

PITTSBURGH REGIONAL TRANSIT
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, MAY 26, 2023

The Regular Meeting of the Board of Pittsburgh Regional Transit (PRT) was held on Friday, May 26, 2023, at 9:30 a.m. at PRT's Administration Offices, 345 Sixth Avenue, Pittsburgh, Pennsylvania, 15222-2527, pursuant to due public notice given as required by law.

The following members were in attendance in person: Jennifer Liptak, Vice Chair, Ann Ogoreuc, John Tague and Michelle Zmijanac. The following members were in attendance virtually: Senator Jim Brewster, Representative Nick Pisciotano, Lori Mizgorski and Ali Doyle. Board Solicitor Sandy Garfinkel attended in person.

The Vice Chair called the May 26, 2023 Regular Meeting to order and asked the audience to stand for the Pledge of Allegiance and for a moment of silence.

A recommendation was made for approval of the minutes of the April 28, 2023 Regular Meeting. A motion was made, seconded, and unanimously passed.

Ms. Liptak called on Pittsburgh Regional Transit CEO Katharine Kelleman for a report.

Ms. Kelleman first asked a moment of silence for the following retired employees who have passed since the prior Board meeting: Operators Eugene Psota, Ronald Zawacki, David Kelly, Norman Jenkins Jr., John Koedel and Joseph Krashna; Garage Foreman Frank Young; Bus Assignment Shifter Calvin Noal; Service Person Thomas Ondick; Trainman Armond Sanrocco; and Stockpersons David Harrington and Robert Wisniewski

Although the Fiscal Year ("FY") 2024 Operations and Capital budgets was presented later in the meeting as part of the Finance Report, Ms. Kelleman wanted to highlight a few items from the budget. She reported that the proposed FY 2024 operating budget reflects less than a two percent increase over the revised FY 2023 budget.

Ms. Kelleman continued reporting that while transit systems like ours constantly face future uncertainties, such as ridership projections, inflation, health care costs, utilities and more, "Here at PRT, we can be certain of the budget priorities that benefit riders and our communities. This includes ramping up the staffing needed to provide real time service disruption information through mobile apps, our TrueTime service and personalized texts and emails. In addition, we will begin expanding the hours our customer service representatives."

Ms. Kelleman continued reporting that the budget also supports PRT's aggressive efforts to attract job candidates. "We're doing this through new initiatives that include offering a bonus for new operators and maintenance positions, providing CDL training and certification at no cost, aggressively participating in local job fairs, enhancing our online application technology and enhanced marketing and advertising, including TV, radio and social media, to attract more candidates."

Ms. Kelleman added that the capital budget will continue to support the backbone of our system through critical items such as replacing 30 of our 40-foot clean diesel buses, rehabbing bridges such as the Panhandle Bridge, and many other much needed capital programs and projects.

Ms. Kelleman noted the Board will review and consider the final budget proposal in June.

Next Ms. Kelleman reported that the Board will also be considering approval of a collective bargaining agreement with IBEW, Local 29 that would extend through April 2026.

Among the key terms is adding Juneteenth as a holiday, and she wanted to note the significance of this. She continued, "If approved, PRT will formally roll out Juneteenth as a holiday for all employees. It has received the support of our African American Employees Resource Group and all of our union leadership and union members from ATU Local 85; IBEW Local 29 and the Port Authority Transit Police Association."

She added that PRT is also proud to support and participate in community celebrations throughout the year, such as St. Patrick's Day, Veterans Day, Earth Day and others.

Finally, Ms. Kelleman recognized Mr. Tony Trona, who is retiring from PRT after 20 years. Mr. Trona worked as PRT's director of purchasing and materials management since 2007. "Many of you here and online may know Tony as the person who brings our major purchasing contracts to the board each month."

"We thank Mr. Trona for both ensuring we manage procurement agreements honestly and openly, while acting to procure products and services that PRT needs to operate in an effective and cost-effective manner."

On behalf of PRT, she wished Tony all of the best in retirement.

That concluded the report of the Chief Executive Officer.

On behalf of Chair Letwin and the entire Board, Ms. Liptak also wished Mr. Trona all the best in his retirement. She noted that Mr. Trona has always thoroughly communicated to the Board with honesty integrity, and complete transparency.

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

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

She reported that the Committee first reviewed five procurement items and determined the bids to be in accordance with PRT's procurement policies and procedures, the prices fair and reasonable, the bidders to be responsible and the bids responsive.

The Performance Oversight Committee recommended the award of bids listed in the resolution for the total amount of \$2,808,275.35.

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

The next resolution presented was seeking authorization for PRT to Adopt a Collective Bargaining Agreement with the International Brotherhood of Electrical Workers, Local 29.

This agreement, which expired on April 30, 2023, covers the terms and conditions of employment for certain PRT Customer Service, Benefits and other personnel.

The Performance Oversight Company recommended approving and ratifying the proposed terms and conditions of the amended agreement between PRT and IBEW effective May 1, 2023 through April 30, 2026, as set forth in the summary attached to the resolution as Exhibit A.

Before a vote, Ms. Zmijanac noted that it was reported at the meeting that IBEW members recently ratified the proposed terms and conditions of the amended agreement.

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

The next resolution presented was seeking authorization for PRT to enter into an agreement to provide executive search, outplacement and coaching services. A Request for Proposals was publicly advertised and an informational meeting was held on February 2, 2023. Three proposals were received for the executive search services, one proposal was received for outplacement services and two proposals were received for coaching services.

The two firms of Krauthamer & Associates, LLC and Gomez Partners, Inc. were identified as the proposers with the highest rated proposals to perform the Executive Search Services, and Calfe & Associates was identified as the proposer with the highest rated proposal to perform both the outplacement and coaching services.

The agreements will be for a term of three years for a total not-to-exceed amount of \$430,000 and will be allocated on an as-needed basis through task-specific work orders.

The Performance Oversight Committee recommended entering into agreements with the aforementioned firms for the designated services.

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 last resolution presented was seeking authorization for PRT to enter into a construction contract for services related to the East Busway pavement restoration project.

It was reported that bid documents were prepared and publicly advertised and two bids were received for the contract.

After review of the bids, it has been determined that the bid of Lindy Paving, Inc., was the lowest responsive bid from a responsible bidder for the contract.

The Performance Oversight Committee recommended that a contract be awarded to Lindy Paving, Inc., in the amount of \$7,668,130.00, subject to completing the pre-award requirements.

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

That concluded the report of the Performance Oversight Committee.

The Vice Chair called on Mr. Tague for a report of the Stakeholder Relations Committee.

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

First, the Committee received a presentation on the June 2023 service changes. Changes effective June 18 will include some running time adjustments, frequency changes, routing changes and trip adjustments. To improve on-time performance and reliability, daily running time adjustments will be made to 14 routes, weekday running time adjustments will be made to seven routes, and weekend running time adjustments will be made to two routes. Trip times will be adjusted for 10 routes and frequency changes will be made to three routes and six routes will see some kind of routing change.

Also at the Committee meeting, Ms. Karen Hoesch, director of ACCESS Transportation Systems, gave an overview of the paratransit organization, including the following information:

Sponsored by PRT and working with other community partners, ACCESS helps connect eligible individuals to trips to events, shopping medical services and more. ACCESS also helps reduce the cost of fares on PRT service, linking individuals to PRT service with rides to nearby stops, and other amenities. This partnership allows fixed route PRT service and paratransit to work together to provide the best experience for those individuals.

Mr. Tague added that ACCESS is dealing with many of the same challenges as PRT, including driver recruitment, changing ridership and funding changes. New partnerships are continuing to be forged and sought out to help fund these needed services. ACCESS exceeds the minimum requirements for service area, days and hours of service, fares, and both door-to-door and hand-to-hand service.

Finally, Mr. Tague updated the Board on the Allegheny County Transit Council (“ACTC”) and Committee for Accessible Transportation (“CAT”).

ACTC met on May 24. The Council was provided with the annual PRT budget and finance overview. The group was also provided an update on the June service changes and the NEXTransit downtown project. Their next scheduled meeting is June 21.

CAT met on May 4. PRT staff presented the upcoming June service changes, an update on the construction on the East Busway project, an update on accessible technologies.. Paul O’Hanlon, CAT member, spoke about the BRT project. Karen Hoesch of ACCESS provided the Committee with a service update, MATP funding and access to healthy food initiatives. Their next scheduled meeting is August 3.

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

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

Ms. Ogoreuc reported that the Finance Committee met on Thursday, May 18th, 2023.

The Committee first received a presentation on the Preliminary FY 2024 Operating and Capital Budgets.

It was reported that the FY 2024 Preliminary Operating Budget totals \$534,266,565 which is a 1.6 percent increase versus the revised FY 2023 Operating Budget. It was also reported that Passenger Revenues have been slowly increasing since the height of the pandemic in FY 2021. Preliminarily, the FY 2024 Passenger Revenues are currently budgeted at a 10 percent increase from projected FY 2023 levels and it was noted that Passenger Revenues since January are on a positive trendline.

The Preliminary FY 2024 Operating Budget Subsidy stakeholder totals \$280 million from the Commonwealth, \$71.6 million from Federal stimulus, \$39 million from Allegheny County and \$3 million from the Regional Asset District. Commonwealth funding is projected to increase by 3.8% versus FY 2023 levels.

The Preliminary Operating Budget assumes contractual increases with all three labor unions of PRT, a merit pool and market adjustments for non-union employees as well as increased pension expenses related to 2022 Stock Market losses. The preliminary budget also includes health benefit increases due to contractual increases with providers and diesel fuel expense increases due to market volatility.

It was reported that the current five-year financial plan indicates depletion of federal stimulus and reserves by FY 2028 given certain assumptions.

Next it was reported that the preliminary FY 2024 Capital Budget is currently set at \$195,185,421 which is a decrease of 31 percent from the revised FY 2023 Capital Budget. The reduction is due to a decrease in BRT funding which was included in the FY 2023 Capital Budget.

The Preliminary FY 2024 Capital Budget primarily consists of debt service, a purchase of 30 40-foot diesel buses and funding for various Fixed Guideway and Facility Improvement programs.

Also at the meeting, the April financial results were presented to the Committee.

It was reported that Total Operating Income for the month of April was \$307,081 over budget due to higher Interest Income on cash reserves. Passenger Revenue for the month was only marginally below budget by \$8,940. Total Operating Income for FY 2023 is \$1.9 million under budget for the fiscal year due to lower Passenger Revenue which is partially offset by healthy returns in Interest Income.

Total Operating Expenses in April were \$1.35 million below budget due to lower Materials & Supplies expense. Lower expense levels in the Materials and Diesel Fuel line-items accounted for \$1.15 million of this variance. Total Operating Expenses fiscal year-to-date continues to trend below budget by \$40.5 million.

Approximately \$20.47 million of this variance is due to lower Wages & Salaries and Employee Benefits related to vacant positions.

Total Subsidy for month is slightly below budget by \$340,609 primarily due to lower State Operating Assistance related to ACCESS match. Total Subsidy for FY 2023 is \$5.05 million below budget due to lower State Operating Assistance and ARPA invoicing which will normalize by year-end.

Finally, it was reported that PRT ended the month of April with approximately \$183.5 million in cash reserves.

That concluded the report of the Finance Committee.

Ms. Liptak then gave the report of the Technology Committee. She reported that the Technology Committee met on May 18, and she had two resolutions for the Board's consideration.

The Committee first reviewed a bid for purchase of FIIX software licenses in the total estimated amount of \$405,727.50.

The Committee determined the bid to be in accordance with PRT's procurement policies and procedures, and the prices 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.

The next resolution sought to amend and extend an existing agreement for farebox equipment repair to keep the existing equipment operational. This is the final one-year extension on this contract and would expire on May 31, 2024

The Technology Committee recommended amending the agreement with Scheidt & Bachmann and increasing the total not-to-exceed amount to \$5,480,600.00.

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

That concluded the report of the Technology Committee.

There was one speaker who addressed the Board under the public comment portion of the meeting.

Mr. Ralph Williams, President of ACTC, addressed the Board online. First, Mr. Williams congratulated PRT for ratifying the recent contract with ATU Local 85 and now IBEW, Local 29. His remarks also included his concerns from prior meetings. He urged PRT Board to bring back the operators who lost their jobs due to the COVID vaccine mandate. He stated that although PRT is making strides in hiring new operators, experience counts.

The Vice Chair announced the next Regular meeting of the Board will be Friday, May 26, 2023.

With no further business the meeting was adjourned.