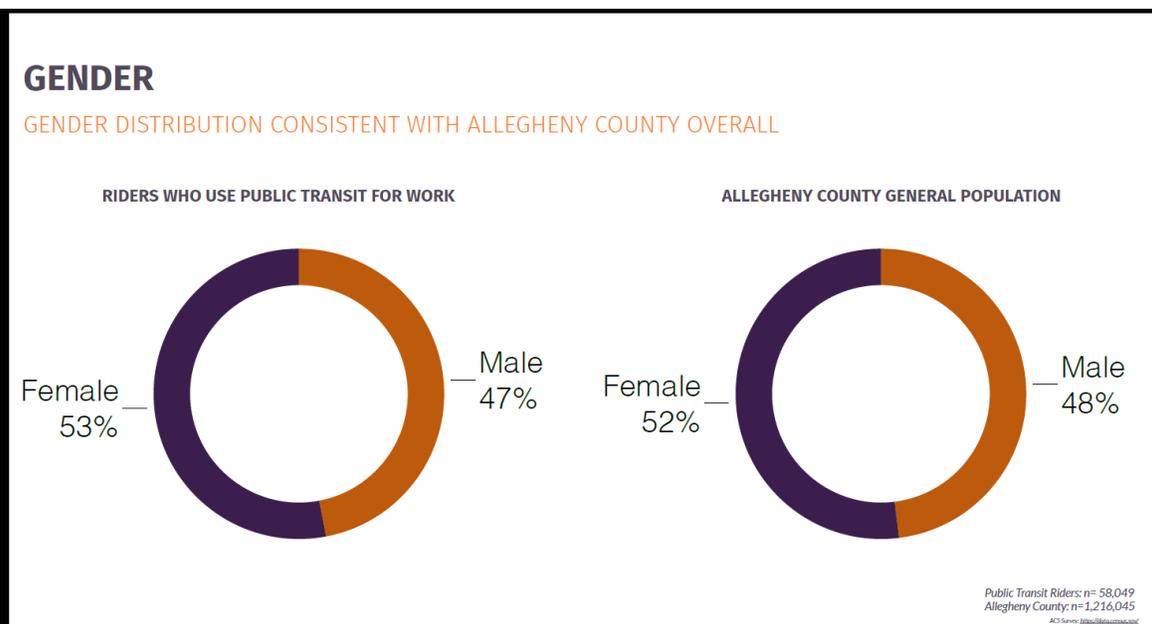
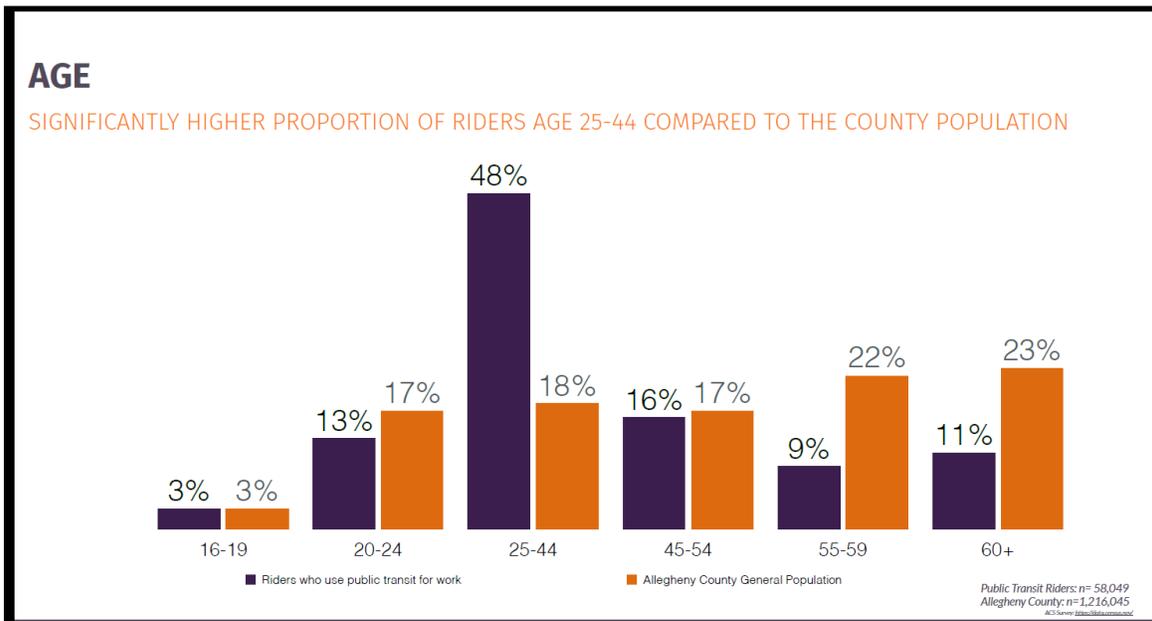
Performance Measures

Mode	Operating Expense per Vehicle Revenue Mile: Bus	Operating Expense per Vehicle Revenue Mile: Light Rail	Service Efficiency		Operating Expense per Passenger Mile: Light Rail	Operating Expense per Passenger Mile: Bus	Operating Expense per Vehicle Revenue Mile: Light Rail	Operating Expense per Passenger Mile: Light Rail
			Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Passenger Mile				
Demand Response	\$4.16	\$3.23	\$63.37	\$24.81	\$26.35	\$24.81	0.2	2.4
Inclined Plane	\$119.55	\$24.81	\$279.36	\$2.46	\$9.93	\$2.46	3.3	96.4
Light Rail	\$32.06	\$42.80	\$422.80	\$1.40	\$5.90	\$1.40	2.6	42.6
Bus	\$15.50	\$199.09	\$199.09	\$1.59	\$6.77	\$1.59	2.0	33.8
Total	\$13.57	\$181.93	\$181.93	\$1.59	\$6.77	\$1.59	2.0	26.9



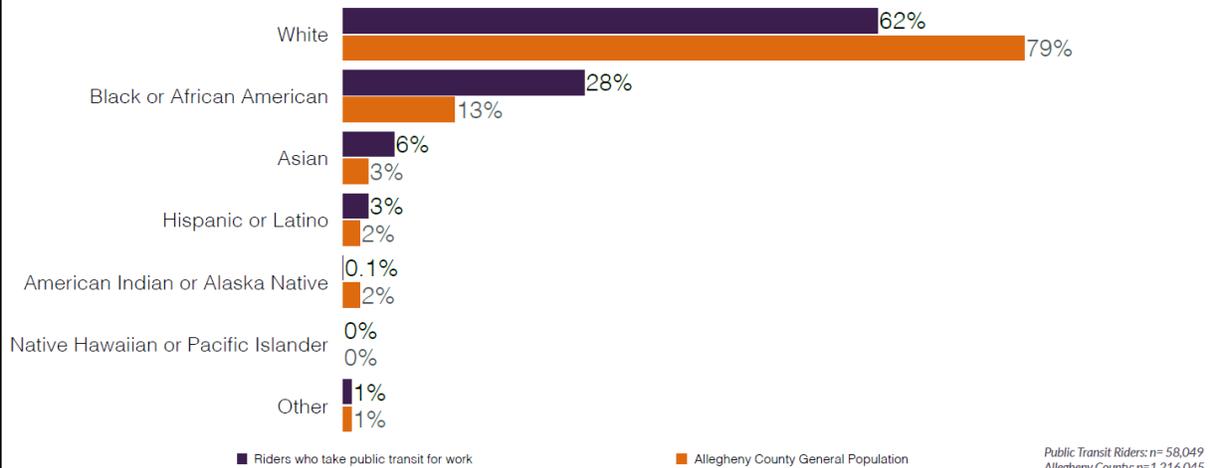
Port Authority Ridership Profile

The following charts represent a typical adult Port Authority passenger and were derived from the data recorded as part of the 2020 Allegheny County Public Transit Rider Demographic Analysis. This analysis was conducted by a consultant contracted by the Port Authority to analyze the demographic composition of public transit riders within Allegheny County. Ridership data was sourced from the American Community Survey (ACS) 5-Year Estimates and then queried for total workers that are ages 16+, take public transportation for work, and are located in Allegheny County. This information was then compared to the demographics of Allegheny County as a whole to determine whether ridership is representative of the Allegheny County General Population.



ETHNICITY

SIGNIFICANTLY FEWER WHITE RIDERS, SIGNIFICANTLY MORE BLACK/AFRICAN AMERICAN RIDERS



INDUSTRY OF RIDERS

MAJORITY OF RIDERS WORK IN EDUCATION, HEALTHCARE, & SOCIAL WORK (28%)



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) Plan and construct BRT to allow expedited loading to maintain improved service & reliability.
- **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.

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) Adopt a Board approved Treasury Management Program.
- **Explore increasing current revenue sources and developing new revenue streams**
 - a) Explore naming rights for current and future service.
 - b) Explore alternative funding scenarios for the eventual replacement of the Light Rail Transit fleet and Non-Revenue Vehicle Fleet.
 - c) Implement new fare products to grow ridership & increase revenue.
- **Develop multi-year Strategic Plan**
- **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 EMPLOYEE ENGAGEMENT PROGRAM

- **Set a baseline for engagement and acknowledgement**
 - a) Program audit.
- **Continue to increase training opportunities within the organization**
 - a) Develop refresher training for Operators, Supervisors and Movement Directors.
 - b) Implement a new Rail Maintenance Training and Overhead Linesperson training program.
 - c) Conduct a training needs analysis of the positions currently in the Maintenance Apprenticeship Program (MAP).
- **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 Branding Plan.
- **Integrate Public Message**

- a) Develop outreach plan & incorporate permanent changes to outreach as inspired by lessons learned during the pandemic.
- b) Develop & deploy customer education program.
- c) Increase promotion of available products & services.

➤ **Upgrade Community Involvement**

- a) Develop communications process plan for public-facing projects to promote participatory engagement on projects throughout development.
- b) Establish communication with local organizations stressing the value and importance of transit in the community.

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. The forms are completed by all divisions and reviewed by the Financial Planning & Budgets Department. From February until mid-March, Finance meets with each department and division to review and finalize the budget submissions. Between April and May, all divisional budgets are compiled in to one preliminary Operating Budget and presented to Senior Staff and the Board's Planning and Stakeholder Relations Committee. Any changes deemed necessary are made and in June the final budget is presented to the Board of Directors and approved at the Board Meeting. At the end of June, the new fiscal year budget data is uploaded into the PeopleSoft Database.

See Operating Budget Development Timeline on Page 20.

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. A large portion of capital project span more than one fiscal year because of the necessary scope of work to complete the project. As with the Operating Budget, the Capital Budget process begins in January when the Budget Request Forms are made available for completion by all department Directors and AGMs. During this time, on-site visits are performed by Technical Support Personnel to review and discuss current and future projects. In March, the request forms are reviewed and compiled by department and in April the requests are ranked by the Capital Planning Committee along with company-wide capital revenue projections. The initial Capital Budget is complete in April and presented to Senior Staff with adjustments as needed through May. In June the final budget is presented to the Board of Directors and approved at the Board Meeting. At the end of June, the new fiscal year Project Budgets data is uploaded into the PeopleSoft Database.

See Capital Budget Development Timeline on Page 21.

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 future Capital needs, and achieve the company vision and organizational goals established by the Port Authority.

Fiscal Year 2022 Operating Budget Timeline

	JANUARY	FEBRUARY	MARCH	apr	MAY	JUNE
Completed By:						
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 completed 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 2021 Operating Budget. Additional department budget meetings if changes are deemed necessary.		
Financial Planning & Budgets Personnel					Preliminary FY 2021 Operating Budget presented to the Chief Executive Officer and Senior Staff.	
Senior Staff					Preliminary Budget presented to the Board's Planning and Stakeholder Relations Committee and ACTC during this period.	
Financial Planning & Budgets Personnel						Final FY 2021 Budget presented to the Board of Directors.
Senior Staff						Approval of Final FY 2021 Budget at the June Board Meeting.
Financial Planning & Budgets Personnel						Final FY 2021 Budget data uploaded to the PeopleSoft Database.

Fiscal Year 2022 Capital Budget Timeline

	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY
Completed By:								
Technical Support Personnel	Facility On-Site Visits are performed by Technical Support Personnel.							
Department Directors	FY21 Capital budget request forms made available and completed by all Department Directors and Division AGMs.							
Division AGMs								
Grants & Capital Programs Personnel				Capital budget requests are reviewed and compiled by Department.				
Technical Support Personnel					Budget requests discussed and ranked by the Capital Planning Committee.			
Grants & Capital Programs Personnel					Highest ranked requests are compiled along with company-wide capital revenue projections.			
Capital Planning Committee						Compilation of initial FY2021 Capital Budget.		
Grants & Capital Programs Personnel								
Grants & Capital Programs Personnel								
Senior Staff						Preliminary FY 2021 Capital Budget presented to the Chief Executive Officer and Senior Staff.		
Grants & Capital Programs Personnel								
Senior Staff						Preliminary budget presented to the Board's Planning & Stakeholder Relations Committee and ACTC during this period.		
Grants & Capital Programs Personnel							Final FY 2021 Budget presented to the Board of Directors.	
Senior Staff							Approval of Final FY 2021 Budget at the June Board Meeting.	
Grants & Capital Programs Personnel								Final FY 2021 Project Budgets loaded to the PeopleSoft Database.

In order to project expenses and revenues for FY 2022, 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 will be implementing fare structure changes in FY 2022. The updated structure can be found under Revenue Structure of the Financial Planning Policies section. The Port Authority will continue to seek model scenarios showing the effects of fare changes against the subsequent change in ridership.
- Minor service adjustments with the aim to continue to improve the overall performance of the system due to changing utilization patterns from the COVID-19 pandemic.

Ridership

- Ridership is budgeted at pre-COVID-19 levels to simplify CARES Act invoicing that necessitates demonstrating the financial impact of COVID-19 on revenues and expenses. Overall paid ridership is expected to increase compared to FY 2021 budget. (Ridership will remain low through COVID-19 pandemic.) Ridership is expected to increase through new marketing research and community outreach efforts that will target new markets and rider profiles.

Passenger Revenues

- Passenger revenues are likewise budgeted at pre-COVID-19 levels to simplify CARES Act invoicing. Passenger revenues are budgeted at levels consistent with FY 2019 actual revenues.

Expenses

- Projected operating expenses total \$494.4 million. An increase of 12.3%, or approximately \$54 million over the FY 2021 actuals. Most of the additional expenses are attributable to a 6.25% increase in Salaries & Wages and a continued rise in the Authority's Pension obligations, as well as a 66% increase in Purchased Services due to the expectation that initiatives that have been delayed by the pandemic will resume.

Operating Subsidy

- Port Authority receives operating assistance from multiple sources which include federal, state, and county governments as well as recent stimulus funding related to the COVID-19 pandemic. For FY 2022, these funds are budgeted at a total of \$392.8 million, a decrease of \$7.7 million over FY 2021.

FY 2022 Operating Budget Summary

FY 2022

Amounts in Thousands ('000)	FY 2022 Operating Budget	
Revenues:		
Passenger Revenue	\$	76,134
ACCESS (Shared Ride) Service		9,993
Contract Services		11,515
Advertising		2,750
Interest Income		352
Other Income		<u>814</u>
Total Operating Revenues	\$	101,559
Expenses:		
Wages and Salaries	\$	191,259
Pensions and Employee Benefits		171,246
Materials and Supplies		51,596
Provision for Injuries and Damages		5,943
Purchased Services		23,214
Utilities		8,619
Other Expense		13,007
ACCESS (Shared Ride) Service		<u>28,808</u>
Total Gross Operating Expenses	\$	493,692
Deficit Before Subsidy	\$	<u>(392,133)</u>
Subsidy Source		
Federal		30,950
State		263,736
Local		39,715
Regional Asset District		3,000
Other		364
Stimulus Funding		54,367
Deferred State Operating Assistance		0
Total Subsidy	\$	392,133
Operating Surplus/(Deficit)	\$	<u>-</u>

The purposes of the financial and budgetary policies at the Port Authority are to ensure and support sound fiscal management consistent with good business practices.

Financial Planning Policies

Fiscal Year

The Port Authority's budget is prepared, and adopted by the Board of Directors, on a fiscal year basis, which begins July 1 and ends on June 30.

Balanced Budget

The Port Authority is required to adopt balanced Operating and Capital budgets each fiscal year based on anticipated operating requirements. 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.

Reserve Funds

Board adopted, it is a policy that Port Authority maintains a Reserve Fund for operating budget deficits. The amount of the Reserve Fund is equivalent to one month of Authority's operating expenses and may be adjusted from time to time by the Board based on the recommendations of the Controller.

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.

Basis of Budgeting

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. It is the intent of Port Authority to develop and implement a Fare Structure that is efficient, user friendly, and equitable to attract increased ridership. 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 and most recently enacted through the adoption of the FY 2022 Fare Structure Changes.

FY 2022 Fare Structure:

Stored Value Full Fare	\$2.75
Stored Value Half Fare	1.35
3 Hour Pass Full Fare	2.75
3 Hour Pass Half Fare	1.35
Day Pass	7.00
Calendar Weekly Full Fare	25.00 (Corporate Web Portal Only)
Calendar Weekly Half Fare	12.50 (Via Corporate Web Portal Only)
7 Day Pass Full Fare	25.00
7 Day Half Fare	12.50
Calendar Monthly Full Fare	97.50 (Via Corporate Web Portal Only)
Calendar Monthly Half Fare	48.75 (Via Corporate Web Portal Only)
31 Day Pass Full Fare	97.50
31 Day Pass Half Fare	48.75
Annual Pass	1,072.50
Connect Card Fee	1.00
Incline – 3 Hour Round Trip Full Fare	2.75
Incline – 3 Hour Round Trip Kids Pass	1.35

All fares applicable to all Port Authority transportation modes excluding U-Pass participants and other contractual fare agreements, and ACCESS.

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 the organization 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 head to review their respective division's year-to-date expenses and budget availability by account. All department and division managers can 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 2019 - 2022

FY 2022

Amounts in Thousands ('000)	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	FY 2022 vs. FY 2021
Revenues:					
Passenger Revenue	\$77,300	\$60,764	\$28,512	\$76,134	\$47,622
ACCESS (Shared Ride) Service	10,652	8,607	6,339	9,993	3,654
Contract Services	11,489	8,578	2,209	11,515	9,306
Advertising	2,839	3,089	1,600	2,750	1,150
Interest Income	2,167	2,040	138	352	\$214
Other Income	814	832	781	814	\$33
Total Operating Revenues	\$105,261	\$83,910	\$39,579	\$101,558	\$61,979
Expenses:					
Wages and Salaries	\$162,231	\$173,182	\$180,014	\$191,259	\$11,245
Pensions and Employee Benefits	159,199	161,585	165,639	171,245	5,606
Materials and Supplies	44,556	41,571	39,163	51,596	12,433
Provision for Injuries and Damages	2,853	-440	2,247	5,943	3,696
Purchased Services	13,151	12,667	13,952	23,214	9,262
Utilities	7,681	7,753	7,205	8,619	1,414
Other Expense	8,223	7,504	6,941	13,007	6,066
Interest Expense	0	0	0	0	0
ACCESS (Shared Ride) Service	26,158	24,346	24,879	28,808	3,929
Total Gross Operating Expenses	\$424,052	\$428,168	\$440,040	\$493,691	\$53,651
Deficit Before Subsidy	(\$318,791)	(\$344,258)	(\$400,461)	(\$392,133)	\$8,328
Subsidy Source					
Federal	\$44,004	\$36,081	\$31,600	\$30,950	(\$650)
State	242,027	253,085	258,682	263,736	5,054
Local	40,654	30,017	26,116	39,715	13,599
Regional Asset District	3,000	2,957	2,975	3,000	25
Other	302	502	318	364	46
Stimulus Funding	0	40,938	86,647	54,367	(32,280)
Total Subsidy	\$329,987	\$363,580	\$406,339	\$392,133	(\$14,206)
Operating Surplus/(Deficit)	\$11,196	\$19,322	\$5,878	\$0	\$5,878

Fiscal Year 2022 Operating Budget

FY 2022

Operating Revenues

FY 2022 revenues for operations are approximately \$493.7 million and include passenger revenues, federal, state, local operating assistance, capitalization grants, and Coronavirus related stimulus funding. Passenger revenues to support operations are expected to represent 17.75% of the Authority's operating revenue. Passenger Revenue includes the sale of fare products, cash fare payments, and contracted services through the U-Pass program which currently involves student and faculty at the University of Pittsburgh, Carnegie Mellon University and Chatham University.

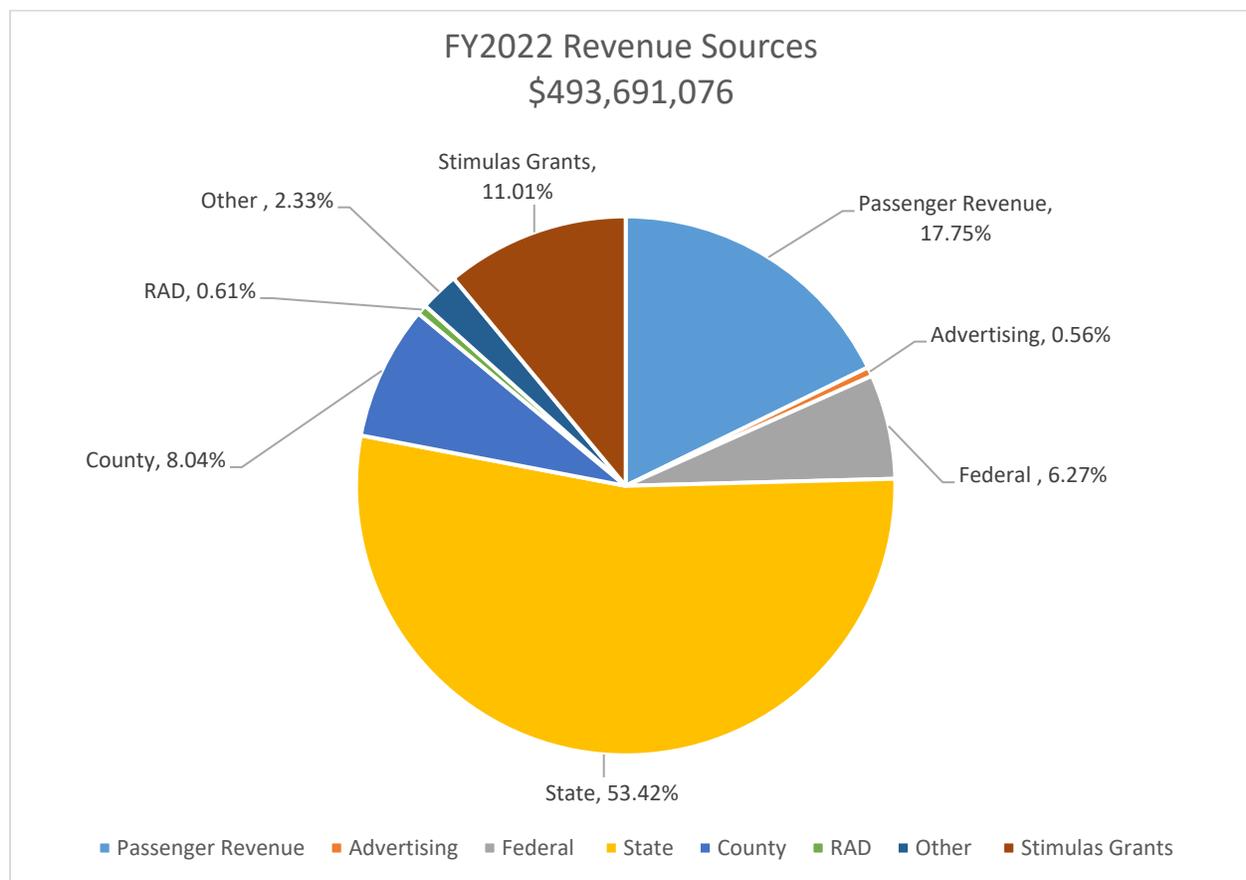
Total Revenue for Operations

Amount in Thousands ('000)	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change FY2022 vs. FY2021
Passenger Revenue					
Farebox Revenue	\$77,300	\$60,764	\$28,512	\$76,134	167.02%
Access Program Service	10,652	8,607	6,339	9,993	57.64%
Contract Services	11,489	8,578	2,209	11,515	421.28%
Advertising	2,839	3,089	1,600	2,750	71.88%
Interest Income	2,167	2,040	138	352	155.07%
Other Income	814	832	781	814	4.23%
Total Operating Income	105,261	83,910	39,579	101,558	156.60%
Operating Assistance					
State Operating Assistance	\$235,628	\$239,534	\$245,598	\$250,713	2.08%
County Operating Assistance	32,265	23,488	21,027	34,684	64.95%
Regional Asset District	3,000	2,957	2,975	3,000	0.84%
Deferred State Operating	-	-	-	-	-
Total Operating Assistance	270,893	265,978	269,601	288,397	6.97%
Operating Grants					
Federal Grants	\$44,004	\$36,081	\$31,600	\$30,950	-2.06%
State Grants	6,398	13,551	13,084	13,023	-0.46%
County Grants	8,389	6,530	5,089	5,031	-1.14%
Other	302	502	318	364	14.34%
Stimulus Grants		40,938	86,647	54,367	-37.25%
Total Operating Grants	59,094	97,602	136,738	103,735	-24.14%
Total Revenue	435,248	447,490	445,918	493,691	10.71%

Overall, FY 2022 total operating revenue is projected to increase by approximately \$47.7 million, or 10.71%, compared to FY 2021 actuals primarily from Passenger Revenues being budgeted at a pre pandemic level.

Operating Assistance from state and local sources provide roughly 58% of budgeted revenue. State Operating Assistance for FY 2022 is \$250.7 million. As was the case under Act 44, State Operating funding requires a 15% local match. Allegheny County will contribute \$34.7 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.

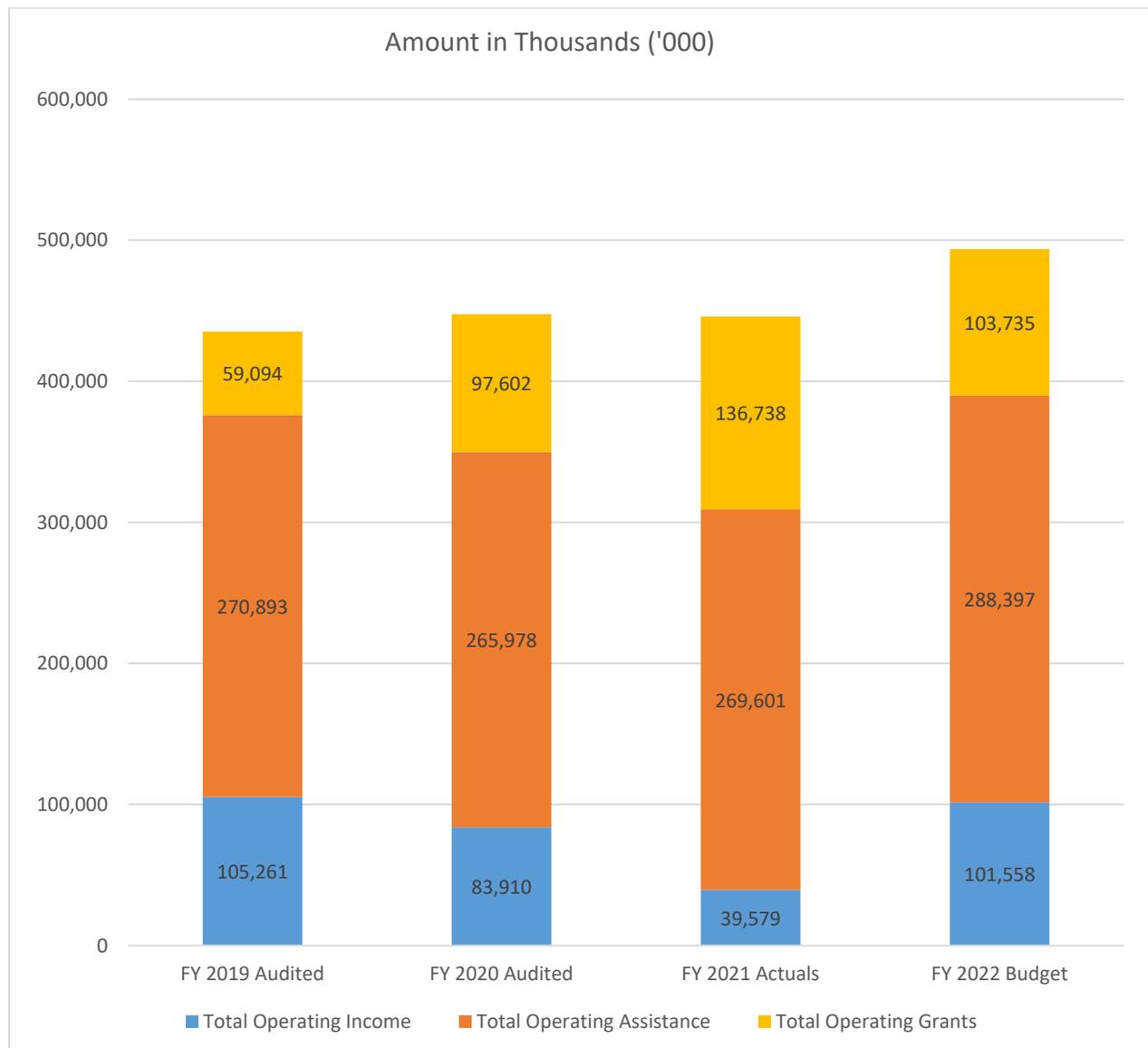
Total Revenue Sources



Federal, State, and County Capital grants supplement operating expenses and represent 10% of FY 2022 revenue. These grants underwrite expenses 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. In FY 2020 and FY 2021 Coronavirus related stimulus grants came from the CARES ACT funding source and made up roughly 9% and 19% respectively, of total revenue. FY 2022 funding will utilize the American Rescue Plan Act (ARPA) due to the time limitations for usage. Total revenue from this source is 11%, or \$54.4 million, of total revenue for FY 2022. Funding from both the CARES ACT and ARPA is utilized to help offset Operator Wages as well as Employee Benefits.

Total Revenues – FY 2019 to FY 2022



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.

Expenses in the salaries and wages category include pay and allowances owed to the employees in exchange for services provided to the transit agency.

Fringe benefits are payments to the employee for things other than performance of work, which includes sick leave, vacation, and holiday wages. Also included in this category are payments to other companies or entities (insurance companies, retirement plans, governments etc.) on behalf of the employees. Materials and supplies are products purchased and obtained from outside suppliers for immediate use. Provisions for injuries and damages are the costs associated with the protection of the agency from loss through insurance programs and compensation of others for the losses due to incidents for which the transit agency is liable. Purchased services are the labor and other work provided by outside organizations for fees and related expenses as a substitute for in-house employee labor. This substitution is typically made because the skills offered by the outside organizations are needed only for a short period of time or are better and more specialized than that of what is available internally. Utilities are payments made to companies for the use of their resources and Other Expenses are those that cannot be attributed to any of the other major categories previously defined.

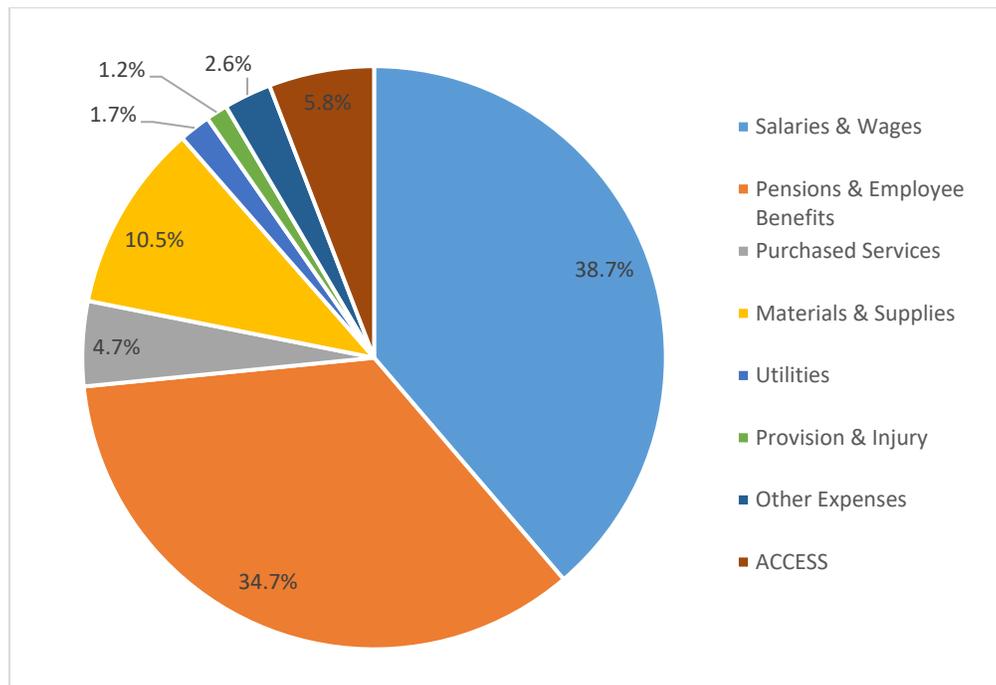
FY 2022 budgeted labor costs (salaries, wages, and benefits) represent 73.4% of operating expenses. Salary and Wage expenses total \$191.3 million and increased due to contractual wage increases, wage progressions and increased staffing for sanitizing vehicles and facilities. Benefit expenses include healthcare for active employees and retirees, pension obligations, unemployment compensation, as well as vacation, sick, holiday pay and payroll taxes, which are projected to total \$171.2 million for FY 2022.

Operating Expenses by Account

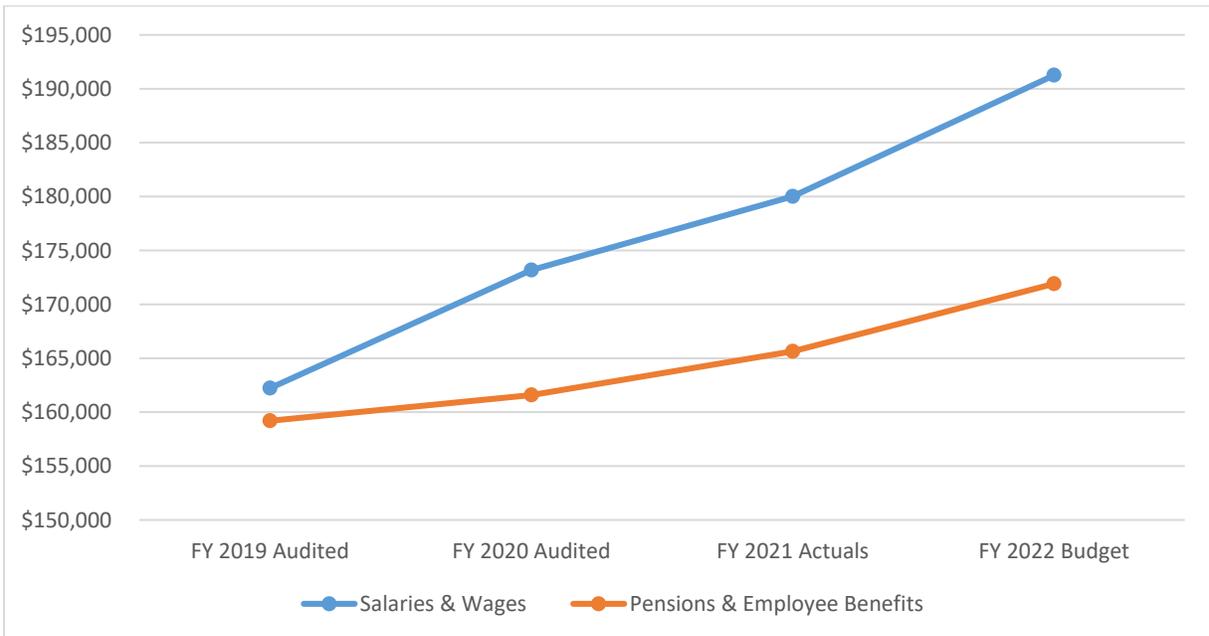
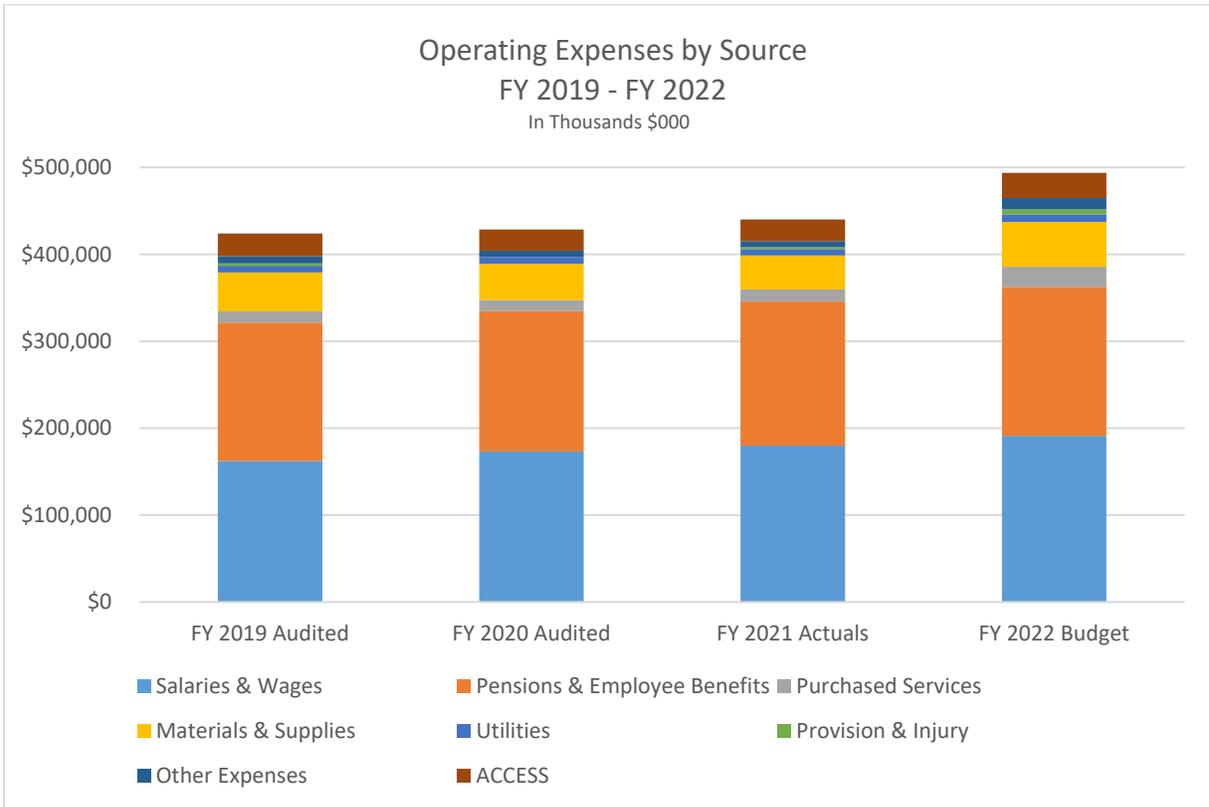
Expense Accounts \$000	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change FY22 vs. FY21
Salaries & Wages	\$162,231	\$173,182	\$180,014	\$191,259	6.25%
Pensions & Employee Benefits	159,199	161,585	165,639	171,245	3.38%
Purchased Services	13,151	12,667	13,952	23,214	66.38%
Materials & Supplies	44,556	41,571	39,163	51,596	31.75%
Utilities	7,681	7,753	7,205	8,619	19.63%
Provision & Injury	2,853	-440	2,247	5,943	164.49%
Other Expenses	8,223	7,504	6,941	13,007	87.39%
ACCESS	26,158	24,346	24,879	28,808	15.79%
Total Gross	424,052	428,168	440,040	493,691	12.19%

Material and Supplies expenditures are expected to increase by \$12.4 million over FY 2021 actuals due to enhanced service, additional part requirements for our light rail vehicles and rehabilitation of the LRT System infrastructure. In addition, inflation is a large contributor to the increase in expenses. Fuel and Lubricants are budgeted to increase 33.1% over 2021 actuals in anticipation of increased ridership and the need for pre Covid operating levels. 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 66.4% due to the development of our mobile payment application, increased monthly service costs, and additional work provided by outside contractors. Utilities include data communication, electricity, propulsion power, natural gas, water & sewage for Port Authority locations. Utility usage and costs at our facilities should increase by 19.6% over FY 2021 due to increased costs associated with providing Wi-Fi on all revenue vehicles and the increase in transmission for our propulsion power. 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 \$6 million over FY 2021. This increase is due to employee development programs, new marketing and customer outreach initiatives, technology training, and the continued increase in Software License expense. The ACCESS expense is projected to increase by 15.8%. This increase is due to low actual expenses in FY2021 and a pre-pandemic budget for FY 2022.

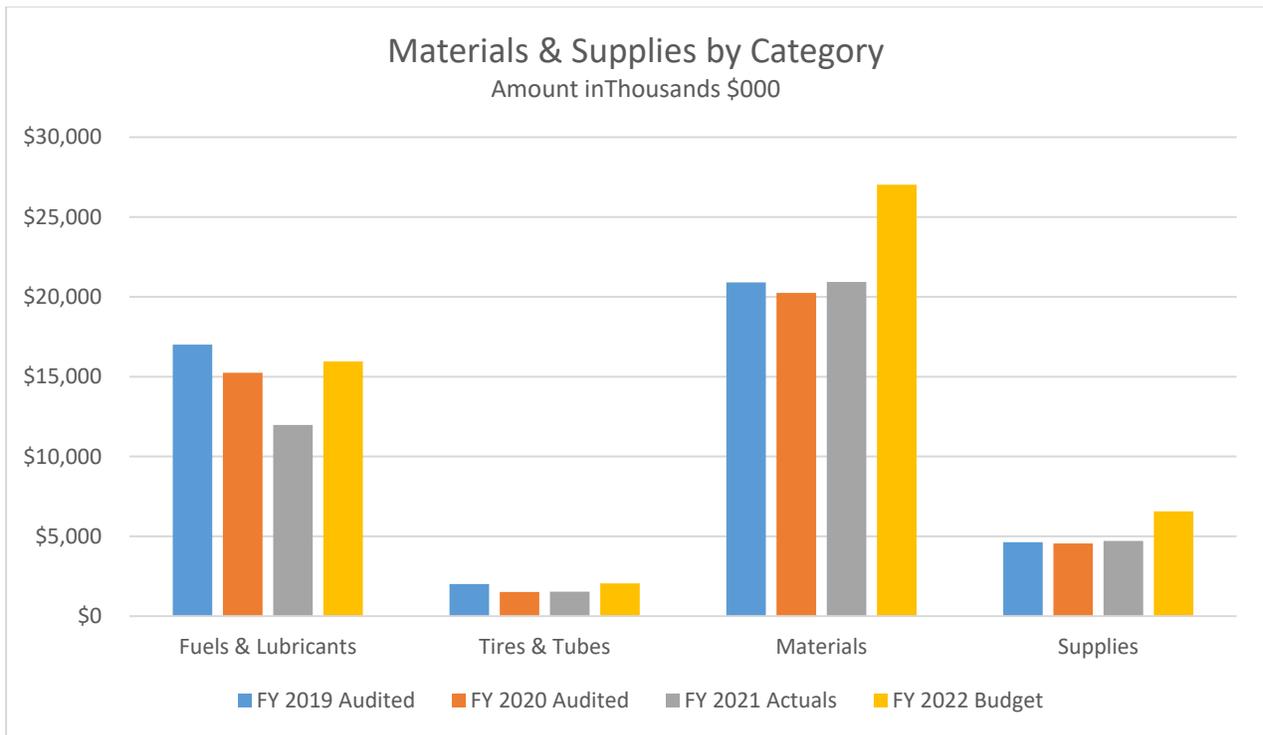
FY 2022 Operating Expenses by Source



Operating Expenses – FY 2019 to FY 2022



Expense Accounts \$000	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change FY22 vs. FY21
Fuels & Lubricants	\$17,008	\$15,249	\$11,980	\$15,949	33.13%
Tires & Tubes	2,012	1,517	1,536	2,056	33.85%
Materials	20,906	20,250	20,939	27,022	29.05%
Supplies	4,630	4,555	4,708	6,569	39.53%
Total Gross	44,556	41,571	39,163	51,596	31.75%

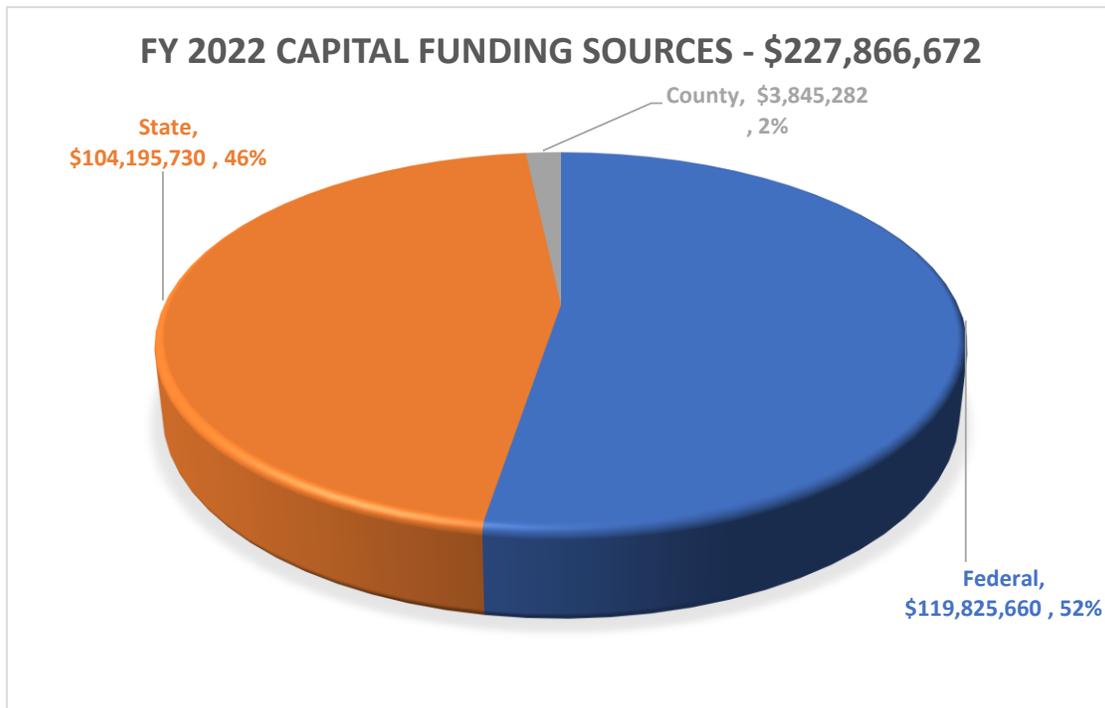


Fiscal Year 2022 Capital Budget

FY 2022

FY 2022 Capital Budget by Anticipated Funding Source

<u>Anticipated Funding Sources</u>	<u>Amount</u>
<i>I. Federal</i>	
FFY 2022 Section 5307 Flex	\$ 19,875,660
FFY 2021/2022 Section 5309 BRT CIG	99,950,000
Subtotal	\$ 119,825,660
<i>II. State</i>	
Previously Appropriated State Act 89	\$ 145,162
FY 2022 Net ACT 89 Section 1514 Discretionary	104,050,568
Subtotal	\$ 104,195,730
<i>III. County Capital Funds</i>	
Previously Appropriated County Capital	\$ 4,838
2022 County Capital Match	3,840,444
Subtotal	\$ 3,845,282
Total Funding Sources	\$ 227,866,672



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.

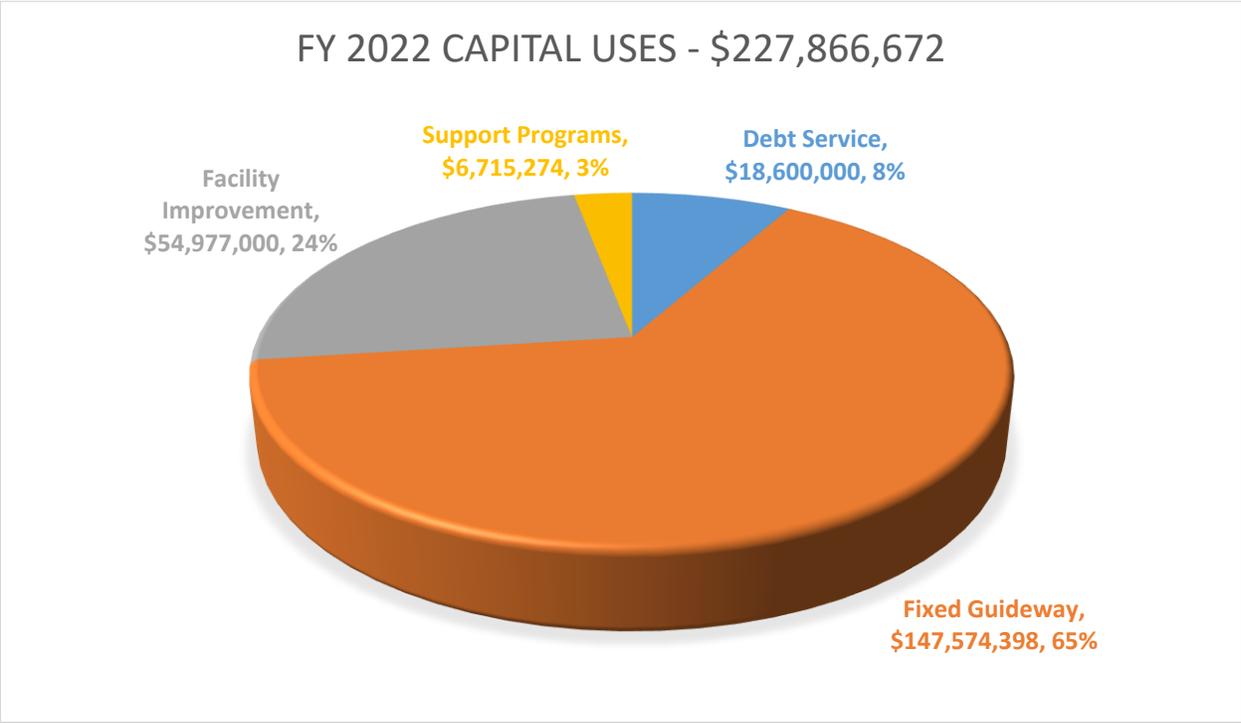
The projected growth in Act 89 of capital funding permits the Port Authority to address its \$550 million State of Good Repair/Deferred Maintenance backlog due to chronic funding shortfalls. Port Authority's FY 2022 Capital Improvement Budget (CIP) will continue to be focused on currently held infrastructure assets and state of good repair. The CIP will continue to build upon prior year Act 89 investments and continue capital programs to repair and/or replace assets that have long exceeded their useful life. Port Authority's FY 2022 CIP also includes funding to start the construction of the Bus Rapid Transit project between Downtown and Oakland. Port Authority's FY 2022 CIP totaling \$227.9 million, includes \$104.2 million in state funds, \$119.8 million in federal funds, and \$3.8 million local funds.

There is concern over Act 89 Capital Funding in the next two years, as the program has been funded via annual statewide bond issues of \$450 million which are scheduled to be reduced and eventually be supplanted by payments from the Commonwealth's Motor Vehicle Fund.

With the anticipated FY 2022 funds, Port Authority has allocated projects that will bring assets to a state of good repair, enhance system safety, and various improvements to transit service. FY 2022 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 Rapid Transit** – The Downtown-Uptown-Oakland- East End Bus Rapid Transit (BRT) Project will provide a vital east-west connection between downtown Pittsburgh and the Uptown, Oakland, and East End neighborhoods. The project includes changes to both physical infrastructure and transit operations along the Downtown Uptown-Oakland portion of the corridor (the "BRT Core") along with changes to transit operations in the East End portion of the corridor – Highland Park, Squirrel Hill, and the East Busway.
- **Fixed Guideway Improvements** – The Port Authority's assets include various Fixed Guideways including 3 busways, 2 LRT Lines, 79 Transit Bridges, 8 Tunnels, and 1 Incline. Some key FY 2022 projects include CBD Plinth Repairs with DF Plates, Carrier Transmission System – SCADA, CBD Tunnel Emergency Egress & Access, Restraining Rail Replacement, Route 88 Grade Crossing Improvements, Bridge Preventative Maintenance, and continuing the Rail Replacement Program.

- Facility Improvements** –Some key 2022 CIP projects include the Electric Charging Infrastructure to support Battery Electric Bus Operation, West Mifflin Garage perimeter paving, South Hills Junction M Loop Imps including waterline, Main Shop additional fall protection, East Liberty and Manchester equipment improvements, East Liberty Garage electric charging stations, Belasco Station rehab, Steel Plaza, Wood Street and 1st Ave Station escalator rehab, and the SHV Carhouse paint booth replacement.
- 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 2022 CIP, Port Authority will replace our Landoll Trailer that has reached its useful life. New hardware and software upgrades including CCTV and security upgrades, System Wide Security and Fire Alarm Systems – Design, Bus and LRV air and surface purification devices, Manchester Garage parts washer, and Police ballistic vests and new tasers.



Capital Projects by Designation

Debt Service \$18,600,000

- \$18,600,000 - 2020 Series Bond Debt Service

Bus Rapid Transit \$117,723,507

- \$117,723,507 - To Start Construction Activities of the Project

Fixed Guideway Improvements \$29,850,891

- \$23,700,000 - Rail Improvements
- \$3,050,891 - Tunnel Improvements
- \$2,100,000 - Bridge Improvements
- \$1,000,000 - Busway Improvements

Facility Improvements \$54,977,000

- \$12,000,000 - West Mifflin Perimeter Paving Construction
- \$6,500,000 - Steel Plaza, Wood Street and 1st Ave Station Escalator Rehab
- \$7,350,000 - SHV Carhouse Paintbooth Replacement
- \$4,200,000 - Belasco Station Rehab
- \$9,397,000 - Electric Charging Infrastructure to Support Battery Electric Bus Operation

Support Programs \$6,715,274

- \$3,720,274 - Bus and LRV Air and Surface Purification Devices
- \$1,000,000 - Manchester Part Washer
- \$1,000,000 - CCTV and Security Upgrades
- \$ 145,000 - Police Equipment

Debt Service

Port Authority's Debt Service includes payments on Series 2020 Special Revenue Transportation Bonds. These bonds were used to refund the Special Revenue Bonds, Series 2011, which provided funds for the construction of the Stage II LRV Line and for construction on the East Busway Extension. In December 2020, Port Authority completed a refinancing of the Series 2011 Bond Offering, which resulted in an annual savings of approximately \$3.2 million per year. The final year of debt servicing of the Series 2020 bonds is FY 2029.

Annual Debt Service Requirement

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2022	\$12,590,000	\$6,010,000	\$18,600,000
2023	\$13,220,000	\$5,380,500	\$18,600,500
2024	\$13,875,000	\$4,719,500	\$18,594,500
2025	\$14,575,000	\$4,025,750	\$18,600,750
2026	\$15,300,000	\$3,297,000	\$18,597,000
2027	\$16,065,000	\$2,532,000	\$18,597,000
2028	\$16,870,000	\$1,728,750	\$18,598,750
2029	\$17,705,000	\$885,250	\$18,590,250
Total	\$120,200,000	\$28,578,750	\$148,778,750

Fixed Guideway Improvements

- BRT Downtown – Oakland Construction - \$117,723,507
 - 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. Construction of the Downtown-Oakland system will begin in FY 2022/2023 pending a Full Funding Grant by the Federal Government.
- Bridge/Tunnel/Rail Inspection NBIS / NTIS - \$1,000,000
 - 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.
- Kenmawr Avenue Bridge - \$600,000
 - This project funds 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.
- Bridge Preventative Maintenance (Mine #3 Bridge & Centre Ave Bridge) – Design \$500,000
 - This program continues the annual increment of moderate maintenance repairs for two (2) of the 79 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 damage and deterioration. If proactive improvements are not made, the bridges will begin to deteriorate, causing significant damage and deterioration while undermining the structural integrity of the bridges.
- Wabash/Berry Tunnel Lighting Improvements Design - \$900,000
 - Berry Tunnel: Project includes replacement of fan feeder conduit and cabling, hangers, anchors, fire alarm conduit with cabling and overhaul emergency fans; the existing infrastructure is corroded beyond repair, hangers and anchors are in poor condition; all conduits corroded and falling apart. Corrosion presented throughout the whole tunnel. Emergency fans were overhauled in 2012 and they have 10-15-year life span. The fans provide longitudinal ventilation in an emergency fire incident as well as during normal operations. Proposed project consists of removing and replacing all

fan conduit with cabling, junction boxes, disconnect switches, cable troughs and all associated hardware, hangers and anchors, fire alarm conduit and cabling, overhaul emergency fans. Replace fire hydrant system due age and frequent repairs.

- Wabash Tunnel: Replacement of all the conduit, cabling, mounting hardware and luminaires installed in the Wabash tunnel, as well as replacing Traffic Control System.
 - The existing infrastructure is corroded beyond repair, luminaire and conduit clamps are in poor condition; luminaires supported by four clamps which are corroded and creates possibility for the luminaire to fall on the road or be suspended by the electrical cable causing further damage to the system. Corrosion presented throughout the whole tunnel.
 - Traffic Control System in need of replacement. The system parts are obsolete and cannot be purchased. The proposed project consists of removing all the conduit, power cabling, junction boxes, disconnect switches cable troughs and all associated hardware related to the electrical infrastructure within the tunnel structure. Overall total runs are in excess of 70,000 feet for cabling, 30,000 feet of multiple sized conduits, 4,800 feet of cable tray, and installation of expansion joints for the new conduit installation.
- CBD Tunnel Emergency Egress & Access - \$1,500,000
 - This request consists of the rehabilitation of four (4) metal Emergency Exit stairways within the Central Business District (CBD) Tunnel subway system, each containing three (3) flights of stairs. The stairways are in poor condition and exhibit significant deterioration and localized section loss. This project consists of rehabilitating/replacing the stairways and applying corrosion resistant coating to metal surfaces. If restoration is not performed, the metal stairs will continue to deteriorate, undermining the structural integrity of the stairs resulting in potential safety concerns should the stairway need to be used during an emergency.
- Penn Tunnel Joint Replacement & Restoration Design - \$650,891
 - The Penn Tunnel expansion joint and support structure is located within the lower levels of the US Steel building. Due to extensive deterioration of the expansion joint, a significant amount of runoff water is able to penetrate the expansion joint and enter the U.S. Steel Tower. This has resulted in significant deterioration of the support structure in the vicinity of the expansion joint and raised concern from U.S. Steel Tower Management. This project will address these issues by replacing the existing deteriorated joint system with a new joint designed to resist water infiltration, and repair water damage to the existing tunnel support structure.
- Central Business District (CBD) Plinth Repairs - \$13,100,000
 - 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 need rehabilitation. Continued deterioration of the concrete plinths and tie plates

could negatively impact the structural integrity of the plinths, safety, and revenue service.

- Rail Wear and Geometry Inspection - \$350,000
 - This request comprises of the annual inspection and assessment of the Authority system trackwork as required by the Authority Maintenance and Inspection Standards. The inspection and assessment consist of measuring track geometry and rail wear in order 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. Additionally, the direct results of the inspection will also be utilized to identify area of track that exceed allowable thresholds specified in the Authority Standards.

- Carrier Transmission System – SCADA - \$6,000,000
 - Jacobs Engineering to conduct a high-level assessment of the current Network infrastructure, technology, and associated systems components. The final report has provided insight that the current overall system has outlived its usefulness and cannot be expanded to support the newer bandwidth demands and most of the current equipment is no longer supported by the manufacturer. If the system continues and any parts fail and replacements parts are not available Port Authority could potentially be unable to continue operations.

- Restraining Rail Replacement- \$2,000,000
 - This request, based upon the recommendations from extensive investigation and inspection of the existing rail system, is for the engineering design effort to produce the following rail design criteria for implementation in order to correct existing rail deficiencies that are contributing factors associated with LRV wheel chipping. Engineering and Design effort includes the following items of work, with the intent on designing a compatible guard rail system to reduce the propensity for LRV wheel chipping:
 - System/Vehicle Modeling & Interfaces
 - Engineer/Design Criteria for Rail Guarding with current LRV Wheels
 - Engineer/Design Flangeway dimension requirements with current LRV wheels and current system geometry for guard rail
 - Engineer/Design Rail maintenance track standard requirements
 - Engineer/Design Vehicle wheel maintenance tolerances standards
 - Engineer/Design program for future wheel profile adjustments to extend wheel flange depth
 - Engineer/Design profile grinding template

- Route 88 Grade Crossing Improvements - \$1,750,000
 - As a result of a previous recommendation from PennDOT’s State Safety Oversight consultant, an ongoing effort is being made to bring all grade crossings in Port Authority’s Light Rail System into compliance with the updated Federal Highway

Administration guideline (MUTCD). This project is for funds to upgrade Route 88 Crossing with a gated system with LED lights, Pedestrian audible devices to reduce vehicle accidents with Light Rail Vehicles at this grade crossing.

- Rail Grinding Program Design - \$500,000
 - This project consists of the implementation periodic rail grinding in order to extend the life of the existing rail system and LRV wheels in an effort to reduce maintenance and replacement costs. Rail grinding was last performed in 2012 and has exceeded the recommended frequency between grindings. Periodic reprofiling of the rail reduces potential for the development of rail defects. This project is anticipated to be implemented over a 3-year period with an annual grinding program.

- EB & LRT Retaining Walls Repairs – Design - \$1,000,000
 - This request consists of the rehabilitation of Ten (10) steel pile and concrete lagging retaining walls along the Martin Luther King East Busway (EBWY) and Light Rail Transit (LRT) system that exhibit significant paint coating deterioration, delamination, and localized steel section loss as well as localized deterioration in several concrete lagging sections. The project consists of the removal of deteriorated paint coating, surface preparation and painting of the exposed surfaces of steel piles. Also, concrete repair of lagging panel sections, as needed. If restoration is not performed, the steel pile paint coating and exposed steel will continue to deteriorate, undermining the structural integrity of the walls resulting in the increased future repair costs, and potential disruptions to EBWY & LRT system operations.

Facility Improvements

- PNR Space Availability - \$300,000
 - Modeled on the Pittsburgh Parking Authority's ParkPgh application, this project will inform prospective users of the availability of spaces at Port Authority-owned park and ride facilities. To monitor park and ride usage, 28 cameras would be installed at 19 park and ride facilities. This usage information would be synthesized for provision to travelers over the Internet and on existing PennDOT dynamic messaging signs (DMS) along the Parkway East near the Wilkinsburg Park and Ride lot and along the Parkway West and I79 near Carnegie Park and Ride facility. Additionally, a new DMS sign would be erected along Route 19 near the South Hills Village Park and Ride Garage.

- Carnegie Park and Ride Expansion - Design- \$1,800,000
 - Carnegie Station is supported by a 199-space park and ride lot. The station area has amenities such as shelters, benches, trash cans, bike racks, and route information signs. It is currently served by rapid service via Bus Route G2 at approximately 8-minute intervals in the peak hours. Three other bus routes directly serve the station, including the bus route serving Pittsburgh International Airport. This station sits at the terminus of the West Busway, which is a unique bus-only highway which predate bus

rapid transit and other forms of high-quality, rapid, bus transit. This busway serves as a vital artery into and out of the City of Pittsburgh. The existing station was built in 2000. The station sits adjacent to the historic Borough of Carnegie, the home of baseball's original Hall of Famer, Honus Wagner. As currently conceived, the project would expand existing facilities to provide structured garage parking for around 430 vehicles, a drop-off area, opportunities for approximately 70,000 square feet of Transit Oriented Development in conjunction with a private developer, a pedestrian bridge connection, a bus operations facility for 10-15 buses (depending upon size), potential for future electric bus charging, and much needed station improvements that will facilitate connections to Downtown Carnegie, improve safety for all users, and provide multi-modal improvements.

- Castle Shannon PNR Pavement Sealing and Repairs – Design - \$500,000
 - Castle Shannon Station and Park & Ride were originally built during the Stage I LRV project in the mid 1980's. The concrete sidewalk and curb adjacent the station is in poor condition and in disrepair. Additionally, the asphalt parking lot area in poor condition and in disrepair. This project consists of the repair and replacement of concrete curb and sidewalk along with full depth asphalt patching, leveling, seal coating and line striping of the parking area in order to maintain a state of good repair.

- Electric Charging Infrastructure to Support Battery Electric Bus Operation - \$9,397,000
 - A key element for Port Authority's new BRT project linking Downtown Pittsburgh with Oakland and other eastern communities is battery electric bus (BEB) infrastructure and operations. As such the BRT project involves the planned procurement and operation of fifteen 60-foot BEBs to operate on a core route linking Downtown, Uptown, Oakland and (via the East Busway), Shadyside, East Liberty, and Homewood in the City of Pittsburgh, as well as Wilkinsburg Borough. The alignment of the core BRT route is shown on the map provided on page 108. To support the operations of fifteen 60-foot BEBs in BRT service, fifteen 150 kW (slow) electric chargers and one 450 kW (fast) electric charger and associated infrastructure are proposed to be procured and installed at the East Liberty Bus Garage. The 150 kW electric chargers will be installed inside of the garage to provide overnight charging of batteries while the buses are being stored. The 450-kW electric charger will be installed outside to provide quick recharging of the BEBs between runs during the day. This infrastructure will directly support the operation of these fifteen battery-electric buses as well as provide support future expansion of electric bus operations. This project is one element of the larger overall BRT project, the rest of which is being funded from various local, state, and other federal sources. Therefore, this proposal leverages \$9,397,900 additional funds to the overall BRT project to enable its construction and operation. This project's electric chargers could also support future BEB operations on other routes based out of the East Liberty Garage.

- East Liberty Garage Entrance Lane Slab and Collier Storage Area - \$400,000
 - The entrance slab at East Liberty is crumbling, pumping and heaving, resulting in drainage and other related problems. The slabs have been repaired in several locations, but are now beginning to effect other areas that have been rehabilitated, on the adjacent wash rack areas. Several areas of the original cast iron pipe in the bus storage areas of Collier garage have corroded and collapsed, resulting in constant drainage issues. This area has been patched in several locations, but continues to inhibit drainage, creating an unsustainable demand on our maintenance forces.

- WM - New Paintbooths, Remove Service Pit and Install new Bus Lifts – Design - \$300,000
 - The Port Authority owned and maintained bus garage in West Mifflin requires the infill of an existing service pit and installation of a 3-post lift due to safety and efficiency reasons. Also, the existing paint booth needs to be replaced as it has exceeded its useful service life and is not exhausted properly for this type of painting and the current vents and hoses do not work

- Ross Garage Lighting Improvements - \$300,000
 - Lighting in the parking area under the garage is outdated and fails regularly. This is an unsecured parking area that can also get dark at night. The old fixtures and wiring need replaced with new LED fixtures. LED fixtures will provide electric cost savings and establish a safer environment. The “under garage” parking area has also been plagued by birds building nests and defecating all over the area. Vehicles have been damaged, and the area has become a hazard for airborne materials. Bird Netting needs to be installed to reduce nesting and create a less pleasant environment for the birds.

- East Liberty Garage Fall Protection - \$750,000
 - East Liberty Garage had four (4) fall protection systems installed under ancillary contract in spring 2021, but will need an additional sixteen (16) fall protection systems installed in order to cover the remaining maintenance, wheelchair, tire, and body shop bays. This is required by end of 2022 due to the new electric buses being ordered and delivered to East Liberty Garage. Not sufficiently covering every bay with fall protection will create a backlog of maintenance and it will be difficult to schedule around the varying needs between diesel and electric buses.

- Manchester Garage - Leaks, Concrete Work and Painting- \$1,000,000
 - The parking deck and ramp at Manchester has developed leaks that need to be repaired. The infiltration of water into working spaces is disrupting operations and causing deterioration to finished indoor spaces. Water in some cases puddles on the floor in areas where the forklift travels and creates a safety hazard. This project will make concrete repairs to the deck, drains, ramp and supporting structures, caulk gaps in slabs, seal slabs and refinished damaged interior spaces.

- Manchester Garage Fall Protection – \$1,100,000
 - Manchester had three (3) fall protection systems installed in the engine bays under an ancillary contract several years ago and is now needing the remaining nineteen (19) in both the engine and body shops to have fall protection. Not sufficiently covering every bay with fall protection will create a backlog of maintenance and it will be difficult to schedule around the varying needs between diesel and electric buses of both 40- and 60-foot variety.

- East Liberty and Manchester Equipment Improvements- \$2,500,000
 - Replacement of the various equipment at the East Liberty and Manchester Garages including vehicle exhaust systems at both garages, and fluid/ utility reels and overhead shop cranes at Manchester, all of which have reached the end of their useful life and replacement parts have become obsolete.

- East Liberty Garage Electric Charging Stations 6 - \$1,000,000
 - East Liberty Garage will be receiving six (6) additional Battery Electric Buses in FY22. The garage needs additional electrical infrastructure modifications including an additional back-up generator, roof truss structural reinforcements for cable reels, and an external platform to house the additional charging stations.

- South Hills Junction M Loop Improvements - \$1,630,000
 - Facilities Systems department identified a need to replace all of the water lines within the PAAC South Hills Junction (SHJ) property. These water lines supply service to the M-Loop and all buildings & fire hydrants on the SHJ property. Over the past several years significant water line breaks have occurred causing loss of water supply at the SHJ. Existing plastic composite pipe is reported to be inadequate and possibly defective. This request is for replacing existing pipe with standard cement lined ductile iron pipe. This request also includes replacing water valves and fire hydrants, as needed. If the existing water line pipe is not replaced then likely an increase in the frequency of pipe breaks will occur causing loss of water supply to SHJ facilities including fire hydrants. Loss of water supply during a fire emergency event could contribute to a catastrophic loss of property and injury to exposed persons. SHJ M – Loop parking area exterior concrete has deteriorated due to age, road salt applications and effects of climate freeze & thaw cycles. The area has numerous concrete cracks, potholes, spalling, as well as deteriorated railing and trench drain. The existing condition is a potential safety concern for patrons and Authority employees using the M - Loop. This request for funding is to provide repairs and replacement of deteriorated concrete, railing, trench drain, curbs and sidewalk.

- West Mifflin Perimeter Paving - \$12,000,000
 - The West Mifflin Division Garage was originally built in the late 1960's. There have been multiple additions / upgrades to the facility including an expansion project in 1992, storm water improvements in 2007 and garage work bay expansion completed in 2019. The existing asphalt and concrete paving in areas of bus travel show

extensive wear and deterioration. The current fuel storage tanks are at the end of their service life and need to be replaced, and there is need to expand the employee parking area to increase capacity for worker vehicles. This will be accomplished by constructing a new retaining wall and expanding the current parking lot out toward the bus access ramp and out toward Nobel Drive. Additional construction items will include new storm water piping, an underground stormwater detention basin, earthwork, concrete sidewalks, new fencing, new guiderail, paving (concrete and asphalt), and new parking lot lighting. New line striping will also be completed.

- Collier, OCC, Ross and SHJ Bldg 5 HVAC Upgrades Design - \$300,000

Collier Garage:

The maintenance and operations portions of the building have been experiencing HVAC issues for several years, specifically a lack of temperature control. Recent projects have tried to “band-aid” the problem, such as combining the entire operations section onto one thermostat, which is an extremely flawed design. If we do nothing, there will continue to be comfort issues in that space, and potentially inadequate airflow. The project proposes to perform a load study to determine proper zoning, and subsequently replace the existing VAV boxes with new VAV reheat boxes, and potential ductwork modifications. It will also include bringing the new VAV boxes into our recently acquired Building Management System.

Ross Garage:

The second-floor administrative area is served by an RTU and a VAV system. The VAV system is not functioning correctly and is on an older proprietary control system with no way to access, monitor, or control them, which makes it almost impossible to troubleshoot. In addition, one large room was partitioned into two rooms with no regard to the existing duct system. If we do nothing, the areas will never achieve proper airflows or temperatures and the occupants will continue to experience discomfort. The project proposes to perform a load study to determine proper zoning, replace the existing VAV boxes with new VAV reheat boxes, potential unit replacement, and potential ductwork modifications. It will also include bringing the RTU and VAVs into our recently acquired Building Management System.

OCC:

The air handler serving the 1st floor locker rooms is the original air handler and has reached the end of its life. Also, a recent project performed architectural renovations which separated the single locker room into two rooms, which caused interferences in the duct work and air

flows. If we do nothing, the air handler could fail and result in no air flows as well as a lack of temperature control. The project proposes to replace the air handler, install a

condenser for cooling capabilities, modify the ductwork to deliver proper airflow to both locker rooms, and incorporate the unit into the existing Building Management System for monitoring and control.

The boiler system is the original system for the building and is dangerously close to the end of its life. With a proposed air handler (as part of this project), and a new air handler and Building Management System installed in 2018, the existing boilers may also not deliver appropriate flow rates. These boilers deliver hot water to perimeter heaters and to the air handler that serves majority of the building. If we do nothing, a boiler failure could be detrimental during winter months. The project proposes to replace the boilers and auxiliary equipment including, but not limited to, the expansion tank, chemical feeder, and air separator. The boilers will have higher efficiencies and will be connected to our Building Management System.

The electronics server room, UPS room, Switchgear room, and Signals room are served by a mix of HVAC systems. The server room is served by the main building air handler, which is not an adequate design, as the air handler tends to overheat the room. The exhaust fan serving the switchgear room no longer functions, and the CRAC unit serving the UPS room is not adequately cooling the area. Architecturally the areas are interconnected through open doorways and open ceilings. If we do nothing, the critical electronics in these areas can overheat and fail. The project proposes to install a new CRAC unit, exhaust fan, and split system, along with architectural modifications to better isolate these areas, and bringing the HVAC onto our Building Management System.

South Hills Junction Building 5:

The Heating and Ventilating (HV) Unit that historically served the 1st floor men's locker room and 2nd floor women's locker room was decommissioned and removed. In order to obtain airflow, new duct was installed to connect with the existing rooftop unit. Because of this, the entire building is getting inadequate air flows, as the rooftop unit was not originally designed to handle that load. Along with this, the existing VAV boxes are on an older proprietary control system with no way to access, monitor, or control them, which makes it almost impossible to troubleshoot. If we do nothing, the building will never achieve proper airflows or temperatures. The project proposes to install a new packaged outdoor air handler to serve the locker rooms as it originally intended to do, minor ductwork modifications, and replace the VAV boxes and control system to re-align with our Facility-wide Building Management System for better monitoring and control capabilities.

- UST Replacements at Ross, Collier, South Hills Village, SHJ, E. Liberty, Harmar Design - \$400,000

Ross Garage:

Remove and replace the two (2) 15,000-gallon underground diesel storage tanks (USTs)

Replace the tank top pipe sumps, spill buckets and piping on the following tanks:

One (1) 3,000-gallon new engine oil storage tank

One (1) 2,000-gallon antifreeze storage tank

One (1) 1,500-gallon automatic transmission fluid storage tank.

As part of the project, the existing 2,000 gallon out-of-service gasoline UST will be removed.

South Hills Junction:

Remove and replace One (1) 8,000-gallon gasoline storage tank

Remove and replace One (1) 1,000-gallon waste oil storage tank

Also, the existing gasoline & diesel dispenser island including new pumps and electrical will be replaced along with the fuel tank monitoring and leak detection system will be replaced.

West Mifflin Garage:

Replace the tank top pipe sumps, spill buckets and piping on the following tanks:

One (1) 4,000-gallon new engine oil storage tank

One (1) 3,000-gallon antifreeze storage tank

One (1) 3,000-gallon automatic transmission fluid storage tank.

One (1) 2,000-gallon waste oil storage tank.

East Liberty Garage:

Replace the tank top pipe sumps, spill buckets and piping on the following tanks:

One (1) 4,000-gallon new engine oil storage tank

One (1) 2,000-gallon antifreeze storage tank

One (1) 3,000-gallon automatic transmission fluid storage tank.

One (1) 2,000-gallon waste oil storage tank.

As part of this project, the 550-gallon waste antifreeze UST will be removed.

Manchester Garage:

Install sacrificial anodes to increase cathodic protection on the following tanks:

One (1) 3,000-gallon new engine oil UST

One (1) 1,500-gallon antifreeze UST

One (1) 1,000-gallon waste oil UST

Collier Garage:

Replace the tank top pipe sumps, spill buckets and piping on the following tanks:

One (1) 3,000-gallon new engine oil storage tank

One (1) 2,000-gallon gasoline storage tank

One (1) 2,000-gallon automatic transmission fluid storage tank.

South Hills Village Rail Center:

Remove the 4,000-gallon diesel fuel UST. In out of service status since May-2011.

Harmar Garage:

Remove the following seven (7) storage tanks:

Two (2) 15,000-gallon diesel underground storage tanks (UST)

One (1) 1,500-gallon antifreeze aboveground storage tank (AST)

The existing tanks at Harmar have been inactive since bus service activities were halted at the garage in 2011. The tanks have been put into temporary out of service condition with the DEP through March 19, 2023 and should be removed beforehand.

All the existing USTs systems (including piping, pumps, and spill containments) listed above were installed in the early 1990s and are at or will soon approach their 30-year life expectancy. Also, USTs are now required to meet recent changes to the Pennsylvania Department of Environmental Protection (DEP) Storage Tank Management regulations calling for liquid tight sump and spill containments. To meet these new requirements and to guard against potential remediation costs if the existing tanks or ancillary equipment were to fail, the tanks should be replaced or upgraded. The new tanks systems would include new double-walled, cathodically protected, steel tanks including new underground supply piping and vent piping, new pipe sumps and fill port spill containment sumps and associated risers and access lids. The new diesel tank systems would also include new in tank submersible pumps, new dispensers, and a new fuel control system. The existing UST systems would be closed and removed from the ground. Tanks undergoing a tank top upgrade would include new pipe sumps, supply and vent

pipng, spill containment & prevention, and new leak sensors. All work would be performed by a DEP certified tank handler/removal company.

An underground tank failure at the garage would subject Port Authority to soil and groundwater remediation cost that could exceed \$500,000, as well as civil penalties of up to \$25,000 per day for non-compliance with the Storage Tank Management and Spill Prevention Act.

- WM Garage Wash Rack Replacement, Building Extension, Till Area Upgrade Design - \$1,000,000
 - The wash racks at West Mifflin are antiquated and beyond their useful life. Additional space is required in front of the wash racks to allow space for the installation of cyclone vacuums. The till area will be combined with the adjacent storage area to accommodate the needs of current service levels. All the drains and plumbing are collapsed and require constant maintenance to remain freely draining, or the entire area floods with 3-4 inches of water. The windows and doors in the building no longer provide a good weather seal. The bus storage area requires new lighting and paint along with the wash rack area. This project proposes to install a new, industry-standard bus wash system that will recycle 80% of water used in every wash, which amounts to 80 gallons per bus, with over 100 buses washed daily this equates to an 8000 gallon per day savings. The cyclone vacuums can remove dust and debris from a bus every two minutes, reducing time demands on the service persons that clean them. The windows, doors and light fixtures will be replaced with new energy efficient modern versions, lowering the utility bills and subsequently operating costs at the garage.
- SHVRC - FIP for Rail Rodeo – Design - \$250,000
 - Upgrades and renovations at the following buildings at the South Hills Village Rail Center in preparation for the Rail Rodeo

SHV Maintenance Building

- Second floor Admin bathrooms
- Men's Locker room
- Cafeteria/break room

SHV Transportation Building

- Second floor Men's and Ladies Room Restrooms Customer Service/Admin and BTO/RTO
- Second floor Road Operations Powder Room
- 1st floor powder room Dispatch Office
- 3rd floor powder room Rail Operator Instruction Classroom

- Kelton Stabilization - \$2,000,000
 - This project consists of the replacement of an existing catenary pole and foundation, near the old Kelton rail stop, that shows evidence of prior movement & now tilts away from the tracks. The construction of a new catenary pole & foundation, attachment of catenary lines to the new pole and removal of the old catenary pole. It also includes void and soil stabilization around the catenary pole and extending beneath the trackway and the old rail stop platform. If replacement/stabilization is not performed, the existing catenary pole could continue to move, undermining the structural integrity of the pole foundation, resulting in potential increased risk of service disruption of the LRV system.

- Belasco Station Improvements - \$4,200,000
 - New mini-high platform on Broadway Avenue LRT Red Line at Belasco Avenue replacing existing low-level boarding stop to provide ADA accessible high level boarding to LRV.

- Steel Plaza, Wood Street and 1st Ave Station Escalator Rehab - \$6,500,000
 - 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. In order to minimize the inconvenience to customers in these heavily used stations and ensure future reliability, we need to begin planning for modernization upgrades to these escalators immediately. There seem to be two main options available for executing capital upgrades on these escalators in a way which will ensure reliable operation for the next 15-20 years or more: 1) undertake an “in-place” replacement of the major mechanical and electrical components of the existing escalators, while leaving the truss (frame) of the escalator intact; or 2) undertake a complete replacement of the entire escalators. Since we do not fully understand the current condition of the truss or internal components of the existing escalators, we propose having an engineering consultant – one with experience in vertical transportation – conduct an assessment of these escalators and provide an alternatives analysis to help PAAC decide how to proceed with the project.

- SHV Carhouse Paintbooth Replacement - \$7,500,000
 - This project is for upgrade 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 booth not operating properly. Currently in two (2) paint booths the heat is not functioning, and one (1) paint booth has no ventilation. To make paint booth operational and allow perform painting it requires upgrading heat and ventilation systems.

Support Vehicles and Shop Equipment

- Landoll Trailer Replacement- \$250,000
 - The Port Authority will purchase a new trailer which is used to transport materials, supplies, and heavy machinery. The current trailer has reached the end of its useful life and the new machine will reduce maintenance costs.
- Manchester Parts Washer - \$1,000,000
 - The current Parts Wash units (3) are degrading quickly and becoming maintenance an ongoing issue for the Manchester Garage. The existing units are very large and difficult to find parts for as time goes on. Manchester would like the new units to be smaller in order to more properly accommodate the needs of the garage. They would like to replace all 3 units with newer, more efficient units. This would potentially open up floor space that could be used for additional equipment in the future.
- Bus and LRV Air and Surface Purification Devices - \$3,720,274
 - This funding will be for the purchase of (740) bus air/surface purifiers w/first year replacement components, as well as (162) air/surface purifiers for rail car application w/spare replacement parts and float parts for maintenance processes. Also included is the projected manpower cost for installations.

Other Support Programs

- Hamnett Station Area Plan (SAP) - \$200,000
 - The Hamnett Station Area Plan will focus on determining the feasibility of transit-oriented development (TOD), opportunities for improving station access, and enhancing the customer experience at select fixed-guideway stations, with the ultimate goal of growing ridership and revenue for the agency.
- First Last Mile Program - \$200,000
 - In addition to advocating for and building transit-supportive infrastructure, Port Authority strives to consistently improve connections to transit where existing multimodal infrastructure is currently lacking. The First and Last Mile Program Plan is intended to define the objectives and principles for optimizing transit access while establishing criteria that determine current needs and opportunities for future improvements.
- CCTV and Security Upgrades - \$1,000,000
 - New and replacement of CCTV cameras and ID badge readers at various Facilities, tunnels, and LRT stations, as well as installation of LED lighting at East Liberty CDL Lot.

- System Wide Security and Fire Alarm Systems – Design - \$200,000
 - Comprehensive review and evaluation of our existing security and fire alarm systems and their condition, to be performed by an engineering consultant. Included would be a code review, as well as subsequent design and engineering time to develop construction plans for any upgrades or repairs needed.

- Taser and Accessory Equipment – Police - \$70,000
 - New Police Taser purchase of 50. 80-90% of the current Tasers are starting to fail, one way or another. Mostly display screens and they are out of warranty.

- Ballistic Vests – Police - \$75,000
 - Purchase 28 new ballistic vests for Port Authority Officers.

Impact of Capital Projects on the Operating Budget

The decisions made in regard to Port Authority's Capital Improvement Plan advance the strategic vision of the company and maintain its core assets. These decisions can impact the Port Authority Operating budget both positively and negatively depending on the project. This supports the need for the Operating and Capital Budgets to work together for the good of the company and the community. The following paragraphs provide some detail into how the major projects budgeted for FY2022 impact the Operating side of the company:

Non-Revenue Vehicle Replacement

The replacement of Port Authority's non-revenue vehicles (NRVs) helps keep operating costs stable. New NRVs require fewer replacement parts, which translates to less budget needed for materials, supplies and maintenance wages. In addition, new NRVs burn fuel more efficiently, consuming less fuel per mile.

Facility Improvements

The FY 2022 funding for facility improvements provides various updates to Port Authority's operations and maintenance facilities, bus and rail stations, and various park and ride lots. Many of the projects entail renewals to existing infrastructure which have exceeded their useful life, and which require higher operation costs to maintain. Examples of a few projects which will have a positive impact to the operating budget include Electric Charging Infrastructure to support Battery Electric Buses, West Mifflin Perimeter Paving, Ross Garage Lighting Improvements, East Liberty and Manchester Fall Protection, various Facility HVAC Upgrades, and West Mifflin Wash Rack Replacement. These projects including upgrades to HVAC, electrical, lighting and Wash Racks to modern equipment of higher efficiency, saving utility consumption and reducing operation costs. The perimeter paving and fall protection improve our service and maintenance needs, reduces costs for special repairs and improves the overall functioning and use of resources. The electric charging infrastructure will allow Port Authority of Allegheny County to expand our battery electric bus fleet, and therefore reducing future bus maintenance.

Transit Support Programs

Port Authority's Transit Support Program includes enhancements and upgrades to information technology (IT) hardware/ software, support vehicles and equipment, and other programs in support of light rail vehicles and stations. To support operations and maintenance needs in FY 2022, the Authority will replace older CCTV systems, Fire Alarm systems and non-revenue vehicles which have exceeded their useful life and require more maintenance to keep in

service. Replacing equipment and vehicles that have exceeded their useful life will have a positive impact on the operations budget by directly reducing maintenance costs. Additionally, funding has been allocated to purchase Bus and LRV Air and Surface Purification Devices. This project will allow the Authority to retain and attract more patrons by reducing the risk of transmitting COVID-19

Fixed Guideway Improvements

FY 2022 funding invests in improvements to Port Authority's light rail infrastructure, tunnels, bridges, and busways. Projects include replacement of aging and deteriorating infrastructure such as concrete, rail, conduit, cable, fans, lighting, communications equipment, and the subway plinths. These projects will have a positive impact to the Authority's operations budget as they will reduce the maintenance cost required to maintain revenue service as well as provide more energy efficient lighting and ventilation equipment. Additionally, funding for the final design and construction phase of the bus rapid transit system is included in the budget. While the design phase itself will not immediately impact the operations budget in the fiscal year, the final project will have a future impact to operations costs for infrastructure and operations to support the expanded service.

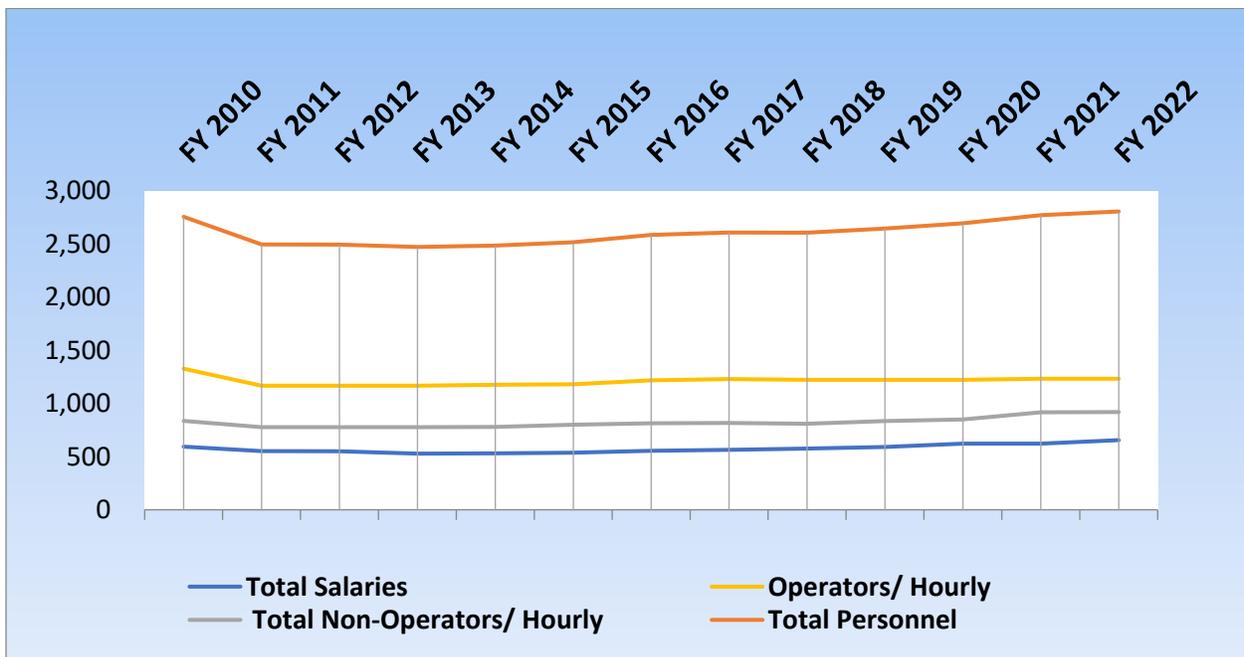
Port Authority Structure

FY 2022

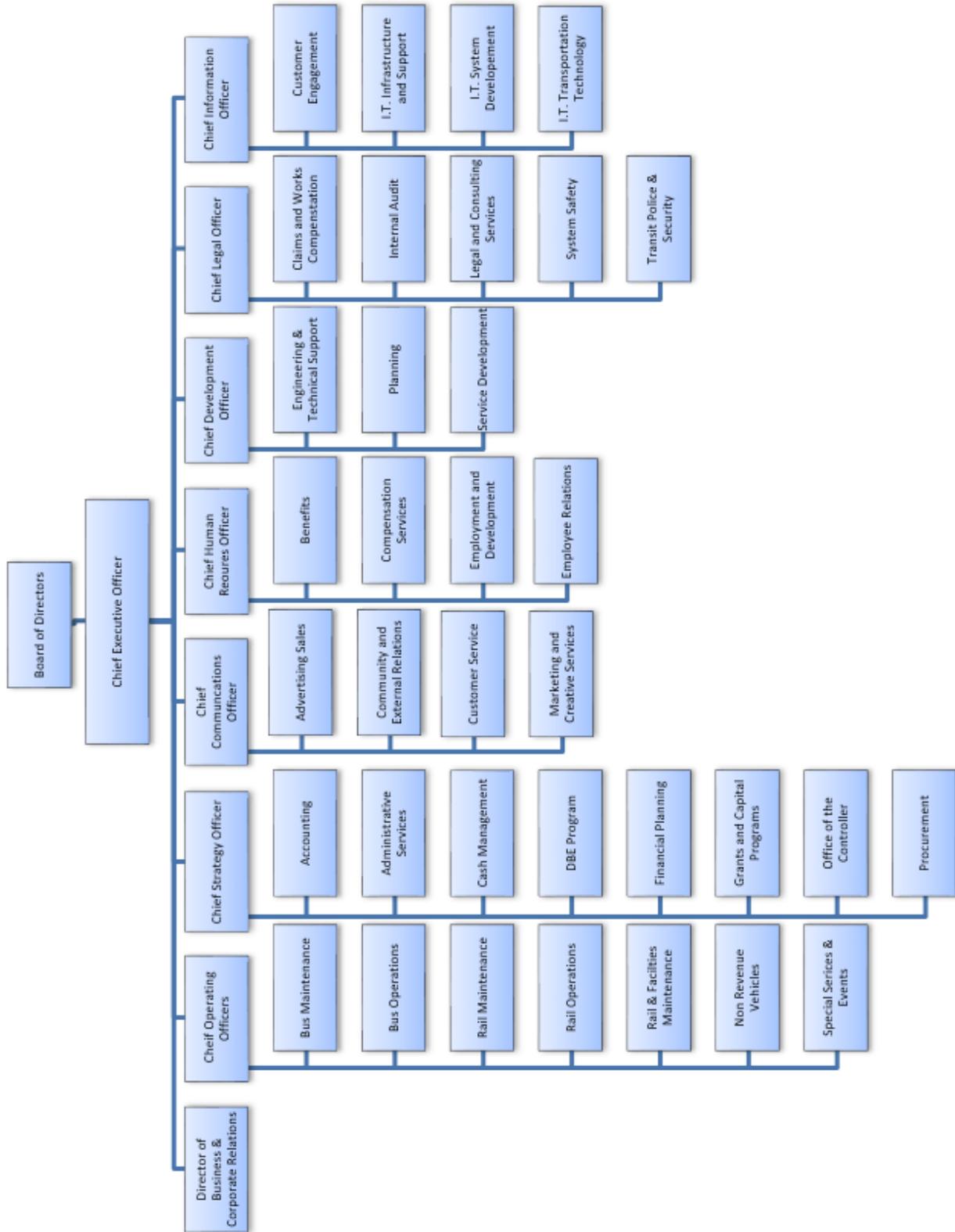
In FY 2019, the Port Authority underwent a reorganization from six divisions into eight. The existing six divisions, the Office of the CEO, Transit Operations, Finance, Marketing & Communications, Human Resources, and Legal & Corporate Services, were joined by Planning & Service Development and Information Technologies. The staff for those new standalone divisions moved from Transit Operations, Finance, and Marketing & Communications. In FY 2021, the Chief Operating Officer position was split into two positions, the COO – Transportation and the COO - Maintenance. The budget is developed based on these eight divisions and those departments reporting within each division. The Port Authority has over 70 departments at 14 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.

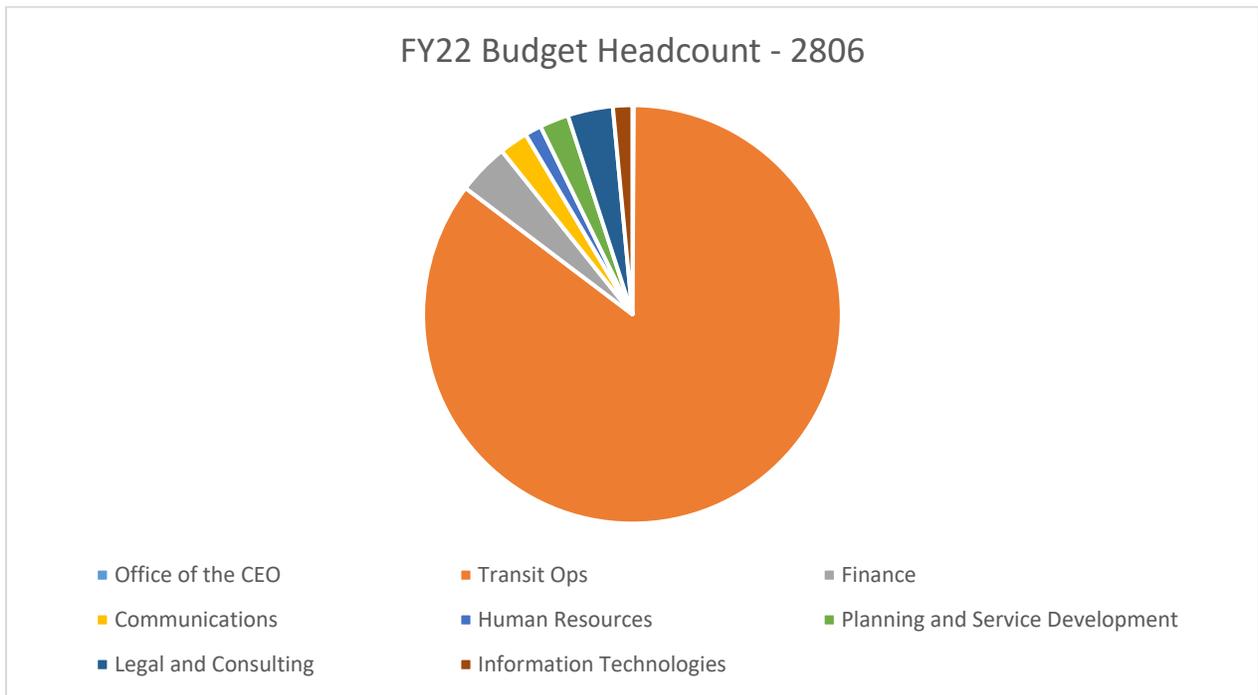
The Port Authority of Allegheny County has approximately 2,500 employees. There are three separate collective bargaining units within the Authority. Roughly 85% of the total workforce is Amalgamated Transit Union (ATU) employees, a small fraction is International Brotherhood of Electrical Workers (IBEW) union members, and the Transit Police are a separate bargaining unit. The remaining employees are non-represented employees.



Organizational Structure



FY 2022 Headcount



	Actual FY 2019	Actual FY 2020	Budget FY 2021	Actual FY 2021	Budget FY 2022	Change 21-22 budget
Office of the CEO	4	3	4	3	3	-1
Transit Ops	2,177	2,162	2,380	2,219	2,391	11
Finance	130	105	111	108	111	0
Communications	41	40	52	40	62	10
Human Resources	31	32	34	34	36	2
Planning and Service Development	50	51	55	54	63	8
Legal and Consulting	85	92	96	92	98	2
Information Technologies	0	35	39	37	42	3
Total	2,518	2,520	2,771	2,587	2,806	35

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.

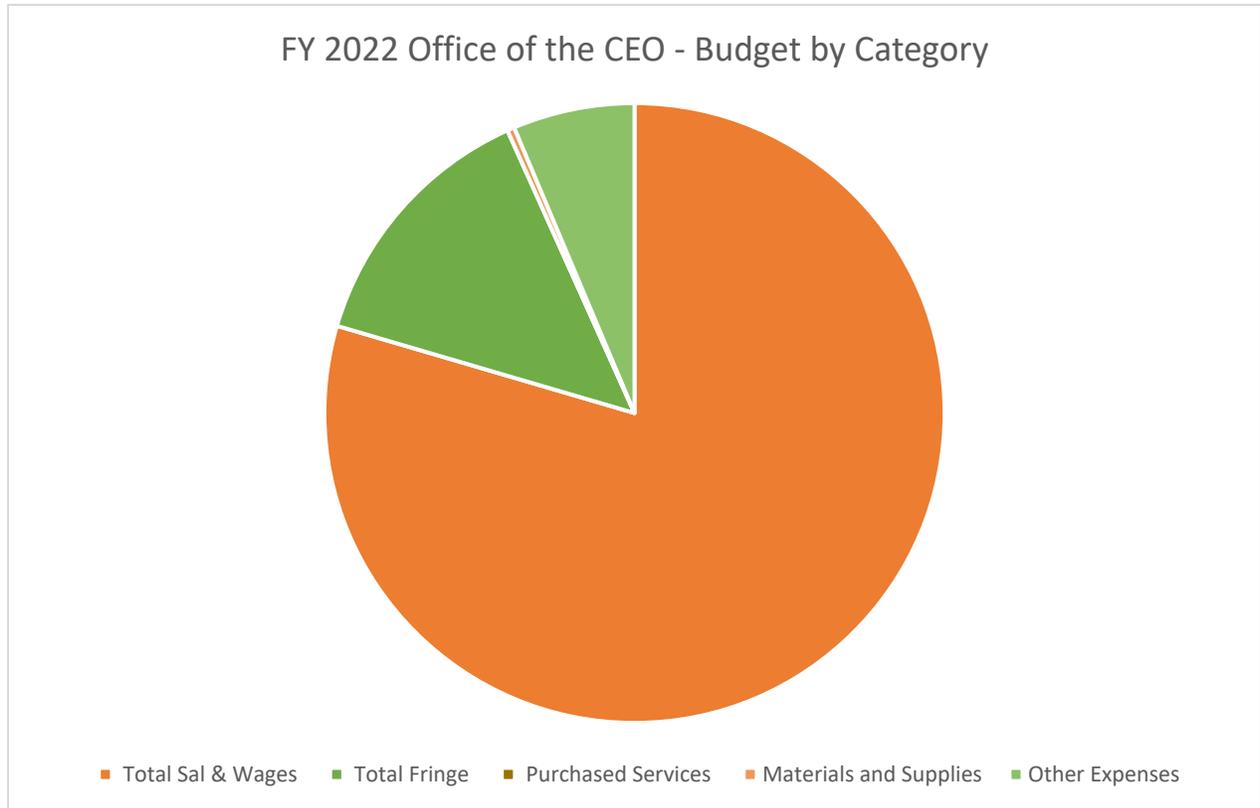
Office of the CEO – Personnel (No. of Employees)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Office of the CEO	2	3	3	3
Office of the Chief of Staff	2	0	0	0
Total Personnel	4	3	3	3

Office of the CEO - Expenses by Category

Office of CEO Expense Accounts	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '21 to '22
Total Salary & Wages	\$381,671	\$472,353	\$387,533	\$370,127	-4.49%
Total Fringe Benefits	41,027	77,688	34,027	63,935	87.89%
Purchased Services	77,146	1,219	-	-	-
Materials and Supplies	233	817	1,177	1,740	47.83%
Other Expenses	37,992	13,165	11,814	29,525	149.92%
Total Gross Expense	538,070	565,242	434,551	465,327	7.08%
Transfers and Capitalizations	-	-	-	-	0.0%
Net Total Expense	538,070	565,242	434,551	465,327	7.08%

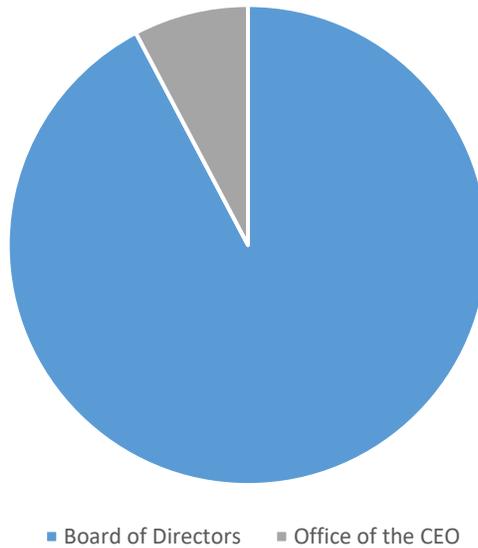
FY 2022 Office of the CEO - Budget by Category



Office of the CEO - Expenses by Department

Office of the CEO Departments	Audited FY 2019	Audited FY 2020	Actuals FY 2021	FY 2022 Budget	% Change 21 to '22
Board of Directors	2,035	2,114	1,407	2,640	87.63%
Office of the CEO	536,035	401,534	431,021	462,687	7.35%
Office of the Chief of Staff	-	161,594	2,123	-	
Net Total Expense	538,070	565,242	434,551	465,327	7.1%

FY2022 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 and Engineering & Technical Support departments were 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. In FY 2021, a new department was created called Special Events and was added to the Transit Operations Division.

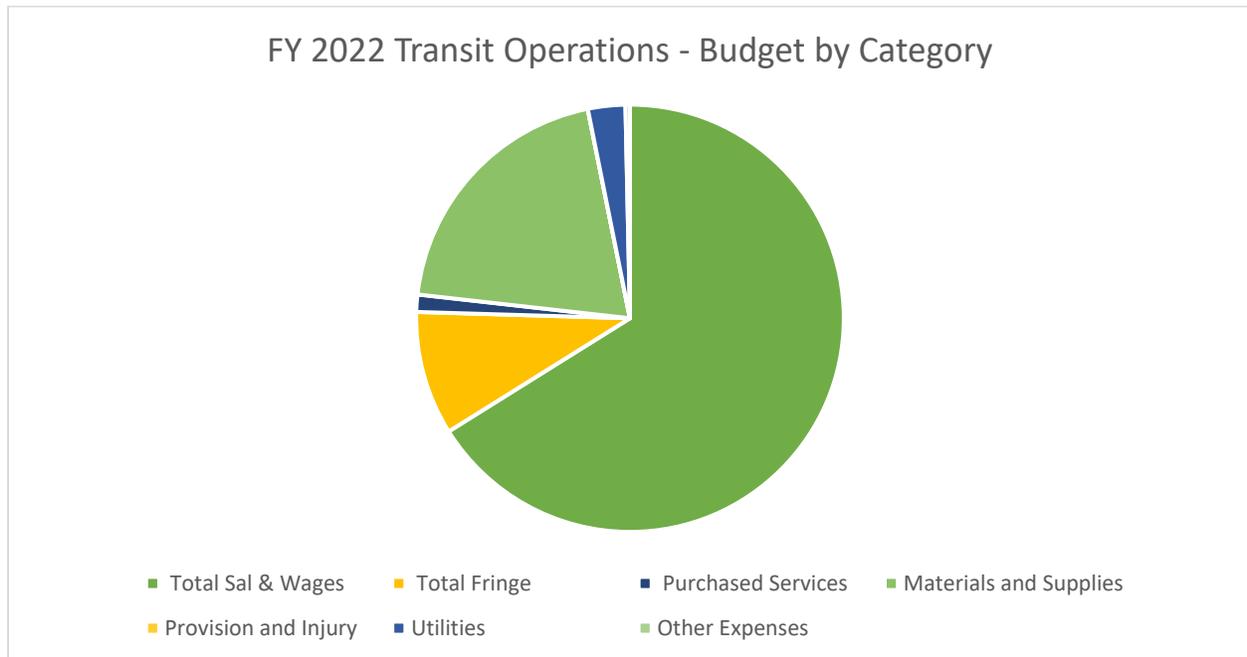
Transit Operations – Personnel (No. of Employees)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Office of Chief Operations Officer	3	4	3	3
Bus & Rail Operations	1,312	1,274	1,261	1,373
Bus & Rail Maintenance	605	606	663	705
Facilities & Rail Administration	272	303	289	307
Special Events	0	0	3	3
Total Personnel	2,192	2,187	2,219	2,391

Transit Operations - Expenses by Category

Transit Operations Expense Accounts	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '21 to '22
Total Salary & Wages	\$142,481,778	\$151,056,994	\$154,607,571	\$160,888,964	4.06%
Total Fringe Benefits	21,751,386	21,871,608	21,462,939	22,791,352	6.19%
Purchased Services	3,949,432	3,205,572	2,457,257	3,174,000	29.17%
Materials and Supplies	43,140,802	40,430,817	37,702,851	48,810,852	29.46%
Provision and Injury	(1,264,264)	(4,620,756)	(574,338)	(7,990)	-98.61%
Utilities	6,597,138	6,355,779	5,632,877	6,879,480	22.13%
Other Expenses	534,016	507,596	470,123	822,650	74.99%
Transfers and Capitalizations	(2,502,305)	(10,081,305)	(7,488,252)	(6,701,000)	-10.51%
Net Total Expense	214,687,983	208,726,305	214,271,028	236,658,308	10.45%

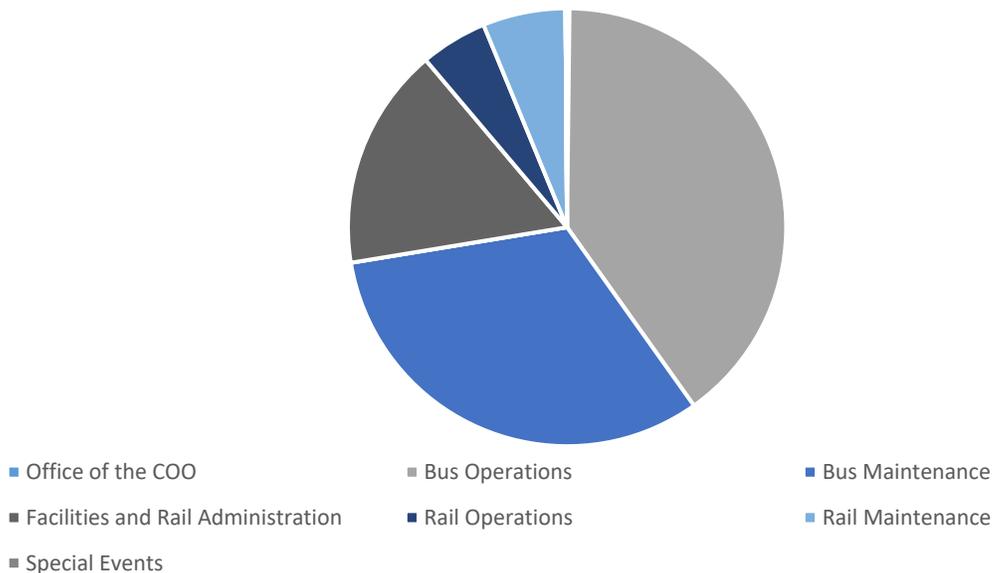
FY 2022 Transit Operations - Budget by Category



Transit Operations - Expenses by Department

Transit Operations Departments	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '20 to '21
Office of the COO	349,673	317,059	618,599	428,100	-30.80%
Bus Operations	84,854,591	86,863,063	87,106,192	94,621,656	8.63%
Bus Maintenance	71,809,659	69,218,257	70,265,554	76,299,853	8.59%
Service Development	1,150	-	-	-	-
Facilities and Rail Administration	30,298,740	32,837,067	34,473,652	38,896,030	12.83%
Rail Operations	10,071,824	9,947,181	10,480,049	11,685,647	11.50%
Rail Maintenance	13,707,050	8,457,765	11,172,086	14,461,919	29.45%
Technical Support	3,595,296	1,085,913	-49,626	-	-
Special Events	-	-	204,522	265,103	29.62%
Net Total Expense	214,687,983	208,726,305	214,271,028	236,658,308	10.45%

FY 2022 Transit Operations- Budget By Department



Transit Operations – FY 2021 Accomplishments

- ✓ Completion of transit layover renovations at Willow, 750 Building, Lincoln Loop, Dormont, and Mt. Lebanon
- ✓ Increased preventative maintenance work order completion percentages for HVAC staff
- ✓ Mon Incline preparations for seven-year state test and inspection
- ✓ LED light replacement at South Hills Junction buildings two, four, and five
- ✓ Installed high voltage vault drains at Steel Plaza
- ✓ Incline Haul Cable replacement
- ✓ Installed generator disconnects on all crossing cases on Library line
- ✓ Replaced all gauge panels on inbound and outbound Castle Shannon Blvd with hardware
- ✓ Welding of 10,000 feet of rail for rail replacement in curves
- ✓ Repaired inbound and outbound Mt. Lebanon Tunnel water drains
- ✓ Developed and instituted new maintenance reporting procedures to improve Miles Between Road Failures (MBRF)
- ✓ Systemwide maintenance standardization with updated Standard Operating Procedures
- ✓ Implementation of two Battery Electric Buses for testing and evaluation

Transit Operations – FY 2022 Objectives

- Begin West Busway Station and Shelter renovations
- Begin installation of updated fare booths at the rail line high platforms
- Update door locking systems for increase security
- Complete ATS excavation for Hitachi and new system install
- Install new insulated 2200VAC signal wire on Silver Line
- Complete YM2000 Switch install in the South Hills Village Yard
- Install 12 of 30 West Busway water inlets
- Replace 10 Floating heel block points at Steel Plaza, South Hills Junction, and Washington Junction
- Install Catenary Heating System at Allegheny Station at South Hills Village Yard
- Perform monthly audits at the bus and rail divisions to assess vehicle cleanliness and operability
- Improve employee morale and labor management relations
- Develop partnerships and increase support for public transit

Finance Division

The Finance Division is comprised of Financial Planning & Budgets, Grants & Capital Programs, Accounting, Payroll, Cash Management DBE Program Management, Administrative Services, and Procurement & Materials Management. In FY 2019 the Information Technologies departments were moved from the Finance division to their own standalone division. In FY 2020, the DBE Program Management department was added to the Division. Also, the Automated Fare Collection System (AFCS) personnel were moved to the newly created Transportation Technology department under the Information Technologies division. However, the budgeted expenses remained under the Finance division due to current contract obligations. For FY 2022, the Service Center is moving out from under the Finance Division to the Communications Division. Responsibilities of the Finance Division 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.

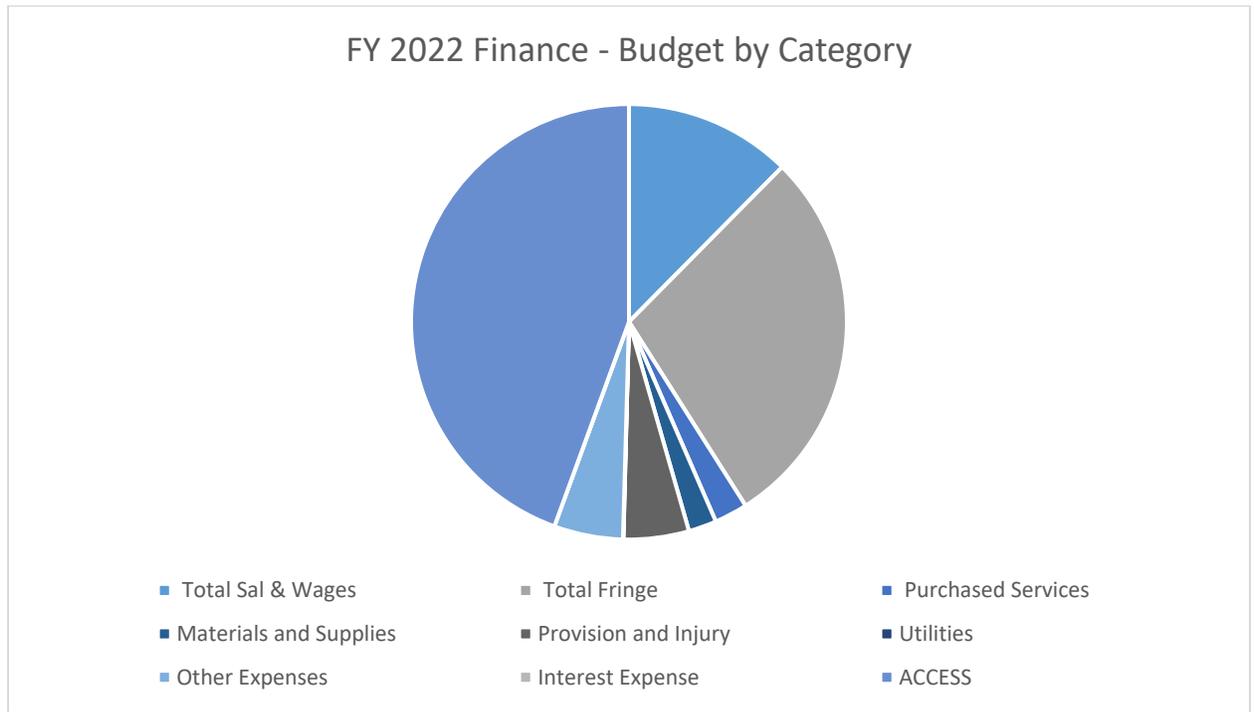
Finance – Personnel (No. of Employees)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Executive & General - Finance	2	2	1	5
Materials	43	40	42	43
Operating Accounting	4	3	3	3
Payroll	5	5	4	5
Cash Management	4	4	5	6
Service Center	8	8	8	0
Financial Planning & Budgets	4	6	6	7
General Administration	0	0	0	0
I.T. Operations	1	0	0	0
Procurement	23	22	23	25
I.T. System Development	19	0	0	0
I.T. Infrastructure & Support	13	0	0	0
DBE Program Manager	0	1	2	2
Grants and Capital Programs	8	8	8	8
Automated Fare Collection System	1	0	0	0
Administrative Services & Technical Specs	6	6	6	7
Total Personnel	141	105	108	111

Finance - Expenses by Category

Finance Expense Accounts	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '21 to '22
Total Salary & Wages	\$6,411,531	\$6,951,327	\$7,155,467	\$8,046,346	12.45%
Total Fringe Benefits	14,618,778	15,474,817	16,505,313	18,540,646	12.33%
Purchased Services	2,935,318	3,411,237	745,205	1,598,700	114.53%
Materials and Supplies	593,886	570,458	842,076	1,352,900	60.66%
Provision and Injury	1,781,025	2,205,476	2,628,420	3,142,255	19.55%
Utilities	9,747	35,775	36,407	22,800	-37.37%
Other Expenses	2,644,039	2,764,639	2,482,071	3,322,000	33.84%
ACCESS	26,158,452	24,346,319	24,878,539	28,807,530	15.79%
Transfers and Capitalizations	(55,183,759)	(86,117,569)	(126,186,894)	(94,104,290)	-25.42%
Net Total Expense	(30,984)	(30,357,520)	(70,913,578)	(29,271,113)	-58.72%

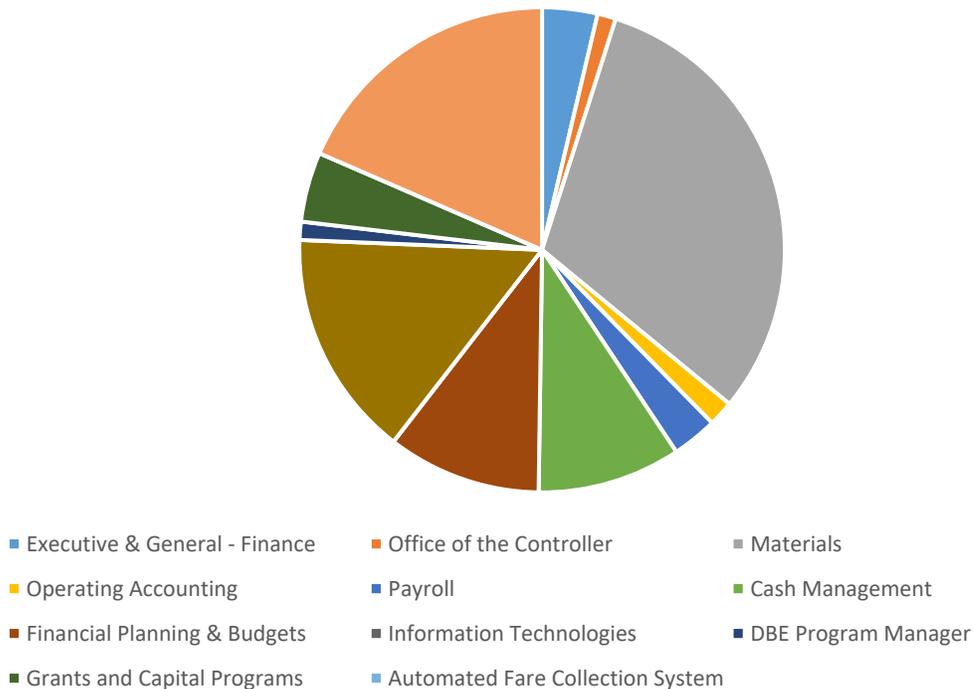
FY 2022 Finance - Budget by Category



Finance - Expenses by Department

Finance Departments	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '20 to '21
Executive & General - Finance	211,875	159,470	165,915	501,657	202.36%
Office of the Controller	-	-	-	166,867	-
Materials	3,295,606	3,679,431	4,083,719	4,225,666	3.48%
Operating Accounting	254,798	252,981	216,585	230,187	6.28%
Payroll	318,805	290,380	304,612	410,585	34.79%
Cash Management	1,093,846	874,222	827,581	1,301,113	57.22%
Service Center	411,968	499,971	418,145		-100.00%
Financial Planning & Budgets	786,887	825,910	850,661	1,396,538	64.17%
General Administration	(12,374,629)	(43,877,694)	(82,333,283)	(42,881,831)	-47.92%
Information Technologies	506	-	-	-	-
Procurement	1,425,906	1,637,956	1,651,668	2,064,144	24.97%
DBE Program Manager	-	79,790	79,921	164,982	106.43%
Grants and Capital Programs	534,990	574,079	597,069	634,025	6.19%
Automated Fare Collection System	1,950,601	2,542,398	-	-	-
Administrative Services & Technical Specs	2,057,857	2,103,586	2,223,829	2,514,954	13.09%
Net Total Expense	(30,984)	(30,357,520)	(70,913,578)	(29,271,113)	-58.72%

FY 2022 Finance - Budget by Department



Finance – FY 2021 Accomplishments

- ✓ Successfully worked with Technical Support and outside consultant to identify opportunities for increasing Capital Funding spent and provided monthly expenditure updates to working group
- ✓ Successfully conducted a 6-month retroactive payroll payment for over 2,000 ATU employees related to a concluded contract agreement
- ✓ Successfully transitioned to a new Parking Software for use at the South Hills Village Parking Garage
- ✓ Successfully refinanced outstanding 2011 Bond Offering with new offering in December 2020 resulting in an annual savings of approximately \$3.2 million per year
- ✓ Successfully reviewed Custodial Service agreements for both pension plans and issued a Request for Proposal (RFP) resulting in a potential annual savings to the plans of approximately \$500,000
- ✓ Successfully invoiced over \$70 million dollars in CARES Funding
- ✓ Successfully obtained conference call numbers for conducting pre-bids and bid openings via conference call
- ✓ Procured bulk Hand Sanitizer, Temperature Scanners, PPE, and Red Flag Alert System for organizational use and safety
- ✓ Implemented electronic submission of proposals for Professional Services via ebusiness
- ✓ Successful creation of new pandemic stock numbers related PPE

Finance – FY 2022 Objectives

- Integrate new Chief Strategy Officer and Project Management personnel into the Finance Department
- Begin implementation of Peoplesoft Expense Statement module which will decentralize the processing of Expense reimbursements
- Test and implement electronic time sheets for eligible employees
- Work with PennDOT to complete the required performance review
- Start digitalization process of the organizations vault files to allow for easier access and better record maintenance
- Roll out electronic payment requests companywide to allow for proper approvals and to speed up the payment process
- Start to use the planning and budgeting cloud service to compile budget and finance documents and presentations
- Implement electronic bidding platform for Construction services
- Procure and lock diesel fuel at a price favorable to the Authority to stabilize budget
- Develop written procedures for purchasing from State DGS & Co-Stars contracts for User Groups

Marketing and Communications Division

The Marketing and Communications Division oversees Marketing, Creative Services, Public Relations, Advertising, Government Affairs, Community Outreach, 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. In FY 2019, the Planning department moved to the Planning & Service Development Division. Beginning in FY 2020, Community and Government Relations became a standalone department with personnel moving from Public Relations. It has since been reclassified and split into External Relations and Community Outreach for the FY 2022 budget. Also, the Service Center has moved out of the Finance Division, joining this division under the Customer Service department. 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.

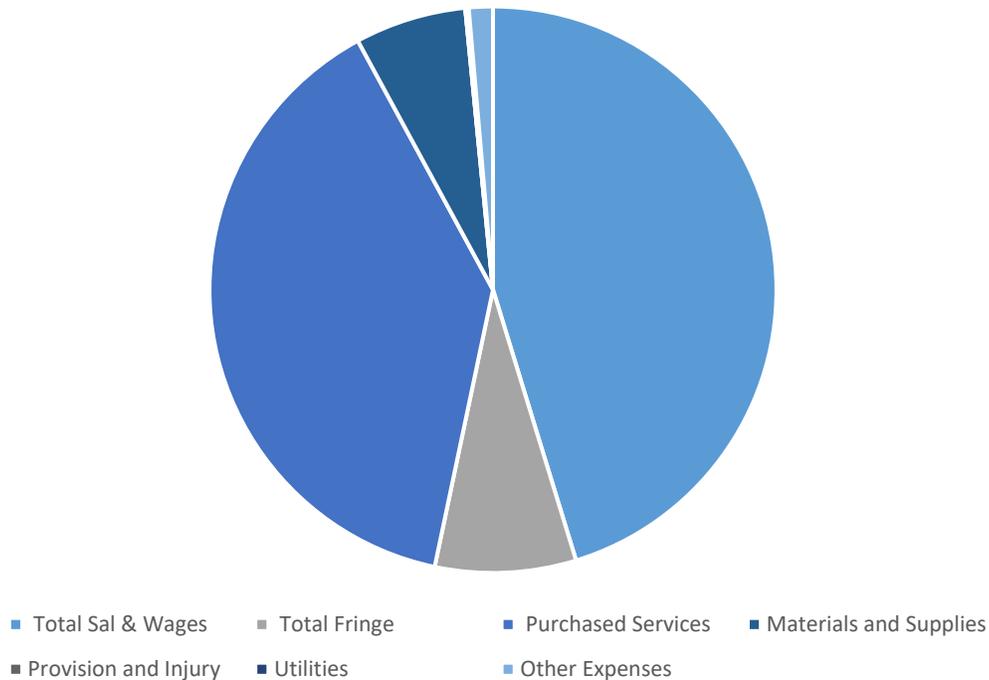
Marketing & Communications – Personnel (No. of Employees)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Executive & General - Marketing	1	1	1	2
Community & Government Relations	0	3	3	0
Creative Services	4	4	4	4
Marketing	1	1	1	1
Customer Service	26	25	25	38
Advertising Sales	3	3	3	4
External Relations				4
Public Relations	6	3	3	6
Community Outreach				3
Total Personnel	41	40	40	62

Marketing & Communications - Expenses by Category

Marketing & Communications Expense Accounts	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '21 to '22
Total Salary & Wages	\$2,190,45	\$2,592,339	\$2,468,130	\$3,935,604	59.46%
Total Fringe Benefits	545,998	515,141	449,209	698,772	55.56%
Purchased Services	511,325	391,210	976,955	3,372,500	245.21%
Materials and Supplies	362,752	239,598	101,314	552,000	444.84%
Utilities	-	-	-	16,800	-
Other Expenses	1,397,637	780,607	15,539	119,120	666.59%
Transfers and Capitalizations	(202)	(2,272)	-	-	-
Net Total Expense	5,007,553	4,516,624	4,011,147	8,694,796	116.77%

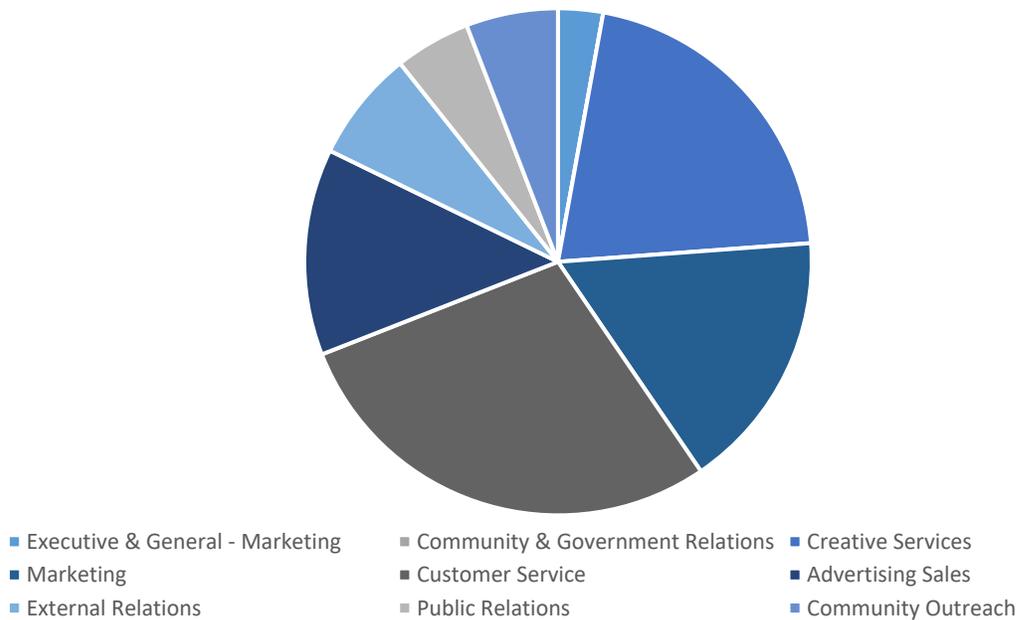
FY 2022 Marketing and Communications - Budget by Category



Marketing & Communications - Expenses by Department

Marketing & Communications Departments	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change 21 to '22
Executive & General - Marketing	149,568	214,628	224,220	249,095	11.09%
Community & Government Relations	-	440,798	510,675	-	-
Creative Services	745,833	766,406	483,348	1,822,520	277.06%
Marketing	899,136	380,594	328,247	1,447,492	340.98%
Customer Service	1,471,681	1,602,984	1,501,422	2,484,489	65.48%
Advertising Sales	1,017,934	912,532	750,787	1,145,127	52.52%
External Relations	-	-	-	616,551	-
Public Relations	723,401	198,682	212,448	419,686	97.55%
Community Outreach	-	-	-	509,836	-
Net Total Expense	5,007,553	4,516,624	4,011,147	8,694,796	116.77%

FY 2022 Marketing & Communications - Budget by Department



Human Resources Division

The Human Resources Division includes the following departments: Employment and Development, Benefits, Compensation Services, Employee/Labor Relations, and the Office of Equal Opportunity. In FY 2020, the departments Training & Development and Employment were consolidated into a single department titled Employment and Development. 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.

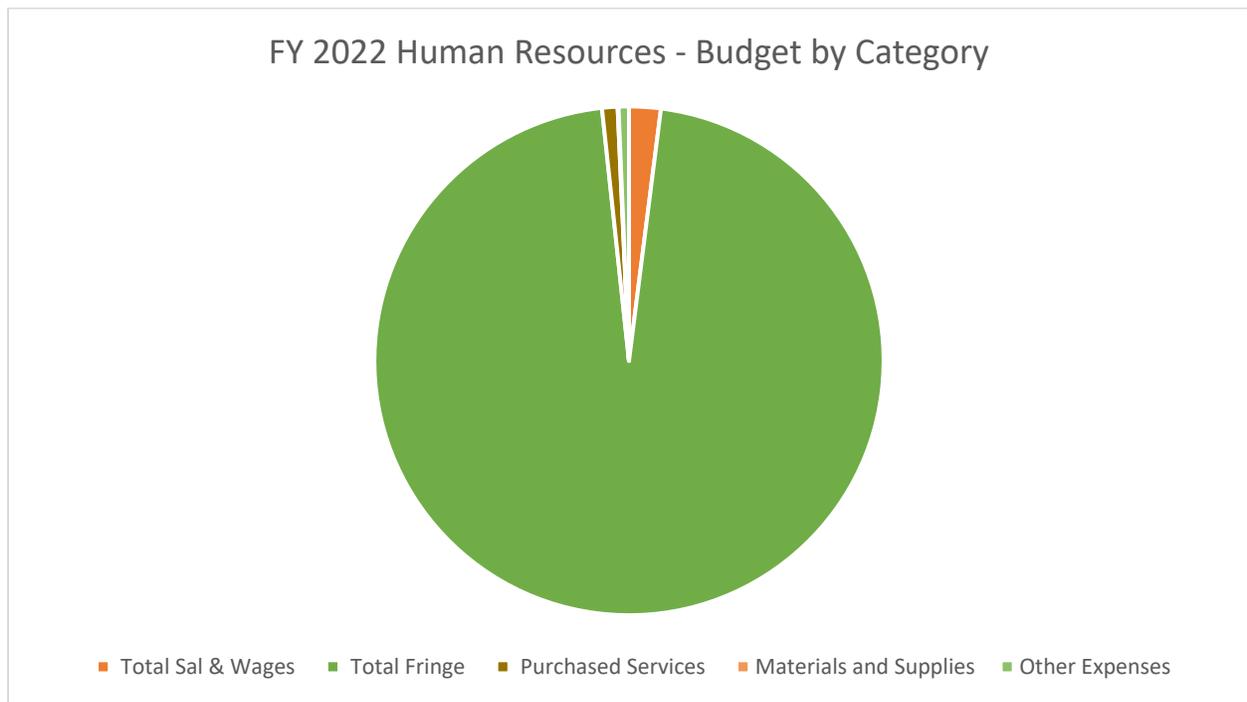
Human Resources – Personnel (No. of Employees)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Executive and General - HR	1	1	2	2
Employment and Development	4	11	12	12
Employee Relations / OEO	9	9	9	10
Employment	7	0	0	0
Benefits	7	8	8	8
Compensation Services	4	4	3	4
Total Personnel	32	33	34	36

Human Resources - Expenses by Category

Human Resources Expense Accounts	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '21 to '22
Total Salary & Wages	\$1,978,235	\$2,154,497	\$2,375,745	\$2,618,147	10.20%
Total Fringe Benefits	120,160,702	120,999,508	123,975,934	124,964,693	0.57%
Purchased Services	1,167,583	949,267	978,226	1,284,000	31.26%
Materials and Supplies	16,984	29,837	12,401	69,400	459.63%
Other Expenses	352,518	336,830	377,099	860,500	128.19%
Transfers and Capitalizations	(1,193,788)	(1,134,734)	(1,384,084)	(1,394,000)	0.72%
Net Total Expense	122,482,234	123,335,205	126,335,321	128,402,740	1.41%

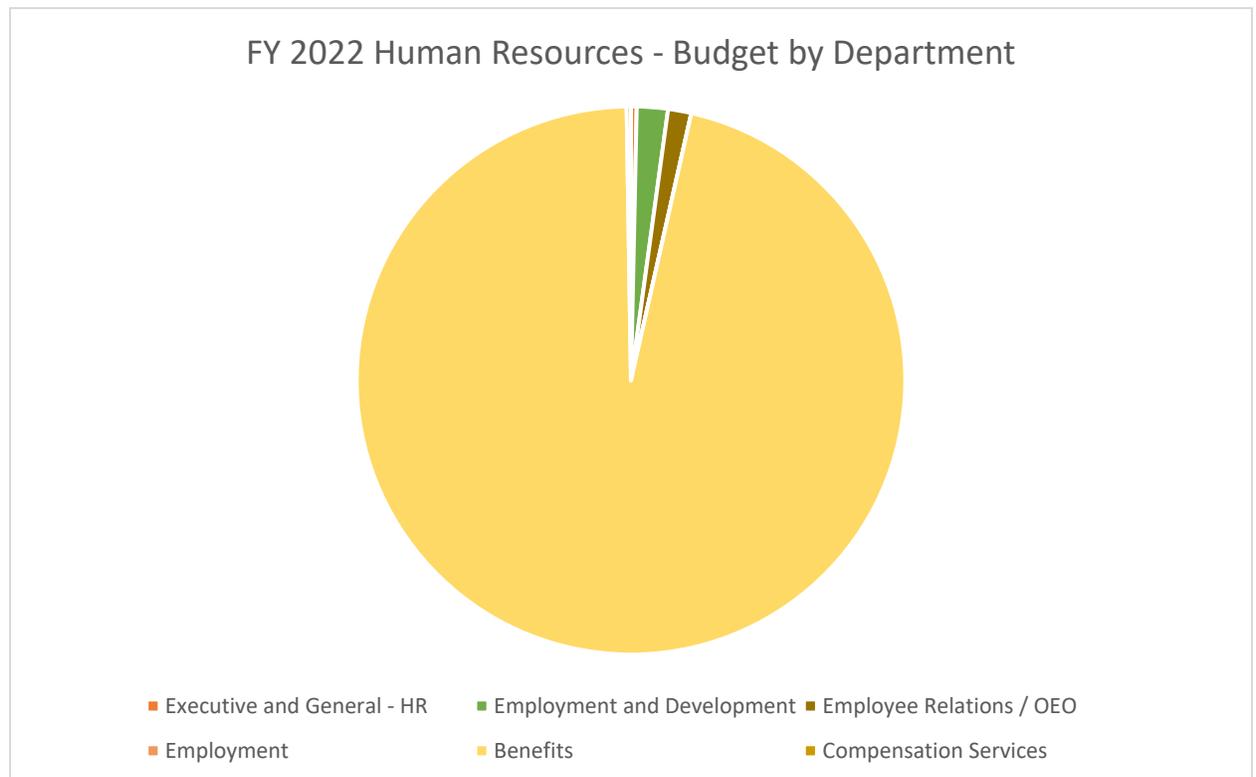
FY 2022 Human Resources - Budget by Category



Human Resources - Expenses by Department

Human Resources Departments	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change 21 to '22
Executive and General - HR	193,944	191,883	312,903	429,376	37.22%
Employment and Development	637,200	1,614,239	1,616,626	2,364,690	46.27%
Employee Relations / OEO	1,101,715	1,122,223	1,271,649	1,764,929	38.79%
Employment	924,502	185	-	-	-
Benefits	119,305,954	120,098,691	122,926,263	123,518,314	0.25%
Compensation Services	318,919	307,984	207,880	325,431	56.55%
Net Total Expense	122,482,234	123,335,205	126,335,321	128,402,740	1.41%

FY 2022 Human Resources - Budget by Department



Human Resources – FY 2021 Accomplishments

- ✓ Successfully implemented Mentorship program for non-Succession Planning participants
- ✓ Successful conversion of training materials to virtual delivery
- ✓ Successfully transitioned Money Purchase/Deferred Compensation Plans from Empower to ICMA-RC
- ✓ Implemented United Healthcare Plan for retirees over 65
- ✓ Implemented Life Events on Employee Self-Serve (ESS)
- ✓ Organized COVID-19 Vaccine Clinics
- ✓ Established three Employee Resources Groups and bylaws
- ✓ Successfully negotiated a new IBEW contract
- ✓ Successfully provided monthly Employee Assistance Updates on DIMM, flyers, posters, and mailers

Human Resources – FY 2022 Objectives

- Full implementation of HASTUS Bid/Bump System
- Implement the administration of on-line testing for operators
- Reduce current printing and scanning needs by creating a process to upload data from on-line systems
- Finalize the Total Rewards data in ESS
- Complete non-represented employee benefits handbook
- Continue to work on PeopleSoft program for ATU retirees eligible for 36 months of retiree healthcare coverage
- Update PeopleSoft to reflect to 2020 Census
- Finalize implementation of the second round of market adjustments for non-represented employees
- Obtain a new certification indicating Port Authority is an employer of choice

Planning and Service Development

The Planning and Service Development Division was created as a standalone division in FY 2019. It consists of the Planning, Service Development, and Engineering & Technical Support 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. The collection of Engineering and Technical Support departments provide engineering support on Port Authority projects, oversees capital investments, develop technical specifications for the procurement of services and materials, reviews and evaluates engineering conditions and environmental coordination, and provides ancillary operational support.

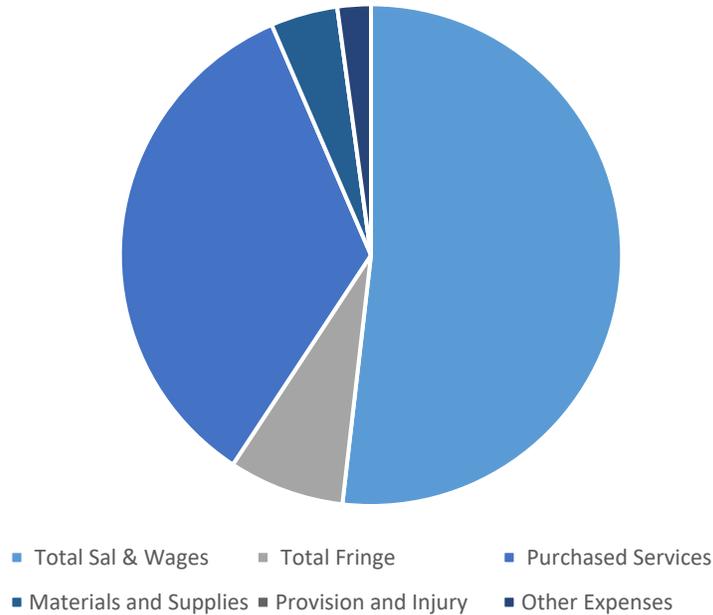
Planning and Service Development – Personnel (No. of Employees)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Executive & General - Planning & Svc. Development	1	1	1	1
Service Development	13	16	16	18
Technical Support	0	0	28	35
Planning	7	8	9	9
Total Personnel	21	25	54	63

Planning and Service Development - Expenses by Category

Planning & Development Expense Accounts	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '21 to '22
Total Salary & Wages	\$1,182,350	\$1,413,725	\$4,027,335	\$5,154,253	27.98%
Total Fringe Benefits	179,315	201,010	455,266	741,222	62.81%
Purchased Services	43,733	2,771	1,757,145	3,407,000	93.89%
Materials and Supplies	312,566	151,810	381,951	429,740	12.51%
Provision and Injury	-	-	(962,737)	-	100%
Other Expenses	125,473	90,061	88,555	214,010	141.67%
Transfers and Capitalizations	(82,602)	(82,585)	(1,558,684)	(1,476,000)	-5.30%
Net Total Expense	1,760,825	1,776,792	4,188,831	8,470,225	102.21%

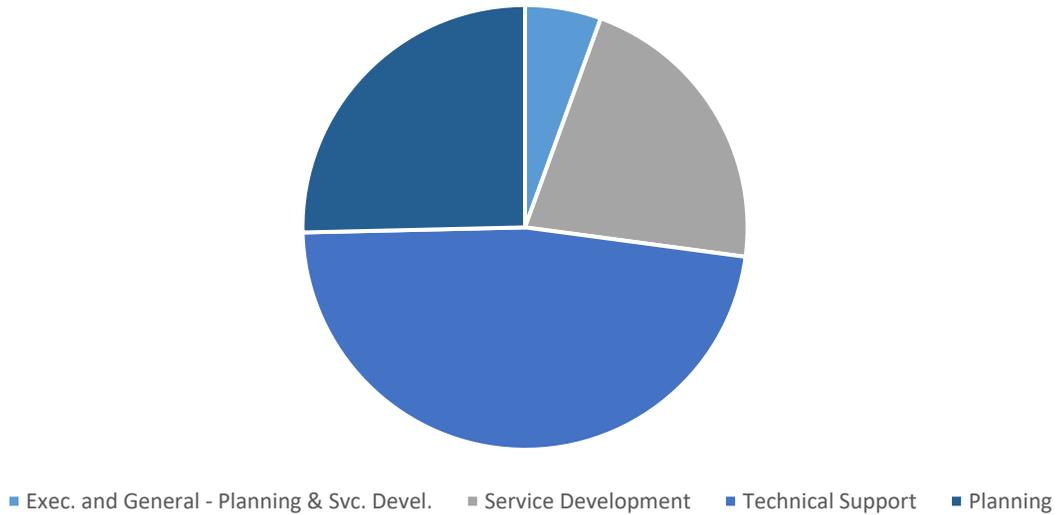
FY 2022 Planning & Service Development - Budget by Category



Planning and Service Development - Expenses by Department

Planning & Development Departments	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change 21 to '22
Exec. And General - Planning & Svc. Development	200,084	222,561	243,849	468,602	92.17%
Service Development	1,180,315	1,069,988	1,451,337	1,828,069	25.96%
Technical Support	-	-	1,144,668	4,025,124	251.64%
Planning	380,426	484,243	1,348,977	2,148,430	59.26%
Net Total Expense	1,760,825	1,776,792	4,188,831	8,470,225	102.21%

FY 2022 Planning & Service Development -
Budget by Department



Planning and Service Development – FY 2021 Accomplishments

- ✓ In response to the changing needs of the region during the Covid-19 pandemic, the November service change was one of the largest in agency history. We used data-based decision-making to provide additional trips to accommodate essential travel, while recognizing the severe reduction in commuter travel.
- ✓ The Long Range Transportation Plan, NEXTransit, was initiated in March 2020 and is progressing on target to have a plan wrapped up by late 2021. It will define values, vision, prioritize future projects, and explore funding mechanisms to support those projects through intensive public engagement.
- ✓ Advance Downtown-Uptown-Oakland bus rapid transit project advanced to 90% design milestone. Perform public outreach to keep stakeholders informed and engaged with the bus rapid transit project's progress.
- ✓ Completed numerous capital projects designed to enhance the customer experience and improve reliability of the system, such as improvements to the Wood Street and Steel Plaza stairs and sidewalks.

Planning and Service Development – FY 2022 Objectives

- Support Financial Sustainability Pillar of the Strategic Plan:
 - a. Maximize efficiency of existing resources:
 - i. Working with Operations, continue to plan for and implement service and infrastructure changes and policies that support the safety and reliability of our staff and customers in a pandemic and post-pandemic world
 - ii. Develop a plan for the overhaul or replacement of the light rail fleet
 - iii. Support the development of a Bus Fleet Electrification Plan in an effort to reduce operating costs
 - b. Deliver capital program to work to ensure our system is in a state of good repair, while looking for efficiencies to deliver more projects using existing resources.
- Support Customer and Community Focus Pillar of the Strategic Plan
 - a. Provide for a customer experience which exceeds expectations
 - i. Grow the dedicated transit network to support faster and more reliable service by advancing the Downtown-Uptown-Oakland-East End Bus Rapid Transit project to project readiness so that it can receive its FTA Small Starts grant.
 - ii. Develop a service plan which improves on-time performance of transit vehicles

- iii. Improve conditions at and around bus stops and stations through collaboration with planning partners, optimization, signage/wayfinding, communications, and increased amenity placement.
- b. Rebuild Community Support and Trust
 - i. Complete and externally share NEXTransit, Port Authority's 25-year long-range transit plan, to prioritize projects and funding mechanisms for corridor and infrastructure investment in Allegheny County transit for the next 25 years.
 - ii. Advance agency efficiency and external transparency through the better use of and sharing of data.
 - iii. Develop a communications process plan for public-facing projects to ensure broad and participatory engagement on projects throughout project development.

Legal and Corporate Services

The Legal and Corporate Services Division includes the following departments: Claims and Workers' Compensation, Legal and Consulting Services, Internal Audit, System Safety, and Transit Police & Security. 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.

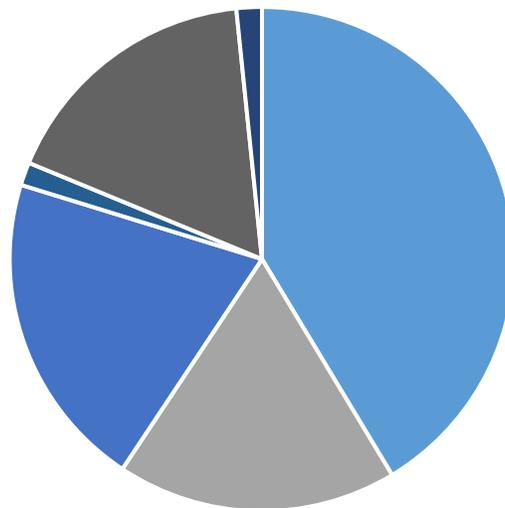
Legal and Corporate Services – Personnel (No. of Employees)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Legal and Consulting Services	9	10	9	10
Claims and Workers Compensation	11	11	12	13
Internal Audit	4	4	5	5
System Safety	8	8	8	9
Transit Police and Security	53	59	58	61
Total Personnel	85	92	92	98

Legal and Corporate Services - Expenses by Category

Legal and Corporate Services Expense Accounts	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '21 to '22
Total Salary & Wages	\$5,495,485	\$5,903,556	\$6,110,700	\$6,782,381	10.99%
Total Fringe Benefits	1,544,321	2,090,706	2,121,972	2,945,062	29.18%
Purchased Services	2,031,688	2,140,831	2,591,805	3,348,000	29.18%
Materials and Supplies	100,908	129,294	117,893	242,000	105.27%
Provision and Injury	2,336,481	1,975,472	1,155,395	2,808,975	143.12%
Other Expenses	152,665	163,090	143,181	266,970	86.46%
Transfers and Capitalizations	(130,707)	(177,137)	(119,880)	(60,000)	-49.95%
Net Total Expense	11,530,842	12,225,812	12,121,066	16,333,388	34.75%

FY 2022 Legal and Corporate Services - Budget by Category

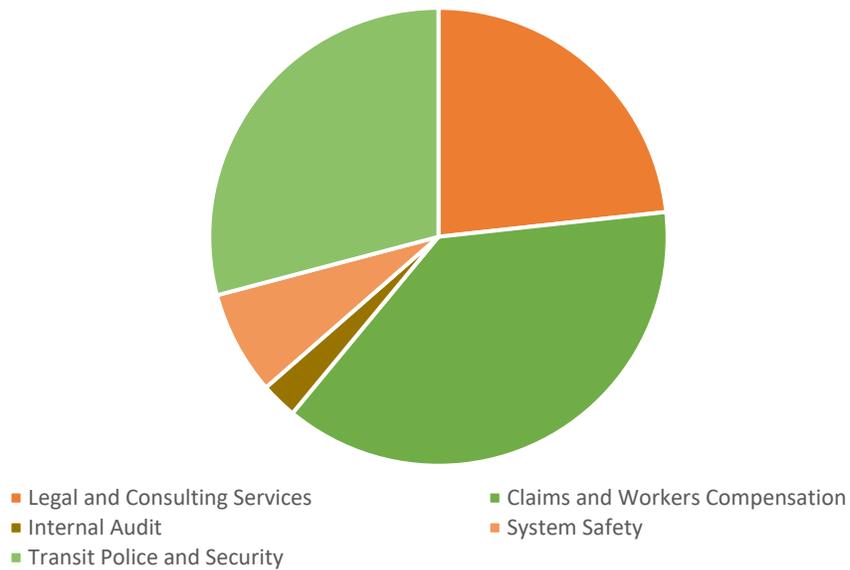


- Total Sal & Wages
- Total Fringe
- Purchased Services
- Materials and Supplies
- Provision and Injury
- Other Expenses

Legal and Corporate Services - Expenses by Department

Legal and Corporate Services Departments	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change 21 to '22
Legal and Consulting Services	2,402,493	2,854,882	2,834,147	3,800,769	34.11%
Claims and Workers Compensation	4,401,677	4,480,811	4,008,402	6,161,791	53.72%
Internal Audit	290,480	289,069	341,048	419,448	22.99%
System Safety	658,880	743,444	798,154	1,196,337	49.89%
Transit Police and Security	3,777,312	3,857,606	4,139,315	4,755,043	14.88%
Net Total Expense	11,530,842	12,225,812	12,121,066	16,333,388	34.75%

FY 2022 Legal and Consulting Services -
Budget by Department



Legal and Corporate Services – FY 2021 Accomplishments

- ✓ Continued to manage Port Authority's COVID-19 Monitoring and Response Working Group, including resumption of normal transit service and phased in-office return plans, along with maintaining and further updating COVID-19 safety protocols and planning for vaccine distribution.
- ✓ Coordinated with Technical Support for the completion of security camera installation at key East Busway Stations (Herron, Negley, East Liberty and Penn Park Stations).
- ✓ Completed acquisition of 80 sidewalk license agreements from private property owners for construction of Port Authority's Downtown to Oakland Bus Rapid Transit Project.
- ✓ Completed the audits and projects identified in the newly adopted FY 2021-22 Internal Audit Work Plan to an overall level of 40%.
- ✓ Obtained full recovery (over \$620,000) for damages incurred by Port Authority after a barge operated by a shipping company struck Port Authority's Panhandle Bridge that carries Port Authority light rail vehicles over the Monongahela River.

Legal and Corporate Services – FY 2022 Objectives

- Continue to manage Port Authority's COVID-19 Monitoring and Response Group, including evolving COVID-19 safety protocols as vaccine distribution is completed and office work and special events presumably begin to resume.
- Complete acquisition of the remaining sidewalk licenses, other temporary construction easements and permanent right-of-way necessary for construction of Port Authority's Downtown to Oakland Bus Rapid Transit Project, along with cooperation agreements with the City of Pittsburgh, Allegheny County, PWSA and other applicable government agency project stakeholders.
- With support from Port Authority's contracted safety consultant, continue development and roll-out of Safety Management Systems, including both training and implementation and annual review and updates to Port Authority's Public Transportation Agency Safety Plan.

- Finalize and obtain Board approval for Port Authority's 18-month Internal Audit Work Plan for the period January 1, 2022 through June 30, 2023.
- Complete a full overhaul of the Port Authority Police Department's Policy and Procedure Manual utilizing a national law enforcement policy support service.
- Coordinate with Technical Support for the completion of additional security camera installation at Gateway, North Side and Allegheny Stations.

Information Technologies

The Information Technologies Division was created as a new standalone division in FY 2019. The departments included in this division are I.T. Operations, I.T. System Development, I.T. Transportation Technology, and I.T. Infrastructure and Support. In previous fiscal years, the expenses and personnel for the I.T. departments were under the Finance Division. For FY 2020, the new I.T. Transportation Technology department was created. This department contains personnel previously under the Transit Operations and Finance divisions and is responsible for the Operations software systems and the Automated Fare Collection System.

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. Part of new enhanced service features is the development and implementation of the Port Authority’s new mobile payment application that began in FY 2020.

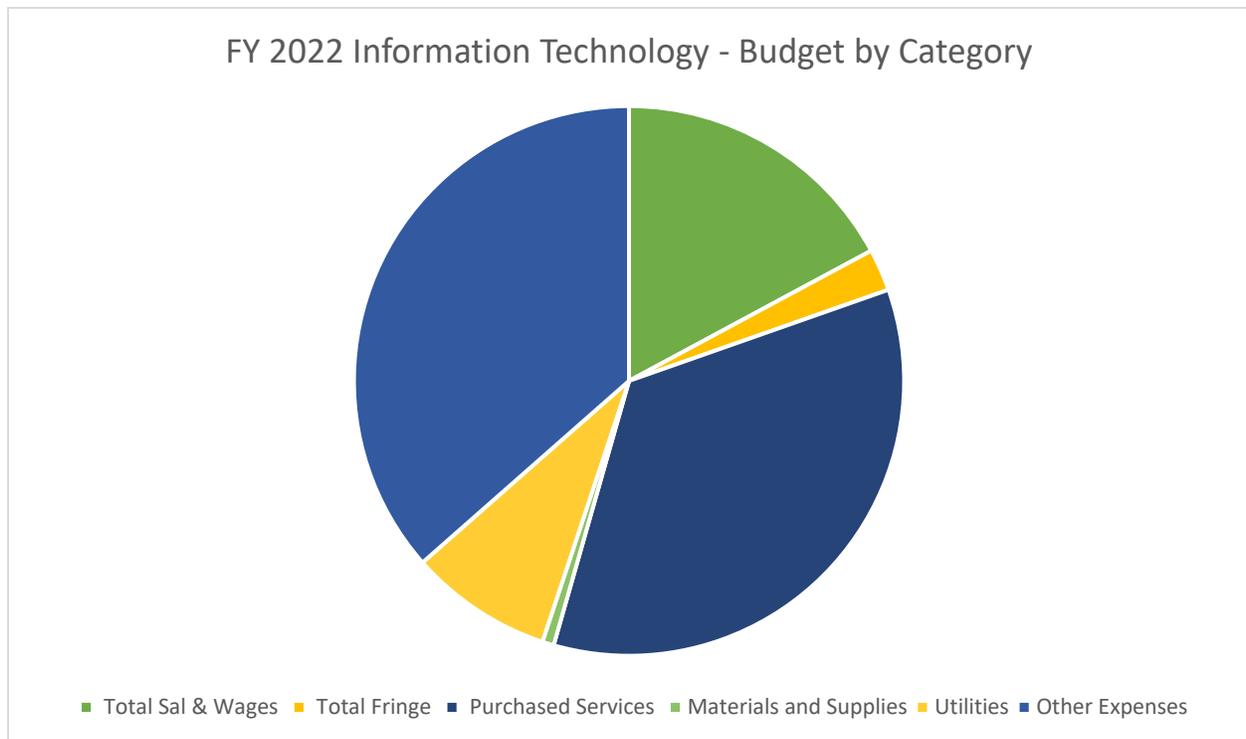
Information Technologies – Personnel (No. of Employees)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Executive & General - I.T.	2	1	2	2
Customer Engagement	0	0	3	4
I.T. Transportation Technology	0	5	4	6
I.T. System Development	19	16	16	18
I.T. Infrastructure & Support	13	13	12	12
Total Personnel	34	35	37	42

Information Technologies - Expenses by Category

Information Technologies Expense Accounts	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change '21 to '22
Total Salary & Wages	\$2,109,630	\$2,637,626	\$2,881,341	\$3,463,240	20.20%
Total Fringe Benefits	357,163	354,720	351,930	500,035	42.08%
Purchased Services	2,435,140	2,565,060	4,445,330	7,030,000	58.14%
Materials and Supplies	27,655	18,272	3,520	137,400	3,803.41%
Utilities	1,074,314	1,361,660	1,535,348	1,700,000	10.72%
Other Expenses	2,978,541	2,847,946	3,353,058	7,371,440	119.84%
Transfers and Capitalizations	-	(6,194)	-	-	-
Net Total Expense	8,982,442	9,779,088	12,570,527	20,202,115	60.71%

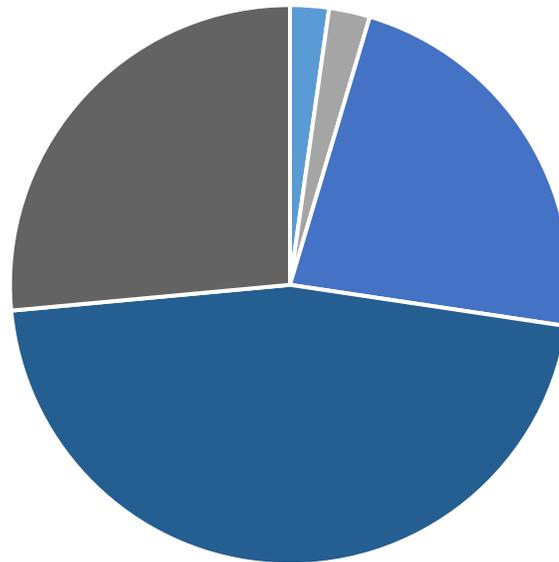
FY 2022 Information Technology - Budget by Category



Information Technologies - Expenses by Department

Information Technologies Departments	FY 2019 Audited	FY 2020 Audited	FY 2021 Actuals	FY 2022 Budget	% Change 21 to '22
Executive and General - I.T.	169,618	186,747	242,376	452,400	86.65%
Customer Engagement (Formerly IT Operations)	6,158,226	6,330,371	249,309	477,679	91.60%
I.T. Transportation Technology	-	661,020	3,182,569	4,597,270	44.45%
Enterprise Software / System Development	1,692,261	1,604,151	6,371,308	9,327,355	46.40%
I.T. Infrastructure and Support	962,337	996,799	2,524,965	5,347,411	111.78%
Net Total Expense	8,982,442	9,779,088	12,570,527	20,202,115	60.71%

FY 2022 Information Technologies - Budget by Department



- Executive and General - I.T.
- Customer Engagement
- (Formerly IT Operations)
- I.T. Transportation Technology
- Enterprise Software / System Development
- I.T. Infrastructure and Support

Information Technologies – FY 2021 Accomplishments

- ✓ Began Phase II (pilot and installation of validators on bus fleet) of the Mobile Ticketing application implementation
- ✓ Began procurement for digital communications design at bus & rail stations
- ✓ Prepared for critical systems tabletopping (testing of system readiness)
- ✓ Completed installation of Clever Devices' Disruption Management service for detour & event routing

Information Technologies – FY 2022 Objectives

- Complete installation of validators on bus, rail and platform and activate Mobile Ticketing Services
- Begin phase I, Design, for digital communications design at bus & rail stations
- Execute critical systems tabletopping (testing of system readiness)
- Activate Clever Devices' Disruption Management service for detour & event routing

Port Authority Modal Budget

FY 2022

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 FY 2019, 2020, 2021, and 2022. In addition, graphs illustrating revenue, expense and ridership amounts are presented for comparative purposes.

Modal ridership data for FY 2019 through 2021 were calculated using monthly ridership reports. Anticipated ridership levels for FY 2022 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 FY 2019 through 2021 and developed the FY 2022 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 FY 2019, 2020, 2021, and 2022.

COMPARATIVE SUMMARY BY MODE

FY 2019 Actual, FY 2020 Actual, FY 2021 Actual, and FY 2022 Budget

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET
Operating Revenues:				
Bus	\$82,963,000	\$66,296,000	\$ 30,600,000	\$ 78,799,000
Light Rail	10,976,000	8,465,000	2,302,000	11,930,000
Monongahela Incline	670,000	542,000	338,000	836,000
ACCESS Program	10,652,000	8,607,000	6,339,000	9,993,000
Subtotal	\$ 105,261,000	\$ 83,910,000	\$ 39,579,000	\$ 101,558,000
Operating Grants	270,894,000	265,978,000	269,601,000	288,397,000
Capitalizations	59,093,000	97,602,000	136,738,000	103,735,000
Total Revenue & Grants:	\$ 435,248,000	\$ 447,490,000	\$ 445,918,000	\$ 493,690,000
Expenses:				
Bus	\$325,778,000	\$ 332,292,000	\$ 340,913,000	\$ 382,224,000
Light Rail	70,910,000	70,105,000	72,936,000	81,168,000
Monongahela Incline	1,206,000	1,425,000	1,312,000	1,490,000
ACCESS Program	26,158,000	24,346,000	24,879,000	28,808,000
Total Expenses:	\$424,052,000	\$ 428,168,000	\$ 440,040,000	\$ 493,690,000
Excess Revenue over Expense:	\$ 11,196,000	\$ 19,322,000	\$ 5,878,000	\$ -

Bus Mode

Bus service is the largest of the transportation services provided by the Port Authority. The active bus fleet as of June 2021 consists of (30) 35-foot vehicles, (567) 40-foot vehicles, (2) Electric Battery 40-foot vehicles, and (126) 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 2022 ridership is expected to increase substantially compared to FY 2021 levels with the recovery from COVID-19 levels. The contractual transit agreements between the Port Authority and the University of Pittsburgh, Carnegie Mellon University, and Chatham University will 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.

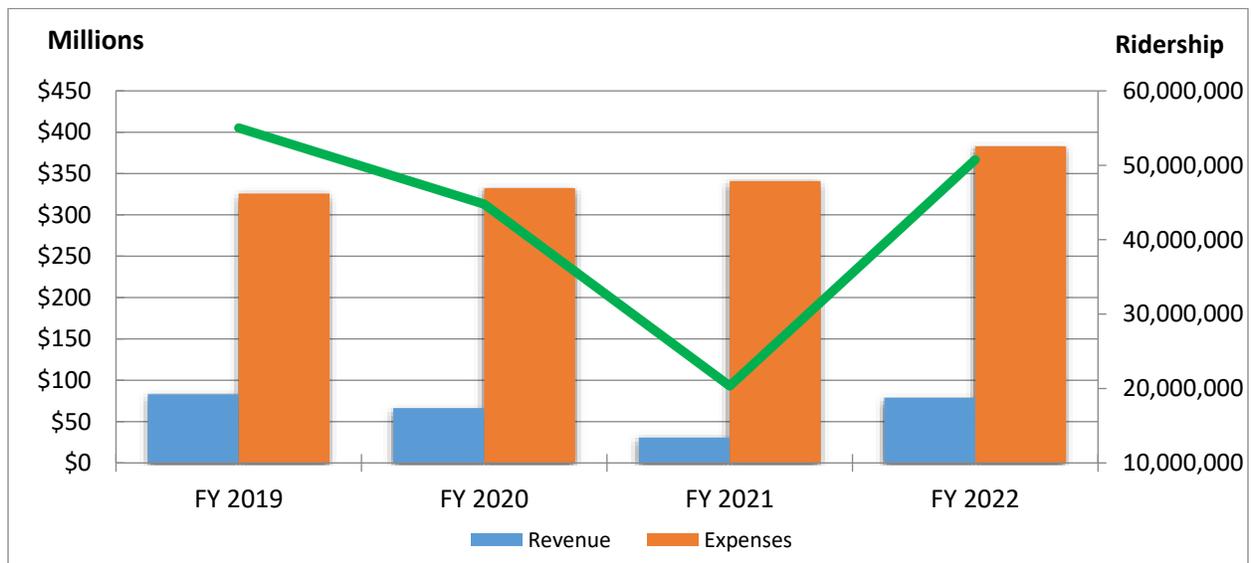
For FY 2022, total bus revenues are projected to increase by 157.5% above FY 2021 actuals due to the budget being set at pre-COVID-19 levels. This increase in revenues is due to a projected increase in passenger revenues. Other revenues consist of Advertising and other non-transportation related revenues. 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 who are contemplating making a permanent switch to public transportation, will lead to increased ridership and revenue into the future.

Overall, expenses are expected to increase over FY 2021 levels by 12.1%. 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 other services, the estimated increase is due to the additional costs associated with the expansion of technology to enhance the service provided to our riders.

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 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY22 Inc/Dec
<u>RIDERSHIP</u>					
Non-Seniors	50,821,000	41,107,000	17,692,000	46,355,000	
Seniors	4,195,000	3,665,000	2,652,000	4,384,000	
Total Ridership	55,016,000	44,772,000	20,344,000	50,739,000	149.4%
<u>REVENUES</u>					
Passenger Revenue	\$ 77,859,000	\$ 61,048,000	\$ 28,281,000	\$ 75,429,000	
Sr Citizen Reimbursement	0	0	0	0	
Other	5,104,000	5,248,000	2,319,000	3,370,000	
Total Revenue	\$82,963,000	\$66,296,000	\$30,600,000	\$78,799,000	157.5%
<u>EXPENSES</u>					
Salaries & Wages	\$ 133,552,000	\$ 143,353,000	\$ 148,589,000	\$ 157,871,000	
Fringe Benefits	131,105,000	133,328,000	136,651,000	141,277,000	
Materials & Supplies	37,845,000	35,872,000	33,148,000	43,672,000	
Prov for Inj & Damages	2,715,000	(418,000)	2,138,000	5,655,000	
Purchased Services	9,934,000	10,045,000	11,008,000	18,316,000	
Utilities	3,267,000	3,538,000	3,159,000	3,779,000	
Other Expenses	7,360,000	6,574,000	6,220,000	11,654,000	
Total Expense	\$325,778,000	\$332,292,000	\$340,913,000	\$ 382,224,000	12.1%



Light Rail Mode

Port Authority's Light Rail Transit (LRT) System includes 51.2 miles of track and 81 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 2022 are expected to increase by 418% from FY 2021 and 4.2% from the FY2019 total light rail ridership due to the budget being set pre-COVID-19 levels. This increase is projected due to the continued additional weekday travel and 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.

Total expenses in FY 2022 are expected to increase by 11.3% over FY 2021 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 66% increase in Purchased Services is mainly due to maintenance cost increases.

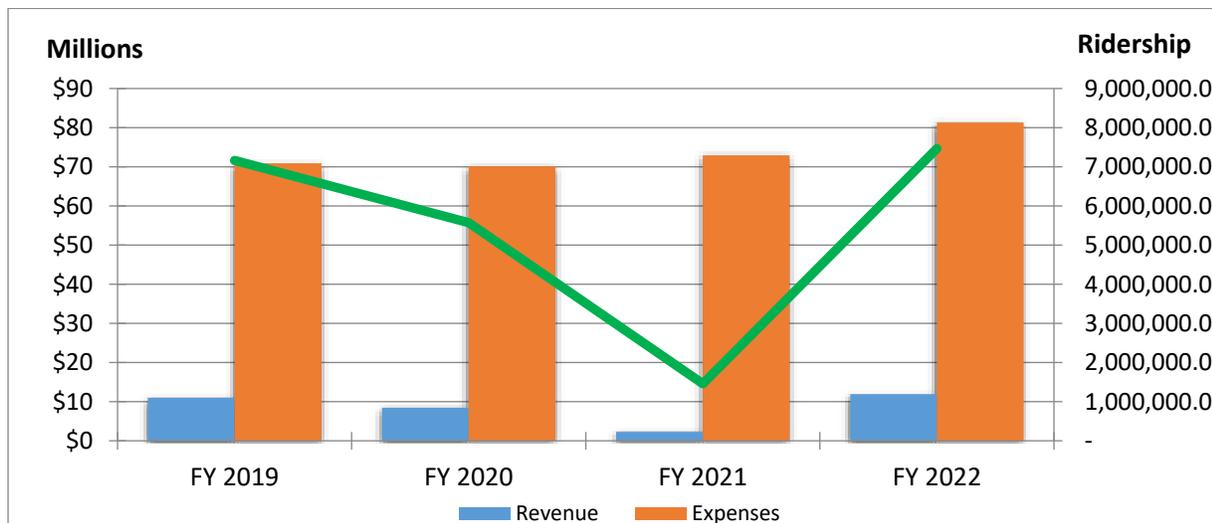
The financial data, along with ridership figures and a graphical illustration of revenues and expenses pertaining to the light rail mode, can be found on the following pages.

Port Authority of Allegheny County
LIGHT RAIL MODE

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY22 Inc/Dec
<u>RIDERSHIP</u>					
Non-Seniors	6,724,000	5,249,000	1,331,000	7,018,000	
Seniors	439,000	323,000	127,000	447,000	
Total Ridership	7,163,000	5,572,000	1,458,000	7,465,000	412.0%

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY22 Inc/Dec
<u>REVENUES</u>					
Passenger Revenue	\$ 10,301,000	\$ 7,795,000	\$ 2,128,000	\$ 11,420,000	
Sr Cit Reimburseme	0	0	0	0	
Other	675,000	670,000	174,000	510,000	
Total Revenue	\$ 10,976,000	\$ 8,465,000	\$ 2,302,000	\$ 11,930,000	418.2%

<u>EXPENSES</u>					
Salaries & Wages	\$ 28,213,000	\$ 29,227,000	\$ 30,856,000	\$ 32,783,000	
Fringe Benefits	27,648,000	27,715,000	28,477,000	29,440,000	
Materials & Supplie	6,662,000	5,636,000	5,970,000	7,866,000	
Prov for Inj & Dam:	137,000	(22,000)	108,000	285,000	
Purchased Services	3,010,000	2,443,000	2,794,000	4,649,000	
Utilities	4,385,000	4,185,000	4,016,000	4,805,000	
Other Expenses	855,000	921,000	715,000	1,340,000	
Total Expense	\$ 70,910,000	\$ 70,105,000	\$ 72,936,000	\$ 81,168,000	11.3%



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 in FY 2022 compared to FY 2021 and 2019 actuals. The increase is projected to happen due to the budget being set pre-COVID-19 levels.

As with the other modes of transportation, expenses for the Mon Incline are also expected to increase. Port Authority has budgeted for a 13.6% increase in expenses, primarily due to increases in salaries & wages, fringe benefits, purchased services and Other Expenses costs. Purchased services are driven by the increased outside contracting work for the Incline and its systems. The increase in utilities is due to the additional costs associated with the propulsion of the incline cars.

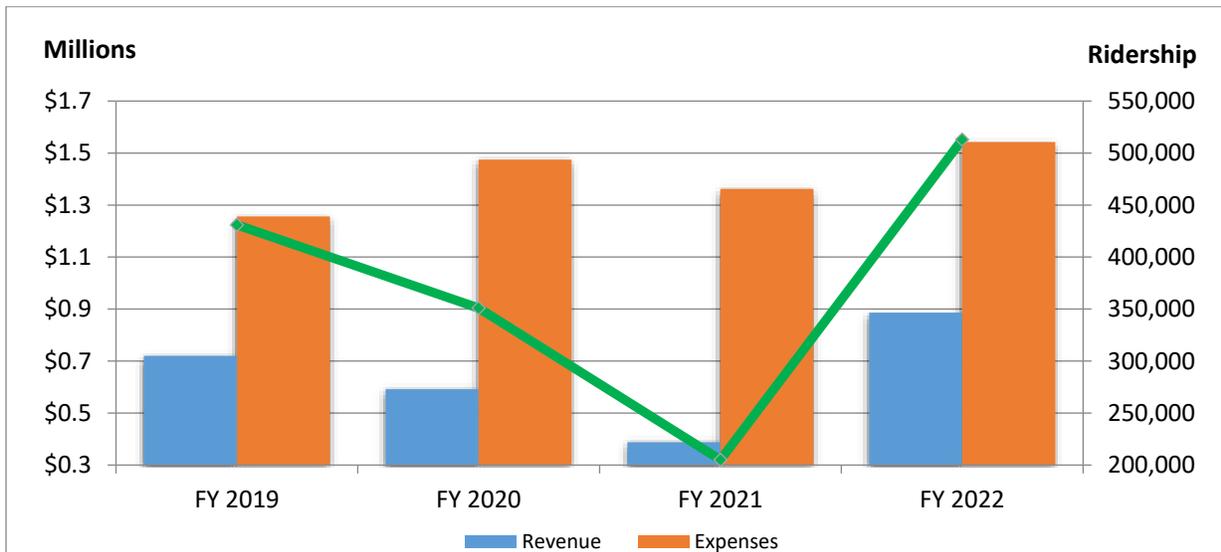
The financial data and ridership figures and a graphical illustration for the Inclined Plane Mode can be found on the following pages.

Port Authority of Allegheny County
INCLINED PLANE MODE

	2019 Actual	2020 Actual	2021 Actual	2022 Budget	FY22 Inc/Dec
<u>RIDERSHIP</u>					
Non-Seniors	410,000	336,000	195,000	492,000	
Seniors	21,000	15,000	10,000	21,000	
Total Ridership	431,000	351,000	205,000	513,000	150.2%

	2019 Actual	2020 Actual	2021 Actual	2022 Budget	FY22 Inc/Dec
<u>REVENUES</u>					
Passenger Revenue	\$ 629,000	\$ 499,000	\$ 312,000	\$ 800,000	
Sr Cit Reimbursement	0	0	0	0	
Other	41,000	43,000	26,000	36,000	
Total Revenue	\$ 670,000	\$ 542,000	\$ 338,000	\$ 836,000	147.3%

<u>EXPENSES</u>					
Salaries & Wages	\$ 466,000	\$ 602,000	\$ 569,000	\$ 605,000	
Fringe Benefits	446,000	542,000	511,000	528,000	
Materials & Supplies	48,000	63,000	44,000	58,000	
Prov for Inj & Damage	1,000	0	1,000	2,000	
Purchased Services	207,000	179,000	150,000	249,000	
Utilities	30,000	30,000	30,000	35,000	
Other Expenses	8,000	9,000	7,000	13,000	
Total Expense	\$1,206,000	\$1,425,000	\$1,312,000	\$1,490,000	13.6%



ACCESS Mode

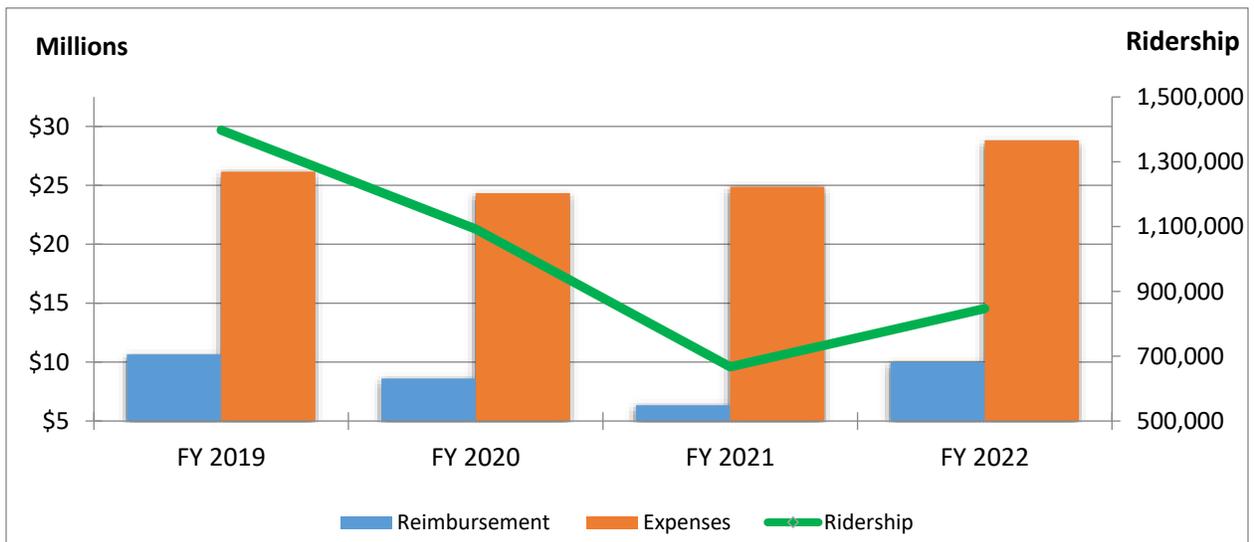
The ACCESS Program provides door-to-door service at reduced fares for older persons and those with disabilities in Allegheny County. This program is operated by Transdev, a management firm engaged by Port Authority. The actual transportation is provided by a combination of commercial carriers and non-profit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

Since ACCESS is a contracted carrier for Port Authority, only \$28.8 million of expenses is expected to pass through Port Authority's budget. Likewise, only \$10 million is reimbursed to Port Authority from the Commonwealth's Senior Citizen Fare Assistance Program for ACCESS senior ridership.

In FY 2022, ACCESS ridership is projected to increase compared to FY 2021 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**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY22 Inc/Dec
<u>RIDERSHIP</u>					
Sr. Citizen Passengers	528,050	420,875	292,963	339,289	
Other Originating Pass.	869,472	671,667	374,138	507,359	
Total Ridership	1,397,522	1,092,542	667,101	846,648	26.9%
<u>REIMBURSEMENTS</u>					
ACCESS Prgm Reimbursement	\$ 10,652,000	\$ 8,607,000	\$ 6,339,000	\$ 9,993,000	57.6%
<u>EXPENSES</u>					
ACCESS Prgm Expense	\$ 26,158,000	\$ 24,346,000	\$ 24,879,000	\$ 28,808,000	15.8%



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.

A portion of the first-floor houses Customer Service personnel and the store front Service Center, which is accessible from 623 Smithfield Street.

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 the following: Engine Overhaul, Electrical Units, Sign Shop, Transmission Overhaul, Body and Paint, Upholstery Shop, 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

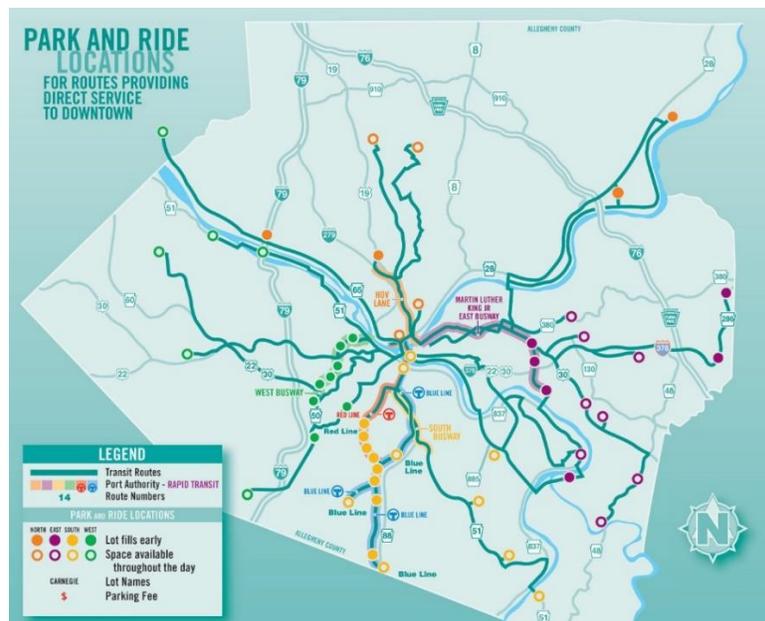
The Junction is comprised of five buildings which house the Non-Revenue Vehicles, Facilities, LRT Systems and Power, and the Way Departments. These departments are responsible for maintaining the fixed assets of Port Authority: fixed guideways (rail, incline, busways), power and signaling operation,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

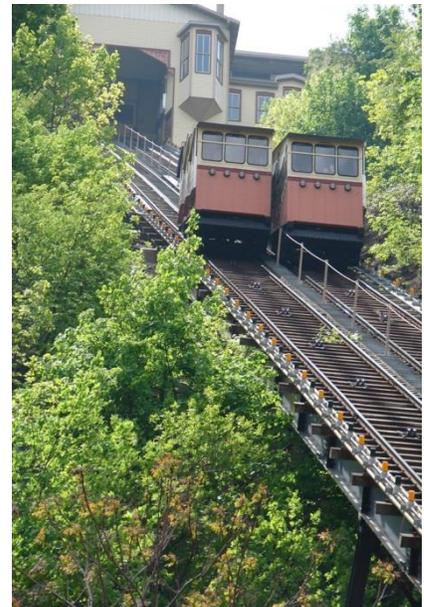


The T is a 52.4-mile light rail system that runs from the North Shore and Downtown Pittsburgh through Pittsburgh's southern neighborhoods and many South Hills suburbs.



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.



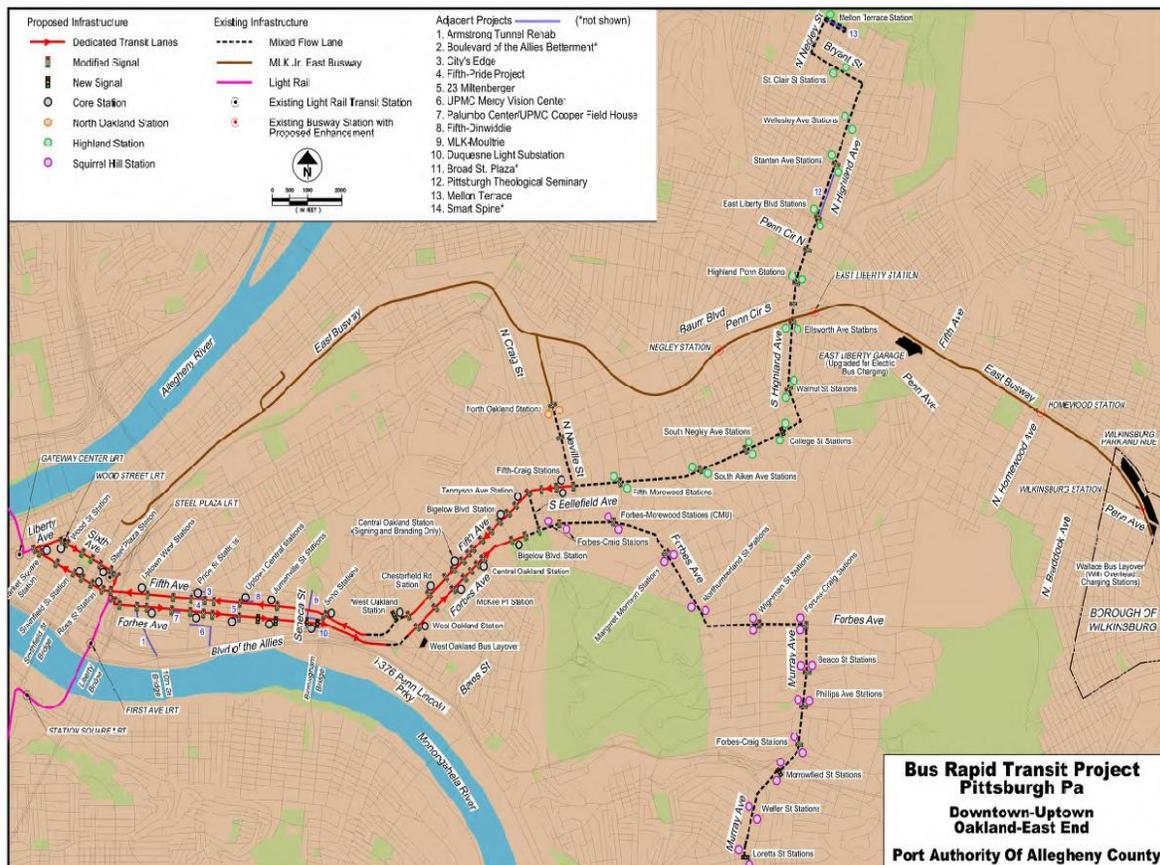
Bus Rapid Transit (BRT)

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 East End 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.

The Downtown-Uptown-Oakland- East End Bus Rapid Transit (BRT) Project will provide a vital east-west connection between downtown Pittsburgh and the Uptown, Oakland, and East End neighborhoods. The project includes changes to both physical infrastructure and transit operations along the Downtown-Uptown-Oakland portion of the corridor (the "BRT Core") along with changes to transit operations in the East End portion of the corridor – Highland Park, Squirrel Hill, and the East Busway.



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.

