

PORT AUTHORITY OF ALLEGHENY COUNTY
MINUTES OF THE REGULAR BOARD MEETING
FRIDAY, JANUARY 28, 2022

The Regular Meeting of the Board of Port Authority of Allegheny County was held on Friday, January 28, 2022, 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.

The following members were in attendance in person: Jeffrey Letwin, Chair, Representative Austin Davis, Ann Ogoreuc, Stephanie Turman, and Senator Jim Brewster. The following members were in attendance virtually: Michelle Zmijanac, John Tague, Gerry Delon, Jessica Walls-Lavelle, Representative Lori Mizgorski and Jennifer Liptak. Board Solicitor Sandy Garfinkel attended in person.

The Chair called the January 28, 2022, Regular Meeting to order. A recommendation was made for approval of the minutes of the November 19, 2021, Regular Meeting. A motion was made, seconded, and unanimously passed.

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

Ms. Kelleman first asked for a moment of silence for the following employees who passed away in November and December: Operators William Killebrew, William Kuehn, Sarah Holt, Robert Winters, Gilbert McNie, John Harris, Charles Nebel, Richard Curry, Fred Kassanitish, William Linn Jr., Robert Lunsford, David Tokarczyk and Donald King; Service Persons David Reiff and James McVeigh; shop section supervisor Joseph Zovko; substation maintainer John Burke; photographer Ronald Smerker; Route foreman Ferdinand Koenig, Automotive repairperson John Kraykovic; director of safety and training Edwin Farrington, Jr.; dispatcher Frederick Mason; and Henry Davis.

Ms. Kelleman also recognized the passing of Collier Operator David Bojanac, who passed away earlier this month of Covid. An Army veteran and author, Mr. Bojanac worked for Port Authority for five years. In December, he drove one of the Collier Christmas buses. Ms. Kelleman added that he will be sorely missed by his Port Authority family and friends.

Ms. Kelleman reported that a new policy will go into effect on February 1 that will require all of Port Authority's employees to be fully vaccinated by March 15. She reiterated that the safety of our employees and riders is our number one priority. If there was something that would prevent vehicle crashes, we'd already have it. The vaccine is no different. It's a proven measure that protects against significant illness and death.

She stated that she knows this issue is divisive, but "We've already lost seven members of our family, and I don't want to risk losing any more. We are hopeful that the remaining 25 percent of our employees who are not currently vaccinated comply with the new policy by the March 15 deadline."

Ms. Kelleman reported that on Monday, the Federal Transportation Administration announced a \$550,000 grant that will help support equitable transit-oriented development along a future busway extension or on-street BRT expansion in the upper Mon Valley. She thanked all those who supported this project and our application to the FTA.

She added that “Although we don't yet know what the transit aspect in this corridor will look like exactly, this study will explore the potential for increased economic opportunities for residents, rebuilding blighted neighborhoods, creating safer transportation infrastructure, and growing transit ridership.”

Ms. Kelleman ended her report by announcing a prominent figure in the public transit industry died this month, and it reminded her that no matter who you are, what you do for a living, how fancy your title is, or how successful you might be, we all struggle at times, and she wanted to take a moment to let everyone know that we're not alone. “If you or someone you know are going through a crisis, help is available 24 hours a day by calling the National Suicide Prevention Lifeline at 800-273-TALK.”

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 the Performance Oversight Committee met last week, and she had four resolutions for the Board's consideration.

The Committee first reviewed seven 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.

She stated that the Performance Oversight Committee recommends the award of bids listed in the resolution for the total amount of approximately \$4.3 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.

Ms. Zmijanac presented the next resolution seeking authorization for settlement of a public liability claim. She reported that an accident involving a Port Authority bus and a pedestrian occurred on January 18, 2020 in Oakland. After servicing a stop near an intersection, the bus began making a right turn when the bus struck a pedestrian, Barbara Como, who was crossing the street at the time and later died as a result of the injuries sustained in the accident.

The executrix of Ms. Como's estate submitted a personal injury claim to the Authority seeking monetary recovery for Ms. Como's death.

Ms. Zmijanac reported that the parties have reached an amicable agreement and the Performance Oversight Committee recommends authorizing a settlement payment in the total amount of \$500,000 to fully and finally settle the claim in a release form approved by the Authority's legal counsel.

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 to award a construction contract for the restoration of bridges along Port Authority's LRT and Busways.

Ms. Zmijanac reported that bid documents were prepared and publicly advertised and three bids were received. It was determined that the bid of Gulisek Construction, LLC was the lowest responsible bid from a responsible bidder meeting the requirements for the contract.

The Performance Oversight Committee agreed to recommend that a contract be awarded to Gulisek Construction LLC in the amount of \$3,607,450.91, subject to completing all 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.

The final resolution presented by Ms. Zmijanac was seeking authorization to award ancillary services contracts for upgrades and improvements to property and facilities owned and/or operated by the Authority. Services will be identified and issued on an individual work order basis up to a total not to exceed contract amount over an initial three-year period with options to extend the agreements an additional two years at the sole discretion of the Authority.

The Performance Oversight Committee recommended that the General Heavy Highway Construction contract be awarded to Michael Facchiano Contracting, Inc., for an amount not to exceed \$13,655,750.00; the General Building Construction Contract be awarded to Arcon Contracting Inc., for an amount not to exceed \$10,688,216.00; the plumbing construction contract be awarded to Tedesco Excavating and Paving Inc., for an amount not to exceed \$12,766,754.00; the Electrical Construction contract be awarded to T.S.B., Inc. d/b/a Schultheis Electric, for an amount not to exceed \$13,103,365.00; the HVAC Construction Contract be awarded to SSM Industries, Inc., for an amount not to exceed \$10,332,970.00; and the Railroad Construction contract be awarded to Railworks Track Services, Inc., for an amount not to exceed \$14,110,094.50, all awards subject to the contractors' completion of 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 Chair called on Mr. Tague for a report of the Planning and 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 at the meeting, Ms. Ellie Newman, Section Manager of Service Development, presented on the Fiscal year 2021 Annual Service Report. The report is an annual evaluation of the Authority's transit network performance against its service standards, including ridership, on-time performance, and equity.

Ms. Newman reported that ridership in FY 2021 was down 55 percent over FY 2020, noting that during FY 2020, only three months were during the pandemic, whereas FY 2021 was entirely during the pandemic. Rail ridership was down the most at 74 percent below FY20 numbers. On-time performance increased to 72 percent on bus and 89 percent on rail due to less congestion during the pandemic.

The most positive note in the report is the addition of weekend service to 10 local bus routes, which results in seven percent more of the entire population being able to access weekend transit service. Crowding had significant differences in performance on routes with higher percentages of low income and minority persons. Staff was able to increase service on routes seeing crowding during times when capacity limits were in place to address this issue.

Other service standards were not met, mostly including efficiency standards such as passengers carried per hour of service. Staff will look into adjustments to these performance standards for our “new normal” in 2022.

Mr. Tague updated the Board and reported that Port Authority hosted a virtual information session on Tuesday, January 11, at 5:30 p.m., and held a public hearing on Thursday, January 27 from 3:00 p.m. to 6:30 p.m. regarding the services changes that were made due to the pandemic.

Next Mr. Tague reported on Allegheny County Transit Council and Committee for Accessible Transportation. The Transit Council met virtually on January 26th from 5:30-7:30pm.

Mr. Jim Ritchie, Chief Communications Officer, spoke to the Council about Port Authority’s marketing to our ridership and the partnership with downtown employers to understand their efforts to bring workers back to the office; Ms. Amy Silbermann, Director Planning and Service Development presented the Annual Service Report; Curt Conrad, Government Affairs Liaison, provided the liaison report; and, Ralph Williams, President of ACTC, provided the President’s report.

The next meeting is scheduled for February 23, which the Council hopes to hold their meeting in person.

The Committee for Accessible Transportation did not meet this month. The next meeting is scheduled for February 3.

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

The Chair called on Ms. Ogoreuc for a report of the Finance Committee. Ms. Ogoreuc reported that the Finance Committee met last week and had two resolutions for the Board’s consideration.

The first resolution presenting was seeking authorization to apply for and enter into Grant Agreements for Calendar Year 2022 Operating and Capital Funds.

Ms. Ogoreuc reported that annually, the Authority applies for and enters into grants at a federal, state and local level. Examples of this grant funding are: Section 5307 Urbanized Area Funding; Pennsylvania Department of Transportation 1513 Operating and 1514 Capital Funding; and Allegheny County and Regional Asset District Funding, as well as discretionary grants.

Ms. Ogoreuc explained that in many instances, the grants have tight deadlines for submission and this resolution would allow the Authority to apply for and enter into grants that become available in Calendar Year 2022.

This resolution further requires staff to regularly report to the Finance Committee on grants that have been applied for and entered.

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 second resolution seeking authorization to amend its agreement with Bank of America, NA, to provide Merchant Card Services related to Automated Fare Collection Services.

These services include, but are not limited to, debit and credit card processing related to the Automated Fare Collection System.

Ms. Ogoreuc reported that in June 2015, the Authority's Board authorized a five-year agreement with Bank of America for a not-to-exceed amount of \$2,500,000. The agreement also includes five additional option years at the Authority's sole discretion.

It was reported at the meeting that to date, the services provided by Bank of America have been satisfactory.

The Finance Committee recommended exercising the first option year, extending the agreement to January 30, 2023, and increasing the not-to-exceed amount by \$662,500.

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 continued reporting that also at the meeting, Controller, Peter Schenk reported on the November and December financial results.

He reported that Total Operating Income for the month of November was under budget by \$3.4 million and \$18.9 million under budget for the fiscal year. Both the monthly variance and fiscal year variance were due to lower Passenger Revenues from lower pandemic ridership levels.

All expense categories through November were below budget. Total Subsidy for the month of November was \$3.1 million above budget due to higher State Operating Assistance.

For the month of December, it was reported that Total Income was \$5.13 million which was \$106,000 above November's total. At the mid-point of the fiscal year, Total Operating Income is \$22.5 million below budget which will be addressed with the use of federal stimulus funding.

It was reported at the meeting that Total Expenses for the month of December were \$1 million below budget and \$27.7 million below budget at mid-year and total Subsidy at mid-year is \$2.2 million above budget at the mid-point of the fiscal year due to higher Preventive Maintenance invoicing.

Finally, it was reported that the Authority ended the month of December with approximately \$142 million in cash reserves.

That concluded the report of the Finance Committee.

The Chair called on Ms. Liptak for a report of the Technology Committee. Before giving her report, Ms. Liptak also thanked the Board for their vote of confidence on allowing her to continue to serve as Vice Chair the Board.

Ms. Liptak reported that the Technology Committee met on Thursday, January 20, and she had one resolution for the Board's consideration.

Ms. Liptak reported that the rail transit software within the Operations Control Center (OCC) is copyrighted by Union Switch & Signal, and is now proprietary to, Hitachi Rail USA Inc. The Authority desires to enter into an agreement with Hitachi Rail USA Inc. to provide software programming work specific to an upgrade of the rail center's video wall, for which equipment will be ordered in the near future.

The Services would be acquired as a sole source procurement, as Hitachi Rail USA Inc. is the only entity able to provide the necessary programming work to integrate new video display equipment with their software.

The Technology Committee, therefore, recommended that a Sole Source contract be awarded to Hitachi Rail USA Inc. in the amount of \$665,000.

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.

Ms. Liptak continued reporting that also at the meeting, Port Authority's Operations Program Manager, Mr. Lee McClelland, provided an example of how the agency is using data to better track and plan for project expenses.

That concluded the report of the Technology Committee.

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

Senator Brewster reported that the Financial Audit Committee held a public meeting on Thursday, January 20, 2022.

Representatives from Maher Duessel, Certified Public Accountants, reported to the Committee that the audit of financial statements for Port Authority's 2021 fiscal year was performed in accordance with Government Auditing Standards and found to have "no significant deficiencies or material weaknesses noted." It was reported that the Authority ended FY 2021 with revenues exceeding expenses by \$5.8 million dollars before non-cash item adjustments for other post-employment, benefits, pensions and depreciation and with the use of CARES Act funding. It was also reported at the meeting that the combined deferred revenue over the past 10 fiscal years totaled \$157 million dollars after accounting for non-cash entries related to post-employment benefits, pensions and depreciation. The Authority's total net position increased \$29.6 million dollars mainly due to non-cash adjustments in Deferred Inflows and Outflows of Resources Related to Pensions and OPEB.

Next Senator Brewster presented a resolution recommending that the Board approve the FY 2021 Audit Report and authorize the Chairperson of the Authority's Board and the Chairperson of the Financial Audit Committee to sign the final Report confirming the Authority's acceptance.

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.

That concluded the report of the Financial Audit Committee.

Under New Business and Before public comments, Mr. Letwin stated that the Board wanted to acknowledge and celebrate the distinguished legal career of Port Authority's solicitor, Joel Lennen, who is retiring from practice at the end of the month.

Attorney Lennen had been Port Authority's solicitor since 2005 but represented the agency in various litigation, procurement, construction and municipal governance matters for nearly 40 years, including the 2003 extension of the East Busway to Swissvale and the 2012 extension of the T to the North Side.

Mr. Letwin said, "Joel, it's been a pleasure to serve on the board with you as our solicitor, and I speak for the entire board in wishing you the best in retirement."

On behalf of the Board, Mr. Letwin presented a proclamation and a plaque for Mr. Lennen's dedicated service to Port Authority of Allegheny County, this board, the employees, and our riders.

Following is the proclamation made a part of these minutes:

RESOLUTION

WHEREAS, *Joel L. Lennen, Esquire, has served as Solicitor to the Board (Board) of Port Authority of Allegheny County (Authority) since September of 2005; and*

WHEREAS, *after a long and distinguished legal career, Mr. Lennen is retiring from the practice of law at the end of January of 2022;*

WHEREAS, *in addition to serving as Solicitor to the Board for over 15 years, Mr. Lennen also represented Port Authority in several high-profile matters for almost 40 years. Mr. Lennen's legal work supported virtually every major project and initiative the Authority undertook over the past four decades, including the Martin Luther King, Jr. East Busway Extension Project, which extended the East Busway from Wilksburg to Swissvale, the Pittsburgh Stage II Light Rail Project, which reconstructed thirteen miles of the Authority's light rail system from the Overbrook to Drake trolley lines, and the North Shore Connector Project, which extended the Authority's light rail system from Downtown Pittsburgh to the North Shore; and*

WHEREAS, *Mr. Lennen earned his Bachelor's degree in Legal Studies, cum laude, from Bowling Green State University in 1980, and his Juris Doctorate, magna cum laude, from Syracuse University College of Law in 1983; and*

WHEREAS, *Mr. Lennen spent his entire legal career with the law firm of Eckert Seamans Cherin & Mellott, LLC, where Mr. Lennen was a highly valued Member of the firm. In addition to representing the Authority in various litigation, procurement, construction and municipal governance matters, Mr. Lennen also represented various other public authorities and private entities throughout his career.*

WHEREAS, *the Board wishes to express its sincere gratitude and deep appreciation to Mr. Lennen for serving as Solicitor to the Board for over 15 years, for diligently and professionally representing the Authority on a variety of critical legal matters for almost 40 years, and his dedicated and distinguished service to the Board, the Authority and the people of Allegheny County.*

NOW, THEREFORE, BE IT RESOLVED, *that this Resolution be adopted in honor and in appreciation of Joel L. Lennen, Esquire, for his service to the Board, the Authority and the riders and residents of Allegheny County, and in recognition of his distinguished legal work and career.*

RESOLVED, FURTHER, that the Board wishes to thank Mr. Lennen for his dedicated service and wishes him well in retirement.

During Public Comment, there was one speaker. Mr. Ralph Williams, President of ACTC, addressed the board regarding a number of issues. They were: Port Authority should communicate with the Union regarding the vaccine mandates and we should all work together as a united front; He thanked John Tague for the report to the Council regarding the East Busway Extension funding; Mr. Williams thanked Port Authority for the new blue Council shirt he was wearing; and he wanted everyone to offer prayers for the people in the bridge accident in the cars and on the bus.

The Chair announced that the next Regular meeting of the Board will be Friday, February 25, 2022.

With no further business the meeting was adjourned.

Approved