

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, April 24, 2020

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, April 24, 2020, at 9:30 a.m., at the Authority's Administration Offices, 345 Sixth Avenue, Pittsburgh, Pennsylvania, 15222-2527, pursuant to due public notice given as required by law.

Board Members (all via WebEx)

Jeff Letwin, Chair
Jennifer Liptak
Michelle Zmijanac
John Tague
Stephanie Turman
Ann Ogoreuc
Senator Jim Brewster
Representative Lori Mizgorski
Jessica Walls-Lavelle
Representative Austin Davis
Joel Lennen, General Counsel

Media

Ed Blazina, Post-Gazette

Port Authority Staff:

Katharine Kelleman, chief executive officer, Jim Ritchie, chief communications officer, Mike Cetra, chief legal officer, Pete Schenk, chief financial officer, Keith Wargo, chief engineer officer, Inez Colon, chief Human Resources officer, Anthony Trona, director Purchasing and Materials Management, Jeffrey Devlin, chief information officer, Diane Williamson, executive assistant

The Chair called the April 24, 2020 Board of Director's Regular Meeting to order and reminded everyone that the meeting was being recorded.

In place of the pledge of allegiance, Mr. Letwin asked for a moment of silence for the courageous front-line workers that continue to come to work and for the lives lost around the country during this pandemic.

A recommendation was made for approval of the minutes of the February 28, 2020 Regular Meeting. A motion was made, seconded and unanimously passed.

The Chair called on Ms. Kelleman for the report of the Chief Executive Officer.

Ms. Kelleman started her report by asking for a moment of silence and reflection for the brave public transit employees who have died as a result of this pandemic, those at home recovering

and those across the country who are still coming to work, day after day, despite the risk, noting that their sacrifices are heroic and inspiring.

Ms. Kelleman continued reporting that it is no surprise that COVID-19 has taken up most, if not all, of our attention since late February, when we dusted off and updated our pandemic plan and formed a working group to focus our energy and resources. Ms. Kelleman stated that we didn't know then that we would be dealing with a global catastrophe that would single-handedly change our entire industry.

We have been working closely with our union leadership to keep our employees and our riders as safe and healthy as any transit agency can. Together, we have taken aggressive measures to curb the spread of the virus.

Ms. Kelleman updated the board on some of the measures taken such as disinfecting vehicles every 24 hours, implementing rear-door boarding, placing limits on the number of passengers permitted on vehicles at one time, and most recently, have asked that our riders wear masks or other face coverings when riding our vehicles.

The impact of this crisis is being felt around the world, and we at Port Authority are not immune to its devastating effects, adding that it has been unsettling and even scary at times. Our lives have been disrupted in so many ways.

Here at Port Authority, the financial uncertainties ahead are daunting. Ridership has plummeted and revenue has taken a similar trajectory. We have lost about \$15 million in passenger and advertising revenues since March 1, and we will continue to lose millions each month until ridership rebounds. At the same time, we're spending nearly a million dollars a month on disinfection and contamination efforts, and we don't know how long that will continue.

Next Ms. Kelleman reported that we are incredibly thankful for the ability to be able to draw down from about \$140 million from the federal CARES Act, which will help us maintain our workforce and continue serving our communities. Ms. Kelleman thanked Senators Casey and Toomey and Representatives Doyle, Lamb and Reschenthaler in particular for their support. This commitment to public transit should be applauded.

Ms. Kelleman continued reporting that amid all this, despite the virus and all the warnings to stay home, 20 percent of our riders working at hospitals and grocery stores and other life-sustaining businesses, and those who use our services to get food and medicine and to check on loved ones, have stayed with us.

Ms. Kelleman concluded her report by stating that although we're going to be forced to make some serious decisions for the future and put some plans on hold, we will not toss aside our organizational goals or our mission as we address this crisis, adding that she was brought here to give our region the public transit system it deserves, and the coronavirus will not change that.

That concluded the report of the Chief Executive Officer

The Chair called on Ms. Zmijanac for a report of the Performance Oversight Committee. Ms. Zmijanac reported that the Performance Oversight Committee met last week, and she had seven resolutions for the Board's consideration.

The Committee first reviewed 10 procurement items and determined the bids to be in accordance with the Authority's procurement policies and procedures, the prices fair and reasonable, the bidders to be responsible and the bids responsive.

The Performance Oversight Committee recommended for award the 10 items listed in the resolution for the total amount of approximately \$17.5 million dollars.

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

Ms. Zmijanac reported that the next three resolutions are in result of the Authority placing projects on hold and funds now being released due to the dismissed trucker's litigation.

The Authority wishes to extend and amend agreements to provide general architecture and engineering contract services with Gannett Fleming, Inc. and AECOM Technical Services, Inc. The agreements are for an initial term of four years through June 30, 2021, and a total not-to-exceed amount of \$6,000,000, with the option to extend the agreements up to one additional year at the Authority's sole discretion.

To continue the completion of services on current and future projects, the Performance Oversight Committee recommended extending the term of the agreements through June 30, 2022, and to increase the total not-to-exceed amount of agreements by \$1,750,000 to ensure adequate funding for services is maintained.

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

The next resolution seeks authorization to extend and amend agreements with CDM Smith, Inc., and Whitman, Requardt and Associates, LLP, to provide architectural design services for transit passenger facilities and general building design. The agreements were for an initial term of four years through September 30, 2020, and a total not-to-exceed amount of \$6,000,000, with the option to extend the agreements up to one additional year at the Authority's sole discretion.

To continue the completion of services on current and future projects, the Performance Oversight Committee recommended extending the term of agreements through September 30, 2021, and increase the total not-to-exceed amount of the agreements by \$1,500,000.

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

The next resolution seeks authorization to extend an agreement with Hatch Consultants, Inc., to perform environmental contract services. The agreement was for an initial term of three years through June 30, 2020, and a total not-to-exceed amount of up to \$600,000, with the option to extend the agreement up to two additional years at the Authority's sole discretion.

To continue the completion of the services on current and future projects, the Performance Oversight Committee recommended extending the agreement through June 30, 2021 with no increase in the previously authorized not-to-exceed amount of the agreement.

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

The next resolution seeks authorization to extend and amend agreement with Willis Towers Watson US LLC, to provide employee benefit services. The agreement awarded in July 2015 was for an initial three-year term for a total not-to-exceed amount of \$1,000,000.

In April 2018, the Board authorized the Authority to extend the term of agreement until July 30, 2020, and to increase the previously authorized total not-to-exceed amount for the agreement to \$1,700,000.

In order to provide continuance benefit services during the period that the Authority is seeking proposals for health insurance providers, and during the upcoming collective bargaining negotiations with two of the Authority's labor unions, the Performance Oversight recommended extending the term of the agreement for an additional five months increasing the total not-to-exceed amount by \$240,000.

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

The next resolution seeks authorization to enter into an agreement for facility management services at the South Hills Village Parking Garage. The Authority proposes to engage a single contractor to provide general management and operation services, with the option to provide new equipment for a parking access revenue control system.

In order to obtain qualified firms to perform the services, a request for proposals was prepared and publicly advertised. After four proposals were received and evaluated, the proposal submitted by Parkway Corporation was determined to be the highest-rated proposal for the performance of services.

The Performance Oversight Committee recommended entering into an agreement with Parkway Corporation in a total not-to-exceed amount of \$672,000, to be allocated on an as-needed basis through task specific work orders, for an initial three-year period with the option to extend the term of the agreement up to two additional years at the sole discretion of the Authority.

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

Ms. Zmijanac presented the final resolution seeking authorization to extend and amend an agreement with Brink's U.S., to provide armored car and cash management services.

The Authority entered into an agreement with Brink's in January 2017 for an initial three-year term and a total not-to-exceed amount of \$3,500,000. The agreement also contains two additional option years to be exercised by the Authority in its sole discretion.

To date, the services performed by Brink's have been satisfactory, so therefore, the Performance Oversight Committee recommended extending the term of the agreement to May 4, 2021, and to increase the total not-to-exceed amount of the agreement by \$768,600.

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

That concluded the report of the Performance Oversight Committee.

The Chair then called on Mr. Tague for a report of the Planning and Stakeholder Relations Committee. Mr. Tague reported that although the Planning and Stakeholder Relations Committee did not meet this month due to the COVID-19 pandemic, he provided the board with an update on recent community outreach efforts.

Mr. Tague reported that the Authority has been communicating regularly with both the Allegheny County Transit Council and Committee for Accessible Transportation through this crisis, including sharing a document that outlines steps taken over the past several weeks to address the pandemic. Similarly, ACCESS shared a document outlining steps taken there.

The Authority hosted a conference call on April 13 to update ACTC members on Port Authority operations during the crisis. Mr. Tague personally participated in this call and stated that it was a very informative discussion.

Port Authority's Director of Service Planning and Scheduling, Phillip St. Pierre, provided an update on service changes that have been implemented in addition to the preventive/precautionary measures Port Authority has taken.

Mr. Tague reported that we are planning a similar conference call with CAT next week and will continue to provide both groups with updates as they become available.

Next, Mr. Tague reported that as transit ridership is significantly down due to the pandemic, ACCESS has been using capacity in its system to help support the community. With recently approved funding support from the Pittsburgh Foundation through the United Way, ACCESS is delivering meals to neighbors in need in Hazelwood, Tarentum, Natrona and West Deer, and delivering medical supplies to small, community-based agencies.

ACCESS staff is also calling riders for wellness checks, 200 of whom are age 90 and over. ACCESS employees have also called over 1,000 riders who live alone to check in. The average age of these riders is 84.

This is an innovative way to keep ACCESS carriers up and running, ensure drivers are working and help those who otherwise have no means to acquire meals, groceries and other critical supplies.

Mr. Tague concluded his report by commending Port Authority leadership for acting quickly and adapting to the current situation to ensure the safety of our riders and our employees. He is very proud of the work that we're doing. I know that it's not easy, but there are many people like myself who depend on transit and I'm very pleased that we are continuing to provide this life-sustaining service.

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

The Chair called on Ms. Ogoreuc for a report of the Finance Committee, which met on Thursday, April 16.

Ms. Ogoreuc had one resolution for the Board's consideration. This resolution that was presented to the Committee seeks authorization to appoint a new recordkeeper for Port Authority of Allegheny County's 457(b) and 401(a) Defined Contribution Program.

Port Authority seeks to authorize the selection of a new recordkeeper for its Defined Contribution Program for participating non-represented, International Brotherhood of Electrical Workers and Port Authority Transit Police Association represented employees. The recordkeeper will oversee contributions made to the 457(b) and 401(a) plans that make up the program.

Following issuance of a Request for Proposals, Port Authority convened a staff committee, with support from its plan chief investment officers and benefits counsel, to evaluate the proposals received. The committee conducted evaluations and interviews of the short-listed firms and determined that the proposal submitted by ICMA-RC Retirement Services was the highest rated.

Ms. Ogoreuc noted that ICMA-RC is also the current recordkeeper for the ATU Local 85 Defined Contribution Program, and that no Port Authority funds are utilized to pay for recordkeeping services.

The Finance Committee therefore recommended entering into an agreement with ICMA-RC to serve as recordkeeper for the Defined Contribution Program.

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

Chief Financial Officer Peter Schenk then reported on both the February and March Financial Statements. Prior to the COVID-19 pandemic, operating income was above budget by \$630,780 for the month of February due to higher advertising and interest income. Total expenses through February were \$21.1 million under budget. Total subsidies were \$10 million above budget due to higher State Operating Assistance.

Mr. Schenk reported that for the month of March, operating income was below budget by \$1.49 million. He reported that passenger revenues for the first week of April were down over 90 percent due to COVID-19's adverse impact, which will be reflected in the April financial statements. Total expenses for the month of March were \$23 million under budget. Total subsidies continued to be above budget by over \$10 million, but this will normalize by fiscal year-end.

That concluded the report of the Finance Committee.

The Chair announced the next regular meeting of the Board will be Friday, May 29, 2020.

With no further business the meeting was adjourned.