

PITTSBURGH REGIONAL TRANSIT
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JANUARY 26, 2024

The Regular Meeting of the Board of Pittsburgh Regional Transit (PRT) was held on Friday, January 26, 2024, immediately after the 2023 Annual Meeting, at PRT's Administration Offices, 345 Sixth Avenue, Pittsburgh, Pennsylvania, 15222-2527, pursuant to due public notice given as required by law.

The following Board members were in attendance in person: Jeff Letwin, Chair, Jennifer Liptak, Ann Ogoreuc, Joseph Totten, Lori Mizgorski, John Tague, Stephanie Turman and Michelle Zmijanac. The following members participated by via TEAMS: Senator James Brewster, Representative Nick Pisciotano and Ali Doyle. Board Solicitor Sandy Garfinkel attended the meeting in person.

The Chair called the Regular Meeting to order.

A recommendation was made for approval of the minutes of the November 16, 2023 Regular Meeting. A motion was made, seconded, and unanimously passed.

Mr. Letwin called on Pittsburgh Regional Transit CEO Katharine Kelleman for a report.

First, Ms. Kelleman asked for a moment of silence for the following retired employees who passed away since we last met: Operators Paula Davidovich, John Parris, Percy Chapman, James Wippenbeck, George Pennetti, Sr., Joyceann Rose, Thomas Miller, Albert Kammenzind, and Fred Hrabak; Serviceperson Walter Linnert; Construction foreman Gary Williams; Garage foreman Wayne Kardell; Stockperson Gary Biro; LRT systems supervisor David Horne, and Automotive repairperson Joseph Homolek.

Next, Ms. Kelleman wanted to talk about the service adjustments going into effect in about three weeks and stated that this 1.5 percent service reduction is tied directly to the number of operators we have available for scheduled service. The reductions are aimed at improving reliability and on-time performance by ensuring the number of drivers we need doesn't exceed the number of drivers we have available.

As stated at prior meetings, Ms. Kelleman said that this is an issue facing most transit agencies in the country. So, while many of PRT's peers reduced service by 15 to 18 percent in one go, it was Ms. Kelleman's decision to preserve as much service as possible for as long as possible by decreasing service incrementally and no more than we actually needed.

Next, Ms. Kelleman reported that over the last year or two, PRT enacted some incentives to help draw in more candidates, from hiring and referral bonuses to paid sick days in the first year of employment, and she was happy to report the good news that these efforts appear to be working.

"The new challenge is making sure we're able to properly train them all. This year, our goal is to bring in 300 new operators. With a 10-week training period, it's going to be difficult, but not impossible. And if we can't get 300, we'll get as close as we can." Ms. Kelleman added that she is hopeful that we can work with our friends at the Amalgamated Transit Union to make this a reality.

“Over a couple years, adding more operators would help us improve on-time performance and reliability, reduce overtime, and would allow us to bring operators in for additional training, to help improve schedules, or to serve on task forces and participate in focus groups to provide their feedback about our system, our service, and ourselves as an agency.” She added that eventually, with enough operators PRT would be able to add service. “It won’t happen this year and maybe not next year, but we will get back there.”

Finally, Ms. Kelleman wanted to discuss the Monongahela Incline. She reported that the Incline has been out of service since January 2 after a failure of the electrical and mechanical systems that slow the cars as they near the stations. While making repairs in the days that followed, PRT identified other issues that needed immediate attention.

“The good news is that those repairs should be finished very soon. That will be followed by some in-house testing, and then we’ll call the Pennsylvania Department of Labor & Industry for a final inspection. We are hopeful that we’ll be able to reopen within the next two weeks.”

Ms. Kelleman stated that she knows a lot of people rely on the incline to get home or to work, and the business community relies on the incline to get customers in their doors. Adding that she is frustrated as well wants to make sure the public knows that PRT is doing everything in its power to have the Incline running as quickly and as safely as possible.

She continued reporting that the Incline was built in 1870. It’s been out of service for all or part of about 260 days since January 2022, with about all but 40 for scheduled rehab. The incline has been rebuilt, rehabbed, refurbished, and upgraded multiple times throughout its history, which in many ways adds to the unique challenges of maintaining it. “And while we cherish the opportunity to be entrusted with its upkeep, we’re often tested by the difficulty of keeping it in operation.”

“If we can find a silver lining, it’s bringing to light the importance of maintaining, updating, or replacing critical infrastructure. Throughout our system, we have too many examples that desperately need our attention, from our bus garages to the Panhandle Bridge to replacing our rail cars.”

Ms. Kelleman concluded her report by saying that she looks forward to discussing the importance of infrastructure later today with the Secretary of Transportation and over the next year with our partners here in Pittsburgh and our representatives in Harrisburg.

That concluded the report of the Chief Executive Officer.

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

Ms. Zmijanac reported that the Performance Oversight Committee met last week and she had three resolutions for the Board’s consideration.

The Committee first reviewed four procurement items and determined the bids to be in accordance with PRT’s procurement policies and procedures and prices to be fair and reasonable.

The Performance Oversight Committee recommended awarding the bids listed in the resolution for the total amount of approximately \$8 million dollars.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

The second resolution presented would authorize PRT to enter into an agreement to provide real estate consulting services to provide expertise and technical support to PRT for all aspects of its real estate interests.

Following the review and evaluation of the two proposals received, the proposal of Century Engineering, LLC, has been determined to be the highest-rated proposal for the performance of services.

The Performance Oversight Committee recommended PRT enter into an agreement with Century Engineering LLC, in an amount not-to-exceed \$1,268,940 for the initial three-year period with an option to extend the term of the agreement up to an additional two years at the sole discretion of PRT.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

Ms. Zmijanac presented the final resolution which would authorize PRT to amend the agreements with Whitman, Requardt & Associates, LLP, Michael Baker International and CDM Smith to provide Architectural Design Services.

The agreements were for an initial term of four years through September 30, 2025 and a total not-to-exceed amount of \$8 million dollars. To ensure adequate funding for these services, the Performance Oversight Committee recommends increasing the total not-to-exceed amount of these agreements to \$10,500,000.

On behalf of the Performance Oversight Committee, Ms. Zmijanac respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

That concluded the report of the Performance Oversight Committee.

The Chair called on Mr. John Tague, Chair of the Planning and Stakeholder Relations Committee, for a report.

Mr. Tague reported that the Planning and Stakeholder Relations Committee met last week and he had a few items for the Board.

First, staff gave a presentation to the Committee on the Fiscal Year 2023 Annual Service Report. The report evaluates performance against service standards, using ridership, crowding, on-time performance and out-of-service information as well as equity and Title VI analysis.

It was reported that the report found that ridership for Fiscal Year 2023, which covered July 1, 2022 to June 31, 2023, totaled 36.9 million. Ridership for most modes of service was up: 16 percent for bus,

48 percent for light rail, and 10 percent for paratransit. Incline ridership had fallen by 52 percent due to being closed for half the year.

Bus on-time performance decreased from 71 percent to 67 percent due to construction-related delays, detours, and increased traffic. Rail on-time performance increased from 83 percent to 87 percent due to fewer closures and detours.

The service standards, which were updated to reflect the post-pandemic reality, showed that many routes were underperforming with frequency and on-time performance, and will be prioritized for adjustments in Fiscal Year 2024.

It was also reported that out-of-service numbers were shown to be improving since peaking during the pandemic. According to the Title VI evaluation, minority routes and low-income routes were more likely to be crowded, which could be addressed with larger vehicles and adding trips where feasible.

For Fiscal Year 2024, planned changes include the implementation of the NEXTransit Downtown routing study, continued progress on the PRTX University Line, and the Bus Line Redesign planning project.

The Planning and Stakeholder Relations Committee also received a presentation on the February 18, 2024 Service changes.

They include minor service reductions of about 1.5 percent, which allows for additional operators to assist with covering service when operators are out and should stabilize service (based on projections) for the rest of 2024 and beyond as the organization turns the corner with operator hiring. The proposed changes also include routing changes for about 16 routes, trip time adjustments for about 27 routes, and frequency changes on more than 20 routes and the Red Line, among others.

Next, Mr. Tague reported on PRT's advisory committees.

The Allegheny County Transit Council met on January 23, 2024. Staff provided the Council with an update on the Belasco Station project, an update on the October service adjustments and an overview of the February service adjustments; presented the Fiscal Year 2023 Annual Service Report; an overview of Automated Passenger Count Data and how it informs PRT; and an update about a municipal request to eliminate a bus stop in Pitcairn. ACTC's next scheduled meeting is February 21st at 5:30pm.

Lastly, the Committee on Accessible Transportation did not meet in December or January. CAT's next scheduled meeting is February 1, 2024.

That concluded the report of the Planning and Stakeholder Relations Committee.

The Chair called on Ms. Ann Ogoreuc, Chair of the Finance Committee, for a report.

Ms. Ogoreuc reported that the Finance Committee met on Thursday, January 18, 2024 and she had two resolutions for the Board's consideration.

The first resolution would authorize PRT to exercise the third option year of the agreement with First Data Merchant Services, LLC, to provide merchant bank card services for PRT's Automated Fare Collection System such as debit/credit card processing.

The Finance Committee recommended authorizing PRT to exercise the third option year to January 30, 2025, and to increase the previously authorized total not-to-exceed amount by \$662,438.84.

On behalf of the Finance Committee, Ms. Ogoreuc respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

Ms. Ogoreuc presented the annual resolution which authorizes PRT to apply for and enter into agreements during calendar year 2024 for Operating and Capital grant funds.

She explained that in many instances, the time-period for developing and submitting an application or a grant is limited, requiring PRT to move promptly to timely submit the application for available funds. This resolution would authorize PRT to submit applications for grants that become available in calendar year 2024 in a timely manner, and, added that PRT's Finance Division will provide regular reports to the Board concerning grants applied for and awarded throughout the year as part of the Finance Division's monthly report to the Board.

On behalf of the Finance Committee, Ms. Ogoreuc respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

Ms. Ogoreuc then provided the November and December financial results also presented at last week's meeting.

It was reported that Total Operating Income for the months of November and December were over budget by about \$300 thousand and \$400 thousand respectively due to higher Access Revenue and Interest Income. Total Expenses for the months of November and December were below budget by \$3.8 million and \$6.8 million respectively due to lower Wages and Benefits. That variance is driven by vacancies which result in lower employee benefit expenses.

Total Operating Income is about \$4.9 million higher than last fiscal year through December due to higher Passenger revenue and Interest Income. Total Expenses through December are \$9.1 million higher than last fiscal year due to increased costs in almost all expense categories. The driver of that increase is salaries and wages with \$6.4 million of the increased costs.

Total Subsidy is \$83.9 million higher than last fiscal year due to an increase in Federal Stimulus invoicing, higher Preventative Maintenance invoicing and increased State Operating Assistance.

Finally, Ms. Ogoreuc reported that PRT has invoiced a combined \$59.7 million against the ARPA and CRRSAA Federal Stimulus Programs for the fiscal year and ended the month of December with approximately \$334.8 million in cash reserves.

That concluded the report of the Finance Committee.

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

Ms. Liptak reported that the Technology Committee met on January 18, and she had two resolutions for the Board's consideration.

Ms. Liptak reported that the Committee first reviewed cooperative contracts and bids. The first two cooperative contract purchases are for hardware and software from Nutanix for infrastructure servers and storage.

Next, the Committee reviewed a request to rescind a prior contract award made to vPrime for SysAid support services due to vPrime being unable to meet PRT's contracting requirements.

The Committee determined the cooperative contracts to be in accordance with PRT's procurement policies and procedures and the prices fair and reasonable, and the rescinding of the award to be appropriate.

On behalf of the Technology Committee, Ms. Liptak respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

The Committee then heard a presentation concerning a resolution to purchase Ready2Ride fare validators for platforms and buses for the Bus Rapid Transit project, and other new buses arriving this year. A total of 79 validators are being purchased for platforms, buses, and spare equipment in the total amount of \$168,452.00. The Committee concluded that the equipment is needed and that the prices are fair and reasonable.

On behalf of the Technology Committee, Ms. Liptak respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

Before concluding her report, Ms. Liptak thanked Katharine and IT staff for their continued efforts in providing the much needed technology at PRT.

That concluded the report of the Technology Committee.

The Chair called on Senator Jim Brewster, Chair of the Financial Audit Committee, for a report.

Senator Brewster reported that the Financial Audit Committee held a public meeting on Thursday, January 18, 2024.

Representatives from Maher Duessel, Certified Public Accountants, presented the results of the FY 2023 Audit Report. Maher Duessel advised the Committee that the FY 2023 Audit Report concluded that PRT's FY 2023 financial statements fairly present PRT's financial position as of June 30, 2023 and June 30, 2022, respectively, and that PRT has adequate controls in place to ensure accurate financial reporting and compliance with relevant laws, regulations, contracts, and grant agreements.

Senator Brewster then proposed that the Board formally accept the FY 2023 Audit Report and authorize the Chairperson of PRT's Board and the Chairperson of the Financial Audit Committee to sign the Report indicating its formal acceptance by PRT.

On behalf of the Financial Audit Committee, Senator Brewster respectfully requested approval of the resolution. It was moved, seconded and unanimously agreed that the resolution be approved as presented.

Before concluding his remarks, Senator Brewster thanked Maher Duessel for the thorough report along with CEO Katharine Kelleman, CFO Donminika Brown, Controller Peter Schenk and PRT's Finance Department for their diligence throughout the auditing process.

That concluded the report of the Financial Auditing Committee.

The Chair presented two resolutions for consideration. The first resolution was to appoint the Standing Committee Chairs and Members. He reiterated that he recognizes that there will likely be changes to the Board's composition with a new County Executive having recently taken office, but consistent with PRT's by-laws to ensure PRT can continue to conduct routine business, Mr. Letwin appointed the following chair and member assignments:

Governance Committee

Jeffrey W. Letwin, Esq., Chair
Jennifer M. Liptak
Ann M. Ogoreuc
John L. Tague, Jr.
Michelle Zmijanac

Performance Oversight and Monitoring Committee

Michelle Zmijanac, Chair
Representative Nick Pisciotano
Lori Mizgorski

Planning and Stakeholder Relations Committee

John L. Tague, Jr., Chair
Ali Doyle
Ann M. Ogoreuc
Stephanie Turman

Financial Audit Committee

Senator Jim Brewster, Chair
John L. Tague, Jr.

Technology Committee

Jennifer M. Liptak, Chair
Lori Mizgorski

Finance Committee

Ann M. Ogoreuc, Chair
Jennifer M. Liptak
Representative Nick Pisciotano

Mr. Letwin thanked those board members who served on the Standing Committees in 2023 for their time and for the important work they've done, which is greatly appreciated.

The chair next stated that the Board has a great deal of respect and admiration for what PRT's chief executive officer has done and continues to do for the organization. After the Board's review of the performance goals set for Ms. Kelleman, and her ability to meet those performance goals, it is the

recommendation of the Board to provide Ms. Kelleman with a performance bonus in the amount of 19.2% of her 2023 annual salary.

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

Before moving on to public comment, Mr. Letwin reminded all our speakers that we have a three-minute speaking limit.

The first speaker was Ms. Amy Zaiss, a resident of Beechview, who mainly relies on the Red Line. Ms. Zaiss wanted to discuss the continued reliability issues. Ms. Zaiss remarked that there is clearly a mistrust out there, and there's good reason for the mistrust. The public is getting conflicting information about the reliability of service.

Ms. Zaiss urged the Board to consider why riders are mistrustful and what steps the agency can take to rebuild that trust and noted that in the past year and a half, service has not been improved. "We've seen service reduced and reliability decreased and timely and accurate information is still not as accessible as it should be."

Ms. Zaiss reminded the Board why she first addressed the board. She said that back in June, she was literally and figuratively stranded due to a major red line disruption. She was unable to get customer support because of the hours and unable to receive any kind of real time information, adding that it was a complete failure of the system on every level. That same month, PRT announced additional budgeting for customer service and an expansion of customer service hours, yet nothing has changed.

Ms. Zaiss concluded her remarks by urging the Board to please continue focusing PRT's efforts on expanding support hours and language access to riders. As a resident of Beechview, she can say that PRT is still falling short of providing the information riders need when they need it. "It's critical that PRT make customer service available during all operating service hours, and it's imperative for building trust."

The next speaker was Mr. Brian Gorder, a small business restaurant owner on the top of Mount Washington. The Shiloh Street Shops is 100 feet from the Monongahela Incline. Mr. Gorder was at the meeting to discuss his frustration with the Incline closures. He stated that 40 percent of the foot traffic operates from the Monongahela Incline, and the last two years the incline has been closed more than it has been opened.

Mr. Gorder remarked that the incline was closed for an eight-month project (with two additional weeks for inspection) and PRT ran shuttle service during that time. He attended the Committee meetings last week and said that there are no metrics for that service but they are lumped in with everything else.

Mr. Gorder remarked that PRT cannot hide behind the fact that the incline is 150 years old and something needs to change. Property values are diminishing and businesses will close. He noted that there are four businesses about to close right now on at the Shiloh Street Shops, and these are major restaurants. He recently put \$1,000,000 overhauling this building and it's going to close because PRT's negligence.

Our next speaker was Joe Popovich. After a horrific accident, Mr. Popovich became a transportation advocate in the worst way possible. He received his bachelor's degree and made it his life goal to make his neighborhood safer and improve transportation wherever he lives. He has already done things to make his neighborhood safer and his future plans are to return to Pitt this fall for a master's degree in urban planning. He wants transportation to be accessible for all Pittsburghers.

He remarked that he feels one of the biggest obstacles for PRT is real time information and communication to its riders. To guarantee buses are coming and to find out it is cancelled is a large burden to grow PRT's customer base.

He has spoken to many of his peers trying to convince them to add the bus to their commute. That makes sense for them, especially during nights out. It is hard to convince them to ride when the apps are unreliable and knowing if your bus is coming or not going to show up. It is in direct conflict with the goal of increasing riders and people depending on buses.

He next remarked that he believes bus transportation is viewed as unreliable by many business owners and managers in the city. He knows this from the amount of job applications he has applied to that require license. He urged the Board to make transportation more reliable for everyone.

The next speaker was Ms. Christina Hansen. She remarked that this is her third time coming to give her public comment at a PRT Board meeting.

Ms. Hansen lives in the Uptown neighborhood and she has been affected significantly since the October cuts and now hearing of more coming in February is alarming. She used to take the 71 ACD and 61D regularly to work, recreation and essential shopping in between her workplace and her home. She said that she could not stress enough how essential the 71 C was in my daily life. She wanted to echo a few sentiments of the people who have commented before her on reliability.

Ms. Hansen remarked that last time she was at the November Board meeting, it was implied that a decrease in customer service calls and complaints were indicative of things going better. So, during the Board's break in December, she decided she would, in her most desperate moments, call the helpline. One morning she called and brought her anger to that call because she was going to be late for work again and that energy was matched. They managed to navigate their frustration and the person on the line suggested that she get a paper copy of the schedule and that she should call every time she tries to catch a bus, which seems a little ridiculous.

She concluded her remarks by requesting paper schedules be put on buses and more reliable shelters be added for riders who are stuck out in the elements in the middle of winter.

The Chair announced the next Regular meeting of the Board will be Friday, February 23, 2024.

With no further business the meeting was adjourned.