

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (hereinafter called the "**Agreement**") is made on this the \_\_\_\_\_ day of \_\_\_\_\_, 2022, but effective January 1, 2022 by and between Port Authority of Allegheny County, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office at 345 Sixth Avenue, Third Floor, Pittsburgh, Pennsylvania 15222 (hereinafter called the "**Authority**") and Katharine Eagan Kelleman, an individual residing at \_\_\_\_\_ (hereinafter called "**Employee**").

**WITNESSETH**

**WHEREAS**, Authority desires to amend and restate the employment agreement with Employee to serve as the Chief Executive Officer for the Authority (hereinafter called "**Chief Executive Officer**"); and

**WHEREAS**, Authority desires to continue the employment of Employee as its Chief Executive Officer with the duties and on the terms and conditions set forth in this Agreement, and Employee desires to accept such employment.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, and intending to be legally bound, the parties agree as follows:

1. **Employment.** Authority agrees to employ Employee at Authority's principal executive offices in Pittsburgh, Pennsylvania, and Employee agrees to be employed, as the Chief Executive Officer of Authority during the term hereof, performing the duties and responsibilities

of the position of Chief Executive Officer as set forth in the job description attached hereto as Exhibit "A." Employee shall faithfully, diligently and competently perform the duties and responsibilities of the position on a full-time basis. Employee shall at all times comply with the policies and procedures of Authority, and the policies and directives of the Board of Authority (hereinafter called the "**Board**"), which may be applicable and/or adopted from time to time, and with all applicable laws. The duties and responsibilities may be revised from time to time by the Board.

Employee shall not engage in any activities that conflict or interfere with the performance of her duties and responsibilities as Authority's Chief Executive Officer.

Notwithstanding the above, nothing contained in this Agreement shall be deemed to prevent Employee from engaging in activities relating to: (1) the making of personal investments; (2) serving as a member of the board of directors of other corporations; or (3) engaging in charitable, public service, or other activities, provided that: (a) such investments, services and activities do not interfere or conflict with Employee's performance of her duties, create a conflict of interest or violate any state or federal statute, rule or regulation governing the conduct of public employees; (b) such activities are subject to and in compliance with Port Authority Standards of Conduct for employees, contractors, consultants and agents, as applicable; and (c) where approval for such activities is required for compliance with applicable Authority Standards of Conduct, such approval must be obtained by Employee from the Chair of the Authority Board of Directors. With respect to Employee serving as a member of a board of directors of other corporations, Employee agrees to notify the Chair of the Authority Board of Directors, in writing, as to any other board of directors on which she desires to serve or as to any activity in which she wishes to engage as a result of her position with the Authority. Employee agrees that if the Chair of the Authority Board

of Directors reasonably and in good faith objects to such service or activity as not being in the best interest of the Authority, that she will decline such service.

2. ***Compensation/Benefits.*** As compensation for Employee's services hereunder, and in full payment for Employee's services, Authority will pay or provide Employee:

a. A base annual salary of \$269,500.00 during the initial year of the Term (as defined below) of this Agreement, payable in accordance with Authority's standard payroll practices for non-represented management employees.

b. Employee's base annual salary shall be increased annually on January 1 by five percent (5%) of Employee's base annual salary at the time of the subject annual increase.

c. During the Term, Employee will annually be eligible to receive a performance bonus of up to twenty percent (20%) of Employee's base salary amount (subject to income taxes and other standard payroll deductions) during the year for which the bonus is earned, subject to meeting various targets and criteria set by the Board. Any performance bonus will be, based upon Employee's performance and the performance of Authority against targets and criteria established annually by the Board after consultation with Employee. Any such bonus provided to Employee will be payable during the calendar year that begins immediately following the calendar year for which the bonus was earned. In order to be eligible to receive such a bonus for any calendar year, Employee must remain employed by the Authority in the position of Chief Executive Officer through the date of the bonus payment.

d. Except as set forth herein, the fringe benefits provided by Authority, as approved by the Board, to Authority's non-represented employees, including, but not limited to medical, life and disability insurance, holidays, and sick, personal and vacation days, and participation in Authority's defined contribution plan for non-represented employees, subject to all

terms and conditions thereof as the same may from time to time be amended; provided that all sick, personal and vacation days shall accrue to Employee in accordance with accrual procedures for similar benefits for non-represented employees.

e. With respect to vacation days, the parties agree that Employee will receive, during each calendar year five (5) paid weeks or twenty-five (25) individual paid days of vacation, which will accrue and be utilized in a manner consistent with how vacation days are accrued and utilized by other Authority non-represented management personnel.

f. With respect to sick days, the parties agree that Employee will receive, during each calendar year, two (2) weeks or ten (10) individual days of paid sick time, which sick days will accrue and be utilized consistent with the manner in which sick days are accrued and utilized by other Authority non-represented personnel.

g. With respect to pension, Employee, in accordance with the terms of the applicable plans, procedures and law, will be eligible to receive a matching contribution from Authority equal to fifty percent (50%) of her contribution to Authority's Code Section 457(b) plan of up to six percent (6%) of her compensation as defined under and pursuant to Authority's money purchase pension plan for non-represented employees. In addition, Authority will provide a base contribution of three percent (3%) of her compensation as defined under and pursuant to the Authority's money purchase pension plan for non-represented employees. Further, Authority will contribute to the money purchase pension plan for non-represented employees, on an annual calendar year basis during the Term, an additional fifteen percent (15%) of Employee's compensation as defined under and pursuant to the Authority's money purchase pension plan. In no event shall Authority's total pension contribution for Employee exceed twenty-one percent (21%) of her compensation, as defined under and pursuant to the Authority's money purchase

pension plan, on an annual basis. All pension payments for Employee shall vest subject to the applicable terms and conditions, except if Employee is terminated without Cause (as defined below) during the first three years of the Term, the payments will automatically vest. The terms of this subparagraph f. are subject to any applicable limitations imposed by law.

h. During the Term, Employee will receive an employee transportation pass.

i. During the Term, Employee will receive use of a cell phone, laptop and/or iPad type device.

3. ***Business Expenses.*** Authority will reimburse Employee for reasonable and necessary approved business expenses incurred in the performance of her duties and responsibilities under this Agreement provided that Employee submits reports and documentation of those expenses in such form and detail as Authority's normal practices require. All travel for Authority shall be pre-approved by the Chair of Authority's Board.

4. ***Effective Date/Term.*** This Agreement is retroactive to, and shall be deemed effective on, January 1, 2022 (hereinafter called the "**Effective Date**") and shall continue for four (4) years from the Effective Date until December 31, 2025, unless the Agreement is sooner terminated pursuant to Paragraph 5 (hereinafter the "**Term**"). Upon completion of the Term, Employee's employment by Authority will terminate and Employee will only be entitled to receive her accrued salary, unused earned annual vacation and any previously approved reimbursable amounts and payments required to be paid pursuant to this Agreement through the conclusion of the Agreement, less required withholdings. Any unused sick time will not be subject to reimbursement or payment of any kind to Employee.

5. ***Termination.***

a. Authority may terminate Employee's employment, at any time, prior to the end of the Term, without Cause (as defined below), upon thirty (30) days' advance written notice. Notice shall be given under the notice provisions of Paragraph 6. At its sole discretion, Authority may accelerate the effective date of Employee's termination and Authority may, in lieu of notice of termination to Employee, pay Employee's base salary for all or any part of the thirty (30) day period. Upon such termination, Employee will only be entitled to receive her accrued salary, unused earned annual vacation and any previously approved reimbursable amounts and payments required to be paid pursuant to this Agreement through the date of termination, less required withholdings, and subject to, and conditioned upon, the execution of a complete release and separation agreement satisfactory to Authority and in exchange therefor, severance payments in the amount of six (6) months of her then base salary, paid on the customary Authority pay dates, less required withholdings, and a single cash payment equal to the cost of COBRA continuation coverage under the Authority's medical plan for six (6) months. Severance payments will begin on the first payday following sixty (60) days after the severance from employment, conditioned on the release and separation agreement having been fully executed and any revocation rights having expired. If the release and separation agreement is not fully executed within such sixty (60) day period, any severance payments shall be forfeited. Employee authorizes Authority to withhold from any such payments all amounts which Employee is indebted to Authority for overpayments, damaged or unreturned property, unreimbursed personal charges or otherwise.

b. Employee may terminate her employment with Authority by giving thirty (30) days' advance written notice. Notice shall be given under the notice provisions of Paragraph 6. Upon resignation by Employee, Employee will only be entitled to receive her accrued salary,

unused earned annual vacation and previously approved reimbursable amounts and payments required to be made pursuant to this Agreement through the date of her resignation, less required withholdings, but shall not be entitled to any further compensation or other benefits under this Agreement or otherwise.

c. Authority may terminate Employee's employment, at any time, without advance notice, for Cause. "Cause" means, as determined in the discretion of the Board: (i) refusal to follow a lawful directive or the policies of the Board; (ii) engaging in intentional or willful misconduct that could subject Authority to liability or, if made public, result in embarrassment to the Authority; (iii) a breach of this Agreement, neglect or poor performance of duties, which continues after a written notice specifying such breach, neglect or poor performance and a reasonable opportunity to cure; (iv) dishonesty, fraud or engaging in unlawful acts; or (v) a material conflict of interest. Authority may exercise this right of termination only after having given Employee a written statement of the reasons for such termination and after having afforded Employee an opportunity to address a quorum of the Board, which meeting between Employee and the Board shall be held pursuant to the Sunshine Act, 65 P.S. §§ 701, et seq., and shall occur in executive session, unless Employee timely requests, in writing, that the meeting be open to the public. Upon Employee's termination for Cause, Employee will only be entitled to receive her accrued salary, unused earned annual vacation and previously approved reimbursable amounts and payments required to be made pursuant to this Agreement through the date of her termination, less required withholdings, but shall not be entitled to any further compensation or other benefits under this Agreement or otherwise.

6. a. **Notices.** Any notice to Authority under this Agreement shall be in writing sent by certified mail, addressed as follows:

Port Authority of Allegheny County  
345 Sixth Avenue, Third Floor  
Pittsburgh, Pennsylvania 15222-2527  
Attention: Chair of the Board

With copy to:  
Sandy B. Garfinkel, Esq.  
Eckert Seamans Cherin & Mellott, LLC  
600 Grant Street, 44th Floor  
Pittsburgh, Pennsylvania 15219

b. Any notice to Employee under this Agreement shall be in writing sent by certified mail, addressed as follows:

Katharine Eagan Kelleman  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. **Confidential Information.** In her capacity as Chief Executive Officer, Employee may, from time to time, learn or come into possession of information which is confidential under law. Confidential information includes, but is not limited to, results of employee drug and alcohol tests, medical reports, personnel evaluations, results of internal audit investigations, attorney communications, litigation strategies, assessments and documents and other non-public information. Employee agrees to hold and safeguard for the benefit of Authority all such confidential information and Employee further agrees and understands that this information, except as required by law, shall not be disclosed during or after her employment, except in the good faith performance of Employee's duties to persons having a business reason to know the information. Upon termination of Employee's employment, employee shall immediately return to Authority all Authority property and documents, including any confidential information, in Employee's possession, custody or control and Employee shall not maintain any copies thereof. This provision shall continue in effect after the termination of the Agreement.



Disclosures. Employee agrees to comply with all applicable laws and requirements regarding personal financial disclosure, including, but not limited to, the State Ethics Act Annual Statement of Financial Interest and the Right-to-Know Law, and further agrees and acknowledges that she shall be subject, from time to time, to various internal and external audits and disclosures.

8. *Non-Disparagement.*

i. Employee agrees that, while employed by Authority and at all times thereafter, she will not make any disparaging statements to any current, former or potential contractors, vendors, employees, representatives or agents of Authority, to any media or to any other person or entity about Authority and/or its officers, directors, employees, representatives or agents, or engage in any contact that is intended to inflict harm or embarrassment on Authority and/or its officers, directors, employees, representatives and/or agents.

ii. Authority agrees that, while Employee is employed by Authority and at all times thereafter, its officers and directors will not make any disparaging statements to any current, former or potential contractors, vendors, employees, representatives or agents of Authority, to any media or to any other person or entity about Employee, or engage in any contact that is intended to inflict harm or embarrassment on Employee.

iii. A disparaging statement is any communication which, if publicized, a reasonable person would expect to cause the recipient of the communication to question the business condition, integrity, competence, good character or quality of the person or entity to whom the communication relates.

iv. This Paragraph 8 shall not apply to statements made under oath or affirmation in a legal or administrative proceeding or investigation.

9. **Remedies.** Employee and Authority recognize that irreparable harm will result to the other if either were to breach any of the requirements or covenants of Paragraphs 7 or 8 (as applicable to them). Therefore, Authority or Employee, as applicable, shall have the right, in addition to and not in lieu of any other remedies which may be available at law or in equity, to apply to any court of competent jurisdiction to restrain Employee or the Authority, as applicable, temporarily and permanently, from violating these provisions.

10. **Governing Law.** The parties agree that this Agreement shall be enforced and interpreted pursuant to the laws of the Commonwealth of Pennsylvania, excluding its choice of law and forum provisions. Venue for any legal matters arising from this Agreement shall be the applicable court (s) for Allegheny County, Pennsylvania.

11. **Severability.** Should any provision of this Agreement be void or voidable due to changes in the law or amended by mutual agreement of the parties, only that provision shall be affected and all other provisions shall remain in effect.

12. **Review by Counsel.** Employee acknowledges and agrees that she had the opportunity to have this Agreement reviewed by counsel and to discuss any questions that she may have regarding this Agreement with such counsel.

13. **Entire Agreement.** This Agreement represents the entire agreement between Authority and Employee and supersedes any and all prior oral or written agreements or understandings. Any amendment or modification of this Agreement is valid only if in writing and executed by the parties.

14. **General.**

a. This Agreement shall be enforceable by, and shall inure to the benefit of, Authority and its successors and assigns.

b. The failure or refusal of Authority or Employee to enforce this Agreement or to assert a violation hereof in a particular situation shall not be, and shall not be regarded as, a waiver of any other or subsequent breach of the same or any other provision of this Agreement.

c. This Agreement may not be modified or amended orally, but only by a written agreement which is signed by the Employee and the Chair of the Board after approval of the entire Board.

*IN WITNESS WHEREOF*, Authority has caused this instrument to be executed by its Chair, and its corporate seal thereto affixed, attested by its Assistant Secretary, and Employee has hereunto set her hand and seal the day and year first above written.

ATTEST:

PORT AUTHORITY OF ALLEGHENY  
COUNTY

\_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Jeffrey W. Letwin, Esq.  
Chair of the Board

WITNESS:

\_\_\_\_\_  
Katharine Eagan Kelleman

**EXHIBIT A**  
**CHIEF EXECUTIVE OFFICER**

**Reports to:**

Chair of Port Authority of Allegheny County (the "Authority"), on behalf of Authority's Board, consistent with adopted Board policies and procedures and/or as may be directed or requested from time to time.

**Supervises Directly:**

The Assistant General Managers and the staff of the office of the Chief Executive Officer.

**General Statement of Duties:**

The Chief Executive Officer is the chief executive and operating officer of the Authority responsible for all aspects of managing and overseeing the planning, financing, administration, operations, safety and security of Authority's services, operations and activities. The Chief Executive Officer serves as Authority's representative with governmental units, agencies, and transit organizations at the local, state, and federal levels. Duties of the Chief Executive Officer are to be performed within, and in accordance with, the policies, procedures and plans established by Authority's Board or as may be otherwise assigned from time to time by the Board. Subject to the Board's Limits of Authority Policy and other policies, procedures and plans established by the Board, the Chief Executive Officer has overall responsibility for the organization of subordinate staff, including the recruitment, hiring, promotions, development, discipline, evaluations, and delegation of responsibility.

**Accountability/Responsibilities:**

The Chief Executive Officer is accountable and responsible to the Board of the Authority for:

1. The timely development and effective implementation of operating plans consistent with the policies and objectives established, and/or the approval, by the Board and performing those duties as needed or as may be assigned, from time to time, by the Board.
2. Presenting budget proposals to the Board for approval.
3. Exercising fiscal responsibility and the effective development and control of operating and capital financial plans and budgets which support the operating plans, current and long-term, adopted by the Board.
4. The development, organization, motivation, and evaluation of a competent staff sufficient to meet the Authority's operational needs and overseeing the formulation of policies and procedures, subject to Board approval, for performance evaluation and recognition of all employees.
5. Developing, with the Board, a strategic vision and enabling senior staff to lead their respective departments effectively and efficiently.

6. Taking action to advance the goals of Authority's disadvantaged business enterprise policy and program and equal employment opportunities.

7. Overseeing the development of objectives for and negotiations of all collective bargaining agreements and other employee and labor relation matters.

8. Consulting with, and regularly reporting to, the Board to ensure that the Board is advised of the Authority's needs in a prompt, concise and interactive manner.

9. The effective communication of the Authority's policies, programs, and position on issues to its employees, the constituencies it serves, other agencies with which it deals, and the public generally.

10. Staying informed of potential federal, state and local funding available and shall have overall responsibility for funding and services which supports the Board's goals and plans.

11. The overall daily operations of Authority and its transit systems.