

Port Authority of Allegheny County

Fiscal Year 2020  
July 1, 2019 – June 30, 2020

# OPERATING AND CAPITAL IMPROVEMENT BUDGET



[PortAuthority.org](http://PortAuthority.org)

*This page intentionally left blank*



## **Board of Directors**

### **Officers**

Jeffrey W. Letwin, Esq., Chairperson of the Board of Directors

Jennifer M. Liptak, Vice Chairperson of the Board of Directors

Senator Jim Brewster, Secretary of the Board of Directors

Ann M. Ogoreuc, Treasurer of the Board of Directors

### **Directors**

Representative Austin A. Davis

Representative Lori Mizgorski

John L. Tague, Jr.

Stephanie Turman

Jessica Walls-Lavelle

Michelle Zmijanac

## **Chief Executive Officer**

Katharine Eagan Kelleman

## **Senior Staff**

Vasti Amaro, Chief of Staff

Maurice R. Bell, Chief Operating Officer

Michael Cetra, Chief Legal Officer

Inez Colon, Chief Human Resources Officer

Jeffrey Devlin, Chief Information Officer

David Huffaker, Chief Development Officer

James Ritchie, Chief Communications Officer

Peter Schenk, Chief Financial Officer

Heinz 57 Center  
345 Sixth Avenue Floor 3  
Pittsburgh, PA 15222-2327  
(412) 566-5500  
[www.portauthority.org](http://www.portauthority.org)

# Table of Contents

## FY 2020 Operating and Capital Improvement Budget

|                                                    |    |
|----------------------------------------------------|----|
| Board of Directors.....                            | 2  |
| Senior Staff.....                                  | 3  |
| Message from the CEO .....                         | 6  |
| Regional and Port Authority Profile.....           | 9  |
| Allegheny County .....                             | 9  |
| Port Authority of Allegheny County.....            | 10 |
| Port Authority of Allegheny County System Map..... | 11 |
| Port Authority Ridership Profile.....              | 13 |
| Fiscal Year 2020 Budget Development .....          | 15 |
| Operating Budget Process.....                      | 15 |
| Capital Budget Process.....                        | 15 |
| Operating Budget Timeline .....                    | 16 |
| Capital Budget Timeline .....                      | 17 |
| FY 2020 Tactical Plan.....                         | 18 |
| Summary of Assumptions .....                       | 23 |
| FY 2020 Operating Budget Summary.....              | 24 |
| Financial and Budgetary Policies .....             | 25 |
| Financial Planning Policies.....                   | 25 |
| Revenue Policies.....                              | 25 |
| Budget Control and Monitoring.....                 | 26 |
| Four Year Comparison .....                         | 27 |
| Fiscal Year 2020 Operating Budget.....             | 28 |
| Operating Revenues.....                            | 28 |
| Operating Expenses.....                            | 31 |
| Fiscal Year 2020 Capital Budget.....               | 35 |
| Port Authority Structure .....                     | 53 |
| FY 2020 Headcount .....                            | 55 |

## Table of Contents (cont.)

## FY 2020 Operating and Capital Improvement Budget

---

|                                             |     |
|---------------------------------------------|-----|
| Divisional Summaries and Expenses.....      | 56  |
| The Office of the Chief Executive .....     | 56  |
| Transit Operations.....                     | 59  |
| Finance Division.....                       | 63  |
| Marketing and Communications Division ..... | 67  |
| Human Resources Division .....              | 71  |
| Planning and Service Development .....      | 75  |
| Legal and Corporate Services .....          | 79  |
| Information Technologies .....              | 83  |
| Port Authority Modal Budget .....           | 87  |
| Port Authority Physical Plant .....         | 96  |
| Glossary of Terms .....                     | 100 |

## Introduction

I am pleased to present to you the FY2020 Annual Port Authority of Allegheny County (The Authority) Operating and Capital budgets for fiscal year ending June 30, 2020. The budget provides a financial plan to assist in the achievement of the Authority's goals, which have been included in the previously released Tactical Plan. The financial plan allows the Authority to remain committed to the many stakeholders that support public transportation in Allegheny County. The FY2020 Budget was developed with an eye toward supporting the following high-level goals as defined in the Authority's Tactical Plan:

- 1) Deliver an Excellent Customer Experience
- 2) Develop a Financial Sustainability Plan
- 3) Develop an Agency-Wide Safety Program
- 4) Develop an Employee Engagement Program
- 5) Improve Customer and Public Communications and better engage Communities

Not all of these goals can be attained within one or two budget cycles, but rather must be an on-going commitment within the Authority's organizational culture. The FY2020 Budget places the Authority on the right path to achieve the goals set forth in the Tactical Plan as well as the many supporting departmental initiatives required to achieve these goals.

## Background

In FY2019, Port Authority was confronted with the unique challenge of operating under the shadow of a lawsuit filed against the Pennsylvania Turnpike Commission (Turnpike Commission) by plaintiffs including the Owner-Operator Independent Drivers Association and the National Motorists Association. Annual payments from the Turnpike Commission to the Pennsylvania Department of Transportation (PennDOT) are a primary source of funding to transit agencies throughout the Commonwealth. The lawsuit challenged the constitutionality of Act 44, which was passed in FY2007 and established annual payments of \$450 million from the Turnpike Commission to PennDOT to support both public transportation and highway construction within the Commonwealth. The lawsuit was dismissed in U.S. District Court, and upon appeal in the U.S. Third Circuit Court of Appeals. This dismissal paved the way for a restoration of normal subsidy levels of both Operating and Capital funding from PennDOT in FY2020.

The impact of the lawsuit on the Authority was a significant reduction in State Capital funding. The FY2019 Capital Budget contained Federal, County and significantly reduced State funding. The FY2020 Capital Budget includes State funding constituting the restoration of the FY2019 State capital funding as well as normal State capital funding levels for FY2020.

## Achievements

The Authority has made great strides toward improving its product in FY2019.

When I took over leadership of the Authority, on-time performance was less than 70 percent. Our customers can't rely on the Authority if more than 3 in 10 trips they take for employment or leisure activities arrive late to their destination. FY2019 on-time performance began to show improvement with certain months approaching 74 percent. While this is an improvement, there is still much work to do to improve our reliability.

Another initiative that will positively impact on-time performance and improve the customer experience is a bus stop consolidation program. Many Authority routes contain stops with little or no activity. The immediate impact of a system with a high concentration of stops is that it lengthens the time for riders to get to their destination. A secondary impact to all of these stops is the increased wear and tear on vehicle braking systems as well as increased fuel usage. The Authority has begun a program to reduce the number of stops with ample input from the rider community if a stop elimination poses undue hardship.

As part of a re-branding effort, the Authority has convened numerous focus groups with customers and employees to better understand where both groups feel the Authority can improve. In addition, the Authority is reaching out to various stakeholder groups as part of its recently initiated Strategic Plan and its Long-Range Plan to be initiated in early 2020. All of these efforts to improve the Authority will involve gathering unique perspectives from many sources rather than a top down approach.

The Authority is making a concerted effort to engage its workforce through surveys, increased training, focus groups and employee recognition programs. The Authority has reinstituted driver safety awards and a commendation program to recognize employees who have contributed ideas or actions to reduce expenses, improve service, developed a new program, innovated, acted heroically, or worked in a creative manner.

The Authority has renewed its participation in the annual APTA Rodeo competition where operators and maintenance employees can compete in skills competitions locally with the winners moving onto to national competitions.

The Authority is proactively reaching out to the business community for cutting edge ideas. The Authority held its first company-wide vendor day in recent memory in order to increase the network of vendors bidding on Authority contracts as well as increase the number of Disadvantage Business Enterprises (DBE's) doing business with the Authority.

## Future Challenges

This budget document is the result of recommendations from the both the Authority's operations and administrative departments. A conscientious effort has been made to evaluate all budget requests and set priorities for those proposals that could be undertaken within available funding.

The Authority management is also cognizant of the financial challenges it will face in the next few years as the Act 89 legislation sunsets and State funding will transition from the Pennsylvania Turnpike to the State General Fund. Given even modest inflationary trends, the Authority projects to balance its Operating Budgets with the use of reserves that have accumulated over the past seven years. This resource level will prove problematic for current service levels much less entertaining increased service to underserved areas.

## Acknowledgement

I would like to thank the Authority's Board of Directors for their leadership and support at the highest level for prudent fiscal management. I would also like to extend my appreciation to all the Authority's employees and to the Department Managers for presenting goals and objectives for this year's budget that supports the Authority's mission. Our goals and objectives could not be met without all of your tireless effort. Most importantly, I would like to say thank you to our valued riders, for whom it is an honor to serve.

Respectfully submitted,



Katharine Kelleman  
Chief Executive Officer  
Port Authority of Allegheny County

## Allegheny County

Allegheny County is located in the Southwestern corner of Pennsylvania. It was founded on September 24, 1788, by General John Forbes, who combined portions of Westmoreland and Washington Counties. At the center of the County, the Allegheny and the Monongahela rivers converge to create the headwaters of the Ohio River. The population, per a 2018 estimate, stands



at 1,218,452 which makes it the second most populous county in Pennsylvania. The City of Pittsburgh, located in the heart of the three rivers, is the county seat. The County is 745-square miles; 730 square miles of land and 15 square miles of water. Much of Allegheny County is covered with forests and farmland. Temperatures are highest in July with an average of 83 degrees and January is the

coldest with an average low of 21 degrees. Average precipitation is 3.1 inches per month with approximately 150 days per year with some level of precipitation.

According to the most recent census, there were 533,960 households, 308,009 families and 2.23 persons per household residing in Allegheny County. Population density was 1,676 per square mile of land. The racial makeup was 81.5% White, 13.2% Black or African American, 0.2% American Indian, 2.8% Asian, 0.5% other and 1.8% two or more races. About 1.6% of the population were Hispanic or Latino of any race. Median age for county residents was 41.3 years and 52.1% of the population was female.

The County is home to several Fortune 500 companies including Kraft Heinz, PPG Industries, PNC Financial Services, United States Steel, Crown Holdings, Dicks Sporting Goods and WESCO International. In addition to corporate headquarters, Allegheny County has world renowned cultural attractions. The Carnegie Museums, the Andy Warhol Museum of Art, the Pittsburgh Zoo, the National Aviary, and the Heinz History Center are all located in the region. These cultural attractions helped Pittsburgh and Allegheny County to be ranked No. 3 on the *2019 National Geographic Traveller Cool List*.

The County is governed under a Home Rule Charter. This structure was implemented in 2000 and abolished a three-commissioner system. Under the Home Rule Charter, the County residents elect a County Chief Executive Officer and a 15 member Council.

## Port Authority of Allegheny County

The Port Authority of Allegheny County was established in January of 1958 and operates pursuant to the Commonwealth of Pennsylvania's Second Class County Port Authority Act. The transit operations for the modern day Port Authority began on March 1, 1964, with the formal consolidation of 33 private transportation carriers, including Pittsburgh Railways Company. The Authority was created for the purpose of planning, acquiring and holding, constructing, improving, maintaining, and operating a comprehensive public transportation system within Allegheny County by utilizing the full powers of the Second Class County Port Authority Act. The powers of the Authority also include the ability to borrow money for costs of projects related to the Authority and to issue negotiable, interest-bearing debt obligations. Any debt issuance by the Authority is the obligation of the Authority and shall not become indebted or an obligation to the Commonwealth or Allegheny County.

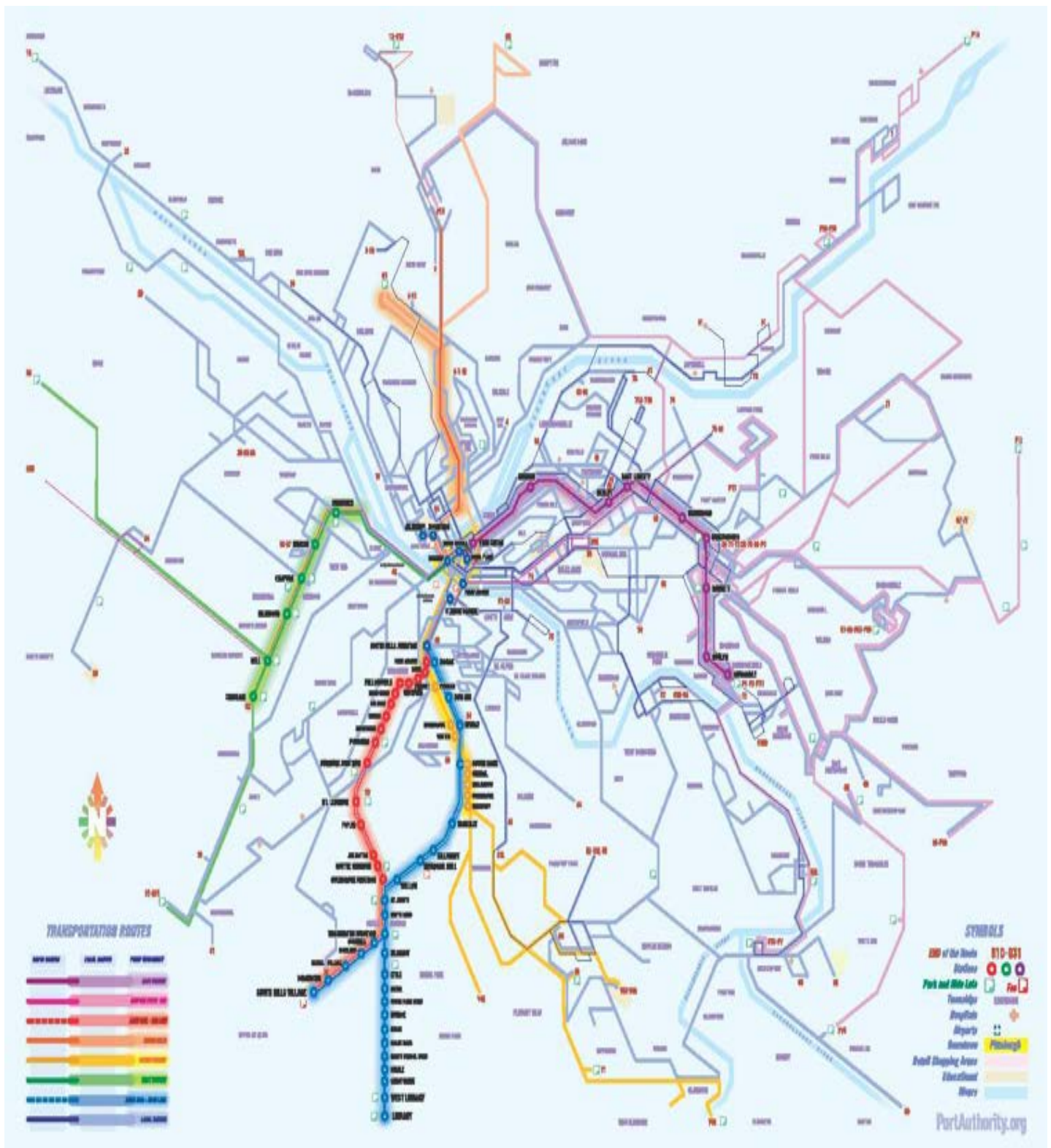
The Port Authority operates within the 745-sq miles of the County, serving a population base of 1.2 million people. The transit network includes fixed route bus service, the light rail system, and the Monongahela Incline. The Authority also provides ACCESS service, a coordinated, shared-ride paratransit system offering door-to-door, advanced reservation transportation for elderly and handicapped persons. ACCESS has been recognized as one of the nation's premier paratransit systems.

The Port Authority directly operates approximately 730 buses that vary in size from 35 to 60 feet, 83 light rail vehicles, and the Monongahela Incline. Port Authority assets include 7 maintenance and storage garages, 3 exclusive busways (the 4.3-mile South Busway, the 9.2-mile Martin Luther King Jr. Busway, and the 5-mile West Busway), the Wabash Tunnel and the 26.2 mile "T" light rail system.

In 2013 the Commonwealth of Pennsylvania passed legislation that altered the composition of the Port Authority of Allegheny County's Board of Directors. Under the new legislation the board increased to 11 members that are appointed by the Governor, two caucuses of the General Assembly, the County Executive, and County Council. The board structure provides representation from the funding stakeholders.

|  Bus                                                           |  Light Rail                                                |  Incline                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Vehicles - 731</li><li>• Ridership - 53,733,622</li><li>• Stations - 17</li><li>• Stops - 6,840</li></ul> | <ul style="list-style-type: none"><li>• Vehicles - 83</li><li>• Ridership - 7,655,539</li><li>• Stations - 30</li><li>• Stops - 102</li></ul> | <ul style="list-style-type: none"><li>• Vehicles - 2</li><li>• Ridership - 610,433</li><li>• Stations - 2</li><li>• Stops - 2</li></ul> |

## Port Authority of Allegheny County System Map



Port Authority of Allegheny County

NTD - 2018 Agency Profile

Chief Executive Officer - Katharine Eagan Kelleman

<http://www.portauthority.org/>  
345 Sixth Avenue  
3rd Floor  
Pittsburgh, PA 15222-2527

General Information

| Urbanized Area Statistics - 2010 Census |                              | Service Consumption                                 |  |
|-----------------------------------------|------------------------------|-----------------------------------------------------|--|
| Pittsburgh, PA                          | 905 Square Miles             | 267,132,134 Annual Passenger Miles (PMT)            |  |
|                                         | 1,735,853 Population         | 63,463,854 Annual Unlinked Trips (UPT)              |  |
|                                         | 27 Pop. Rank out of 498 UZAs | 214,617 Average Weekday Unlinked Trips              |  |
|                                         |                              | 97,932 Average Saturday Unlinked Trips              |  |
|                                         |                              | 64,862 Average Sunday Unlinked Trips                |  |
| Service Area Statistics                 |                              | Service Supplied                                    |  |
| 775 Square Miles                        |                              | 32,630,017 Annual Vehicle Revenue Miles (VRM)       |  |
| 1,415,244 Population                    |                              | 2,425,606 Annual Vehicle Revenue Hours (VRH)        |  |
|                                         |                              | 933 Vehicles Operated in Maximum Service (VOMS)     |  |
|                                         |                              | 1,171 Vehicles Available for Maximum Service (VAMS) |  |

Modal Characteristics

| Modal Overview  | Vehicles Operated in |                    | Uses of Capital Funds |              |                |               |
|-----------------|----------------------|--------------------|-----------------------|--------------|----------------|---------------|
|                 | Maximum Service      | Directly Purchased | Revenue               | Systems and  | Facilities and | Other         |
| Mode            | Operated             | Transportation     | Vehicles              | Guideways    | Stations       | Total         |
| Demand Response | 0                    | 270                | \$0                   | \$680,994    | \$58,481       | \$0           |
| Inclined Plane  | 2                    | 0                  | \$0                   | \$20,472,186 | \$4,533,871    | \$130,736     |
| Light Rail      | 58                   | 0                  | \$0                   | \$22,565,480 | \$21,928,886   | \$97,582,340  |
| Bus             | 603                  | 0                  | \$51,325,317          | \$43,718,660 | \$26,521,238   | \$1,893,393   |
| Total           | 663                  | 270                | \$51,325,317          | \$43,718,660 | \$26,521,238   | \$123,458,608 |

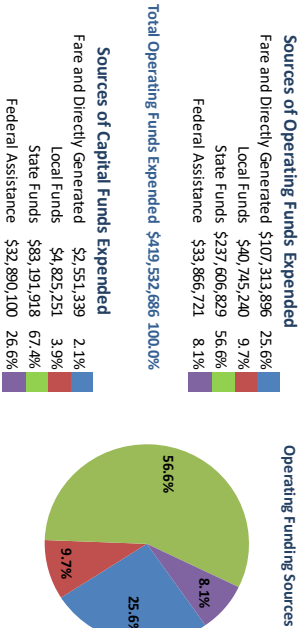
Operation Characteristics

| Mode            | Operating Expenses |               | Uses of Annual Passenger |                | Annual        |               | Annual Vehicle |               | Annual Vehicle |               | Fixed Guideway Directional | Vehicles Available for Maximum Service | Vehicles Operated in Maximum Service | Percent Spare Vehicles | Average Fleet Age in Years |
|-----------------|--------------------|---------------|--------------------------|----------------|---------------|---------------|----------------|---------------|----------------|---------------|----------------------------|----------------------------------------|--------------------------------------|------------------------|----------------------------|
|                 | Fare Revenues      | Capital Funds | Miles                    | Unlinked Trips | Revenue Miles | Revenue Hours | Revenue Miles  | Revenue Hours | Revenue Miles  | Revenue Hours |                            |                                        |                                      |                        |                            |
| Demand Response | \$37,500,282       | \$11,830,785  | \$0                      | 11,706,990     | 1,464,260     | 9,247,647     | 612,460        | 612,460       | 612,460        | 612,460       | 0                          | 355                                    | 270                                  | 23.9%                  | 6.2                        |
| Inclined Plane  | \$1,063,918        | \$648,929     | \$739,475                | 71,333         | 610,433       | 14,586        | 6,239          | 43.1          | 731            | 17.5%         | 0.2                        | 2                                      | 2                                    | 0.0%                   | 148                        |
| Light Rail      | \$66,793,023       | \$9,696,650   | \$25,136,793             | 30,261,649     | 7,655,539     | 2,184,781     | 170,363        | 49.6          | 83             | 30.1%         | 49.6                       | 83                                     | 58                                   | 30.1%                  | 26.6                       |
| Bus             | \$308,367,401      | \$79,575,413  | \$97,582,340             | 225,092,162    | 53,733,622    | 21,183,003    | 1,636,544      | 43.1          | 731            | 17.5%         | 43.1                       | 731                                    | 603                                  | 17.5%                  | 6.2                        |
| Total           | \$443,724,624      | \$101,751,777 | \$123,458,608            | 267,132,134    | 63,463,854    | 32,630,017    | 2,425,606      | 92.9          | 1,171          | 20.3%         | 92.9                       | 1,171                                  | 933                                  | 20.3%                  | 6.2                        |

Performance Measures

| Mode            | Operating Expenses per Vehicle Revenue Mile |                | Operating Expenses per Vehicle Revenue Hour |          | Mode            | Operating Expenses per Passenger Mile |                | Operating Expenses per Passenger Trip |        | Mode            | Operating Expenses per Vehicle Revenue Mile |                | Operating Expenses per Vehicle Revenue Hour |      |
|-----------------|---------------------------------------------|----------------|---------------------------------------------|----------|-----------------|---------------------------------------|----------------|---------------------------------------|--------|-----------------|---------------------------------------------|----------------|---------------------------------------------|------|
|                 | Demand Response                             | Inclined Plane | Light Rail                                  | Bus      |                 | Demand Response                       | Inclined Plane | Light Rail                            | Bus    |                 | Demand Response                             | Inclined Plane | Light Rail                                  | Bus  |
| Demand Response | \$4.06                                      | \$72.94        | \$30.57                                     | \$14.56  | Demand Response | \$3.20                                | \$14.91        | \$8.72                                | \$5.74 | Demand Response | \$25.61                                     | \$1.74         | 41.9                                        | 97.8 |
| Inclined Plane  | \$61.23                                     | \$170.53       | \$392.06                                    | \$188.43 | Inclined Plane  | \$14.91                               | \$8.72         | \$5.74                                | \$2.5  | Inclined Plane  | \$1.74                                      | \$8.72         | 3.5                                         | 44.9 |
| Light Rail      | \$170.53                                    | \$392.06       | \$188.43                                    | \$12.68  | Light Rail      | \$2.21                                | \$1.37         | \$6.52                                | 1.9    | Light Rail      | \$8.72                                      | \$5.74         | 2.5                                         | 32.8 |
| Bus             | \$12.68                                     | \$170.53       | \$188.43                                    | \$12.68  | Bus             | \$1.37                                | \$6.52         | 1.9                                   | 26.2   | Bus             | \$5.74                                      | \$2.5          | 32.8                                        | 26.2 |
| Total           | \$12.68                                     | \$170.53       | \$188.43                                    | \$12.68  | Total           | \$1.55                                | \$6.52         | 1.9                                   | 26.2   | Total           | \$6.52                                      | 1.9            | 26.2                                        | 26.2 |

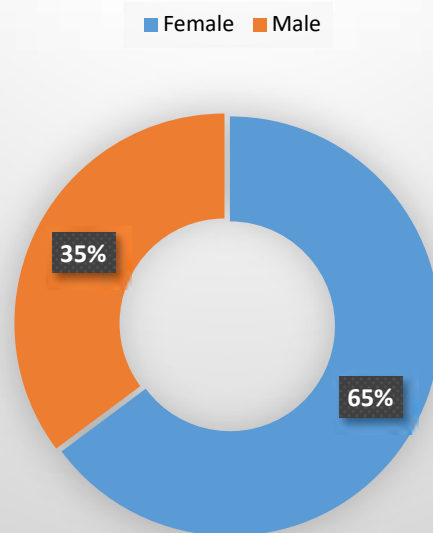
Financial Information



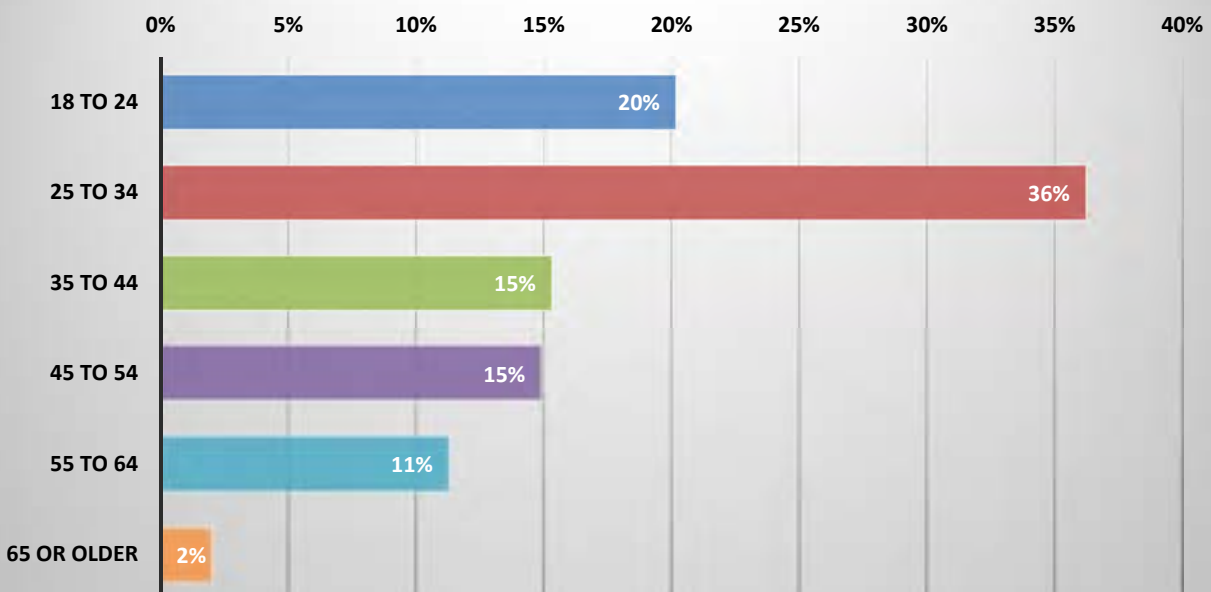
## Port Authority Ridership Profile

The following charts represent a typical adult Port Authority passenger and were derived from the data recorded as part of the 2014 Rider Study. This survey was conducted by a consultant contracted by the Port Authority between November 10, 2014 and January 20, 2015. Their criteria for inclusion were the respondent had to be 18+ years of age and have used the Port Authority's services in the past year. In total, 1,941 surveys were completed as part of this study.

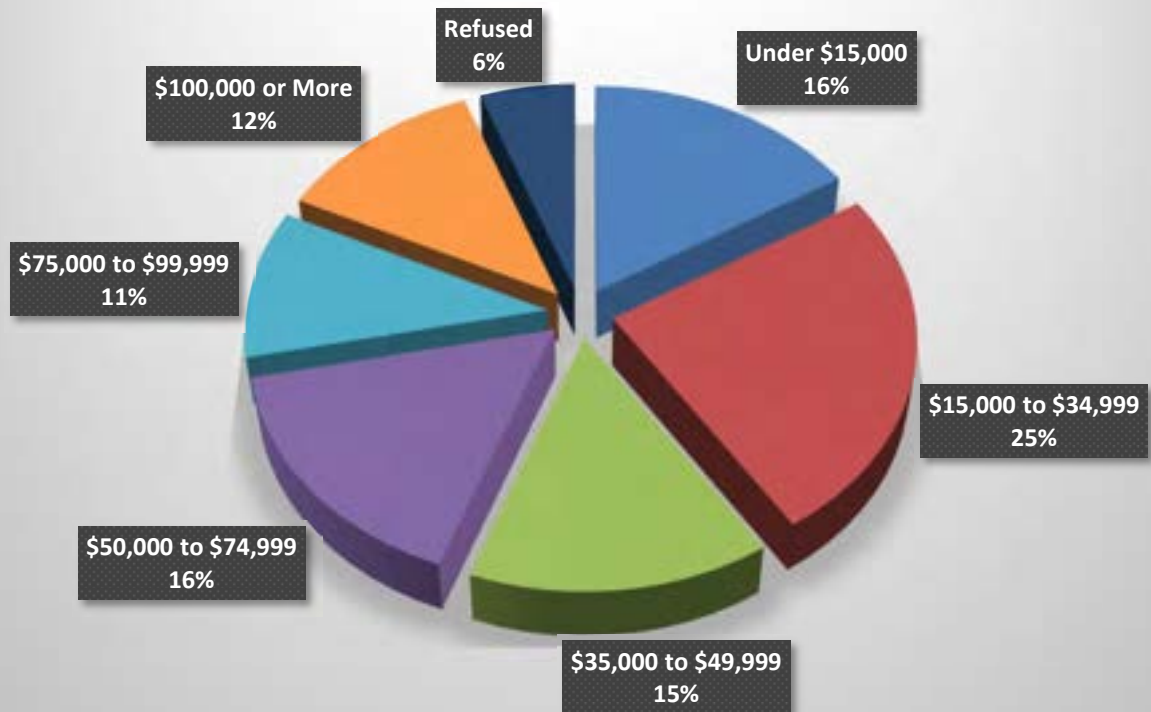
### Gender of Port Authority Passengers



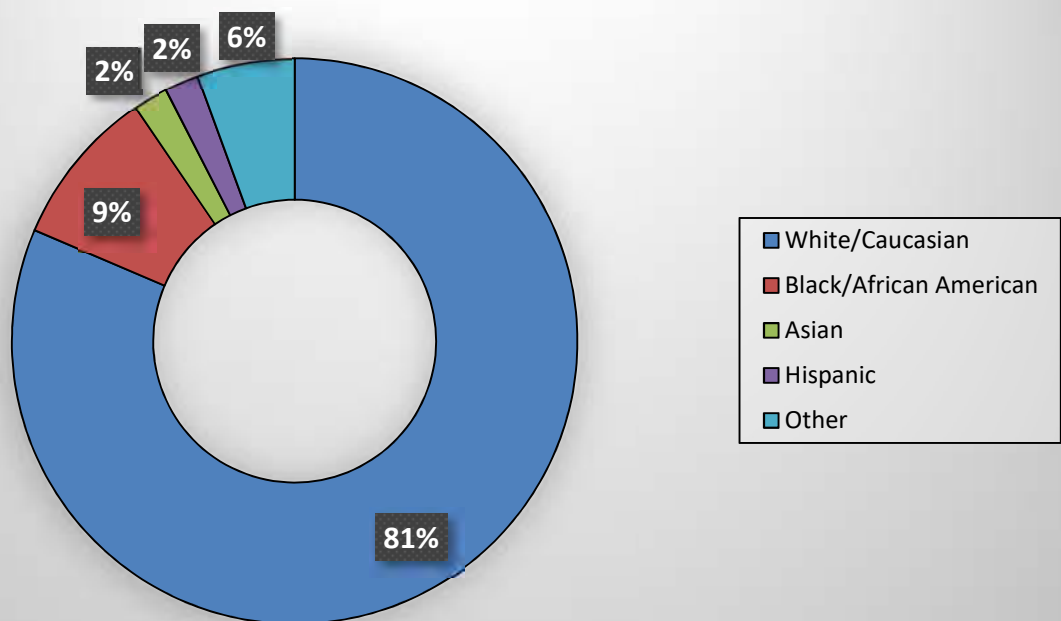
### Age of Adult Ridership



## Household Income



## Ethnicity



A budget represents a financial plan based on the best available information at a point in time. The Port Authority's annual operating budget, along with the performance against it, is the most visible element of fiscal responsibility. This fiscal responsibility is necessary to assure the long term success of the Port Authority and stable service for customers and the region.

## **Operating Budget Process**

Port Authority begins its budget preparation cycle each January. Kickoff of the budget process begins with the Finance department providing the Budget Request Forms to each department.

See Operating Budget Development Timeline on Page 16.

## **Capital Budget Process**

The development of the Capital Improvement Program (CIP) originates with the review of the Port Authority's Capital Needs Study. The objective of this review is to evaluate assets, assess risk, prioritize needs and forecast necessary capital expenditures to enhance transit service while maintaining the integrity of our current infrastructure.

See Capital Budget Development Timeline on Page 17.

The Operating and Capital Budgets at the Port Authority must be considered and submitted for approval together, as they have become increasingly interdependent as certain sources of funds can be used interchangeably. Balancing this usage of Capital funding for operating purposes with expansion and state of good repair projects is the only way to address the daily requirements of the organization, assess the future Capital needs, and achieve the company vision and organizational goals established by the Port Authority.

## Fiscal Year 2020 Operating Budget Development Timeline

|                                                              | JANUARY                                                                                                  | FEBRUARY                                                                                                                 | MARCH                                                                                                                  | APRIL               | MAY                 | JUNE                                                        | JULY                                                           |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|-------------------------------------------------------------|----------------------------------------------------------------|
| Completed By:                                                | 14<br>21                                                                                                 | 4<br>11<br>18<br>25                                                                                                      | 4<br>11<br>18<br>25                                                                                                    | 5<br>12<br>19<br>26 | 6<br>13<br>20<br>27 | 3<br>10<br>17<br>24                                         | 1                                                              |
| Department Managers<br>Department Directors<br>Division AGMs | Budget request forms provided by Financial Planning & Budgets department and Completed by all Divisions. |                                                                                                                          |                                                                                                                        |                     |                     |                                                             |                                                                |
| Financial Planning & Budgets Personnel                       |                                                                                                          | Initial budget requests are reviewed and compiled along with company-wide revenue projections.                           |                                                                                                                        |                     |                     |                                                             |                                                                |
| Department Managers<br>Department Directors<br>Division AGMs |                                                                                                          | Financial Planning & Budgets personnel meet with each department and division to review and finalize budget submissions. |                                                                                                                        |                     |                     |                                                             |                                                                |
| Financial Planning & Budgets Personnel                       |                                                                                                          |                                                                                                                          | Completion of Initial FY 2020 Operating Budget. Additional department budget meetings if changes are deemed necessary. |                     |                     |                                                             |                                                                |
| Financial Planning & Budgets Personnel<br>Senior Staff       |                                                                                                          |                                                                                                                          | Preliminary FY 2020 Operating Budget presented to the Chief Executive Officer and Senior Staff.                        |                     |                     |                                                             |                                                                |
| Financial Planning & Budgets Personnel<br>Senior Staff       |                                                                                                          |                                                                                                                          | Preliminary Budget presented to the Board's Planning and Stakeholder Relations Committee and ACTC during this period.  |                     |                     |                                                             |                                                                |
| Financial Planning & Budgets Personnel                       |                                                                                                          |                                                                                                                          |                                                                                                                        |                     |                     | Final FY 2020 Budget presented to the Board of Directors.   |                                                                |
|                                                              |                                                                                                          |                                                                                                                          |                                                                                                                        |                     |                     | Approval of Final FY 2020 Budget at the June Board Meeting. |                                                                |
| Financial Planning & Budgets Personnel                       |                                                                                                          |                                                                                                                          |                                                                                                                        |                     |                     |                                                             | Final FY 2020 Budget data uploaded to the Peoplesoft Database. |

## Operating Budget Timeline

## Fiscal Year 2020 Capital Budget Development Timeline

|                                                                      | DECEMBER                                                                                                                                                                                   | JANUARY             | FEBRUARY            | MARCH                                                           | APRIL                                                                                                                                                                                                                    | MAY                 | JUNE                                                                                                                         | JULY                                                             |
|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Completed By:                                                        | 3<br>10<br>17<br>24<br>31                                                                                                                                                                  | 7<br>14<br>21<br>28 | 4<br>11<br>18<br>25 | 4<br>11<br>18<br>25                                             | 1<br>8<br>15<br>22<br>29                                                                                                                                                                                                 | 6<br>13<br>20<br>27 | 3<br>10<br>17<br>24                                                                                                          | 1                                                                |
| Technical Support Personnel<br>Department Directors<br>Division AGMs | Facility On-Site Visits are performed by Technical Support Personnel.<br><br>FY20 Capital budget request forms made available and completed by all Department Directors and Division AGMs. |                     |                     |                                                                 |                                                                                                                                                                                                                          |                     |                                                                                                                              |                                                                  |
| Grants & Capital Programs Personnel<br>Technical Support Personnel   |                                                                                                                                                                                            |                     |                     | Capital budget requests are reviewed and compiled by Department |                                                                                                                                                                                                                          |                     |                                                                                                                              |                                                                  |
| Grants & Capital Programs Personnel<br>Capital Planning Committee    |                                                                                                                                                                                            |                     |                     |                                                                 | Budget requests discussed and ranked by the Capital Planning Committee.<br><br>Highest ranked requests are compiled along with company-wide capital revenue projections.                                                 |                     |                                                                                                                              |                                                                  |
| Grants & Capital Programs Personnel                                  |                                                                                                                                                                                            |                     |                     |                                                                 | Compilation of Initial FY 2020 Capital Budget.                                                                                                                                                                           |                     |                                                                                                                              |                                                                  |
| Grants & Capital Programs Personnel<br>Senior Staff                  |                                                                                                                                                                                            |                     |                     |                                                                 | Preliminary FY 2020 Capital Budget presented to the Chief Executive Officer and Senior Staff.<br><br>Preliminary budget presented to the Board's Planning & Stakeholder Relations Committee and AGTC during this period. |                     |                                                                                                                              |                                                                  |
| Grants & Capital Programs Personnel<br>Senior Staff                  |                                                                                                                                                                                            |                     |                     |                                                                 |                                                                                                                                                                                                                          |                     | Final FY 2020 Budget presented to the Board of Directors.<br><br>Approval of Final FY 2020 Budget at the June Board Meeting. |                                                                  |
| Grants & Capital Programs Personnel                                  |                                                                                                                                                                                            |                     |                     |                                                                 |                                                                                                                                                                                                                          |                     |                                                                                                                              | Final FY 2020 Project Budgets loaded to the PeopleSoft Database. |

## Capital Budget Timeline

## DELIVER AN EXCELLENT CUSTOMER EXPERIENCE

- **Develop a system-wide service plan to maximize availability of public transit**
  - a) Long range 20-year service plan
  - b) Initiate mid-term service plan with community vision
  - c) Develop I.T. strategic plan to integrate services, including mobile fare and other apps.
  - d) Plan and construct BRT to allow expedited loading to maintain improved service & reliability
  - e) Centralize service center and customer service
- **Develop and deploy maintenance plan to support service plan**
  - a) Make the line 95% of the time.
  - b) Vehicle overhaul program bus and rail
  - c) Station/stop upgrades
- **Improved accessibility and on time performance (73% goal at 1 minute early to 5 late)**
  - a) Overhaul route and relief schedules
  - b) Fleet/maintenance stabilization
  - c) Enhance Bus PM Schedule to Improve Mean Distance between Road Failures (MBRF)
  - d) Road Supervisors /Traffic Dispatchers to Monitor Clever CAD to increase on-time performance
- **Introduce new Market Research Concepts**
  - a) Use Voice of Customer research data and Customer Service data annually to support divisional enhancements and recommend opportunities
  - b) Use customer feedback loops to improve service quality
    - 1. e.g. Address complaints in 72 hours and resolve in 10 business days

## DEVELOP A FINANCIAL SUSTAINABILITY PLAN

- **Develop Board approved Financial Policies**
  - a) Adopt a Board approved fare policy review process including the establishment of fare recovery ratio target
  - b) Adopt a Board Debt Policy
  - c) Conduct a comprehensive review of the Operating and Capital Budget process.
  - d) Adopt a Board approved Treasury Management Program.
  - e) Adopt a Board approved Operating Budget Reserve Policy
- **Explore increasing current revenue sources and developing new revenue streams**
  - a) Update U-Pass agreements
  - b) Review opportunities for increasing Advertising Revenue on Fixed Route or ACCESS vehicles
  - c) Explore naming rights for current and future service
  - d) Investigate paid parking at the Port Authority owned lots
  - e) Explore alternative funding scenarios for the eventual replacement of the Light Rail Transit fleet and Non-Revenue Vehicle Fleet
- **Develop a Performance and Productivity Reporting Framework**
  - a) Respond to PennDOT PAAC System Performance Review
  - b) Use new Maintenance Work Order System to begin to develop productivity reports
  - c) Develop multi-year Strategic Plan
  - d) Explore creation of Project Management Office (PMO)
- **Enhance the Sustainability Program to drive future cost containment**
  - a) Explore opportunities for new technologies that may reduce future operating costs.
  - b) Assist in a fuel diversification program.

## DEVELOP AN AGENCY-WIDE SAFETY PROGRAM

- **Promote a culture of safety first via implementation of an Agency Safety Plan for Port Authority**
  - a) Review and convert System Safety Program Plan, using Federal Transit Administration Safety Management Systems (SMS) principles and guidance into an Agency Safety Plan.
  - b) Update Security and Emergency Preparedness Plan to include cyber security and payment card industry (PCI) compliance policies and procedures.
- **Enhance training programs with focus on SMS awareness and implementation, workplace safety and security accident prevention and investigation and incentive programs for employees**
  - a) Operations and Facilities management to complete SMS Awareness online module.
  - b) System Safety to provide SMS Awareness training to Board.
  - c) Coordinate with Transportation Safety Institute to hold SMS Principles for Transit training program for Operations and Facilities Division Management.
  - d) Develop Division and Operator recognition programs based upon revenue vehicle miles without a chargeable accident performance.
  - e) Develop Division recognition program for prevention and reduction of workplace injuries.
- **Deploy Port Authority police in a strategic manner using community oriented policing principles**
  - a) Use key crime statistical information and analysis of service areas and transportation modes for strategic deployment of police and security resources.
  - b) Complete installation of security cameras at key stations along the East Busway, including Herron, Negley and Roslyn Stations.
  - c) Use community-oriented policing principles and training to improve police visibility and interactions with the riding public, including officer visibility and positive interaction with riders and engaging employees and patrons in safety and security initiatives such as “See Something, Say Something” and domestic violence and personal safety awareness training.
- **Develop and deploy cyber and PCI initiatives**
  - a) Develop an employee training program to increase awareness of potential cyber attacks

## DEVELOP AN EMPLOYEE ENGAGEMENT PROGRAM

- **Set a baseline for engagement and acknowledgement**
  - a) Desk audit
  - b) Engagement survey
  - c) Program audit
- **Begin Port Authority University Concept**
  - a) Consolidate all training under one umbrella entitled “Port Authority University”
  - b) Initiate a succession plan for key positions.
  - c) Promote and encourage staff to continue learning/training and use that knowledge internally
  - d) Increase and improve management training programs for new and existing managers and high potential management candidates.
  - e) Develop refresher training for Operators, Supervisors and Movement Directors.
  - f) Implement a new Rail Maintenance Training and Overhead Linesperson training program.
  - g) Conduct a training needs analysis of the positions currently in the Maintenance Apprenticeship Program (MAP).
- **Develop employee recognition programs**
  - a) Annual event calendar
  - b) Develop appreciation events and calendar
  - c) Revive Rodeo
- **Focus on employee wellness, fitness and well-being**
  - a) Expand on the fitness room survey and complete the project for each garage location.
  - b) Encourage employee wellness through financial incentives within the healthcare benefits package.
  - c) Encourage use of the internal Employee Assistance Program (EAP); Establish EAP availability 24/7
  - d) Enhance employee financial wellness by offering a Roth 401(a) contribution program.
- **Labor Relations**
  - a) 300 Committee
  - b) Open Door forums and other committees such as Scheduling Committees

## IMPROVE CUSTOMER AND PUBLIC COMMUNICATIONS AND BETTER ENGAGE COMMUNITIES

### ➤ **Initiate Integrated Marketing Plan**

- a) Develop Plan goals and timeline.
- b) Develop Branding Plan

### ➤ **Integrate Public Message**

- a) Legislative: Economic Development Study, Turnpike Study Funding
- b) Ridership/Community: Vision, transparency, value, responsiveness
- c) Employees via Employee engagement

### ➤ **Upgrade Community Involvement**

- a) Develop & deploy to include parades, school career days, speaker's bureau, sponsorships, major events (Grand Prix, Rib Fest, Community Days)
- b) Reboot community/municipal relationships
- c) Re-establish Pittsburgh COMTO Chapter
- d) Complete and Share Economic Impact Study

# Summary of Assumptions

FY 2020

In order to project expenses and revenues for FY 2020, it was necessary to make several key assumptions. These are briefly reviewed below under the following categories: Fare and Service Levels, Ridership, Passenger Revenues, Expenses and Operating Grants.

## **Fare and Service Levels**

- The Port Authority Fare structure will remain unchanged from FY 2019.
- Minor service adjustments in September 2019 with the aim to continue to improve the overall performance of the system and reach areas with little to no service.

## **Ridership**

- Overall paid ridership is expected to increase slightly compared to FY 2019 actuals.

## **Passenger Revenues**

- Passenger revenues are projected to increase slightly vs. FY 2019 levels, in-line with the increase in ridership.

## **Expenses**

- Operating expenses total \$461.9 million. An increase of 8.9%, or approximately \$38 million over FY 2019 actuals. The majority of the additional expenses are attributable to a 5.8% increase in Salaries & Wages and a 5.2% increase in Employee Benefits driven by the continued rise in the Authority's Pension obligations.

## **Operating Assistance**

- Port Authority receives operating assistance from state and county governments. For FY 2020, these funds are budgeted at a total of \$298 million, an increase of \$27.2 million over FY 2019. A portion of this increase, \$22.9 million, is this usage of deferred state operating assistance to ensure a balanced budget.

## **Operating Grants**

- Port Authority receives operating grants from federal, state, and county sources. These funds totaled \$58.3 million in the FY 2020 budget. A decrease of \$786k from FY 2019 actuals.

# FY 2020 Operating Budget Summary

FY 2020

| Amounts in Thousands ('000)           | FY 2020 Operating Budget |                  |
|---------------------------------------|--------------------------|------------------|
| <b>Revenues:</b>                      |                          |                  |
| Passenger Revenue                     | \$                       | 78,350           |
| ACCESS (Shared Ride) Service          |                          | 10,586           |
| Contract Services                     |                          | 11,251           |
| Advertising                           |                          | 2,500            |
| Interest Income                       |                          | 1,950            |
| Other Income                          |                          | 794              |
| <b>Total Operating Revenues</b>       | <b>\$</b>                | <b>105,431</b>   |
| <b>Expenses:</b>                      |                          |                  |
| Wages and Salaries                    | \$                       | 171,699          |
| Pensions and Employee Benefits        |                          | 166,979          |
| Materials and Supplies                |                          | 49,680           |
| Provision for Injuries and Damages    |                          | 4,412            |
| Purchased Services                    |                          | 17,885           |
| Utilities                             |                          | 8,556            |
| Other Expense                         |                          | 13,900           |
| ACCESS (Shared Ride) Service          |                          | 28,752           |
| <b>Total Gross Operating Expenses</b> | <b>\$</b>                | <b>461,863</b>   |
| <b>Deficit Before Subsidy</b>         | <b>\$</b>                | <b>(356,432)</b> |
| <b>Subsidy Source</b>                 |                          |                  |
| Federal                               |                          | 39,229           |
| State                                 |                          | 274,706          |
| Local                                 |                          | 39,450           |
| Regional Asset District               |                          | 3,000            |
| Other                                 |                          | 47               |
| <b>Total Subsidy</b>                  | <b>\$</b>                | <b>356,432</b>   |
| <b>Operating Surplus/(Deficit)</b>    | <b>\$</b>                | <b>-</b>         |

The purposes of the financial and budgetary policies at the Port Authority are to ensure and support sound fiscal management.

## **Financial Planning Policies**

### **Balanced Budget**

The Port Authority is required to adopt balanced Operating and Capital budgets each fiscal year. A balanced budget is defined as a budget where revenues are equal to expenses. It is a policy of the Port Authority that the balanced budgets are presented to the Port Authority Board of Directors to be adopted at the June board meeting, prior to the start of the fiscal year on July 1<sup>st</sup>. If a variance from the balanced budget occurs, this is reported as an Operating Surplus or Deficit.

### **Fiscal Year**

The Port Authority's budget is prepared on a fiscal year basis, which begins July 1 and ends on June 30.

### **Basis of Accounting**

As the Port Authority is a governmental entity, the basis of accounting conforms to the Governmental Accounting Standards Board (GASB) Statement No. 11. The accrual basis of accounting is used in measuring financial position and operating results in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. Revenues are recognized in the accounting period in which they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

The budget is prepared on the same basis of accounting as the financial statements, except that depreciation and other post-employment benefits are not budgeted. All transactions are accounted for in a single enterprise fund that combines both operating budget and capital budget activities into a consolidated financial statement.

### **Fund Balances**

Port Authority currently utilizes a single enterprise fund for operating purposes. The General Fund is specifically established for the appropriation of revenues and expenses associated with transit operations. Port Authority does not utilize fund accounting in the traditional sense. Consequently, Port Authority reports total equity rather than fund balance.

## **Revenue Policies**

The Port Authority has both Operating and Non-Operating Revenue sources. Operating revenues consist of those revenues that result directly from the ongoing principal operations of the company. These consist primarily of user charges. Non-Operating revenues are related to grants and subsidies received as well as other financing and investing activities. All revenues are recorded when they are earned.

**Fare Structure**

Port Authority currently operates under a Single Zone fare structure. This replaced the former two zone, distance-based structure in FY 2017. Act 89 legislation requires the Port Authority to adopt a fare policy that allows for the periodic review of fares. This policy was adopted by the Port Authority in FY 2016.

**Diversification of Revenues**

The Port Authority will continue to explore areas for revenue diversification that can supplement passenger revenue and subsidies. Some of these areas include, growing the footprint of our advertising program, expanding and improving our current Park and Ride system and developing new business and community partnerships.

**Budget Control and Monitoring**

Budgetary controls are established at various levels to have effective control over expenditures within the Port Authority. The budget is prepared by financial analysis on both current and historical information. This analysis is used to project both revenues and expenses at the departmental level. Each fiscal year the Operating and Capital budgets go through many levels of review prior to final board adoption. This budget approval process provides control over expenditures and ensures that the budget reflects the strategies and goals that are adopted by the Port Authority Board of Directors.

All divisions within the Port Authority are expected to adhere to budgeted guidelines. Each division manager is held accountable to operate within their respective budget.

During the fiscal year, Financial Planning & Budgets staff will provide each department with monthly budget reports reflecting actual expenditures and obligations. Along with these monthly reports, each department in the organization must review monthly and quarterly variance reports and answer for any variance that exceeds a predetermined amount. Also, quarterly meetings are held with each division head to review their respective division's year-to-date expenses and budget availability by account. All department and division managers have the ability to access their budget performance on a monthly or quarterly basis electronically as needed.

**Expenditures**

Numerous financial safeguards and controls are prevalent throughout the Port Authority to reduce and eliminate unnecessary spending. The majority of disbursements being made from the Port Authority are handled through purchase orders which allow for tracking of actual costs compared to budget. Final payment by our Accounts Payable department will not be made unless the disbursement passes budget check.

# Four Year Comparison

## Fiscal Years 2017 - 2020

FY 2020

| Amounts in Thousands ('000)           | FY 2017<br>Audited | FY 2018<br>Audited | FY 2019<br>Actuals | FY 2020<br>Budget  | FY 2020 vs.<br>FY 2019 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| <b>Revenues:</b>                      |                    |                    |                    |                    |                        |
| Passenger Revenue                     | \$ 79,041          | \$ 79,120          | \$ 77,300          | \$ 78,350          | \$ 1,050               |
| ACCESS (Shared Ride) Service          | 12,127             | 11,602             | 10,652             | 10,586             | (66)                   |
| Contract Services                     | 10,329             | 11,190             | 11,489             | 11,251             | (239)                  |
| Advertising                           | 2,610              | 2,823              | 2,839              | 2,500              | (339)                  |
| Interest Income                       | 472                | 1,067              | 2,167              | 1,950              | (217)                  |
| Other Income                          | 505                | 843                | 814                | 794                | (20)                   |
| <b>Total Operating Revenues</b>       | <b>\$ 105,085</b>  | <b>\$ 106,645</b>  | <b>\$ 105,262</b>  | <b>\$ 105,431</b>  | <b>\$ 169</b>          |
| <b>Expenses:</b>                      |                    |                    |                    |                    |                        |
| Wages and Salaries                    | \$ 152,634         | \$ 158,754         | \$ 162,231         | \$ 171,699         | \$ 9,468               |
| Pensions and Employee Benefits        | 148,413            | 149,572            | 159,199            | 166,979            | 7,780                  |
| Materials and Supplies                | 37,703             | 41,627             | 44,556             | 49,680             | 5,125                  |
| Provision for Injuries and Damages    | 2,042              | 2,977              | 2,853              | 4,412              | 1,559                  |
| Purchased Services                    | 9,810              | 10,515             | 13,151             | 17,885             | 4,733                  |
| Utilities                             | 8,023              | 7,462              | 7,681              | 8,556              | 875                    |
| Other Expense                         | 6,016              | 7,734              | 8,223              | 13,900             | 5,677                  |
| ACCESS (Shared Ride) Service          | 26,037             | 27,071             | 26,158             | 28,752             | 2,594                  |
| <b>Total Gross Operating Expenses</b> | <b>\$ 390,679</b>  | <b>\$ 405,712</b>  | <b>\$ 424,052</b>  | <b>\$ 461,863</b>  | <b>\$ 37,811</b>       |
| <b>Deficit Before Subsidy</b>         | <b>\$(285,594)</b> | <b>\$(299,067)</b> | <b>\$(318,791)</b> | <b>\$(356,432)</b> | <b>-</b>               |
| <b>Subsidy Source</b>                 |                    |                    |                    |                    |                        |
| Federal                               | \$ 1,652           | \$ 33,145          | \$ 44,004          | \$ 39,229          | \$ (4,775)             |
| State                                 | 233,596            | 244,092            | 242,027            | 274,706            | 32,679                 |
| Local                                 | 36,185             | 37,528             | 40,654             | 39,450             | (1,204)                |
| Regional Asset District               | 3,000              | 3,000              | 3,000              | 3,000              | -                      |
| Other                                 | 244                | 328                | 302                | 47                 | (255)                  |
| <b>Total Subsidy</b>                  | <b>\$ 304,677</b>  | <b>\$ 318,092</b>  | <b>\$ 329,987</b>  | <b>\$ 356,432</b>  | <b>\$ 26,445</b>       |
| <b>Operating Surplus/(Deficit)</b>    | <b>\$ 19,083</b>   | <b>\$ 19,026</b>   | <b>\$ 11,196</b>   | <b>\$ -</b>        | <b>-</b>               |

# Fiscal Year 2020 Operating Budget

FY 2020

## Operating Revenues

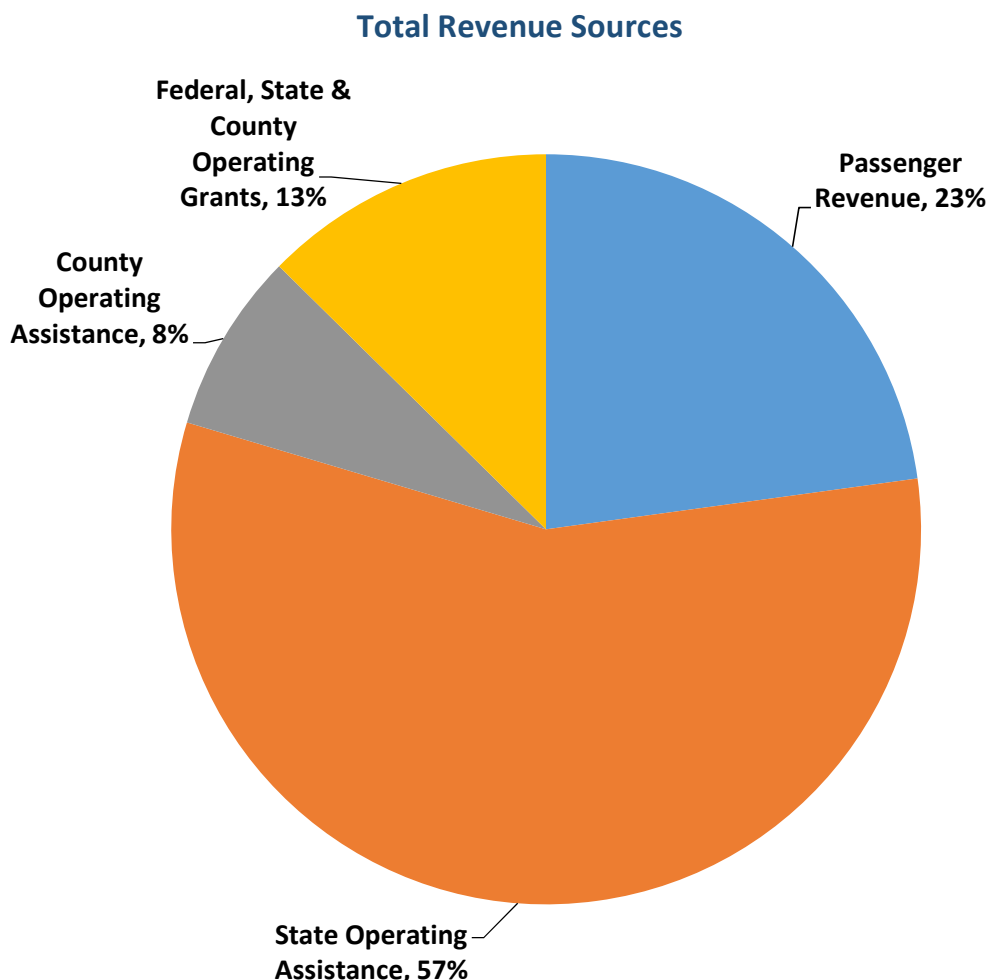
FY 2020 revenues for operations are approximately \$462 million and include passenger revenues, federal, state, and local operating assistance and capitalization grants. Passenger revenues to support operations are expected to represent 23% of the Authority's operating revenue. This includes the sale of fare products, cash fare payments, ACCESS program fees, contracted services through the U-Pass program, interest income, and advertising revenue.

### Total Revenue for Operations

| \$000                             | FY 2017<br>Audited | FY 2018<br>Audited | FY 2019<br>Actuals | FY 2020<br>Budget | % change<br>FY2020 vs.<br>FY2019 |
|-----------------------------------|--------------------|--------------------|--------------------|-------------------|----------------------------------|
| <b>Passenger Revenue</b>          |                    |                    |                    |                   |                                  |
| Farebox Revenue                   | \$79,041           | \$79,120           | \$77,300           | \$78,350          | 1.4%                             |
| Access Program Service            | 12,127             | 11,602             | 10,652             | 10,586            | -0.6%                            |
| Contract Services                 | 10,329             | 11,190             | 11,489             | 11,251            | -2.1%                            |
| Advertising                       | 2,610              | 2,823              | 2,839              | 2,500             | -11.9%                           |
| Interest Income                   | 472                | 1,067              | 2,167              | 1,950             | -10.0%                           |
| Other Income                      | 505                | 843                | 814                | 794               | -2.5%                            |
| <b>Total Passenger Revenue</b>    | <b>105,085</b>     | <b>106,645</b>     | <b>105,262</b>     | <b>105,431</b>    | <b>0.2%</b>                      |
| <b>Operating Assistance</b>       |                    |                    |                    |                   |                                  |
| State Operating Assistance        | \$224,939          | \$230,041          | \$235,628          | \$239,335         | 1.6%                             |
| County Operating Assistance       | 30,728             | 31,671             | 32,265             | 32,900            | 2.0%                             |
| Regional Asset District           | 3,000              | 3,000              | 3,000              | 3,000             | -                                |
| Deferred State Operating          | -                  | -                  | -                  | 22,890            | 100.0%                           |
| <b>Total Operating Assistance</b> | <b>258,667</b>     | <b>264,712</b>     | <b>270,893</b>     | <b>298,125</b>    | <b>10.1%</b>                     |
| <b>Operating Grants</b>           |                    |                    |                    |                   |                                  |
| State Grants                      | \$8,657            | \$14,051           | \$6,398            | \$12,481          | 95.1%                            |
| Federal Grants                    | 31,652             | 33,145             | 44,004             | 39,229            | -10.9%                           |
| County Grants                     | 5,457              | 5,856              | 8,389              | 6,550             | -21.9%                           |
| Other                             | 244                | 328                | 302                | 47                | -84.4%                           |
| <b>Total Operating Grants</b>     | <b>46,009</b>      | <b>53,380</b>      | <b>59,093</b>      | <b>58,307</b>     | <b>-1.3%</b>                     |
| <b>Total Revenue</b>              | <b>409,762</b>     | <b>424,738</b>     | <b>435,248</b>     | <b>461,863</b>    | <b>6.1%</b>                      |

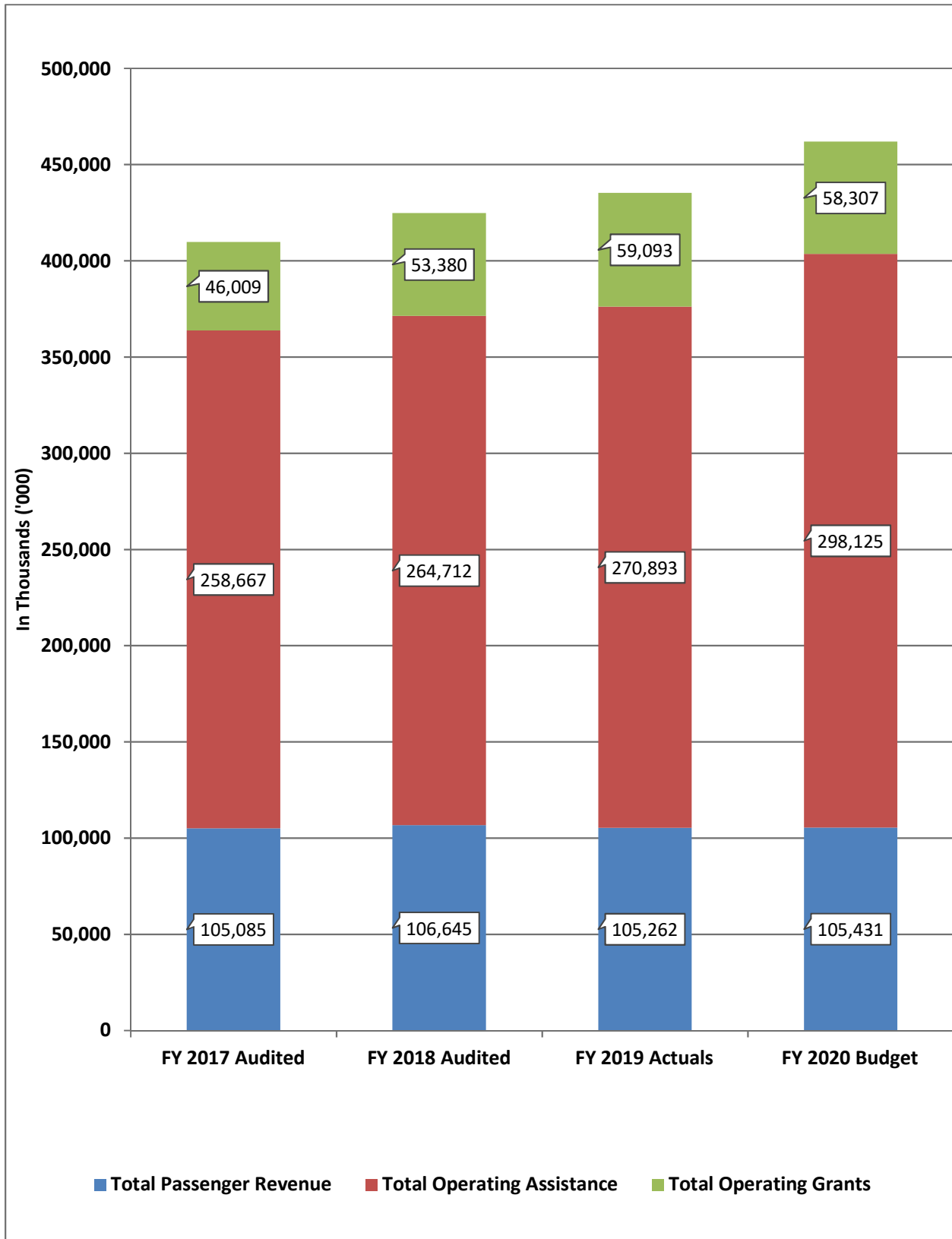
Overall, FY 2020 total operating revenue is projected to increase by approximately \$26.6 million, or 6%, compared to FY 2019.

Operating Assistance from state and local sources provide roughly 57% of budgeted revenue. State Operating Assistance for FY 2020 is \$262.2 million; which includes \$22.9 million in deferred State Operating Assistance from previous fiscal years. As was the case under Act 44, State Operating funding requires a 15% local match. Allegheny County will contribute \$32.9 million with the remaining \$3 million matched by the Allegheny Regional Asset District (RAD). RAD is a special purpose County-wide district that administers grants to “regional assets,” such as museums, parks, and transportation. Grants are made possible by a portion of the proceeds of a 1% County Sales and Use Tax.



Federal, State and County Capital grants supplement operating expenses and represent 13% of FY 2020 revenue. These grants underwrite expense in the Authority’s operating budget that are, by definition, eligible expenses under State and Federal capital assistance grants. Examples include eligible preventive maintenance activities to sustain federally-funded capital assets, “State of Good Repair” projects of the Authority’s, and State Capital Bond funds used to support the Vehicle Overhaul Program (VOH), which extend the useful life of its fleet. Also included in this category are expenses associated with the Authority’s staff who work on engineering design and management of the Authority’s capital projects.

## Total Revenues – FY 2017 to FY 2020



## Operating Expenses

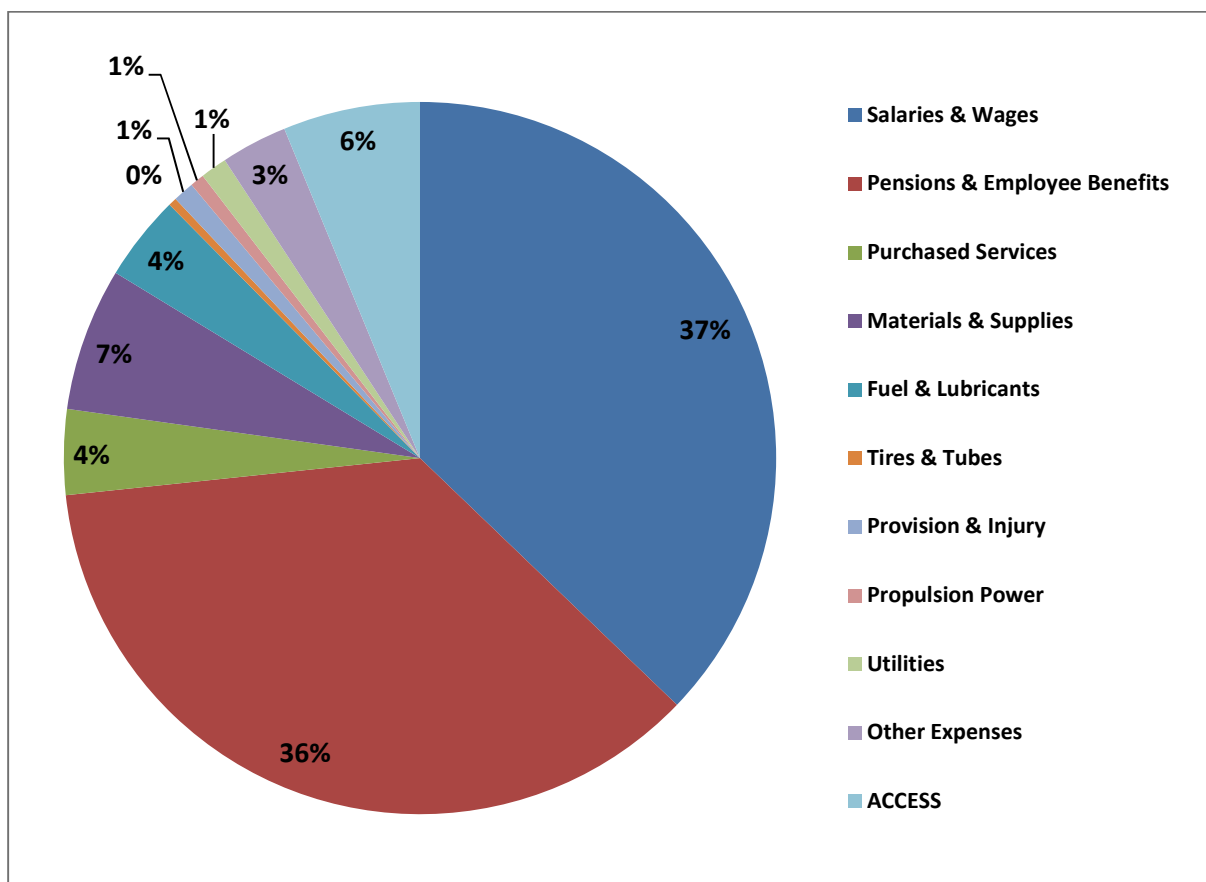
Port Authority Operating expenses are categorized according to the Uniform System of Accounts required by the National Transit Database. These categories include salaries and wages, pension and employee benefits (fringe benefits), materials and supplies, provision for injuries and damages, purchased services, utilities, other expenses, and ACCESS contracted services. FY 2020 budgeted labor costs (salaries, wages, and benefits) represent 73% of operating expenses. Salary and wage expense total \$171.7 million and increased due to contractual wage increases, wage progressions and increased staffing for key tactical plan projects. Benefit expenses include healthcare for active employees and retirees, pension obligations, unemployment compensation, as well as vacation, sick, holiday pay and taxes. These expenses total \$167 million for FY 2020; of which approximately 74% are dedicated to the Authority's obligations for healthcare and pension. Healthcare costs for both active and retired employees increased by approximately 4.5% compared to FY 2019 due to increased staffing and premium increases.

### Operating Expenses by Account

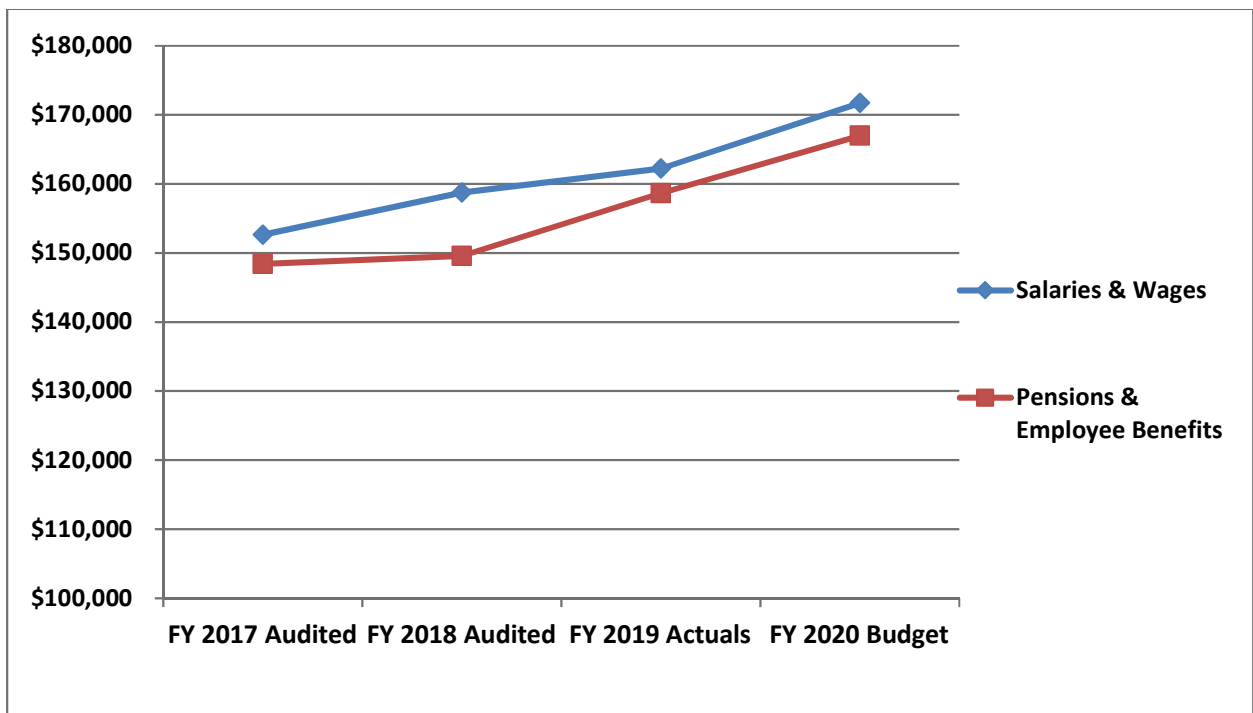
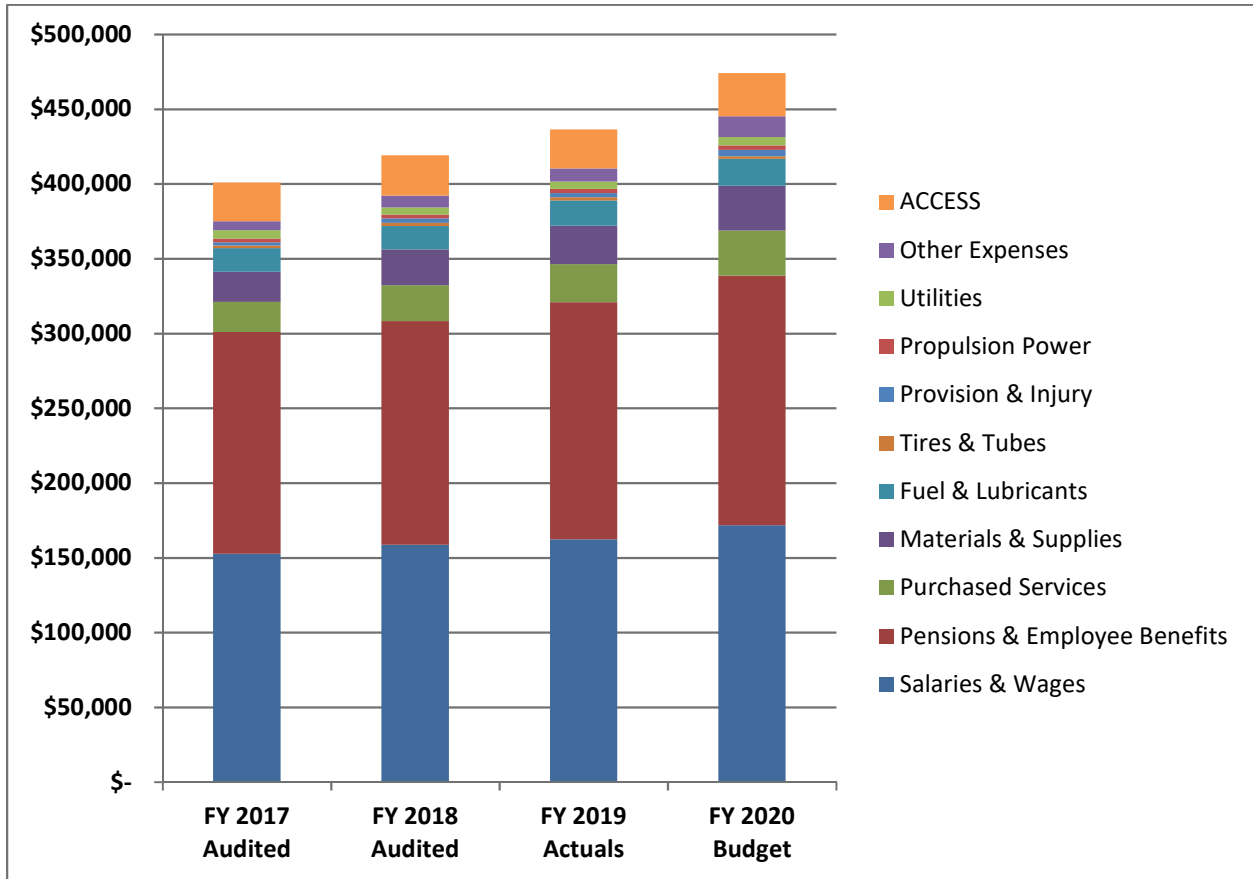
| Expense Accounts \$000                      | FY 2017<br>Audited | FY 2018<br>Audited | FY 2019<br>Actuals | FY 2020<br>Budget | % change<br>FY20 vs.<br>FY19 |
|---------------------------------------------|--------------------|--------------------|--------------------|-------------------|------------------------------|
| <b>Salaries &amp; Wages</b>                 | \$152,634          | \$158,754          | \$162,231          | \$171,699         | 5.8%                         |
| <b>Pensions &amp; Employee<br/>Benefits</b> | 148,413            | 149,572            | 158,668            | 166,979           | 5.2%                         |
| <b>Purchased Services</b>                   | 9,810              | 10,515             | 13,151             | 17,885            | 36.0%                        |
| <b>Materials &amp; Supplies</b>             | 20,108             | 23,910             | 25,536             | 30,056            | 17.7%                        |
| <b>Fuel &amp; Lubricants</b>                | 15,675             | 15,727             | 17,008             | 17,904            | 5.3%                         |
| <b>Tires &amp; Tubes</b>                    | 1,920              | 1,990              | 2,012              | 1,721             | -14.5%                       |
| <b>Provision &amp; Injury</b>               | 2,042              | 2,977              | 2,867              | 4,412             | 53.9%                        |
| <b>Propulsion Power</b>                     | 2,653              | 2,675              | 2,810              | 2,996             | 6.6%                         |
| <b>Utilities</b>                            | 5,370              | 4,787              | 4,872              | 5,560             | 14.1%                        |
| <b>Other Expenses</b>                       | 6,016              | 7,734              | 8,740              | 13,900            | 59.0%                        |
| <b>ACCESS</b>                               | 26,037             | 27,071             | 26,158             | 28,752            | 9.9%                         |
| <b>Total Gross</b>                          | <b>390,679</b>     | <b>405,712</b>     | <b>424,052</b>     | <b>461,863</b>    | <b>8.9%</b>                  |

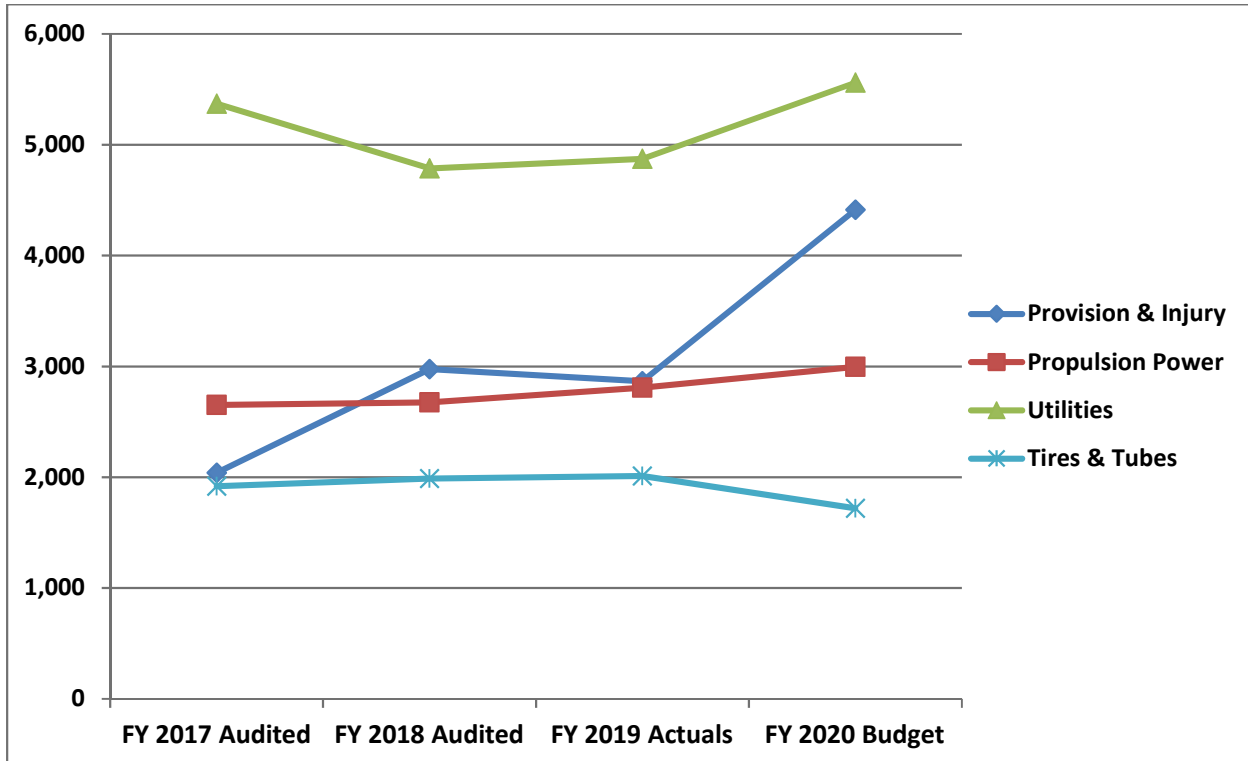
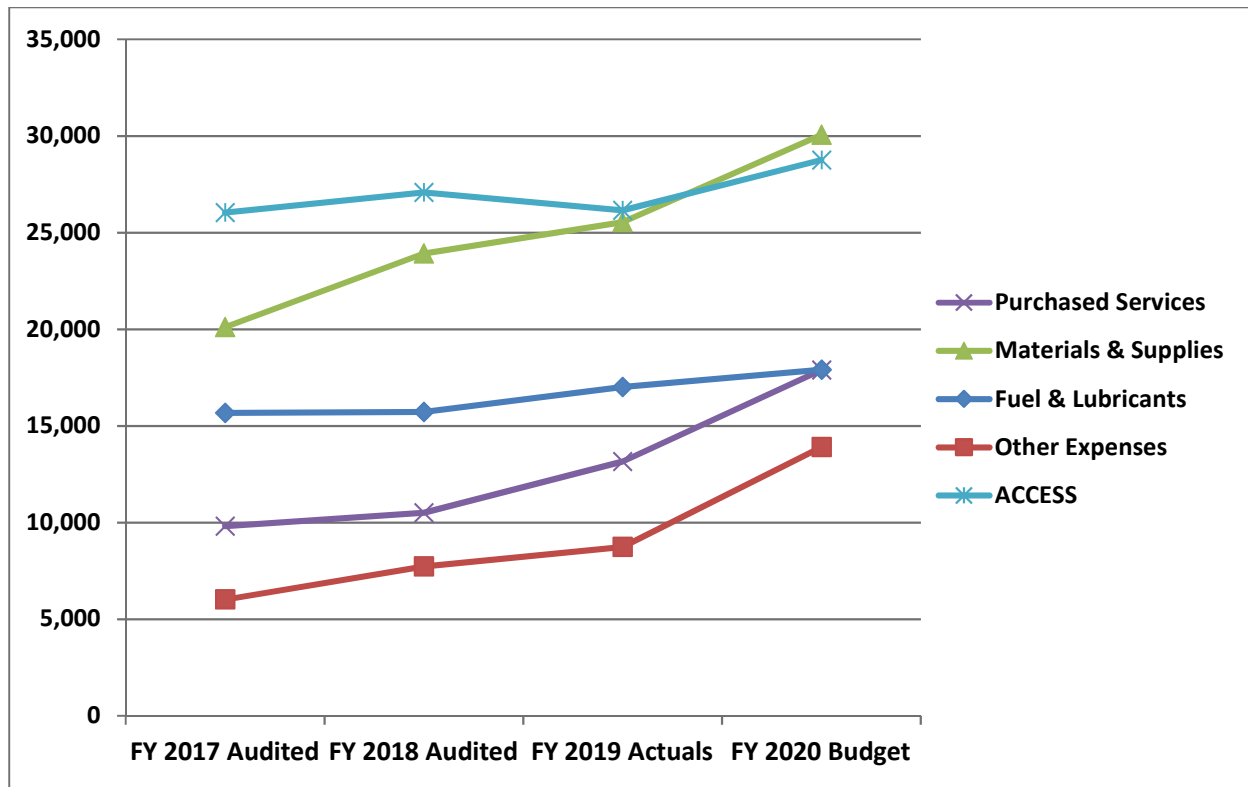
Material and supplies expenditures are expected to increase by \$4.5 million over FY 2019 actuals due to enhanced service, additional part requirements for our light rail vehicles and rehabilitation of the LRT System infrastructure. Fuel and Lubricants are budgeted to increase 5% due to uncertainty of future diesel fuel costs and enhanced service. Purchased services include work done by outside contractors, equipment purchases, and general engineering expenses related to capital infrastructure expenditures. It is expected to increase by 36% due to the development of our mobile payment application, increased monthly service costs, and additional work provided by outside contractors. Utilities include data communication, electricity, propulsion power, natural gas, water & sewage for Port Authority locations. The increased cost in FY20 is due to the additional data communication expense for providing Wi-Fi on all of our revenue vehicles and the increase in transmission for our propulsion power. Utility usage and costs at our facilities should remain relatively consistent compared to FY 2019. The Other expense line items include marketing and communication, insurance, rental equipment and buildings, banking services, employee development and software support. These expense items are expected to increase by approximately \$5 million over FY 2019. This increase is due to additional insurance requirements, new marketing and customer outreach initiatives, and the continued increase in Software License expense. The ACCESS expense is projected to increase by 10%.

**FY 2020 Operating Expenses by Source**



### Operating Expenses – FY 2017 to FY 2020





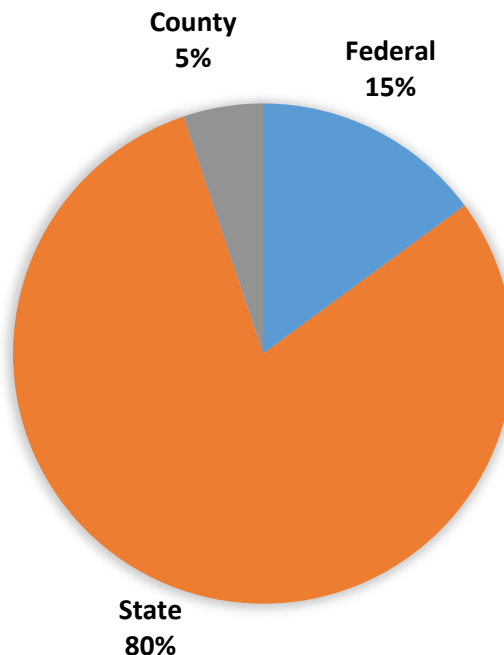
# Fiscal Year 2020 Capital Budget

FY 2020

## FY 2020 Capital Budget by Anticipated Funding Source

| <b><u>Anticipated Funding Sources</u></b>                         | <b><u>Amount</u></b>  |
|-------------------------------------------------------------------|-----------------------|
| <b><i>I. Federal</i></b>                                          |                       |
| FFY 2020 Net Section 5307 Urbanized Area                          | \$ 13,422,345         |
| FFY 2020 Section 5307 CMAQ Flex                                   | 14,940,200            |
| FFY 2020 Section 5339 Bus and Bus Facilities                      | 5,366,918             |
| FFY 2019 Transit Security                                         | 723,800               |
| Subtotal                                                          | \$ 34,453,263         |
| <b><i>II. State</i></b>                                           |                       |
| Driving PA Forward (VW)                                           | \$ 1,104,000          |
| Previously Appropriated State Act 89                              | 250,000               |
| FY 2020 Net ACT 89 Section 1514                                   | \$ 183,196,815        |
| Subtotal                                                          | \$ 184,550,815        |
| <b><i>III. County Capital Funds</i></b>                           |                       |
| 2020 County Capital - Bus Rapid Transit Final Design\Construction | \$ 5,000,000          |
| 2020 County Capital Net - State of Good Repair                    | 6,927,913             |
| Subtotal                                                          | \$ 11,927,913         |
| <b>Total Funding Sources</b>                                      | <b>\$ 230,931,991</b> |

**FY 2020 Capital Budget  
by Funding Source**



On November 25, 2013, Governor Corbett signed into law Act 89, a comprehensive transportation funding bill for the Commonwealth of Pennsylvania. This historic legislation provides long-term, dedicated funding for public transit as well as roads, bridges and multimodal transportation. Act 89 along with federal FAST Act funds, and Allegheny County local matching funds will provide Port Authority a predictable, growing source of funds to make critical infrastructure repairs and improvements for years to come.

The projected growth in Act 89 of capital funding permits the Port Authority to address its \$550 million State of Good Repair/Deferred Maintenance backlog due to chronic funding shortfalls. Port Authority's FY 2020 Capital Improvement Budget (CIP) will continue to be focused solely on currently held infrastructure assets and state of good repair. Port Authority's FY 2020 CIP will continue to build upon prior year Act 89 investments and continue capital programs to repair and/or replace assets that have long exceeded their useful life. Port Authority's FY 2020 CIP totaling \$230.9 million, includes \$184.5 million in state funds, \$34.5 million in federal funds, and \$11.9 million local funds.

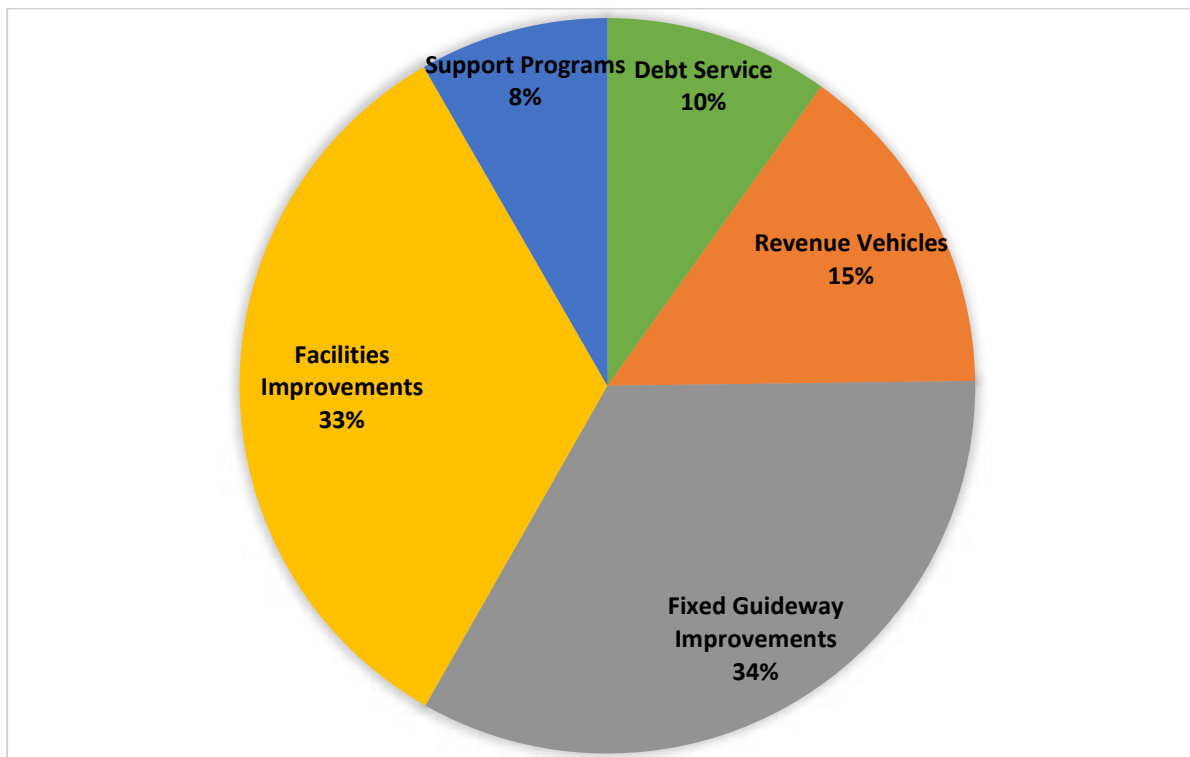
The FY 2020 CIP includes state funding for FY 2019 and FY 2020. The state funds available for FY 2019 were placed on hold due to the lawsuit filed by trucking advocacy groups against the Pennsylvania Turnpike. This funding hold required that the Port Authority defer approximately \$65 million in capital projects from previous year's CIP. With the dismissal of this lawsuit, funding was restored, and the deferred capital projects were included in the FY 2020 CIP.

With the anticipated FY 2020 funds, Port Authority has allocated projects that will bring assets to a state of good repair, enhance system safety, and various improvements to transit service. FY 2020 capital improvement programs are focused on the following categories:

- ***Debt Service*** – Bond debt incurred for the construction of the LRT Stage II Line and construction costs for the expansion of the Martin Luther King East Busway.
- ***Bus Replacement*** – The replacement of 54 - 40' low floor clean diesel buses that have met or exceeded their useful life (12 years) and the purchase of 6 – 40' Battery Electric buses.
- ***Fixed Guideway Improvements*** – The Port Authority's assets include various Fixed Guideways including 3 busways, 2 LRT Lines, 79 Transit Bridges, 5 Tunnels, and 1 Incline. Some key FY 2020 projects include Bridge Preventive Maintenance, Mt. Washington Tunnel Lighting, Mt. Lebanon Tunnel Fan Replacement, ATS System Upgrade, Oakland BRT Final Design and Construction, Carrier Transmission System Upgrade, CBD Plinth Repairs with DF Plates, and continuing the Rail Replacement Program.

- Facility Improvements** – Rehabilitation of Port Authority’s various Facilities including 4 bus operation facilities, the Bus Main Shop facility, the South Hills Rail facility, communication towers, Heavy Equipment facility and various Park and Ride Lots. Some key 2020 CIP projects include the Ross and Carnegie Park and Ride Expansion projects, McKnight Park and Ride Rehab, Plum Park and Ride Repairs, Manchester Main Shop Engine Dynamometer Replacement, South Hills Junction M-Loop Waterline Replacement and Improvements, West Mifflin Garage Perimeter & Employee Parking Lot Paving, Negley Station Improvements, Roofing and HVAC Upgrades at Manchester, LRT Stage I and Stage II Station Rehab, Wood St./Steel Plaza Station Louvers-Dampers-Actuators-MCCs-Switchgear Replacement, Mon Incline Phase 2 Improvements, Design of Rail Heavy Equipment Maintenance and Ops Relief Building at Penn Park, and Pit Repairs at the South Hills Village Rail Center.
- Transit Support Program** – Includes enhancing Information Technologies, updating Port Authority’s network infrastructure, and the replacement of various non-revenue support vehicles and shop equipment. Within the 2020 CIP, Port Authority will replace Port Authority Police vehicles, Route Foreman trucks, and various passenger vans that have reached their useful life. New hardware and software upgrades including the Rail Operations Center Theatre Projection Screens Replacement and Software Upgrades, Intelligent Vehicle Network 5 Upgrades, System-wide Station Audio/Visual Signage, Rail Automatic Passenger Counters, New LRT Radio System and Upgrade of Bus Radio in Mt. Washington Tunnel, and Clever Device Real Time Detour Module.

**Capital Expense by Project Percentages**



## Capital Projects by Designation

### Debt Service \$22,085,000

- \$22,085,000 - 2011 Series Bond Debt Service

### Revenue Vehicle Replacement \$33,340,000

- \$26,504,000 - (54) 40' Low Floor Clean Diesel Buses
- \$6,836,000 - (6) 40' Battery Electric Buses

### Fixed Guideway Improvements \$82,174,000

- \$31,650,000 - Rail Improvements
- \$27,800,000 - Bus Rapid Transit Final Design\Construction
- \$15,474,000 - Tunnel Improvements
- \$6,400,000 - Bridge Improvements
- \$850,000 - Busway Improvements

### Facility Improvements \$76,230,000

- \$35,150,000 - Rail Operations Facility Improvements
- \$23,860,000 - Park and Ride Facility Improvements
- \$17,220,000 - Bus Facility Improvements

### Support Programs \$17,103,000

- \$15,103,000 - Information Technology Hardware/Software & ITS Programs
- \$1,000,000 - LRV CAF Car Replacement/Siemens Car Mid-Life Overhaul Design
- \$1,000,000 - Support Vehicles and Shop Equipment

## Debt Service

Port Authority's Debt Service includes payments on Series 2011 Special Revenue Transportation Bonds. These bonds were used to refund the Special Revenue Bonds, Series 2001, which provided funds for the construction of the Stage II LRV Line and for construction on the East Busway Extension, and to refund the 2004 Note. Proceeds from the refunding of the 2004 Note were applied to the termination of a Swap Agreement. The final year of debt servicing of the Series 2011 bonds is FY 2029.

### Annual Debt Service Requirement

| <b>Fiscal Year</b><br><b>Ending June 30</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Debt Service</b>  |
|---------------------------------------------|----------------------|----------------------|----------------------|
| 2012                                        | \$9,360,000          | \$12,723,916         | \$22,083,916         |
| 2013                                        | \$9,550,000          | \$12,536,716         | \$22,086,716         |
| 2014                                        | \$9,910,000          | \$12,174,716         | \$22,084,716         |
| 2015                                        | \$10,305,000         | \$11,778,316         | \$22,083,316         |
| 2016                                        | \$10,820,000         | \$11,266,066         | \$22,086,066         |
| 2017                                        | \$11,360,000         | \$10,727,066         | \$22,087,066         |
| 2018                                        | \$11,925,000         | \$10,161,098         | \$22,086,098         |
| 2019                                        | \$12,520,000         | \$9,566,538          | \$22,086,538         |
| 2020                                        | \$13,140,000         | \$8,943,088          | \$22,083,088         |
| 2021                                        | \$13,830,000         | \$8,255,888          | \$22,085,888         |
| 2022                                        | \$14,555,000         | \$7,534,050          | \$22,089,050         |
| 2023                                        | \$15,315,000         | \$6,769,913          | \$22,084,913         |
| 2024                                        | \$16,115,000         | \$5,885,875          | \$22,000,875         |
| 2025                                        | \$16,965,000         | \$5,199,838          | \$22,164,838         |
| 2026                                        | \$17,810,000         | \$4,271,588          | \$22,081,588         |
| 2027                                        | \$18,705,000         | \$3,381,088          | \$22,086,088         |
| 2028                                        | \$19,770,000         | \$2,315,700          | \$22,085,700         |
| 2029                                        | \$20,890,000         | \$1,189,575          | \$22,079,575         |
| <b>Total</b>                                | <b>\$252,845,000</b> | <b>\$144,681,033</b> | <b>\$397,526,033</b> |

## Revenue Vehicle Replacement

The Port Authority plans to procure 54 new clean diesel 40 ft buses from Gillig. These new buses will replace existing buses that have met or exceeded their useful life of 12 years. Also, the Port Authority will be purchasing six all-electric buses from New Flyer.



## Fixed Guideway Improvements

- BRT Downtown – Oakland Final Design/Construction
  - Allegheny County, the City of Pittsburgh, Port Authority of Allegheny County, and the Urban Redevelopment Authority of Pittsburgh have proposed a Bus Rapid Transit (BRT) system that connects Downtown Pittsburgh with Uptown, Oakland, and several other communities. BRT is a high-quality bus-based transit system that delivers fast, comfortable, and cost-effective services via dedicated lanes and fast and frequent operations. The Final Design phase is budgeted in the FY 2020 Capital budget.
- Bridge/Tunnel/Rail Inspection NBIS / NTIS
  - Annual increment of the Bridge Inspection Program which provides periodic inspections of bridges on a bi-annual basis. Periodic NBIS inspections assess structural conditions on a regular basis, which allows for prediction of rehabilitation and replacement needs in order to maintain structures in a state of good repair. Ultrasonic rail inspections are also performed under this project. This year's scheduled inspections will also include the annual Monongahela Incline non-destructive cable & Fall Protection testing, and the inspection of the Panhandle Bridge over the Monongahela River including the underwater inspection of the bridge piers.
- Bridge Preventative Maintenance
  - This program continues the annual increment of moderate maintenance repairs for seven (7) of the 78 Port Authority owned and maintained bridges along the Authority Transit System. Repairs generally consist of concrete crack, spall, and delamination repair, drainage repairs, joint repairs, steel repair, bearing repairs, and painting. This program is intended to proactively identify and repair known problem areas that can typically cause significant future costly damage and deterioration.

- Busway Sign Replacement
  - This project consists of evaluating and modifying the speed limit zones on the East, West and South busways with the goal to determine if the speed limits may be safely increased to allow reduction in bus operating run times to produce savings to the Authority. Once a determination has been recommended, new speed signage will be installed accordingly.
- Carrier Transmission System Upgrade
  - Scope of the Project is to replace the Carrier Transmission System (CTS) for the Light Rail System in order to improve the reliability of communications throughout the system. The current CTS is approaching the end of its useful life. The new CTS will be an Ethernet-based Communications Network that will replace the existing SONET system, with the exception of the SONET Nodes installed as part of the North Shore Extension Project.
- Central Business District (CBD) Plinth Repairs
  - The concrete plinths and track tie plates which support the rail in the Central Business District (CBD) tunnel are 35 years old and exhibit significant levels of deterioration and are in need of rehabilitation. Continued deterioration of the concrete plinths and tie plates could negatively impact the structural integrity of the plinths, safety, and revenue service.
- Mt. Lebanon Tunnel Fan Replacement
  - The Mt. Lebanon Tunnel houses four (4) emergency ventilation fans which are over 30 years old, very loud and bothersome to the surrounding communities, and the existing infrastructure is corroded beyond repair due to water leaks in the tunnel. The proposed project consists of removing fans, conduit, power cabling, junction boxes, disconnect switches, cable troughs and all related equipment within the tunnel structure, and replacing with new. It also includes the addition of variable speed drives (VFDs) to control fan speed, which will allow the fans to be run continuously at low speed to reduce moisture.
- Mt. Lebanon and North Shore Connector Portal CCTVs
  - This project allows us to correct findings noted in DHS sponsored needs assessment to provide increased surveillance via security camera systems to existing subway and tunnel portals. This project enables the installation of twelve (12) cameras to provide surveillance to the portals of the Mt. Lebanon and North Shore Connector tunnels. Two cameras per end, per tunnel, plus two additional cameras located one each at the center of North Shore Connector and Mt. Lebanon tunnels for a total of twelve. These will be connected to existing fiber and monitored 24/7 at the police dispatch/command center.
- Mt. Washington Tunnel – Conduit, Lighting and Cable Replacement
  - Replacement of all the conduit, cabling, mounting hardware and luminaires installed in the Mt Washington transit tunnel. The existing infrastructure is corroded beyond repair. Proposed project consists of removal and replacement of all conduit, power cabling, junction boxes, disconnect switches, cable trays, expansion joints and all associated hardware related to the electrical infrastructure within the tunnel structure. Additionally, as part of the project, consideration for addition of a fire stand pipe will be analyzed during the preliminary design phase.

- Overhead Catenary System Assessment
  - Scope of the Project is to assess the Overhead Catenary System (OCS) for the Light Rail System on the Red Line and Library Line for renewal/ replacement options. Also, specifications for replacement of obsolete components to maintain operability of existing system will be developed.
- Rail Replacement Program
  - Multi-year rail replacement program throughout the LRT System. As identified as part of the regular rail inspection program, the existing rail on the system exhibits gauge wear and shelling that requires approximately 30,000 LF of rail to be replaced over the next several years in order to maintain a state of good repair. The Work of this project consists of replacing approximately 10,000 LF of rail per year along with contracting services for required flash-butt welding.
- Rail Wear and Geometry Inspection
  - This project consists of the annual inspection and assessment of the Authority system track-work as required by the Authority Maintenance and Inspection Standards. The inspection and assessment comprises of measuring track geometry and rail wear to identify area of track that exceed allowable thresholds specified in the Authority Standards and determine trend analysis results and to program and prioritize track replacement in an effort to maintain a state of good repair of the track system. This project also consists of an evaluation of system track-work to determine the need for future rail grinding and prioritization of section of track to correct rail surface defects in order to return the rail to its target profile which optimizes rail/wheel interaction, resulting in increased rail service life and improved ride quality.
- Replacement of Automatic Trip Stop (ATS) Equipment
  - Upgrade the current Automatic Trip Stop system (ATS) used on our fleet of Light Rail Vehicles (LRV). This system has been in operation since 1986 and was designed for the LRV's built by SIEMENS. Since that time, the original SIEMENS LRVs have been overhauled by CAF and the new CAF LRVs have been introduced to the fleet. This upgrade will cover the replacement of Wayside and LRV equipment. The ATS System is a safety feature that prevents LRV collisions by prohibiting second vehicle/ trains from entering an already occupied track circuit. The ATS components have become obsolete and more frequent false trips have occurred. These false trips affect operations and sometimes the ATS system is cut out in order to resume operations, thus leaving the track circuits without protection and jeopardizing the safety of the system.
- South Busway Paving
  - The South Busway pavement between Pioneer Avenue and South Bank Station (approximately 1.5 miles) has deteriorated due to age, continual vehicle use and road salt applications. Pavement contains numerous cracks, potholes and imperfections which cause unacceptable ride quality and potential damage to revenue vehicles. This request for funding is to provide an asphalt overlay to the existing concrete pavement. Work will also include curb replacement, grade adjustment and reconstruction of inlets, as necessary. If rehabilitation work is not performed, the roadway will continue to

deteriorate, causing an increased level of potential revenue vehicle damage, potential safety problems and unacceptable ride quality.

- Wheel Measuring System/Profiler on Yard Service Perimeter Track
  - Wheel measuring includes measuring Flange Height, Flange Width, Flange Slope, Rim Thickness, Full Wheel Profile, Back-to-back, and Wheel diameter. Data is recorded on paper and the inability to track wheel records or wheel performance consumes too much time. If one of the dimensions fails during measurement then the LRV needs to schedule Wheel Truer machine time for re-measurement of the wheel and verifying of dimensions.

## Facility Improvements

- Dormont Station Improvements
  - The existing asphalt surfaces are showing significant cracking and potholes are developing. This project consists of the full depth repair of the asphalt parking lot. This project will also perform required sidewalk, curb, guiderail and fencing repairs. Repainting of parking stalls will also be required. Any necessary updates to the parking lot lighting will also be evaluated to improve safety within the lot.
- East Liberty Garage Car-Mon Exhaust System Replacement
  - This project funds the replacement of the existing Car-Mon vehicle exhaust system at East Liberty Garage. The existing system was installed in 1990 and has reached the end of its useful life. The hose reels and their replacement parts are obsolete, making repair of the system extremely difficult. The unreliable system can lead to emissions of diesel exhaust inside the garage, which can be extremely hazardous to personnel in the garage. The project scope will include replacement of existing twenty-three (23) motorized hose reels, three (3) rooftop exhaust fans, and all related ductwork, conduit, and controls. It will also add an additional four (4) hose reels – for a total of twenty-seven (27) – one for each of the four (4) maintenance bays which will be getting 60-foot bus lifts in anticipation of BRT service. This will allow the Car-Mon system to serve 60-foot articulating buses in bays which currently only serve 40-foot buses.
- East Liberty Garage Charging Station
  - This project is for the replacement of the emergency generator located on the second floor of the East Liberty Garage. The generator was installed in 1990. This is a natural gas generator and current Fire Life Safety Code calls for diesel generators. The new generator will also serve as support for the new Battery Electric Charging Stations that will be installed by Duquesne Light to charge our battery electric buses.
- East Liberty Garage HVAC and Roofing Upgrades
  - This project will fund the replacement of nine (9) existing rooftop exhaust fans and dampers at East Liberty Garage. There are currently fourteen (14) similarly-sized rooftop fans, five (5) of which were replaced just a few years ago during the roof replacement project. The remaining nine (9) were installed in 1990 and have increasing maintenance and reliability problems. The fans can rapidly exhaust any excess heat which often builds

in the garage year-round due to daily bus maintenance activities, but especially in the warmer months.

- LRT Stage I and Stage II Platform and Lighting Repairs
  - The Stage I and Stage II LRT stations are more than 30 years old and 15 years old, respectively, and, although regularly maintained, the stations show their age and their disrepair. The deterioration and life safety items need immediate attention. Along with the life safety issues, an initiative has been implemented in association with the Station Improvement Program (SIP) to update and unify all the stations. This collaboration with the SIP is to improve Port Authority's image, increase ridership and revenue, and create opportunities for Transit Oriented Development (TOD).
- Manchester Car-Mon Exhaust System Replacement
  - This project will fund the replacement of the existing Car-Mon vehicle exhaust system at Manchester Main Shop. The existing system was installed in 1990 and has reached the end of its useful life. The project scope will include replacement of existing twenty-four (24) motorized hose reels, two (2) rooftop exhaust fans, two (2) additional flex ductwork stations (one for dyno room and one for bay next to machine shop area) and all related ductwork, conduit, and controls.
- Manchester Dynamometer Room Improvements
  - Improvements to the existing engine testing room at Manchester to provide the capacity to withstand dynamometer testing within the required margin of safety. Included in the modifications are, but not limited to, an adequate wall and a ballistic glass window between the testing room and control room; upgrade to lighting and sprinkler system; installation of a floor isolation pad; new ballistic doors to the room and between the testing room and control room; and an adequate fresh air and exhaust system.
- Manchester Fluid Reels, Pumps and Hoses Replacement
  - Manchester Main Shop has identified the need to upgrade the fluid reels, hoses and pumps servicing the engine line providing automatic transmission fluid (ATF), grease, motor oil, coolant, compressed air and electric power to each of the twelve (12) service bays of the engine line. The existing reels and related supply equipment have been in service since the last shop overhaul in 1980's.
- McKnight (Rave) Park and Ride Rehab
  - McCandless (Rave Cinema) Park and Ride's pavement was originally installed in the early 80's and has become severely deteriorated. It was a leased lot which the Authority has recently purchased. The scope of this request is to do a full depth replacement for the complete Park and Ride along with lighting replacement. Also, there will be some concrete sidewalk, curb and drainage work.
- Manchester HVAC and Roofing Upgrades
  - The existing membrane roofs at Manchester Garage have exceeded their warranty and are passed their useful life. There are many leaks that have caused damaged over the years to various areas of the offices, parts storage, and maintenance garage. The membrane roof, including insulation, and flashings, along with the coping need to be replaced to mitigate these issues.

- Mon Incline Improvements – Phase II
  - Included in this project will be painting of the bridge structure and associated structural repairs, which are needed to protect the steel structure due to extensive paint chipping and peeling. It also includes replacement of the traction drive sheaves in the upper station, which are nearing their useful life based on previous inspection reports. There will be some electrical upgrades, including replacement of the diesel generator (which has reached the end of its useful life) and power distribution upgrades (we currently are at maximum capacity within our current panels). This project also includes HVAC upgrades for both stations, since the mechanical rooms in the basement of the upper station get incredibly hot in the summer, which can decrease the lifespan of the sensitive drive and control equipment. The upper station boiler replacement will be included in the HVAC scope, as well as adding air conditioning to the passenger areas in both stations for the first time. Finally, the project will also include some architectural repairs such as replacement of the slate shingle roofs, red quarry tile floors, and handrails/wainscoting in both stations due to age and wear/tear.
- Pitt Tower Server Room HVAC Upgrade
  - Scope of the Project is to improve the HVAC system in the Pitt Tower 3rd Floor server room which houses critical IT equipment for the Authority's CCTV and security systems. A modern, industry-standard CRAC (computer room air conditioning) system in the server room, with a redundant standby unit for backup, will be installed which will provide the necessary cooling and dehumidification year-round.
- Plum Park and Ride Repairs
  - The project consists of performing repairs and restoration of the 286 Plum Park and Ride facility due to flood damage. The project generally consists of restoration of embankment protection, replacement of the failed retaining wall, and restoration of damaged asphalt pavement.
- Rail Heavy Equipment Maintenance and Ops Relief Building at Penn Park
  - The Power and System Safety Departments have identified and combined their need for maintenance & storage building for Overhead Maintenance Rail Vehicle (OMRV) and Rail Cart emergency response vehicles. The building will be located at the Penn Park yard and cover two end sections of track. One track for OMRV and one track for emergency rail carts. This building will protect the multi-million dollars' worth of vehicles from detrimental weather conditions extending the life of the equipment. As well as, reduce the chances of vandalism & theft of materials. The building location is ideal for staging first responders like Police, Fire, EMS and our own departments in an emergency incident.
- Ross Park and Ride Expansion
  - The project consists of improvements to existing Ross Park and Ride North Lot in order to increase its capacity from 294 designated spaces to approximately 650 designated spaces and improve access from the PNR facility to I-279 and Perry Highway. This will be accomplished by constructing a proposed parking deck on the North parking lot property and include new sidewalks along Perry Highway and the HOV Ramp for improved access. Additionally, improvements to the existing bus stops adjacent along Perry Highway will also be installed to facilitate safe access for transit riders.

- South Hills Junction (SHJ) M-Loop Site Improvements
  - This project replaces existing water line pipes with standard cement lined ductile iron pipe. It also includes replacing water valves and fire hydrants, as needed. The SHJ M – Loop parking area exterior concrete has deteriorated due to age, road salt applications and effects of climate freeze & thaw cycles. The area has numerous concrete cracks, pot holes, spalling, as well as, deteriorated railing and trench drain. The existing condition is a potential safety concern for patrons and Authority employees using the M - Loop. This request for funding is to provide repairs and replacement of deteriorated concrete, railing, trench drain, curbs and sidewalk.
- South Hills Village Paint Booth Upgrade
  - Upgrade the existing paint booth at South Hills Village Rail Center. There are three (3) paint booths which can be used for painting parts or LRV's. Due to age and unavailability of parts, the paint booths are not operating properly. Currently in two (2) paint booths the heat is not functioning and one (1) paint booth has no ventilation. Upgrades to the heat and ventilation systems is required to make the paint booths functional.
- South Hills Village Pit Concrete Repairs & Rail Replacement
  - This project consists of repairing the damaged concrete in each of the pits. It also includes the removal and replacement of the track sections associated with each of the pits. The South Hills Village Rail Center was built as part of the Stage I LRV project in the early 1980's. The maintenance pits all have areas of concrete delamination and spalling. Many of the spalls have exposed anchor bolts which attach the rails to the concrete floor. These anchor bolts have a considerable degree of corrosion / section loss. In addition, the existing rails associated with the maintenance pits have a gage which is currently out of specification. PAAC's current gage is 62 ½" and most of the track in the pit areas is only 62".
- System Safety Security Improvements
  - The System Safety Department recently performed an audit/assessment of safety and security-related needs across the Authority. Improvements in our buildings and facilities could be made such that unauthorized persons cannot easily gain access, while employees and authorized visitors can still readily access the buildings and facilities. This project seeks to accomplish that by providing additional ID Card readers at man doors, providing ID Card-access automated gates at parking lot entrances, adding gates to maintenance bays, replacing or adding new fencing, and providing additional CCTV cameras.
- Various Facilities Floor Space Rehab
  - Renovation of several Port Authority facilities. Consists of painting, flooring, lighting improvements and general conference room upgrades.
- West Mifflin Garage Perimeter Lot Paving
  - The project generally consists of making state of good repair site improvements to the West Mifflin Bus Garage perimeter. Work includes replacement of concrete perimeter paving in areas of bus circulation, rehabilitation of employee asphalt

pavement parking areas, and replacement of diesel and gasoline fuel storage tanks, pumps and dispensers.

- Wood St./Steel Plaza Electrical Equipment Replacement
  - The current electrical distribution equipment at both Wood Street Station and Steel Plaza Station is over 30 years old. The past 10 years have seen more and more tripping conditions and required repairs. Equipment is outdated and replacement parts are becoming more and more difficult to locate. The dampers and actuators powered from the switchgear are also over 30 years old. The veins do not all function and could allow for smoke ventilation to be inhibited. The actuator motors are becoming harder to find replacement parts and repair. Updating the equipment will allow for newer safety features to be implemented and better control of units locally and remotely by OCC.

## Information Technology Hardware/Software & ITS Programs

- Additional Sales Office Terminal Units (SOTs)
  - Additional Sales Office Terminal Units (SOTs) are need per the request of Marketing and Finance so that additional third party retailers can be signed up as regional partners and to provide Finance with some spare units that can be replaced in the field once older models require repairs. These terminals will allow Marketing to provide some areas within Allegheny County a location where a ConnectCard can be obtained and loaded, that is currently sparse in retail options. These units will also allow our current retail partners to continue to sell and reload ConnectCards should their unit need to be returned for servicing, currently there are 2 units that can be used as spares for this purpose.
- Bus and Rail Radio Upgrade
  - This multi-year project would consist of a design phase during the first year and a construction phase during the second. Physical work would consist of the removal/replacement of the current LRT and Police Radio (part of Bus Radio System) base station radios, microwave transceivers, as well as the installation of fiber optic transceivers, bi-directional amplifiers, and other incidental communications equipment, as appropriate, thus upgrading the system with modern radio communications equipment, similar to what was installed in other locations as part of the North Shore Connector and Bus Radio Replacement Projects, both of which utilize a GPS-based timing solution for the radios.
- Cisco Switch Replacement
  - Replacement of existing 1GB Cisco switches in use at all garages, administrative facilities, maintenance facilities, Busway data closets and rail communication rooms. Use of power-over-ethernet switches and consolidating some areas on single 48 port switches will be utilized to reduce the equipment footprint. Current 1GB switches were installed as part of the initial network implementation in 1999 and are nearing both end-of-life and end-of-support. This project is concurrent with FY2018 Cisco Switch Replacement and ensure all switches are upgrade to 10GB throughput.

- Disruption Management Module for CleverCAD
  - Clever Devices' Disruption Management Module is a module within the CleverCAD solution. It enables dispatchers to react in real time to unplanned schedule disruptions while automatically updating all passenger facing systems to ensure that customers have the most updated real-time service information they need to get where they're going. This new offering enables CleverCAD users to make route adjustments in real-time to quickly restore service that's been disrupted due to unplanned circumstances. All changes are communicated to the appropriate Clever Devices systems and are immediately reflected onboard the affected vehicles, on wayside signage, the mobile app and online to give passengers the most updated information available. CAD/AVL Disruption Management can improve overall service efficiency, make disruptions easier to manage for drivers and planners and most importantly, reduce the impact these unplanned service changes have on customers.
- Network Attached Storage Arrays
  - This project will consist of purchasing and installing a primary and a back-up high capacity – long term network storage array for corporate use. The arrays will store data which is not necessarily required for the day-to-day operation of the organization but must be retained for extended periods based on corporate needs. The primary and back-up systems will be geographically separated on different PAAC sites to ensure data survivability.
- Parking Lot Capacity
  - This project will inform prospective users of the availability of spaces at Port Authority-owned park and ride facilities. To monitor park and ride usage, 28 cameras would be installed at 19 park and ride facilities. This usage information would be synthesized for provision to travelers over the Internet and on existing PennDOT dynamic messaging signs (DMS) along the Parkway East near the Wilkinsburg Park and Ride lot and along the Parkway West and I79 near Carnegie Park and Ride facility. Additionally, a new DMS sign would be erected along Route 19 near the South Hills Village Park and Ride Garage.
- PeopleSoft HCM 9.2 Upgrade/Payroll System
  - Upgrading the current PeopleSoft HCM 9.1 system to the latest software release of 9.2. There are numerous support features for 9.1 which will be end-of-support in 2018, the most important of which to Authority is yearly tax updates. This upgrade will also facilitate all of the PeopleSoft FSCM to HCM interfaces with the utilization of Integration Broker.
- Rail Automatic Passenger Counters
  - This project will install on-board Automated Passenger Counters (APC) and Station Counters at designated platforms along the Authority's light rail system. This will lead to better tracking of ridership, similar to the Authority's bus system, with minimal manpower. This data will also allow the Authority better decisions for passenger amenities, advertising, etc. The APC's will interface with the on-board Clever Devices systems which will be added to the Authority's LRV fleet in the spring/summer of 2016. The project encompasses retrofitting 82 light rail transit vehicles with the APC's which will be integrated to the on-board intelligent transit monitoring system. The intelligent

transit monitoring system utilizes a GPS tracking system that will provide stop locations to the APC system.

- Workforce Management Software – Customer Service
  - Purchase Impact 360 Workforce Management Software to integrate with our current phone system AVAYA that will enable us to optimize the productivity of our staff on an individual and departmental level by providing us with the ability to: Schedule staff more effectively to maximize the efficiency of the Call Center while meeting call volume demands, Forecast future call volume based off of historical data to ensure appropriate staffing, Measure Performance of staff to identify excellence and areas that need improvement, Ability to schedule training or meetings without impacting service levels, Call recording and quality monitoring through full-time recording to review, evaluate and score agent performance, and Monitor adherence to schedules by using “pop-up “ alerts and enhanced reporting to capture individual interactions to determine root cause of non-compliance.

## **Support Vehicles and Shop Equipment**

- Police Vehicle Replacement
  - The Port Authority will purchase new vehicles for the Port Authority Police. The vehicles scheduled for replacement range from 2006 to 2014 models and have over 100,000 miles on them.
- Route Foreman Truck Replacement
  - The Port Authority will purchase new Route Foreman trucks. The current vehicles scheduled for replacement are nine years old with over 100,000 miles on them. These vehicles are required by the Route Foreman 365 days a year and for as many as three shifts per day. These trucks will be equipped with salt spreaders, push bumpers, radios and light bars.
- Bus and Rail Maintenance Training Passenger Transit Vans
  - Purchase of new passenger vans for the training department at Manchester and Rail Maintenance training department. These vehicles will be used for training new and existing operators and maintenance personnel by familiarizing them with the Authority's infrastructure and bus routes. The vehicle currently used by Manchester is a four passenger and does not lend itself to larger classrooms. The current Manchester vehicle will be reassigned to another location and will replace an older vehicle ready for retirement. The Rail Maintenance training vehicle is a 2005 Astro van, and is at the end of its useful life.

## Other Support Programs

- Light Rail CAF Car Replacement/Siemens Car Mid-Life Overhaul
  - Rail Vehicle Overhaul for 75 vehicles. Project scope includes 47 Siemens Cars, and 28 CAF cars. Full replacement or rehabilitation of the following components: Carbody, Trucks, Interiors, Operator Cab, Doors, HVAC System, Propulsion System, Brake System, Auxiliary Power System, and Event Recorder.
- System-wide Station Audio/Visual Signage
  - The plan for the final project year is to have all the artwork done for all remaining signage (approx. 7,000 stops), additional Information Display Units (IDU) and to design, fabricate and install a new park and ride totem pole (target of minimum 10 locations). All preparations will be made during this final year to prepare for installation of new signage for the remainder of the system. Specifications for bases, poles, fasteners and all other related materials would be prepared for a bid document along with necessary installation methods.

## **Impact of Capital Projects on the Operating Budget**

The decisions made in regard to Port Authority's Capital Improvement Plan advance the strategic vision of the company and maintain its core assets. These decisions can impact the Port Authority Operating budget both positively and negatively depending on the project. This supports the need for the Operating and Capital Budgets to work together for the good of the company and the community. The following paragraphs provide some detail into how the major projects budgeted for FY2020 impact the Operating side of the company:

### **Revenue Vehicle Replacement**

The replacement of Port Authority's revenue vehicles helps keep operating costs stable. New buses require fewer replacement parts, which translates to less budget needed for materials, supplies and maintenance wages. In addition, new buses burn fuel more efficiently, consuming less fuel per mile.

### **Facility Improvements**

The FY2020 funding for facility improvements provides various updates to Port Authority's operations and maintenance facilities, bus and rail stations, and various park and ride lots. Many of the projects entail renewals to existing infrastructure which have exceeded their useful life and which require higher operation costs to maintain. Examples of a few projects which will have a positive impact to the operating budget include Manchester Roofing and HVAC Upgrades, LRT Station Rehabilitation, and Wood St./ Steel Plaza Switchgear Replacement. These projects include upgrades to HVAC, electrical and lighting to modern equipment of higher efficiency, saving utility consumption and reducing operation costs. A few projects involve construction of new facilities to improve our service and maintenance needs, such as new parking garages at Ross and Carnegie park and ride lots and a new rail equipment maintenance and operator relief building at Penn Park. These projects will have an adverse impact to the operating budget as they will add additional facilities which will increase utility costs and require preventative maintenance.

### **Transit Support Programs**

Port Authority's Transit Support Program includes enhancements and upgrades to information technology (IT) hardware/ software, support vehicles and equipment, and other programs in support of light rail vehicles and stations. The FY2020 funding for the IT program will invest in projects, which are aimed to improve the customer experience such as additional fare collection sales office terminals, real time disruption service re-routing software, parking lot capacity message signs, and rail automatic passenger counters. These projects will have a positive impact on the operations budget as it will allow the Authority to retain and attract more patrons. In support of operations and maintenance needs, the Authority will replace older police and route foreman trucks which have exceeded their useful life and require more

maintenance to keep in service. Additionally, funding will be allocated to begin programming the replacement and/ or life extension overhaul of the existing light rail vehicles. The new or rehabilitated vehicles will have a positive impact to the operations budget as they will save expenses for large and costly repairs; however, savings will not be realized until the full project is implemented in future fiscal year budgets.

### **Fixed Guideway Improvements**

FY2020 funding invests in improvements to Port Authority's light rail infrastructure, tunnels, bridges and busways. Projects include replacement of aging and deteriorating infrastructure such as concrete, rail, conduit, cable, fans, lighting, communications equipment, and CCTV cameras. These projects will have a positive impact to the Authority's operations budget as they will reduce the maintenance cost required to maintain revenue service as well as provide more energy efficient lighting and ventilation equipment. Additionally, funding for the final design phase of the bus rapid transit system is included in the budget. While the design phase itself will not immediately impact the operations budget in the fiscal year, the final project will have a future impact to operations costs for infrastructure and operations to support the expanded service.

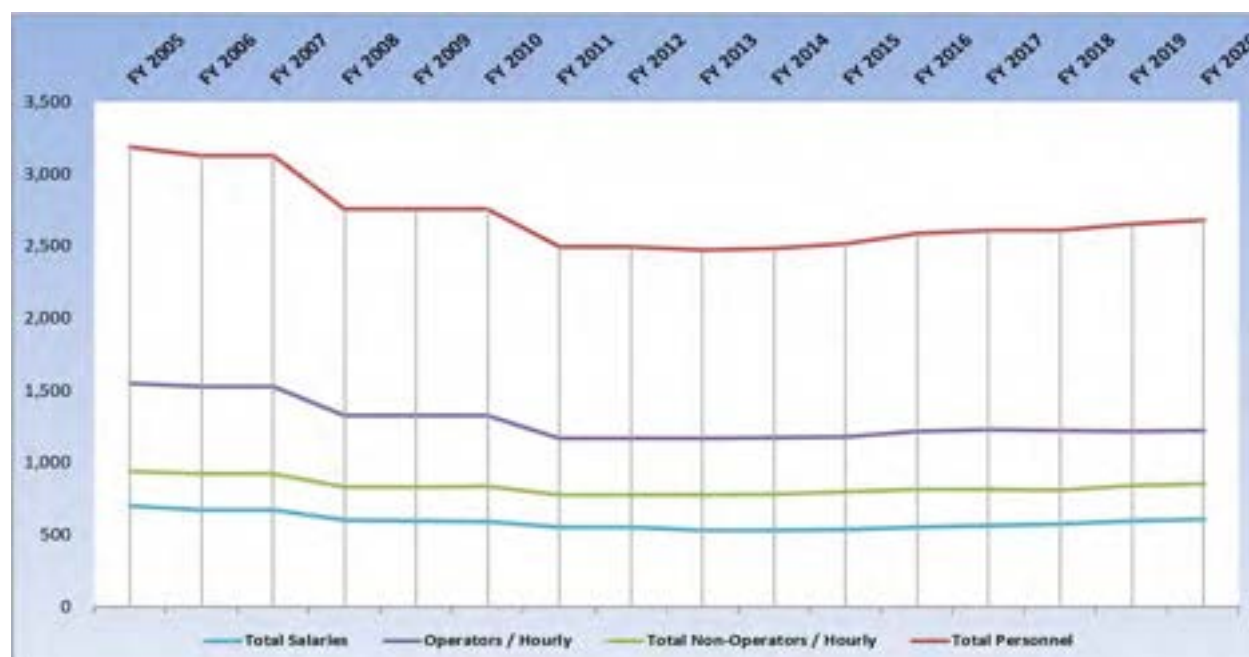
# Port Authority Structure

FY 2020

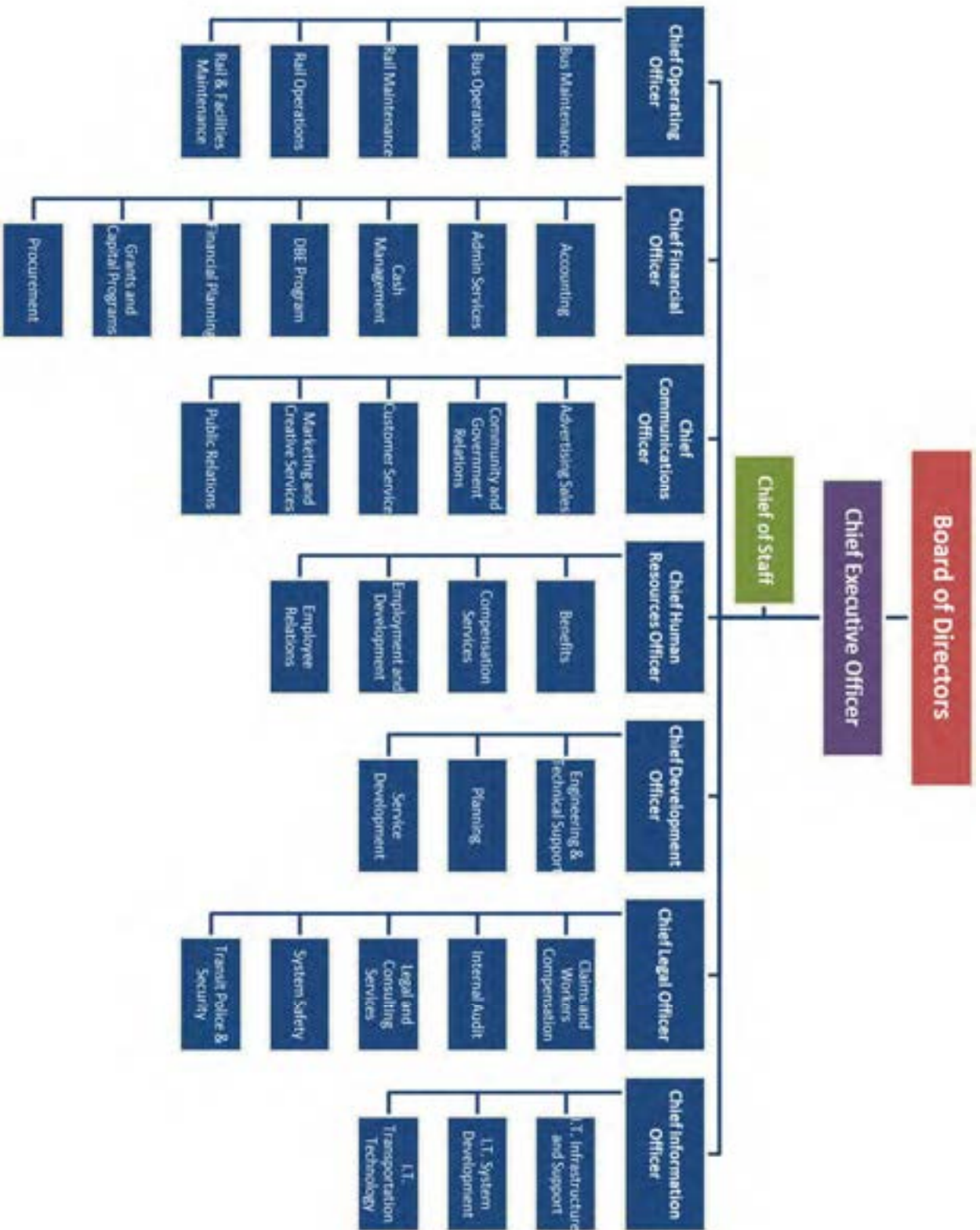
In FY 2019, the Port Authority underwent a reorganization from six divisions into eight. The existing six divisions, the Office of the CEO, Transit Operations, Finance, Marketing & Communications, Human Resources, and Legal & Corporate Services, were joined by Planning & Service Development and Information Technologies. The staff for those new standalone divisions moved from Transit Operations, Finance, and Marketing & Communications. For FY 2020, a new Transportation Technology department was created under the Information Technologies division. This new department consists of employees responsible for our Operations software systems and Automated Fare Collection. The budget is developed based on these eight divisions and those departments reporting within each division. The Port Authority has over 100 departments at 12 locations reporting to the eight various divisions.

The Chief Executive Officer works closely with the Board of Directors and provides leadership to the entire Port Authority organization. The executive leadership team takes direction from the Chief Executive Officer and is responsible for managing the daily operations of their respective division. Together, divisions and departments work to provide quality transportation services to the Allegheny County region. The organizational structure found on the next page is a high level organizational leadership chart.

The Port Authority of Allegheny County has approximately 2,600 employees. There are three separate collective bargaining units within the Authority. Roughly 86% of the total workforce is Amalgamated Transit Union (ATU) employees, a small fraction is International Brotherhood of Electrical Workers (IBEW) union members, and the Transit Police are a separate bargaining unit. The remaining employees are non-represented employees.



## Organizational Structure



## FY 2020 Headcount

**FY 2020 Budgeted Personnel - 2,681**



|                                     |                                   |
|-------------------------------------|-----------------------------------|
| ■ Office of the CEO - 5             | ■ Transit Ops - 2,297             |
| ■ Finance - 112                     | ■ Marketing & Communications - 49 |
| ■ Human Resources - 32              | ■ Planning & Svc. Develop. - 54   |
| ■ Legal and Corporate Services - 95 | ■ Information Technologies - 37   |

|                                  | Actual FY<br>2017 | Actual FY<br>2018 | Actual FY<br>2019 | Budget FY<br>2019 | Budget FY<br>2020 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Office of the CEO                | 2                 | 2                 | 4                 | 3                 | 5                 |
| Transit Ops                      | 2,291             | 2,300             | 2,177             | 2,310             | 2,297             |
| Finance                          | 128               | 130               | 107               | 108               | 112               |
| Communications                   | 46                | 47                | 41                | 45                | 49                |
| Human Resources                  | 30                | 30                | 31                | 31                | 32                |
| Planning and Service Development | 0                 | 0                 | 50                | 23                | 54                |
| Legal and Consulting             | 33                | 35                | 85                | 94                | 95                |
| Information Technologies         | 0                 | 0                 | 34                | 32                | 37                |
| <b>Total</b>                     | <b>2,530</b>      | <b>2,544</b>      | <b>2,529</b>      | <b>2,646</b>      | <b>2,681</b>      |

## The Office of the Chief Executive

The Chief Executive Officer is responsible for all aspects of managing and overseeing the planning, financing, administration, operations, safety and security of Authority's services. The Chief Executive Officer serves as the Authority's representative with governmental units, agencies, and transit organizations at the federal, state, and local levels. The CEO works closely with the Port Authority of Allegheny County Board of Directors. The Board of Directors develops the strategic direction of the organization through governance oversight. This division contains the expenses for the Board of Directors. The Board is not compensated but expenses may be incurred for travel, printing, and legal counsel. In FY 2020, the Chief of Staff department was created to assist the CEO with the oversight of the Port Authority.

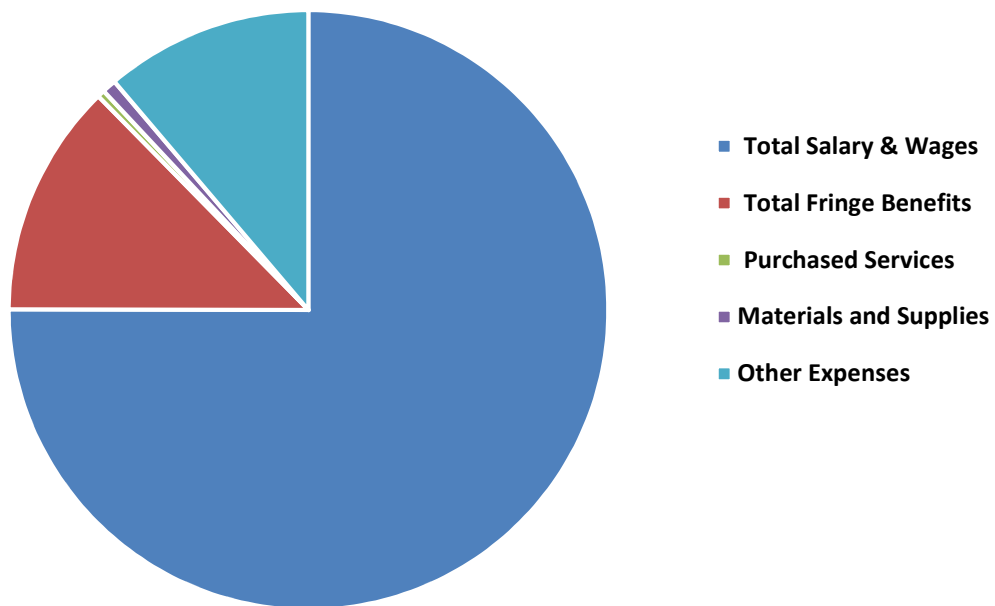
### Office of the CEO – Personnel (No. of Employees)

|                              | FY 2017<br>Actual | FY 2018<br>Actual | FY 2019<br>Actual | FY 2020<br>Budget |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Office of the CEO            | 2                 | 2                 | 2                 | 3                 |
| Office of the Chief of Staff | -                 | -                 | 2                 | 2                 |
| <b>Total Personnel</b>       | <b>2</b>          | <b>2</b>          | <b>4</b>          | <b>5</b>          |

## Office of the CEO - Expenses by Category

| Office of CEO<br>Expense Accounts | FY 2017<br>Audited | FY 2018<br>Audited | FY 2019<br>Actuals | FY 2020<br>Budget | % Change<br>'19 to '20 |
|-----------------------------------|--------------------|--------------------|--------------------|-------------------|------------------------|
| Total Salary & Wages              | \$314,200          | \$466,389          | \$381,671          | \$560,168         | 46.8%                  |
| Total Fringe Benefits             | -                  | -                  | 41,027             | 94,099            | 129.4%                 |
| Purchased Services                | 2,225              | 31,869             | 77,146             | 3,000             | (96.1%)                |
| Materials and Supplies            | 242                | 1,045              | 233                | 5,640             | 2318.5%                |
| Other Expenses                    | 12,301             | 45,254             | 37,992             | 83,670            | 120.2%                 |
| <b>Total Gross Expense</b>        | <b>328,968</b>     | <b>544,556</b>     | <b>538,070</b>     | <b>746,577</b>    | <b>38.8%</b>           |
| Transfers and Capitalizations     | -                  | -                  | -                  | -                 | 0.0%                   |
| <b>Net Total Expense</b>          | <b>328,968</b>     | <b>544,556</b>     | <b>538,070</b>     | <b>746,577</b>    | <b>38.8%</b>           |

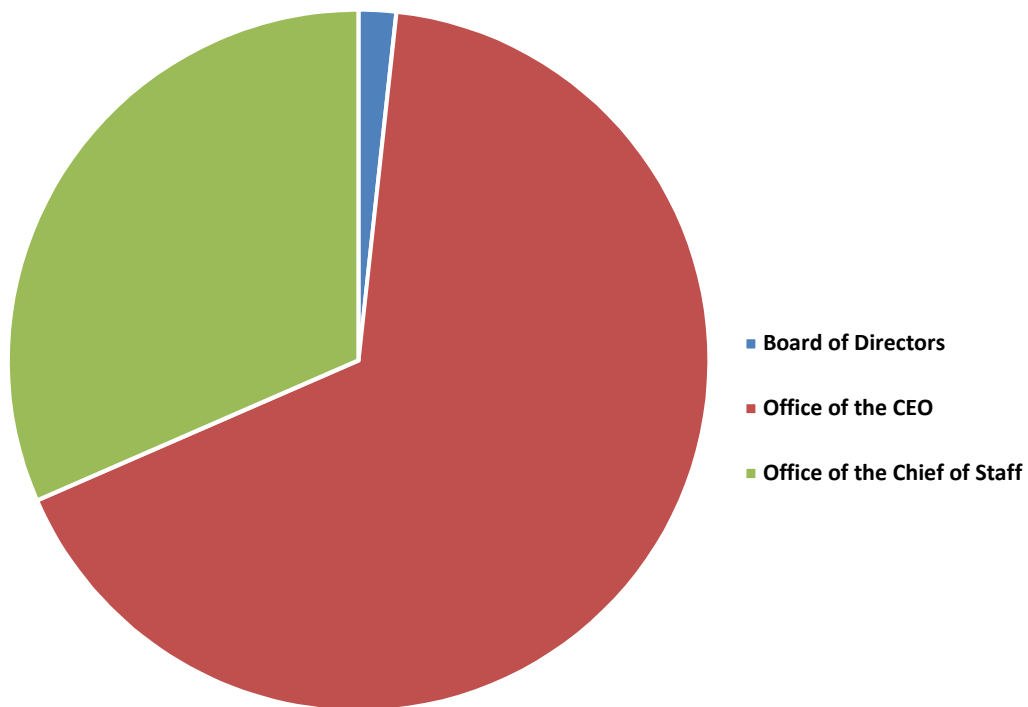
**FY 2020 Office of the CEO - Budget by Category**



### Office of the CEO - Expenses by Department

| Office of the CEO<br>Departments | Audited<br>FY 2017 | Audited<br>FY 2018 | Actuals<br>FY 2019 | FY 2020<br>Budget | % Change<br>'19 to '20 |
|----------------------------------|--------------------|--------------------|--------------------|-------------------|------------------------|
| Board of Directors               | \$3,758            | \$2,484            | \$2,035            | \$12,840          | 531.1%                 |
| Office of the CEO                | 325,210            | 542,072            | 536,035            | 498,301           | (7.0%)                 |
| Office of the Chief of Staff     | -                  | -                  | -                  | 235,436           | 100.0%                 |
| <b>Net Total Expense</b>         | <b>328,968</b>     | <b>544,556</b>     | <b>538,070</b>     | <b>746,577</b>    | <b>38.75%</b>          |

FY 2020 Office of the CEO - Budget by Department



## Transit Operations

The Transit Operations division is responsible for the safe and timely delivery of transit services. It is comprised of Bus and Rail Operations, the maintenance of Port Authority's bus and rail vehicles and the maintenance of the Authority's facilities and rail administration. In FY 2019, the Service Development and Engineering & Technical Support departments were moved to the new Planning and Service Development division and the Transit Police were moved under the Legal and Corporate Services division. Transit Operations is the largest division at the Port Authority and oversees service delivery, maintenance, major overhauls and ensures a safe and secure working and riding environment for employees and customers. There are four bus garages (Ross, East Liberty, West Mifflin and Collier) that provide daily service and maintenance and one major overhaul bus garage (Manchester). Rail Service delivery has one garage for daily and overhaul maintenance (South Hills Village). South Hills Junction is a support service garage for rail and facilities administration. South Hills Junction contains the following departments; Non-Revenue Vehicles, Way, Facilities, Light Rail Transit System and Power.

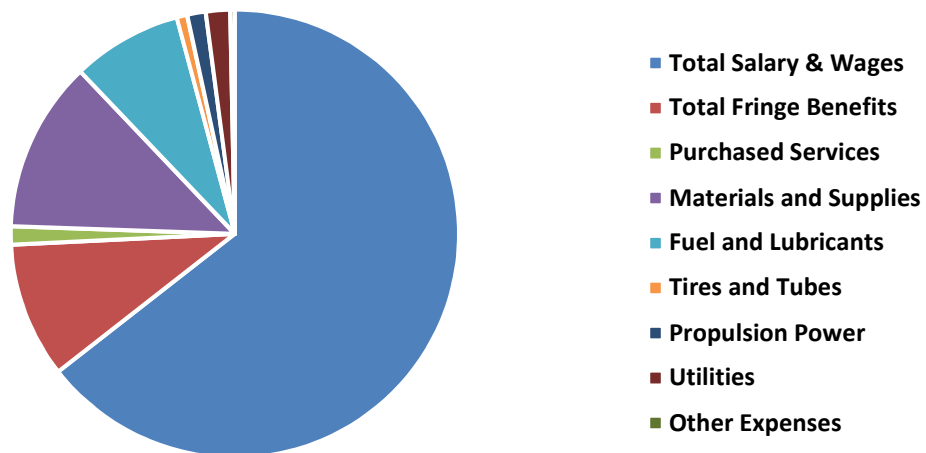
### Transit Operations – Personnel (No. of Employees)

|                                    | <b>FY 2017<br/>Actual</b> | <b>FY 2018<br/>Actual</b> | <b>FY 2019<br/>Actual</b> | <b>FY 2020<br/>Budget</b> |
|------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Office of Chief Operations Officer | 2                         | 2                         | 3                         | 2                         |
| Bus & Rail Operations              | 1,344                     | 1,354                     | 1,327                     | 1,382                     |
| Bus & Rail Maintenance             | 600                       | 606                       | 598                       | 639                       |
| Service Development                | 14                        | 14                        | 0                         | 0                         |
| Technical Support                  | 26                        | 28                        | 0                         | 0                         |
| Facilities & Rail Administration   | 240                       | 238                       | 249                       | 274                       |
| Automated Fare Collection System   | 2                         | 2                         | 0                         | 0                         |
| Transit Police and Security        | 63                        | 56                        | 0                         | 0                         |
| <b>Total Personnel</b>             | <b>2,291</b>              | <b>2,300</b>              | <b>2,177</b>              | <b>2,297</b>              |

## Transit Operations - Expenses by Category

| Transit Operations Expense Accounts | FY 2017 Audited    | FY 2018 Audited    | FY 2019 Actuals    | FY 2020 Budget     | % Change '19 to '20 |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Total Salary & Wages                | \$137,518,833      | \$142,984,688      | \$140,496,653      | \$145,349,525      | 3.5%                |
| Total Fringe Benefits               | 16,620,068         | 17,880,642         | 21,458,253         | 22,014,262         | 2.6%                |
| Purchased Services                  | 4,410,688          | 4,452,007          | 1,440,553          | 2,959,200          | 105.4%              |
| Materials and Supplies              | 19,418,523         | 23,111,209         | 24,108,259         | 27,859,300         | 15.6%               |
| Fuel and Lubricants                 | 15,675,308         | 15,726,665         | 17,008,202         | 17,903,899         | 5.3%                |
| Tires and Tubes                     | 1,921,028          | 1,990,032          | 2,011,783          | 1,720,875          | -14.5%              |
| Provision and Injury                | (333,281)          | (342,461)          | (1,264,264)        | -                  | 0.0%                |
| Propulsion Power                    | 2,652,647          | 2,675,301          | 2,809,525          | 2,996,200          | 6.6%                |
| Utilities                           | 3,851,478          | 3,891,800          | 3,787,613          | 3,968,150          | 4.8%                |
| Other Expenses                      | 256,181            | 268,090            | 501,818            | 745,130            | 48.5%               |
| <b>Total Gross Expense</b>          | <b>201,991,473</b> | <b>212,637,975</b> | <b>212,358,395</b> | <b>225,516,541</b> | <b>6.2%</b>         |
| Transfers and Capitalizations       | (5,789,405)        | (10,244,672)       | (1,265,708)        | (6,001,170)        | 374.1%              |
| <b>Net Total Expense</b>            | <b>196,202,068</b> | <b>202,393,303</b> | <b>211,092,688</b> | <b>219,515,371</b> | <b>4.0%</b>         |

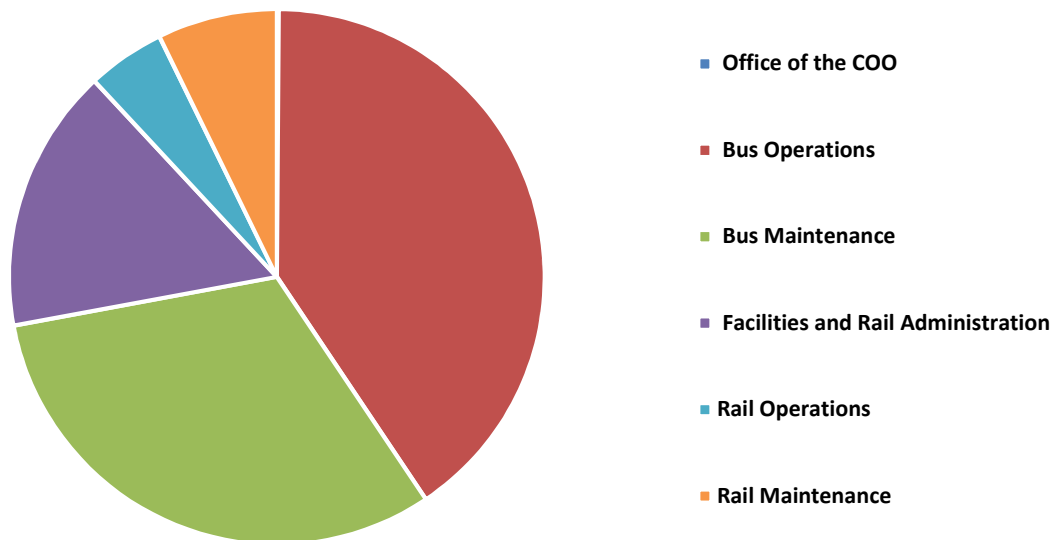
**FY 2020 Transit Operations - Budget by Category**



## Transit Operations - Expenses by Department

| Transit Operations<br>Departments     | FY 2017<br>Audited | FY 2018<br>Audited | FY 2019<br>Actuals | FY 2020<br>Budget  | % Change<br>'19 to '20 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| Office of the COO                     | \$216,946          | \$234,393          | \$349,673          | \$273,260          | -21.9%                 |
| Bus Operations                        | 77,267,658         | 80,854,802         | 84,854,591         | 88,868,239         | 4.7%                   |
| Bus Maintenance                       | 61,755,293         | 62,470,040         | 69,984,511         | 69,089,717         | -1.3%                  |
| Service Development                   | 1,191,570          | 1,087,210          | 1,150              | -                  | 0.0%                   |
| Facilities and Rail<br>Administration | 28,576,720         | 29,792,918         | 31,555,434         | 35,086,053         | 11.2%                  |
| Rail Operations                       | 9,179,000          | 9,402,167          | 10,071,824         | 10,338,647         | 2.6%                   |
| Rail Maintenance                      | 9,443,566          | 10,928,675         | 14,275,504         | 15,859,455         | 11.1%                  |
| Technical Support                     | 2,340,526          | 1,751,951          | -                  | -                  | -                      |
| Automated Fare<br>Collection System   | 2,489,040          | 2,023,447          | -                  | -                  | -                      |
| Transit Police and<br>Security        | 3,741,749          | 3,847,703          | -                  | -                  | -                      |
| <b>Net Total Expense</b>              | <b>196,202,068</b> | <b>202,393,303</b> | <b>211,092,688</b> | <b>219,515,371</b> | <b>4.0%</b>            |

### FY 2020 Transit Operations - Budget by Department



## **Transit Operations – FY 2019 Accomplishments**

- ✓ Completed repairs on all Sperry ultrasonic tested defects detected in the system
- ✓ Completed the shelter removal project consisting of forty-two shelters scrapped and re-set at various locations.
- ✓ Completed bonding project in the Central Business District
- ✓ Completed Phase 2 of the Grade Crossing upgrades
- ✓ Rehabbed the Munhall Loop and SHV comfort stations

## **Transit Operations – FY 2020 Objectives**

- Finalize the busway safety audits
- Complete the catch basing repairs and replacements on the West Busway
- Replace Automatic Trip stops
- Roll out Phase 3 of the Grade Crossing upgrades
- Begin Stage 1 Breaker Rebuild Project
- Upgrade Stage II lights to LED lighting
- Incline Upper Station Renovation
- Evaluate vehicle and facility upgrades for expansion into electric buses and other fleet diversity opportunities
- Begin analysis of the new Maintenance Work Order System to develop standards for maintenance work

## Finance Division

The Finance Division is comprised of Financial Planning & Budgets, Grants & Capital Programs, Accounting, Payroll, Cash Management and Procurement & Materials Management. In FY 2019 the Information Technologies departments were moved from the Finance division to their own standalone division. In FY 2020, the Automated Fare Collection System (AFCS) personnel were moved to the newly created Transportation Technology department under the Information Technologies division. However, the budgeted expenses remained under the Finance division due to current contract obligations. Responsibilities include preparing and monitoring annual operating and capital budgets; all accounting and financial documentation; Federal, State, and County government reporting and grant applications; revenue collection and processing; financial projections and analyses; purchasing, receiving, storage and distribution of materials and supplies and the administration and maintenance of our ConnectCard fare system (AFCS). The Finance division also provides oversight of the General Administrative Expenses of the Port Authority. These include corporate and general insurance expense and the federal, state & local capitalizations used to offset operating expenses.

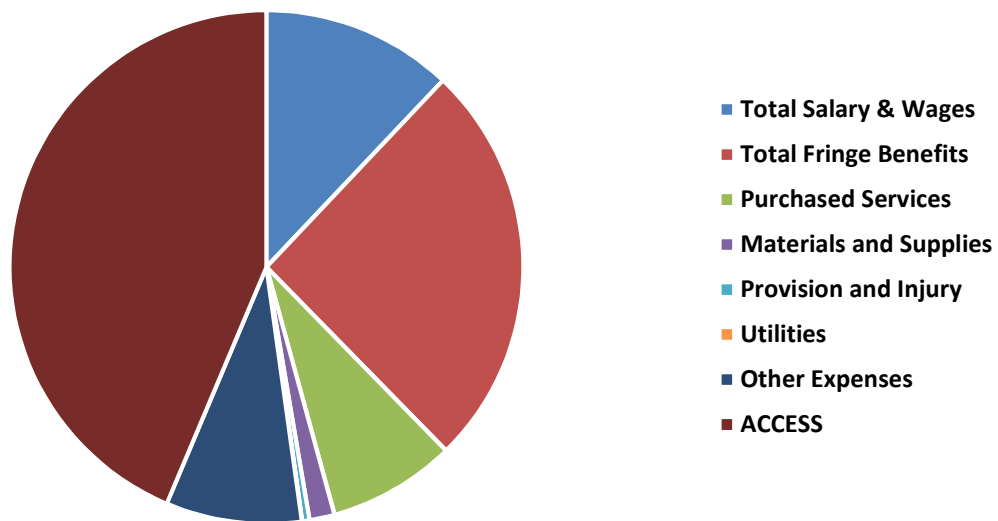
### Finance – Personnel (No. of Employees)

|                                           | <b>FY 2017<br/>Actual</b> | <b>FY 2018<br/>Actual</b> | <b>FY 2019<br/>Actual</b> | <b>FY 2020<br/>Budget</b> |
|-------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Executive & General - Finance             | 1                         | 1                         | 2                         | 1                         |
| Materials                                 | 41                        | 41                        | 43                        | 43                        |
| Operating Accounting                      | 4                         | 4                         | 4                         | 4                         |
| Payroll                                   | 5                         | 5                         | 4                         | 4                         |
| Cash Management                           | 6                         | 5                         | 4                         | 5                         |
| Service Center                            | 6                         | 7                         | 8                         | 9                         |
| Financial Planning & Budgets              | 4                         | 4                         | 4                         | 6                         |
| General Administration                    | 0                         | 0                         | 0                         | 0                         |
| I.T. Operations                           | 1                         | 1                         | 0                         | 0                         |
| Procurement                               | 22                        | 22                        | 23                        | 24                        |
| I.T. System Development                   | 10                        | 11                        | 0                         | 0                         |
| I.T. Infrastructure & Support             | 14                        | 13                        | 0                         | 0                         |
| DBE Program Manager                       | 0                         | 0                         | 0                         | 1                         |
| Grants and Capital Programs               | 7                         | 8                         | 8                         | 8                         |
| Automated Fare Collection System          | 0                         | 0                         | 1                         | 0                         |
| Administrative Services & Technical Specs | 7                         | 8                         | 6                         | 7                         |
| <b>Total Personnel</b>                    | <b>128</b>                | <b>130</b>                | <b>107</b>                | <b>112</b>                |

### Finance - Expenses by Category

| Finance Expense Accounts      | FY 2017 Audited   | FY 2018 Audited   | FY 2019 Actuals   | FY 2020 Budget    | % Change '19 to '20 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Total Salary & Wages          | \$8,125,508       | \$8,373,887       | \$6,411,531       | \$7,939,473       | 23.8%               |
| Total Fringe Benefits         | 13,485,921        | 13,973,593        | 14,618,778        | 16,882,112        | 15.5%               |
| Purchased Services            | 1,984,470         | 2,539,773         | 2,935,318         | 5,304,168         | 80.7%               |
| Materials and Supplies        | 383,814           | 460,471           | 593,886           | 1,049,500         | 76.7%               |
| Provision and Injury          | -                 | -                 | (2,949)           | (300,000)         | 10072.9%            |
| Utilities                     | 1,517,301         | 894,986           | 9,747             | 12,000            | 23.1%               |
| Other Expenses                | 4,287,203         | 6,237,850         | 4,428,013         | 5,641,020         | 27.4%               |
| Interest Expense              | -                 | -                 | -                 | -                 | 0.0%                |
| ACCESS                        | 26,037,079        | 27,070,911        | 26,158,452        | 28,752,060        | 9.9%                |
| <b>Total Gross Expense</b>    | <b>55,821,298</b> | <b>59,551,471</b> | <b>55,152,775</b> | <b>65,280,333</b> | <b>18.4%</b>        |
| Transfers and Capitalizations | (39,843,457)      | (41,991,919)      | (55,183,759)      | (49,823,972)      | -9.7%               |
| <b>Net Total Expense</b>      | <b>15,977,840</b> | <b>17,559,552</b> | <b>(30,984)</b>   | <b>15,456,361</b> | <b>49784.8%</b>     |

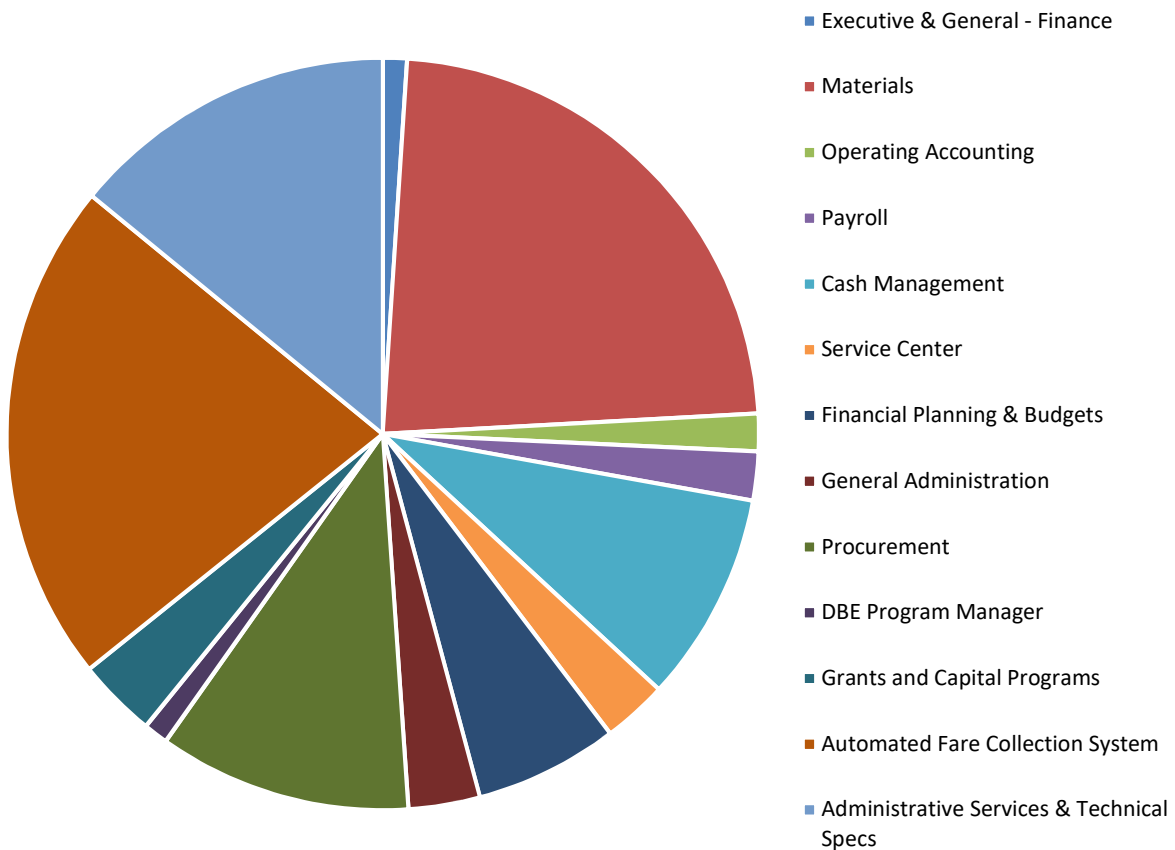
### FY 2020 Finance - Budget by Category



### Finance - Expenses by Department

| Finance Departments                       | FY 2017 Audited   | FY 2018 Audited   | FY 2019 Actuals | FY 2020 Budget    | % Change '19 to '20 |
|-------------------------------------------|-------------------|-------------------|-----------------|-------------------|---------------------|
| Executive & General - Finance             | \$149,953         | \$143,057         | \$211,875       | \$171,666         | -19.0%              |
| Materials                                 | 3,084,618         | 3,178,657         | 3,295,606       | 3,802,158         | 15.4%               |
| Operating Accounting                      | 230,480           | 241,882           | 254,798         | 265,138           | 4.1%                |
| Payroll                                   | 328,370           | 304,075           | 318,805         | 345,732           | 8.4%                |
| Cash Management                           | 1,137,928         | 1,138,411         | 1,093,846       | 1,488,609         | 36.1%               |
| Service Center                            | 411,339           | 345,604           | 411,968         | 458,334           | 11.3%               |
| Financial Planning & Budgets              | 502,431           | 647,243           | 786,887         | 1,016,277         | 29.2%               |
| General Administration                    | 1,954,320         | 2,082,056         | (12,374,629)    | (505,332)         | 95.9%               |
| Information Technologies                  | 6,060,590         | 7,026,358         | 506             | -                 | 0.0%                |
| Procurement                               | 1,297,820         | 1,351,917         | 1,425,906       | 1,792,866         | 25.7%               |
| DBE Program Manager                       | -                 | -                 | -               | 172,830           | 100.0%              |
| Grants and Capital Programs               | 202,474           | 413,985           | 534,990         | 562,189           | 5.1%                |
| Automated Fare Collection System          | -                 | -                 | 1,950,601       | 3,565,840         | 82.8%               |
| Administrative Services & Technical Specs | 617,518           | 686,306           | 2,057,857       | 2,320,054         | 12.7%               |
| <b>Net Total Expense</b>                  | <b>15,977,840</b> | <b>17,559,552</b> | <b>(30,984)</b> | <b>15,456,361</b> | <b>49784.8%</b>     |

### FY 2020 Finance - Budget by Department



## **Finance – FY 2019 Accomplishments**

- ✓ Ended FY2019 with Operating Budget Income exceeding Expenses by \$11.2 million.
- ✓ Successfully tested and upgraded the Peoplesoft Financial and Human Resource System software
- ✓ Completed a number of initiatives included in the Tactical Plan under the goal of “Financial Sustainability”
- ✓ The Finance Division actively participated in the development of the Southwest Partnership Mobility Report which addressed Port Authority’s financial needs when Act 89 funding transitions from Turnpike Funding to the Commonwealth General Fund

## **Finance – FY 2020 Objectives**

- More fully integrate the Minority Business Enterprise/Women Business Enterprise (MBE/DBE) function into the fabric of Port Authority processes
- Successfully automate the Job Authorization Process which will improve the productivity of the organization and simplify recordkeeping
- Introduce for adoption, a Debt Policy and Investment Policy that will guide future financial decisions
- Participate in a peer review with Dallas Area Rapid Transit to gain a better understanding of Procurement Department and MBE/WBE best practices
- Begin to develop the newly created Project Management Office (PMO) with standard operating procedures

## Marketing and Communications Division

The Marketing and Communications Division oversees Marketing, Creative Services, Public Relations, Advertising, Government Affairs, and Customer Service. The responsibilities of this division include public engagement through advertising and social outreach, stakeholder relations, media relations, marketing and promotion of services; production of most public materials, such as brochures, advertising, maps, and websites; management of social media; and management of advertising on Port Authority assets to generate additional revenue. In FY 2015, the Communications Division absorbed the Customer Service department. This helped to coordinate and streamline Port Authority messaging. In FY 2019, the Planning department moved to the Planning & Service Development Division. Beginning in FY 2020, Community and Government Relations became a standalone department with personnel moving from Public Relations. The Communications Division will continue to review and integrate modern technology as a means to actively communicate with riders. Mobile applications have made it easier for our riders to pinpoint the exact location of the next bus. Further, new signage will more effectively communicate designated routes and enable riders to interact with service schedules.

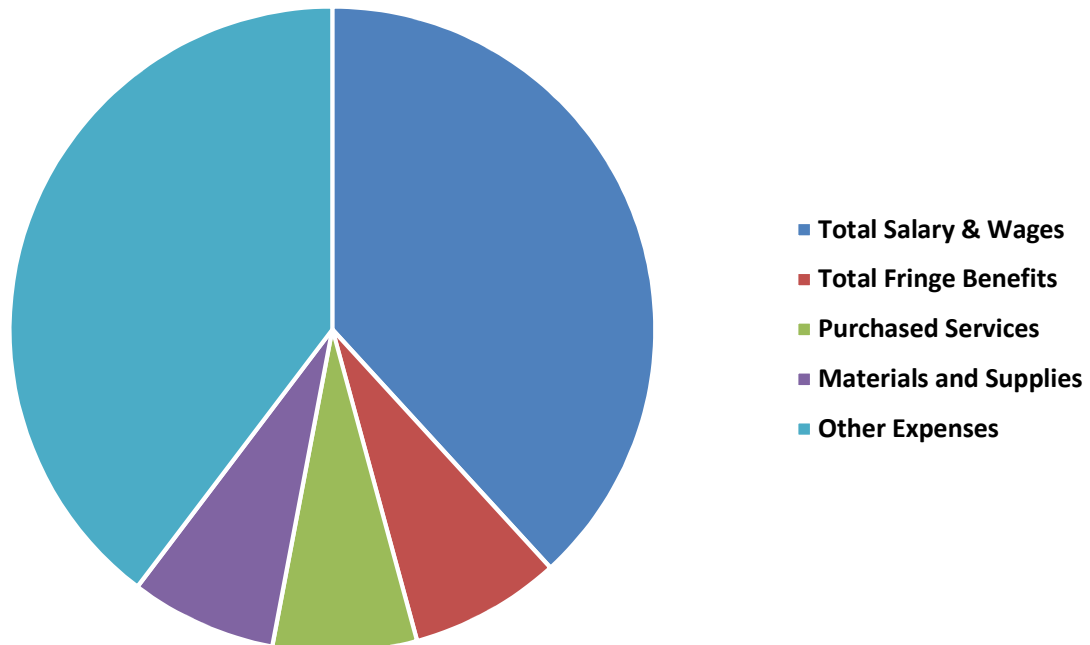
### Marketing & Communications – Personnel (No. of Employees)

|                                  | <b>FY 2017<br/>Actual</b> | <b>FY 2018<br/>Actual</b> | <b>FY 2019<br/>Actual</b> | <b>FY 2020<br/>Budget</b> |
|----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Executive & General - Marketing  | 1                         | 1                         | 1                         | 2                         |
| Community & Government Relations | 0                         | 0                         | 0                         | 3                         |
| Creative Services                | 4                         | 4                         | 4                         | 4                         |
| Marketing                        | 1                         | 1                         | 1                         | 1                         |
| Customer Service                 | 27                        | 27                        | 26                        | 30                        |
| Planning & Evaluation            | 4                         | 6                         | 0                         | 0                         |
| Advertising Sales                | 4                         | 4                         | 3                         | 4                         |
| Public Relations                 | 5                         | 4                         | 6                         | 5                         |
| <b>Total Personnel</b>           | <b>46</b>                 | <b>47</b>                 | <b>41</b>                 | <b>49</b>                 |

### Marketing & Communications - Expenses by Category

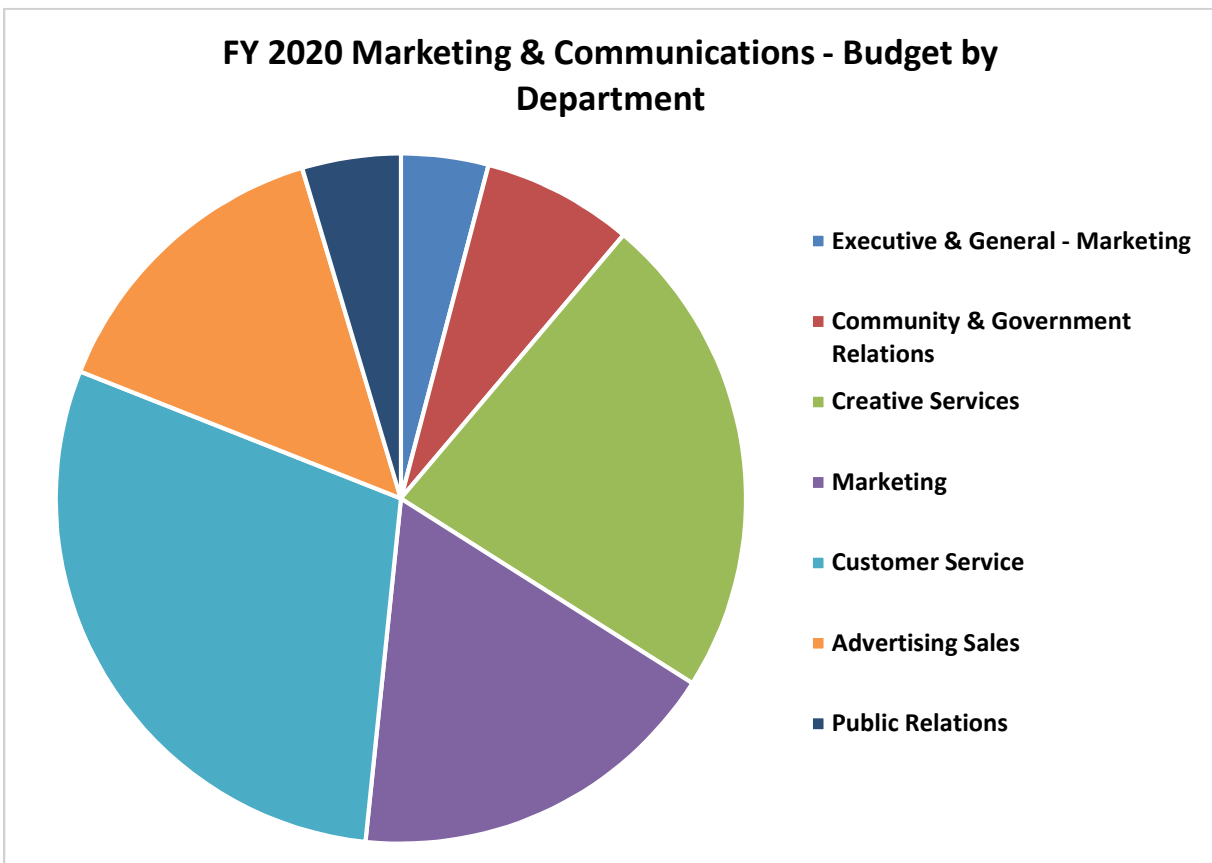
| Marketing & Communications Expense Accounts | FY 2017 Audited  | FY 2018 Audited  | FY 2019 Actuals  | FY 2020 Budget   | % Change '19 to '20 |
|---------------------------------------------|------------------|------------------|------------------|------------------|---------------------|
| Total Salary & Wages                        | \$2,470,826      | \$2,594,368      | \$2,190,045      | \$2,833,460      | 29.4%               |
| Total Fringe Benefits                       | 190,502          | 197,772          | 545,998          | 561,519          | 2.8%                |
| Purchased Services                          | 455,005          | 446,534          | 511,325          | 535,000          | 4.6%                |
| Materials and Supplies                      | 269,334          | 284,030          | 362,752          | 544,000          | 50.0%               |
| Utilities                                   | 1,607            | -                | -                | -                | 0.0%                |
| Other Expenses                              | 1,387,392        | 1,123,381        | 1,397,637        | 2,943,100        | 110.6%              |
| <b>Total Gross Expense</b>                  | <b>4,774,666</b> | <b>4,646,086</b> | <b>5,007,755</b> | <b>7,417,079</b> | <b>48.1%</b>        |
| Transfers and Capitalizations               | (18,714)         | (48,339)         | (202)            | (2,000)          | 888.2%              |
| <b>Net Total Expense</b>                    | <b>4,755,952</b> | <b>4,597,747</b> | <b>5,007,553</b> | <b>7,415,079</b> | <b>48.1%</b>        |

**FY 2020 Marketing & Communications - Budget by Category**



## Marketing & Communications - Expenses by Department

| Marketing & Communications Departments | FY 2017 Audited  | FY 2018 Audited  | FY 2019 Actuals  | FY 2020 Budget   | % Change '19 to '20 |
|----------------------------------------|------------------|------------------|------------------|------------------|---------------------|
| Executive & General - Marketing        | \$111,446        | \$116,795        | \$149,568        | \$303,528        | 102.9%              |
| Community & Government Relations       | -                | -                | -                | 524,370          | 100.0%              |
| Creative Services                      | 1,135,327        | 660,321          | 745,833          | 1,692,142        | 126.9%              |
| Marketing                              | 537,270          | 487,010          | 899,136          | 1,308,583        | 45.5%               |
| Customer Service                       | 1,429,223        | 1,625,097        | 1,471,681        | 2,178,169        | 48.0%               |
| Planning                               | 106,186          | 264,641          | -                | -                | -                   |
| Advertising Sales                      | 881,392          | 922,065          | 1,017,934        | 1,065,459        | 4.7%                |
| Public Relations                       | 555,107          | 521,817          | 723,403          | 342,828          | -52.6%              |
| <b>Net Total Expense</b>               | <b>4,755,952</b> | <b>4,597,747</b> | <b>5,007,553</b> | <b>7,415,079</b> | <b>48.1%</b>        |



## **Marketing & Communications – FY 2019 Accomplishments**

- ✓ Instituted Phase I transition of new and existing seniors (65+) from the state issued paper ID card to the new PAAC Senior Citizen ConnectCard.
- ✓ Completed comprehensive research project in preparation for developing a new branding strategy for PAAC.
- ✓ Introduced employee appreciation and recognition programs.

## **Marketing & Communications – FY 2020 Objectives**

- Continue with creative strategy and development phase to rebrand PAAC
- Begin Phase II of the senior citizen ConnectCard launch
- Generate ADA 30th anniversary campaign
- Promote Mon Incline anniversary

## Human Resources Division

The Human Resources Division includes the following departments: Employment, Training and Development, Benefits, Compensation Services, Employee/Labor Relations, and the Office of Equal Opportunity. In FY 2020, the departments Training & Development and Employment were consolidated into a single department titled Employment and Development. This division provides a full range of human resources services to the Port Authority including the administration of healthcare, life insurance, unemployment compensation and other employee benefits programs, as well as training and organizational development.

The Human Resources Divisional goals are designed to enhance the productivity and performance by evaluation, recruitment, and fringe benefits support. Further, Human Resources will continue to ensure continued strong relationships with the three collective bargaining units.

The fringe benefit expenses in the Human Resources Division include all of the company-wide fringe benefits. These include expenses related to the pensions, defined contribution plan, active employee health care and retired employee health care.

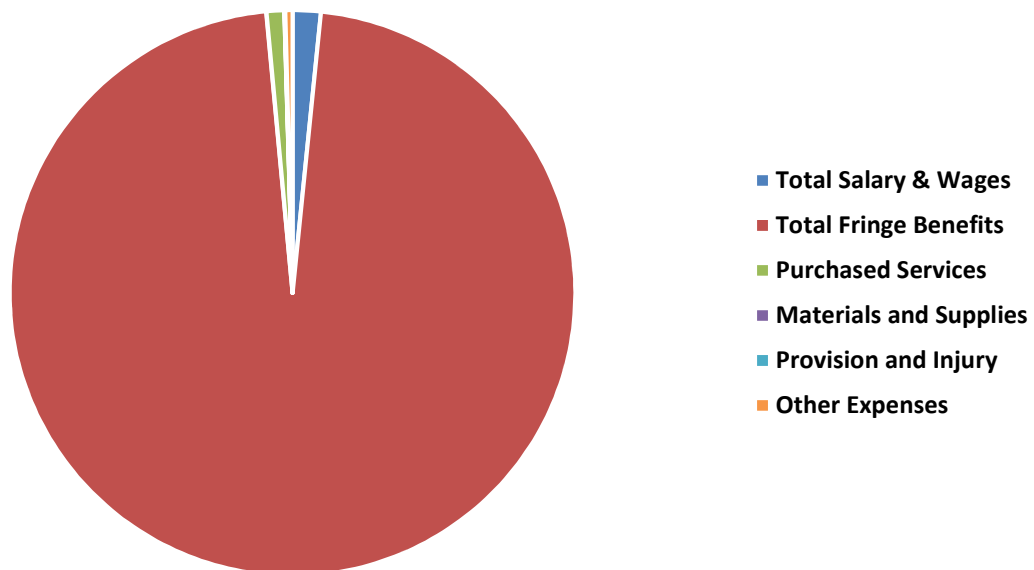
### Human Resources – Personnel (No. of Employees)

|                            | <b>FY 2017<br/>Actual</b> | <b>FY 2018<br/>Actual</b> | <b>FY 2019<br/>Actual</b> | <b>FY 2020<br/>Budget</b> |
|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Executive and General - HR | 1                         | 1                         | 1                         | 1                         |
| Employment and Development | 3                         | 4                         | 4                         | 11                        |
| Employee Relations / OEO   | 10                        | 9                         | 9                         | 9                         |
| Employment                 | 7                         | 7                         | 7                         | 0                         |
| Benefits                   | 9                         | 9                         | 7                         | 8                         |
| Compensation Services      | 0                         | 0                         | 3                         | 3                         |
| <b>Total Personnel</b>     | <b>30</b>                 | <b>30</b>                 | <b>31</b>                 | <b>32</b>                 |

## Human Resources - Expenses by Category

| Human Resources Expense Accounts | FY 2017 Audited    | FY 2018 Audited    | FY 2019 Actuals    | FY 2020 Budget     | % Change '19 to '20 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Total Salary & Wages             | \$2,028,851        | \$2,070,881        | \$1,978,235        | \$2,087,108        | 5.5%                |
| Total Fringe Benefits            | 117,816,443        | 117,772,000        | 120,160,702        | 125,282,544        | 4.3%                |
| Purchased Services               | 881,179            | 991,607            | 1,167,583          | 1,309,000          | 12.1%               |
| Materials and Supplies           | 15,700             | 19,959             | 16,984             | 42,400             | 149.7%              |
| Provision and Injury             | -                  | -                  | -                  | 30,000             | 100.0%              |
| Other Expenses                   | 255,811            | 236,273            | 352,518            | 533,790            | 51.4%               |
| <b>Total Gross Expense</b>       | <b>120,997,984</b> | <b>121,090,720</b> | <b>123,676,022</b> | <b>129,284,842</b> | <b>4.5%</b>         |
| Transfers and Capitalizations    | (357,891)          | (1,095,453)        | (1,193,788)        | (1,094,000)        | -8.4%               |
| <b>Net Total Expense</b>         | <b>120,640,093</b> | <b>119,995,266</b> | <b>122,482,234</b> | <b>128,190,842</b> | <b>4.7%</b>         |

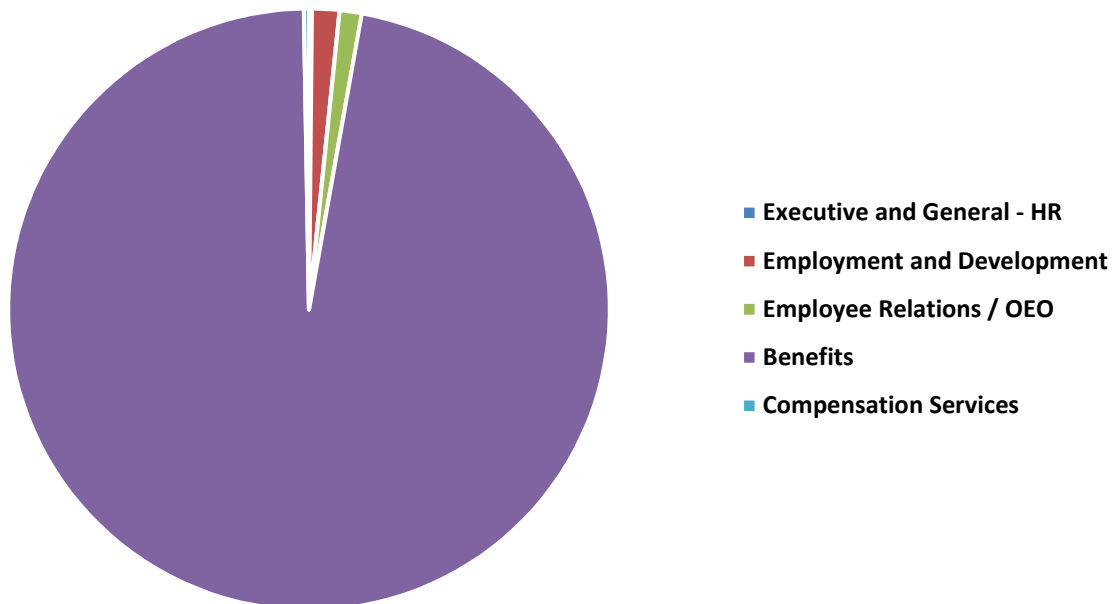
**FY 2020 Human Resources - Budget by Category**



## Human Resources - Expenses by Department

| Human Resources<br>Departments | FY 2017<br>Audited | FY 2018<br>Audited | FY 2019<br>Actuals | FY 2020<br>Budget  | % Change<br>'19 to '20 |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| Executive and General - HR     | \$143,691          | \$108,075          | \$193,944          | \$191,963          | -1.0%                  |
| Employment and Development     | 431,884            | 522,949            | 637,200            | 1,897,648          | 197.8%                 |
| Employee Relations / OEO       | 1,520,807          | 1,245,959          | 1,101,715          | 1,524,577          | 38.4%                  |
| Employment                     | 719,650            | 946,107            | 924,502            | -                  | -100.0%                |
| Benefits                       | 117,824,061        | 117,172,177        | 119,305,954        | 124,240,006        | 4.1%                   |
| Compensation Services          | -                  | -                  | 318,920            | 336,648            | 100.0%                 |
| <b>Net Total Expense</b>       | <b>120,640,093</b> | <b>119,995,266</b> | <b>122,482,234</b> | <b>128,190,842</b> | <b>4.7%</b>            |

**FY 2020 Human Resources - Budget by Department**



## **Human Resources – FY 2019 Accomplishments**

- ✓ Initiated a succession plan for key positions
- ✓ Increased and improved management training programs for new and existing managers and high potential management candidates
- ✓ Successful completion of Collective Bargaining with Port Authority Transit Police union resulting in fiscally responsible contracts.
- ✓ Completed the Compensation Desk Audit and Phase 1 was implemented
- ✓ Launched a 24/7 Employee Assistance Program

## **Human Resources – FY 2020 Objectives**

- Implement Maintenance Software Based Bid/Bump
- Implement Learning Management System (LMS) for in-house training programs
- Develop and Implement a Mentoring Program
- Soft launch of open enrollment using employee self-service
- Implement new short term disability program for Non-Represented employees
- Continue the implementation of the Compensation Desk Audit Part II
- Develop a Suicide Awareness and Prevention Program for employees

## Planning and Service Development

The Planning and Service Development Division was created as a standalone division in FY 2019. It consists of the Planning, Service Development, and Engineering and Technical Support departments. These departments and personnel were moved from the Transit Operations Division and Marketing & Communications Division.

This Division is responsible for implementing service changes, monitoring bus and rail service efficiency, developing and distributing schedules and timetables, collecting data for both state and federal reporting, maintaining databases for bus and rail stops/stations, and steering the Port Authority's long-range projects. The collection of Engineering and Technical Support departments provide engineering support on Port Authority projects, oversees capital investments, develops technical specifications for the procurement of services and materials, reviews and evaluates engineering conditions and environmental coordination, and provides ancillary operational support. This division is also responsible for facility management which includes maintaining clean and functional T-stations throughout the system.

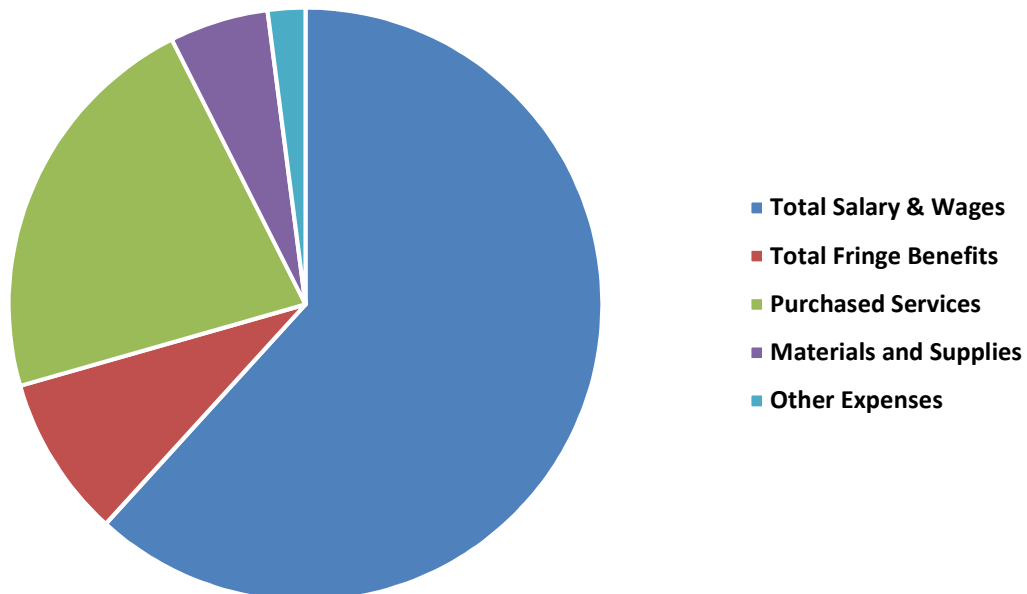
### Planning and Service Development – Personnel (No. of Employees)

|                                              | <b>FY 2017<br/>Actual</b> | <b>FY 2018<br/>Actual</b> | <b>FY 2019<br/>Actual</b> | <b>FY 2020<br/>Budget</b> |
|----------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Executive & General - Planning & Svc. Devel. | 0                         | 0                         | 1                         | 1                         |
| Service Development                          | 0                         | 0                         | 13                        | 17                        |
| Technical Support                            | 0                         | 0                         | 30                        | 29                        |
| Planning                                     | 0                         | 0                         | 6                         | 7                         |
| <b>Total Personnel</b>                       | <b>0</b>                  | <b>0</b>                  | <b>50</b>                 | <b>54</b>                 |

## Planning and Service Development - Expenses by Category

| Planning & Development Expense Accounts | FY 2017 Audited | FY 2018 Audited | FY 2019 Actuals  | FY 2020 Budget   | % Change '19 to '20 |
|-----------------------------------------|-----------------|-----------------|------------------|------------------|---------------------|
| Total Salary & Wages                    | -               | -               | \$3,167,475      | \$3,880,808      | 22.5%               |
| Total Fringe Benefits                   | -               | -               | 472,449          | 555,001          | 17.5%               |
| Purchased Services                      | -               | -               | 2,552,612        | 1,382,000        | -45.9%              |
| Materials and Supplies                  | -               | -               | 325,115          | 338,940          | 4.3%                |
| Other Expenses                          | -               | -               | 157,670          | 128,290          | -18.6%              |
| <b>Total Gross Expense</b>              | <b>-</b>        | <b>-</b>        | <b>6,675,321</b> | <b>6,285,039</b> | <b>-5.9%</b>        |
| Transfers and Capitalizations           | -               | -               | (1,319,199)      | (1,326,000)      | 0.5%                |
| <b>Net Total Expense</b>                | <b>-</b>        | <b>-</b>        | <b>5,356,122</b> | <b>4,959,039</b> | <b>-7.4%</b>        |

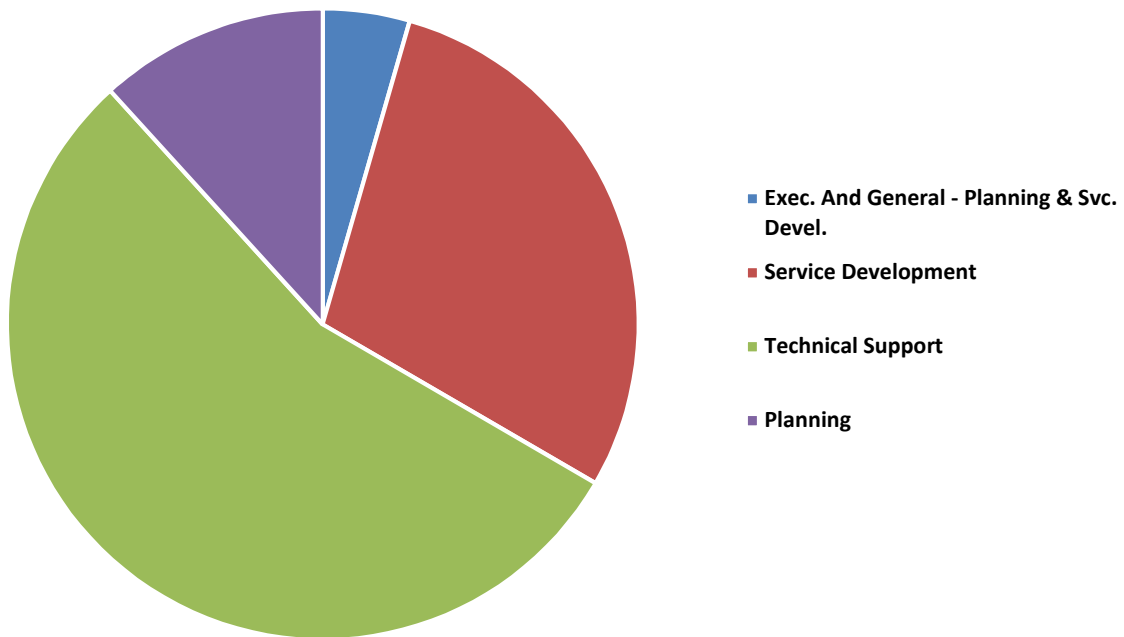
**FY 2020 Planning & Service Devel. - Budget by Category**



## Planning and Service Development - Expenses by Department

| Planning & Development Departments         | FY 2017 Audited | FY 2018 Audited | FY 2019 Actuals  | FY 2020 Budget   | % Change '19 to '20 |
|--------------------------------------------|-----------------|-----------------|------------------|------------------|---------------------|
| Exec. And General - Planning & Svc. Devel. | -               | -               | \$200,084        | \$220,670        | 10.3%               |
| Service Development                        | -               | -               | 1,180,315        | 1,435,385        | 21.6%               |
| Technical Support                          | -               | -               | 3,595,296        | 2,720,464        | -24.3%              |
| Planning                                   | -               | -               | 380,426          | 582,520          | 53.1%               |
| <b>Net Total Expense</b>                   | <b>-</b>        | <b>-</b>        | <b>5,356,122</b> | <b>4,959,039</b> | <b>-7.4%</b>        |

**FY 2020 Planning & Service Devel. - Budget by Department**



## **Planning and Service Development – FY 2019 Accomplishments**

- ✓ Design on Downtown-Uptown-Oakland bus rapid transit project advanced to 60% design milestone.
- ✓ Completed development light rail design guidelines, and bus stop and street design guidelines used during redevelopment projects and municipality improvements to customer amenities in and around station.
- ✓ Published Transit Asset Management Plan in advance of Federal requirements.
- ✓ Conducted a review of the 98 bus routes to ensure that schedule development accurately reflect travel times and to evaluate opportunities for more efficient scheduling.
- ✓ Initiated pilot program to address over-crowding concerns on high volume routes. Pilot was successful in improving customer satisfaction on the route involved in the pilot.

## **Planning and Service Development – FY 2020 Objectives**

- Through interaction with the Board, Senior Management, local stakeholders, and customers, initiate long term plan to define vision of service in 2045 and to build/implement plan to get organization to reach the goals laid out in the plan.
- Advance Downtown-Uptown-Oakland bus rapid transit project advanced to 90% design milestone. Transition PAAC to the lead grantee status and redefine the Cooperation Agreement with the project partners
- Perform public outreach to keep stakeholders informed and engaged with the bus rapid transit project's progress.
- Provide infrastructure to support the receipt of the first battery electric buses in the agency's fleet.
- Begin to implement the bus stop balancing program. This will ensure operational concerns are balanced with improved customer amenities at the remaining stops.
- Complete bi-annual service standards report. This will be designed to implement a robust outreach plan around proposed service changes

## Legal and Corporate Services

The Legal and Corporate Services Division includes the following departments: Claims and Workers' Compensation, Legal and Consulting Services, Internal Audit and System Safety. In FY 2019, the Transit Police and Security department was moved under the Legal and Corporate Services Division where they had resided prior to FY 2017. This Division provides legal and risk-management advice and representation; reviews and processes all liability, property, and workers' compensation claims made against the Port Authority; examines and evaluates the Authority's system of internal controls; serves as a liaison with the Federal, State and Local courts, funding, and oversight agencies; supervises the maintenance and development of Port Authority's real estate assets and ensures the safety and security of the Port Authority's passengers, employees and facilities.

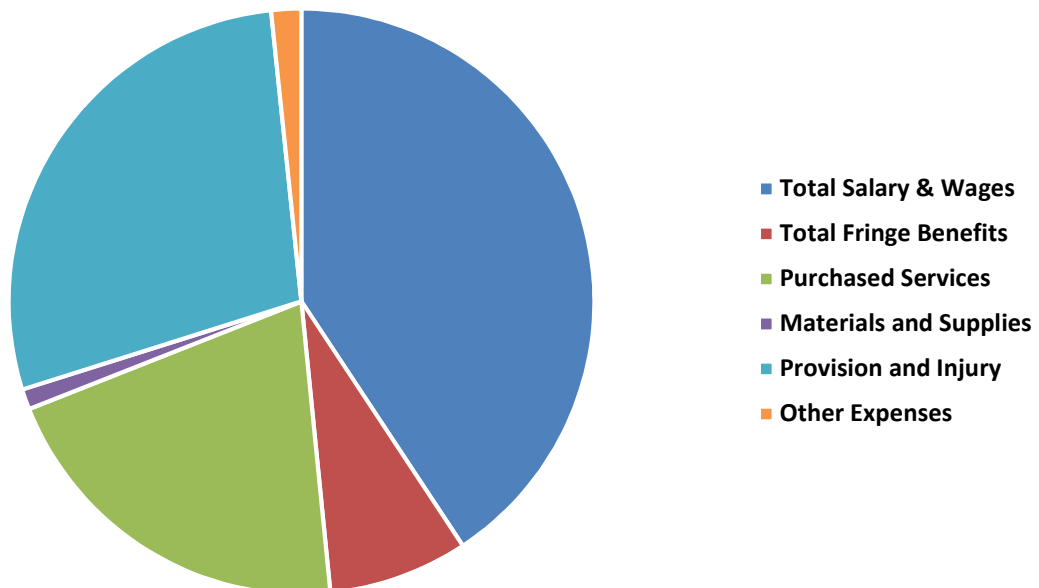
### Legal and Corporate Services – Personnel (No. of Employees)

|                                 | <b>FY 2017<br/>Actual</b> | <b>FY 2018<br/>Actual</b> | <b>FY 2019<br/>Actual</b> | <b>FY 2020<br/>Budget</b> |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Executive and General - Legal   | 2                         | 0                         | 0                         | 0                         |
| Legal and Consulting Services   | 7                         | 9                         | 9                         | 9                         |
| Claims and Workers Compensation | 13                        | 14                        | 11                        | 13                        |
| Internal Audit                  | 4                         | 4                         | 4                         | 5                         |
| System Safety                   | 7                         | 8                         | 8                         | 8                         |
| Transit Police and Security     | 0                         | 0                         | 53                        | 60                        |
| <b>Total Personnel</b>          | <b>33</b>                 | <b>35</b>                 | <b>85</b>                 | <b>95</b>                 |

## Legal and Corporate Services - Expenses by Category

| Legal and Corporate Services Expense Accounts | FY 2017 Audited  | FY 2018 Audited  | FY 2019 Actuals   | FY 2020 Budget    | % Change '19 to '20 |
|-----------------------------------------------|------------------|------------------|-------------------|-------------------|---------------------|
| Total Salary & Wages                          | \$2,176,040      | \$2,263,298      | \$5,495,485       | \$6,329,028       | 15.2%               |
| Total Fringe Benefits                         | 300,357          | 298,462          | 1,014,111         | 1,200,091         | 18.3%               |
| Purchased Services                            | 2,076,811        | 2,053,549        | 2,031,688         | 3,200,200         | 57.5%               |
| Materials and Supplies                        | 19,368           | 33,109           | 100,908           | 175,300           | 73.7%               |
| Provision and Injury                          | 2,041,766        | 2,426,620        | 2,866,690         | 4,382,440         | 52.9%               |
| Other Expenses                                | 150,622          | 165,847          | 152,665           | 259,340           | 69.9%               |
| <b>Total Gross Expense</b>                    | <b>6,764,964</b> | <b>7,240,886</b> | <b>11,661,548</b> | <b>15,546,399</b> | <b>33.3%</b>        |
| Transfers and Capitalizations                 | -                | -                | (130,707)         | (60,000)          | -54.1%              |
| <b>Net Total Expense</b>                      | <b>6,764,964</b> | <b>7,240,886</b> | <b>11,530,841</b> | <b>15,486,399</b> | <b>34.3%</b>        |

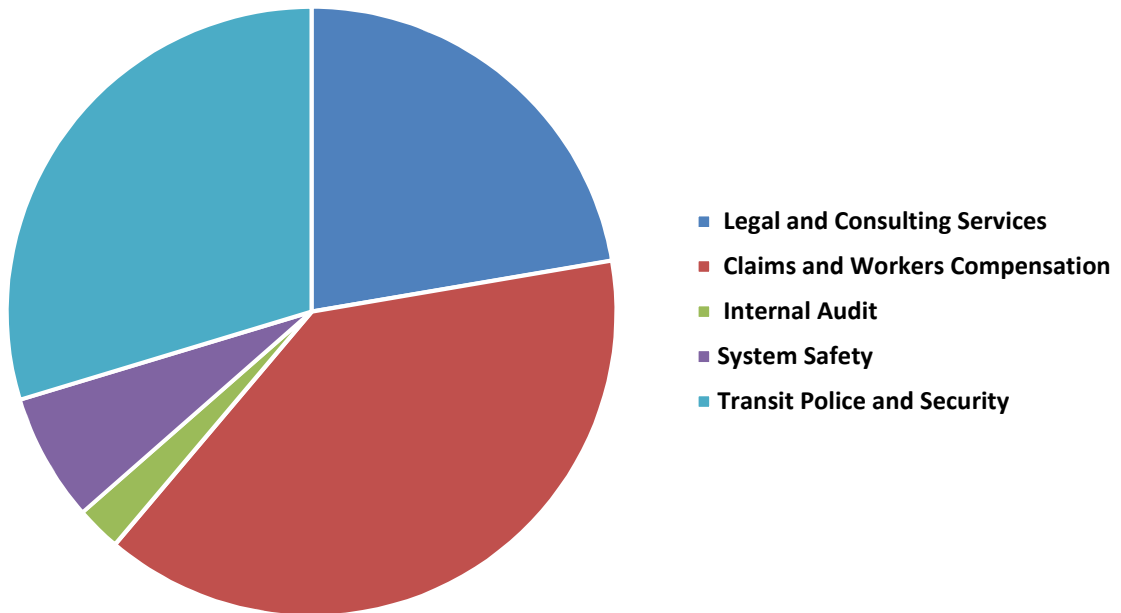
**FY 2020 Legal and Corporate Services - Budget by Category**



## Legal and Corporate Services - Expenses by Department

| <b>Legal and Corporate Services Departments</b> | <b>FY 2017 Audited</b> | <b>FY 2018 Audited</b> | <b>FY 2019 Actuals</b> | <b>FY 2020 Budget</b> | <b>% Change '19 to '20</b> |
|-------------------------------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------------|
| Executive and General - Legal                   | \$174,108              | -                      | -                      | -                     | -                          |
| Legal and Consulting Services                   | 2,171,429              | 2,373,118              | 2,402,493              | 3,456,824             | 43.9%                      |
| Claims and Workers Compensation                 | 3,652,224              | 4,075,643              | 4,401,677              | 6,015,221             | 36.7%                      |
| Internal Audit                                  | 270,242                | 245,462                | 290,480                | 368,846               | 27.0%                      |
| System Safety                                   | 498,017                | 546,663                | 658,880                | 1,051,290             | 59.6%                      |
| Transit Police and Security                     | (1,056)                | -                      | 3,777,312              | 4,594,218             | 21.6%                      |
| <b>Net Total Expense</b>                        | <b>6,764,964</b>       | <b>7,240,886</b>       | <b>11,530,841</b>      | <b>15,486,399</b>     | <b>34.3%</b>               |

### FY 2020 Legal and Corporate Services - Budget by Department



## **Legal and Corporate Services – FY 2019 Accomplishments**

- ✓ Completed key safety training initiatives including the Safety Management Awareness training for Board Members and Safety Management Systems Principles course for key management personnel and labor representatives.
- ✓ Adopted Community Oriented Policing Statement of Philosophy for Port Authority Police Department.
- ✓ Implemented quarterly reports to Senior Staff by Chief of Police that include a review of system crime statistics, police deployment and community engagement initiatives.

## **Legal and Corporate Services – FY 2020 Objectives**

- Complete conversion of Port Authority's System Safety Program Plan to a Safety Management System-based Public Transportation Agency Safety Plan in accordance with new federal safety regulations
- Complete the security camera installation at key East Busway Stations.
- Finalize and incorporate Port Authority's Payment Card Industry Policy and Procedures into Port Authority's Security and Emergency Preparedness Plan.
- Finalize Internal Audit's FY 2020-21 Work Plan for review and approval by Port Authority's Board.

## Information Technologies

The Information Technologies Division was created as a new standalone division in FY 2019. The departments included in this division are I.T. Operations, I.T. System Development and I.T. Infrastructure and Support. In previous fiscal years, the expenses and personnel for the I.T. departments were under the Finance Division. For FY 2020, the new Transportation Technology department was created. This department contains personnel previously under the Transit Operations and Finance divisions and is responsible for the Operations software systems and the Automated Fare Collection System.

This Division at the Port Authority is responsible for the management of the Authority's software licensing and enterprise components, project management for software implementation and upgrades, software development and the administration and maintenance of the Authority's technology related systems and equipment. The I.T. Division is an integral member of the Port Authority as each division and department increases their reliance on information & technology to gain efficiency and provide the customers with enhanced service features. Part of new enhanced service features is the development and implementation of the Port Authority's new mobile payment application that began in FY 2020.

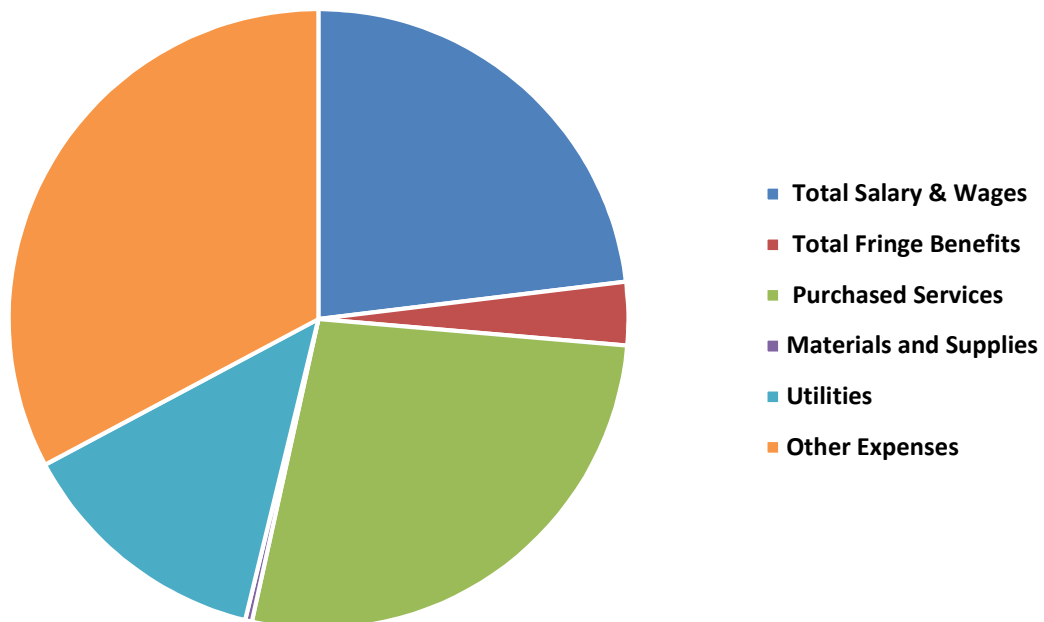
### Information Technologies – Personnel (No. of Employees)

|                                | <b>FY 2017<br/>Actual</b> | <b>FY 2018<br/>Actual</b> | <b>FY 2019<br/>Actual</b> | <b>FY 2020<br/>Budget</b> |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Executive & General - I.T.     | 0                         | 0                         | 1                         | 1                         |
| I.T. Operations                | 0                         | 0                         | 1                         | 0                         |
| I.T. Transportation Technology | 0                         | 0                         | 0                         | 5                         |
| I.T. System Development        | 0                         | 0                         | 19                        | 18                        |
| I.T. Infrastructure & Support  | 0                         | 0                         | 13                        | 13                        |
| <b>Total Personnel</b>         | <b>0</b>                  | <b>0</b>                  | <b>34</b>                 | <b>37</b>                 |

## Information Technologies - Expenses by Category

| Information Technologies Expense Accounts | FY 2017 Audited | FY 2018 Audited | FY 2019 Actuals  | FY 2020 Budget    | % Change '19 to '20 |
|-------------------------------------------|-----------------|-----------------|------------------|-------------------|---------------------|
| Total Salary & Wages                      | -               | -               | \$2,109,630      | \$2,719,432       | 28.9%               |
| Total Fringe Benefits                     | -               | -               | 357,163          | 389,027           | 8.9%                |
| Purchased Services                        | -               | -               | 2,435,140        | 3,192,000         | 31.1%               |
| Materials and Supplies                    | -               | -               | 27,655           | 40,500            | 46.4%               |
| Utilities                                 | -               | -               | 1,074,314        | 1,579,716         | 47.0%               |
| Other Expenses                            | -               | -               | 2,978,541        | 3,865,500         | 29.8%               |
| <b>Total Gross Expense</b>                | <b>-</b>        | <b>-</b>        | <b>8,982,442</b> | <b>11,786,175</b> | <b>31.2%</b>        |
| Transfers and Capitalizations             | -               | -               | -                | -                 | 0.0%                |
| <b>Net Total Expense</b>                  | <b>-</b>        | <b>-</b>        | <b>8,982,442</b> | <b>11,786,175</b> | <b>31.2%</b>        |

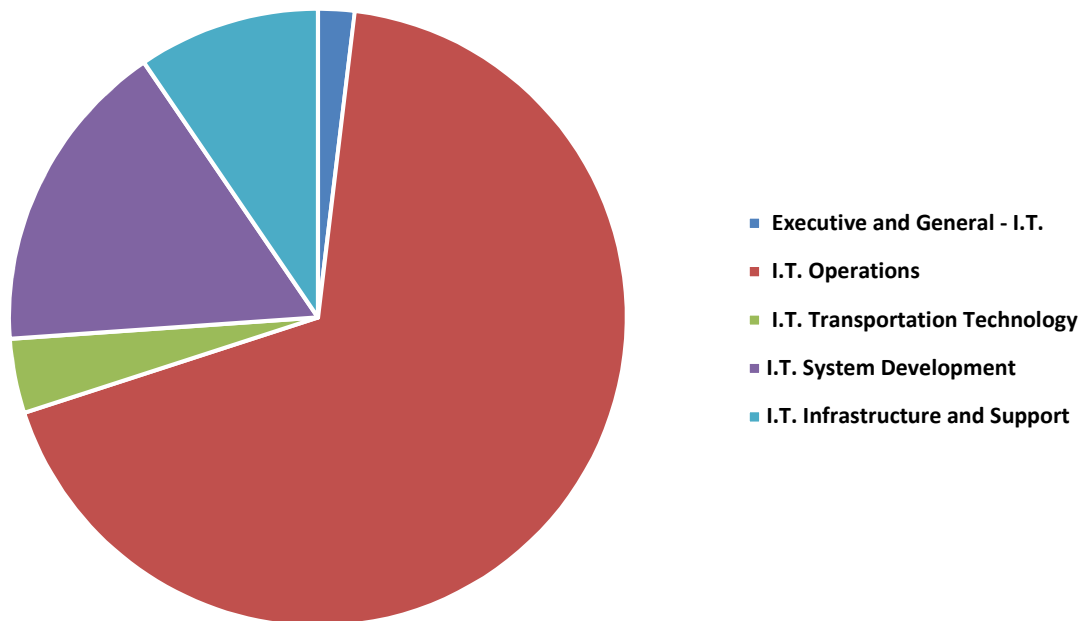
**FY 2020 Information Technologies - Budget by Category**



## Information Technologies - Expenses by Department

| Information Technologies Departments | FY 2017 Audited | FY 2018 Audited | FY 2019 Actuals  | FY 2020 Budget    | % Change '19 to '20 |
|--------------------------------------|-----------------|-----------------|------------------|-------------------|---------------------|
| Executive and General - I.T.         | \$0             | \$0             | \$169,619        | \$225,562         | 33.0%               |
| I.T. Operations                      | -               | -               | 6,158,227        | 8,025,216         | 30.3%               |
| I.T. Transportation Technology       | -               | -               | -                | 459,566           | 100.0%              |
| I.T. System Development              | -               | -               | 1,692,261        | 1,953,355         | 15.4%               |
| I.T. Infrastructure and Support      | -               | -               | 962,337          | 1,122,476         | 16.6%               |
| <b>Net Total Expense</b>             | <b>-</b>        | <b>-</b>        | <b>8,982,442</b> | <b>11,786,175</b> | <b>31.2%</b>        |

**FY 2020 Information Technologies - Budget by Department**



### **Information Technologies – FY 2019 Accomplishments**

- ✓ Successful upgrade of PeopleSoft Human Resources to 9.2 and implementation of PeopleSoft employee self-service
- ✓ Initiated procurement of mobile ticketing application
- ✓ Developed contract/insurance management system

### **Information Technologies – FY 2020 Objectives**

- Pilot and begin Phase I of the Mobile Ticketing application implementation
- Upgrade WiFi on buses for patron use
- Install digital signage at bus and rail stations
- Finalize transition to Microsoft Office 365

Port Authority's modal budget is presented as a component of the Operating and Capital Improvement Budgets. The purpose of the modal budget is to present the revenue and expense levels related to the modes of service provided by the Port Authority. The modes of service provided are bus, light rail, inclined plane, and the ACCESS Program. The ACCESS program, or ACCESS, is a demand response, paratransit service provided for elderly and handicapped persons. ACCESS is operated on behalf of Port Authority by the management firm Transdev. Each of the modes will be discussed individually in this section. A table is provided for each mode that indicates total ridership, revenue, and expense levels for the fiscal years 2017, 2018, 2019, and 2020. In addition, graphs illustrating revenue, expense and ridership amounts are presented for comparative purposes.

Modal ridership data for fiscal years 2017 through 2019 were calculated using monthly ridership reports. Anticipated ridership levels for FY 2020 were developed by Port Authority's Service Planning and Schedules department in collaboration with Financial Planning and Budgets for the bus, light rail, and inclined plane modes. Transdev (ACCESS) furnished detailed ridership information for the fiscal years 2017 through 2019 and developed the FY 2020 projections for the demand response service.

Passenger revenue distributions were allocated based upon the ridership and average fare analysis for each of the service modes. Senior citizen amounts were calculated separately and are shown independently from non-senior citizen passenger revenue. "Other Revenues" includes Advertising and Concession income and other non-transportation revenues such as Real Estate and Investment Income. These revenues were allocated based upon each mode's percentage of ridership relative to total Port Authority ridership. Modal expenses for bus, light rail, and inclined plane were distributed using a combination of direct cost and indirect cost allocations. The distribution of expenses is allocated utilizing and adapting accepted methods of allocation for federal reporting purposes. The ACCESS Program is a purchased transportation service and the expenses are identified and shown separately.

The table on the following page represents a comparative summary of Port Authority's revenues and expenses by each of the modes for fiscal years 2017, 2018, 2019, and 2020.

## COMPARATIVE SUMMARY BY MODE

*FY 2017 Actual, FY 2018 Actual, FY 2019 Actual, and FY 2020 Budget*

|                                         | FY 2017<br>ACTUAL     | FY 2018<br>ACTUAL     | FY 2019<br>ACTUAL     | FY 2020<br>BUDGET     |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Operating Revenues:                     |                       |                       |                       |                       |
| Bus                                     | \$ 80,117,000         | \$ 82,158,000         | \$ 82,963,000         | \$ 82,843,000         |
| Light Rail                              | 11,911,000            | 11,922,000            | 10,976,000            | 11,082,000            |
| Monongahela Incline                     | 930,000               | 964,000               | 670,000               | 920,000               |
| ACCESS Program                          | 12,127,000            | 11,602,000            | 10,652,000            | 10,586,000            |
| Subtotal                                | \$ 105,085,000        | \$ 106,646,000        | \$ 105,261,000        | \$ 105,431,000        |
| Operating Grants                        | 258,667,000           | 264,712,000           | 270,893,000           | 298,125,000           |
| Capitalizations                         | 46,009,000            | 53,380,000            | 59,093,000            | 58,307,000            |
| <b>Total Revenue &amp; Grants:</b>      | <b>\$ 409,761,000</b> | <b>\$ 424,738,000</b> | <b>\$ 435,247,000</b> | <b>\$ 461,863,000</b> |
| Expenses:                               |                       |                       |                       |                       |
| Bus                                     | \$303,108,000         | \$ 314,479,000        | \$ 328,873,000        | \$ 358,742,000        |
| Light Rail                              | 60,546,000            | 63,112,000            | 67,945,000            | 73,214,000            |
| Monongahela Incline                     | 990,000               | 1,051,000             | 1,076,000             | 1,155,000             |
| ACCESS Program                          | 26,037,000            | 27,071,000            | 26,159,000            | 28,752,000            |
| <b>Total Expenses:</b>                  | <b>\$ 390,681,000</b> | <b>\$ 405,713,000</b> | <b>\$ 424,053,000</b> | <b>\$ 461,863,000</b> |
| <b>Excess Revenue over<br/>Expense:</b> | <b>\$ 19,080,000</b>  | <b>\$ 19,025,000</b>  | <b>\$ 11,194,000</b>  | <b>\$ -</b>           |

## **Bus Mode**

Bus service is the largest of the transportation services provided by the Port Authority. The active bus fleet as of June 2019 consists of (30) 35-foot vehicles, (568) 40-foot vehicles and (130) 60-foot articulated buses. The four bus garage locations where service originates are located in the following communities: Ross Township, Collier Township, West Mifflin Borough and Pittsburgh (East Liberty area). Port Authority's Main Shop, located in the Manchester neighborhood of the City of Pittsburgh, is a large facility where component rebuilding and major bus repairs are performed.



For this mode of transportation, FY 2020 ridership is expected to increase slightly compared to FY 2019 levels. The small increase is due to FY 2020 having one additional weekday of service than FY 2019 and some enhanced service. The contractual transit agreements between the Port Authority and the University of Pittsburgh, Carnegie Mellon University, and Chatham University will also aid in a slight increase in ridership. Port Authority actively pursues partnerships with local businesses and institutions, such as the highly successful transportation programs with the local universities, to increase services provided.

For FY 2020, total bus revenues are projected to decrease by 0.1% below FY 2019 actuals. This decrease in revenues is due to a projected decrease in other revenues. Other revenues consist of Advertising and other non-transportation related revenues. Port Authority continues to explore partnerships with institutions in the region that will improve utilization of the current fleet. Also, the Port Authority has placed an increased emphasis on customer service and the rider's experience. Importance was placed on the Port Authority making a positive impression on first time riders as well as improving the experience for existing customers. Retaining existing consumers, while attracting those whom are contemplating making a permanent switch to public transportation, will lead to increased ridership and revenue into the future. These improvements have proven effective according to our most recent 2014 Rider Survey. Overall satisfaction with Port Authority has increased to 54% compared to just 33% in 2010.

Overall expenses are expected to increase over FY 2019 levels by 9.1%. Contractual increases in salaries and wages, the continued rise in pension costs and increased staffing levels make up a large portion of these additional expenses. However, there are projected increases in materials and supplies, utilities, purchased services, and other expense. Within the category of other services, the estimated increase is due to the additional costs associated with the expansion of technology to enhance the service provided to our riders.

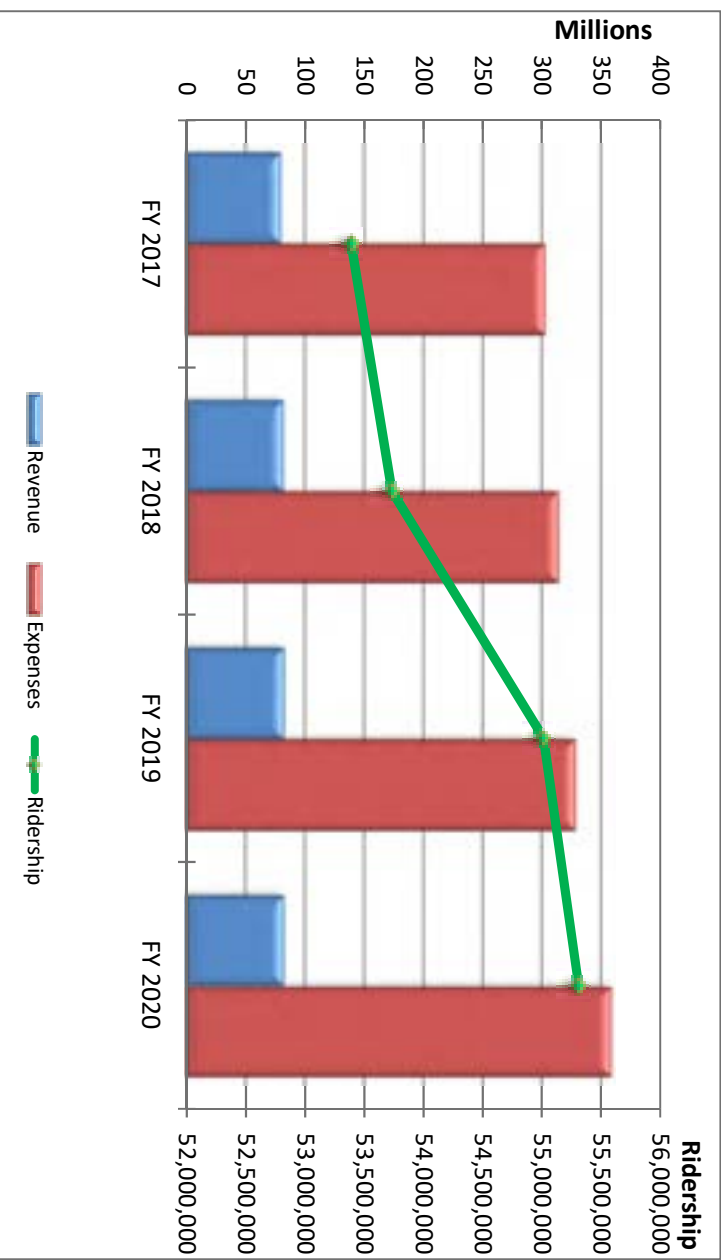
The financial data, along with ridership figures and a graphical illustration for the bus mode, can be found on the following page.

## Port Authority of Allegheny County BUS MODE

|                         | FY 2017           | FY 2018           | FY 2019           | FY 2020           | FY20<br>Inc/Dec |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| <b><u>RIDERSHIP</u></b> | <u>Actual</u>     | <u>Actual</u>     | <u>Actual</u>     | <u>Budget</u>     |                 |
| Non-Seniors             | 49,094,000        | 49,646,000        | 50,821,000        | 51,173,000        |                 |
| Seniors                 | 4,296,000         | 4,087,000         | 4,195,000         | 4,138,000         |                 |
| <b>Total Ridership</b>  | <b>53,390,000</b> | <b>53,733,000</b> | <b>55,016,000</b> | <b>55,311,000</b> | 0.5%            |

|                          | FY 2017             | FY 2018             | FY 2019             | FY 2020             | FY20<br>Inc/Dec |
|--------------------------|---------------------|---------------------|---------------------|---------------------|-----------------|
| <b><u>REVENUES</u></b>   | <u>Actual</u>       | <u>Actual</u>       | <u>Actual</u>       | <u>Budget</u>       |                 |
| Passenger Revenue        | \$ 77,025,000       | \$ 78,066,000       | \$ 77,859,000       | \$ 78,262,000       |                 |
| Sr Citizen Reimbursement | 0                   | 0                   | 0                   | 0                   |                 |
| Other                    | 3,092,000           | 4,092,000           | 5,104,000           | 4,581,000           |                 |
| <b>Total Revenue</b>     | <b>\$80,117,000</b> | <b>\$82,158,000</b> | <b>\$82,963,000</b> | <b>\$82,843,000</b> | -0.1%           |

|                        |                      |                      |                      |                       |      |
|------------------------|----------------------|----------------------|----------------------|-----------------------|------|
| <b><u>EXPENSES</u></b> |                      |                      |                      |                       |      |
| Salaries & Wages       | \$ 125,923,000       | \$ 130,495,000       | \$ 133,678,000       | \$ 141,480,000        |      |
| Fringe Benefits        | 123,367,000          | 123,098,000          | 130,267,000          | 137,089,000           |      |
| Materials & Supplies   | 34,951,000           | 38,213,000           | 39,365,000           | 43,893,000            |      |
| Prov for Inj & Damages | 2,013,000            | 2,911,000            | 2,815,000            | 4,333,000             |      |
| Purchased Services     | 8,682,000            | 9,306,000            | 11,341,000           | 15,423,000            |      |
| Utilities              | 3,554,000            | 3,336,000            | 3,391,000            | 3,778,000             |      |
| Other Expenses         | 4,618,000            | 7,120,000            | 8,016,000            | 12,748,000            |      |
| <b>Total Expense</b>   | <b>\$303,108,000</b> | <b>\$314,479,000</b> | <b>\$328,873,000</b> | <b>\$ 358,742,000</b> | 9.1% |



## Light Rail Mode

Port Authority's Light Rail Transit (LRT) System includes 51.2 miles of track and 83 light rail vehicles (LRVs). The LRT system includes a downtown subway system that provides service from Pittsburgh's South Hills to the downtown area. In March 2012, the Authority's 2.1 mile extension to the light rail



system opened for revenue service and now connects the downtown area to Pittsburgh's sports and entertainment venues located on the north shore of the Allegheny River. The LRT system now goes from the Gateway Subway Station underneath Stanwix Street and the Allegheny River – in twin bored tunnels below the river - to the North Shore. While remaining underground along the North Shore, the alignment travels adjacent to Bill Mazerowski Way accessing a station near PNC Park.

Continuing below grade adjacent to Reedsdale Street, the alignment transitions to an elevated alignment near Art Rooney Avenue to a station along Allegheny Avenue near Heinz Field, before terminating near the West End Bridge. This project gave the Authority the capability to extend the LRT system in the future to either the North Hills or Pittsburgh International Airport. Service and maintenance for the light rail mode takes place at the South Hills Village location in Upper St. Clair and Bethel Park Townships.

The ridership projections for FY 2020 are expected to increase slightly by 1.7% from the FY2019 total light rail ridership. This increase is projected due to the additional weekday of service and as more riders use the LRT system to travel to and from special events in downtown Pittsburgh. These include sporting events, concerts, and Light Up Night.

For FY 2020, light rail revenues are projected to increase by 1.0% from FY 2019 actuals. This is mostly attributable to the additional weekday of service compared to FY 2019.

Total expenses in FY 2020 are expected to increase by 7.8% over FY 2019 levels, slightly lower than bus mode. The majority of the increase is due to the contractual increases in salaries and wages, continued escalation of pension costs, and increased staffing levels. There are also projected smaller increases in materials and supplies, provision for injuries & damages, purchased services, utilities and other expenses. The 11% increase in utilities is due to the additional costs associated with the propulsion of our light rail cars.

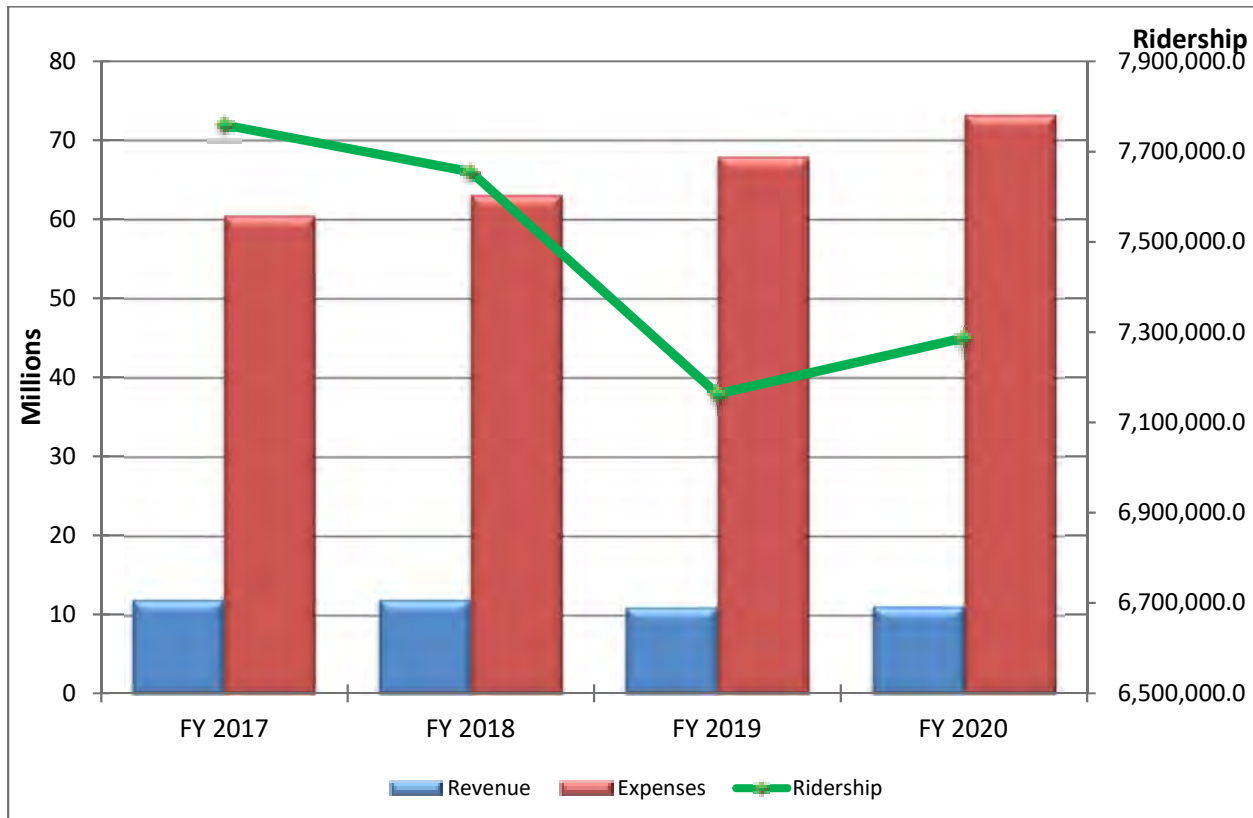
The financial data, along with ridership figures and a graphical illustration of revenues and expenses pertaining to the light rail mode, can be found on the following pages.

**Port Authority of Allegheny County**  
**LIGHT RAIL MODE**

|                         | FY 2017<br>Actual | FY 2018<br>Actual | FY 2019<br>Actual | FY 2020<br>Budget | FY20<br>Inc/Dec |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| <b><u>RIDERSHIP</u></b> |                   |                   |                   |                   |                 |
| Non-Seniors             | 7,299,000         | 7,204,000         | 6,724,000         | 6,845,000         |                 |
| Seniors                 | 460,000           | 451,000           | 439,000           | 442,000           |                 |
| <b>Total Ridership</b>  | <b>7,759,000</b>  | <b>7,655,000</b>  | <b>7,163,000</b>  | <b>7,287,000</b>  | <b>1.7%</b>     |

|                        | FY 2017<br>Actual    | FY 2018<br>Actual    | FY 2019<br>Actual    | FY 2020<br>Budget    | FY20<br>Inc/Dec |
|------------------------|----------------------|----------------------|----------------------|----------------------|-----------------|
| <b><u>REVENUES</u></b> |                      |                      |                      |                      |                 |
| Passenger Revenue      | \$ 11,451,000        | \$ 11,328,000        | \$ 10,301,000        | \$ 10,469,000        |                 |
| Sr Cit Reimburseme     | 0                    | 0                    | 0                    | 0                    |                 |
| Other                  | 460,000              | 594,000              | 675,000              | 613,000              |                 |
| <b>Total Revenue</b>   | <b>\$ 11,911,000</b> | <b>\$ 11,922,000</b> | <b>\$ 10,976,000</b> | <b>\$ 11,082,000</b> | <b>1.0%</b>     |

|                        |                      |                      |                      |                      |             |
|------------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| <b><u>EXPENSES</u></b> |                      |                      |                      |                      |             |
| Salaries & Wages       | \$ 26,253,000        | \$ 27,782,000        | \$ 28,066,000        | \$ 29,704,000        |             |
| Fringe Benefits        | 25,540,000           | 26,026,000           | 27,926,000           | 29,388,000           |             |
| Materials & Supplie    | 2,752,000            | 3,372,000            | 5,152,000            | 5,745,000            |             |
| Prov for Inj & Dam     | 106,000              | 65,000               | 51,000               | 78,000               |             |
| Purchased Services     | 1,099,000            | 1,178,000            | 1,781,000            | 2,422,000            |             |
| Utilities              | 4,421,000            | 4,082,000            | 4,251,000            | 4,735,000            |             |
| Other Expenses         | 375,000              | 607,000              | 718,000              | 1,142,000            |             |
| <b>Total Expense</b>   | <b>\$ 60,546,000</b> | <b>\$ 63,112,000</b> | <b>\$ 67,945,000</b> | <b>\$ 73,214,000</b> | <b>7.8%</b> |



## Incline Mode

Travel by the incline mode dates back to the 19th century. The opportunity to experience incline travel remains an attraction for both lifelong residents as well as visitors to the area. Two inclines, the Duquesne and the Monongahela, remain in operation connecting Mt. Washington with the South Side of Pittsburgh. While both are owned by Port Authority, the Duquesne Incline is leased and operated by a non-profit organization, the "Society for the Preservation of the Duquesne Heights Incline".



Port Authority operates the Monongahela Incline. The "Mon Incline" is the oldest continuously operating funicular railway in the U.S and opened on May 28, 1870. Since its opening, the Mon Incline has had multiple renovations. In 1935, electrical equipment replaced the original steam engines. The lower station and the incline's two cars were rehabilitated in 1982 and in 1994 the upper station was restored along with many additional upgrades performed to the electrical, motor and braking systems. In September of FY 2016, the incline closed to riders for 12 weeks so that the two cars could be removed for rehabilitation. The Mon Incline travels a length of 635 feet at 6 miles per hour with a passenger capacity of 23 per car.

Ridership on the Mon Incline is anticipated to increase by 38% in FY 2020 compared to FY 2019 actuals. This large increase is due to two events that occurred in FY 2019 that shutdown the Mon Incline for extended periods. Prior to FY 2019, ridership on the incline had steadily increased since FY 2016. FY 2020 Revenues are projected to increase by 37% in line with the increase in ridership.

As with the other modes of transportation, expenses for the Mon Incline are also expected to increase. Port Authority has budgeted for a 7.3% increase in expenses, primarily due to increases in salaries & wages, fringe benefits, purchased services and utility costs. Purchased services are driven by the increased outside contracting work for the Incline and its systems. The increase in utilities is due to the additional costs associated with the propulsion of the incline cars.

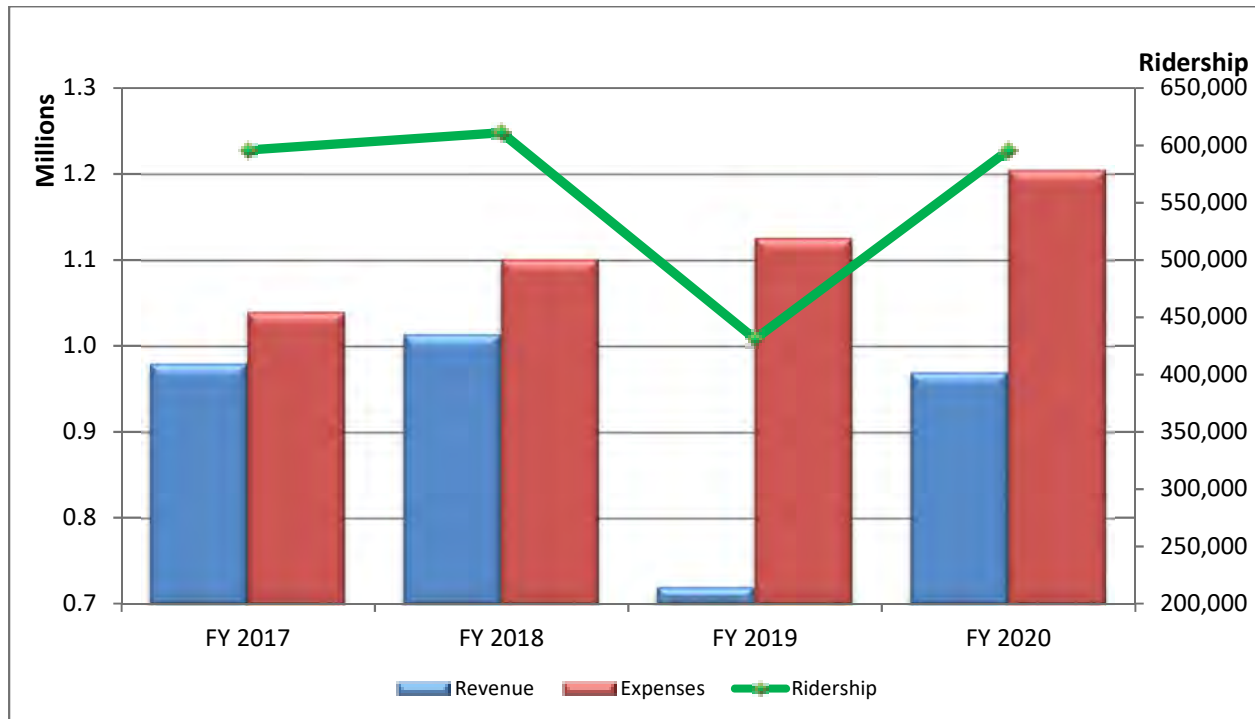
The financial data and ridership figures and a graphical illustration for the Inclined Plane Mode can be found on the following pages.

*Port Authority of Allegheny County*  
**INCLINED PLANE MODE**

|                         | 2017<br>Actual | 2018<br>Actual | 2019<br>Actual | 2020<br>Budget | FY20<br>Inc/Dec |
|-------------------------|----------------|----------------|----------------|----------------|-----------------|
| <b><u>RIDERSHIP</u></b> |                |                |                |                |                 |
| Non-Seniors             | 570,000        | 583,000        | 410,000        | 568,000        |                 |
| Seniors                 | 26,000         | 28,000         | 21,000         | 28,000         |                 |
| <b>Total Ridership</b>  | <b>596,000</b> | <b>611,000</b> | <b>431,000</b> | <b>596,000</b> | 38.3%           |

|                        | 2017<br>Actual    | 2018<br>Actual    | 2019<br>Actual    | 2020<br>Budget    | FY20<br>Inc/Dec |
|------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| <b><u>REVENUES</u></b> |                   |                   |                   |                   |                 |
| Passenger Revenue      | \$ 894,000        | \$ 916,000        | \$ 629,000        | \$ 869,000        |                 |
| Sr Cit Reimbursement   | 0                 | 0                 | 0                 | 0                 |                 |
| Other                  | 36,000            | 48,000            | 41,000            | 51,000            |                 |
| <b>Total Revenue</b>   | <b>\$ 930,000</b> | <b>\$ 964,000</b> | <b>\$ 670,000</b> | <b>\$ 920,000</b> | 37.3%           |

|                        |                   |                    |                    |                    |      |
|------------------------|-------------------|--------------------|--------------------|--------------------|------|
| <b><u>EXPENSES</u></b> |                   |                    |                    |                    |      |
| Salaries & Wages       | \$ 458,000        | \$ 476,000         | \$ 487,000         | \$ 515,000         |      |
| Fringe Benefits        | 448,000           | 449,000            | 476,000            | 501,000            |      |
| Materials & Supplies   | 4,000             | 42,000             | 38,000             | 43,000             |      |
| Prov for Inj & Damage  | 1,000             | 0                  | 1,000              | 2,000              |      |
| Purchased Services     | 29,000            | 32,000             | 29,000             | 40,000             |      |
| Utilities              | 46,000            | 45,000             | 39,000             | 44,000             |      |
| Other Expenses         | 4,000             | 7,000              | 6,000              | 10,000             |      |
| <b>Total Expense</b>   | <b>\$ 990,000</b> | <b>\$1,051,000</b> | <b>\$1,076,000</b> | <b>\$1,155,000</b> | 7.3% |



## ACCESS Mode

The ACCESS Program provides door-to-door service at reduced fares for older persons and those with disabilities in Allegheny County. This program is operated by Transdev, a management firm engaged by Port Authority. The actual transportation is provided by a combination of commercial carriers and non-profit community agencies under contract to Transdev.

Since ACCESS is a contracted carrier for Port Authority, only \$28.7 million of expenses pass through Port Authority's budget. Likewise, only \$10.6 million is reimbursed to Port Authority from the Commonwealth's Senior Citizen Fare Assistance Program for ACCESS senior ridership.

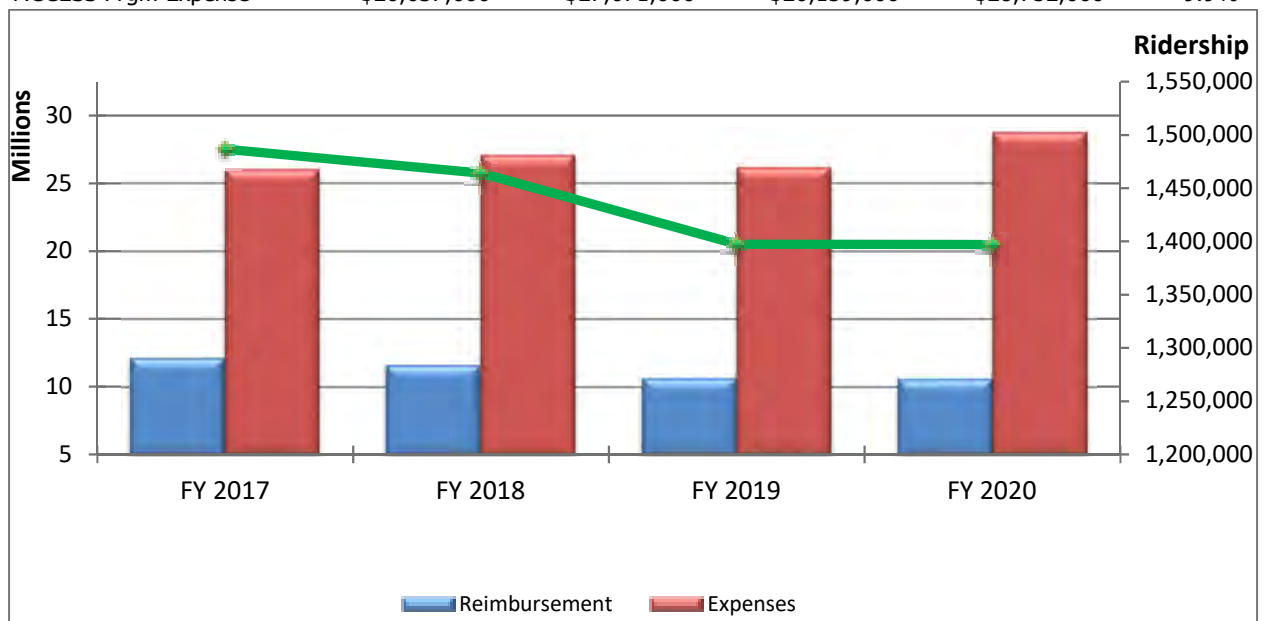
In FY 2020, ACCESS ridership is projected to remain steady compared to FY 2019 figures. The financial data and ridership figures, along with a graphical illustration of revenues and expenses pertaining to the ACCESS mode can be found below.

### *Port Authority of Allegheny County* **ACCESS MODE**

|                         | <u>FY 2017<br/>Actual</u> | <u>FY 2018<br/>Actual</u> | <u>FY 2019<br/>Actual</u> | <u>FY 2020<br/>Budget</u> | <u>FY20<br/>Inc/Dec</u> |
|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| <b><u>RIDERSHIP</u></b> |                           |                           |                           |                           |                         |
| Sr. Citizen Passengers  | 612,379                   | 577,690                   | 528,050                   | 524,300                   |                         |
| Other Originating Pass. | 874,392                   | 886,570                   | 869,461                   | 872,700                   |                         |
| <b>Total Ridership</b>  | <u>1,486,771</u>          | <u>1,464,260</u>          | <u>1,397,511</u>          | <u>1,397,000</u>          | 0.0%                    |

|                              | <u>FY 2017<br/>Actual</u> | <u>FY 2018<br/>Actual</u> | <u>FY 2019<br/>Actual</u> | <u>FY 2020<br/>Budget</u> | <u>FY20<br/>Inc/Dec</u> |
|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| <b><u>REIMBURSEMENTS</u></b> |                           |                           |                           |                           |                         |
| ACCESS Prgm Reimbursement    | \$12,127,000              | \$11,602,000              | \$10,652,000              | \$10,586,000              | -0.6%                   |

|                        |              |              |              |              |      |
|------------------------|--------------|--------------|--------------|--------------|------|
| <b><u>EXPENSES</u></b> |              |              |              |              |      |
| ACCESS Prgm Expense    | \$26,037,000 | \$27,071,000 | \$26,159,000 | \$28,752,000 | 9.9% |



## **Administrative Headquarters**

Heinz 57 Center  
345 Sixth Avenue  
Pittsburgh, Pennsylvania 15222-2527

Administrative Offices occupy the third and fifth floors and house the Operations and Technical Support, Human Resources, Finance, Planning and Development, and Legal and Corporate Services Divisions and the Office of the Chief Executive Officer.

## **Operating Divisions**

Operating Divisions are located within Allegheny County and supply transit service to the County, the City of Pittsburgh and minor portions of Beaver and Westmoreland Counties. Each division is staffed by a Director of Service Delivery, an Assistant to the Director, a Manager and Assistant Manager of Maintenance, and a secretary. First line supervisors at the division level include dispatchers, instructors, maintenance foremen, and route foremen. Levels of hourly maintenance employees and operators vary depending upon the size of the division and service area.

### **Ross Division**

The Ross Division opened in March of 1968 and services areas to the North and East of Allegheny County.

### **Collier Division**

The Collier Division opened in June of 1969 and services areas to the South and West of the County.

### **East Liberty Division**

The East Liberty Division opened in July of 1972 and is located on the Martin Luther King, Jr. East Busway. It is the largest of the Port Authority divisions.

### **West Mifflin**

The West Mifflin Division opened in November of 1969 and is the second largest division at the Port Authority.

### **Manchester**

The Main Shop is located at Manchester and is comprised of eight shop sections where heavy bus maintenance work and signage is performed for the system. Shop Sections include: Engine Overhaul, Electrical Units, Sign Shop, Transmission Overhaul, Body and Paint, Miscellaneous Units and Vehicle Overhaul.

### South Hills Village Rail Center

The Rail Center houses all rail transportation and heavy and running repair maintenance services for the Light Rail vehicles. It opened in April of 1984.

### South Hills Junction

The Junction is comprised of five buildings which house the Non-Revenue Vehicles, Facilities, LRT Systems and Power, and the Way Departments. These departments are responsible for maintaining the fixed assets of Port Authority: fixed guideways (rail, incline, busways), power and signaling operation, and non-revenue vehicle maintenance. Port Authority also owns and maintains an extensive network of transit properties and right of ways throughout Allegheny County.

### Busways

1. South Busway, 4.3 miles
2. Martin Luther King, Jr. -- East Busway, 9.1 miles
3. West Busway, 5.0 miles

### Park and Ride Lots

Lots are located throughout Allegheny County with many locations along busways and T lines. We offer 53 lots with over 13,000 spaces.



## Light Rail (T System)



The T is a 52.4-mile light rail system that runs from the North Shore and Downtown Pittsburgh through Pittsburgh's southern neighborhoods and many South Hills suburbs.



## Monongahela Incline

The incline is a popular tourist attraction that also serves daily commuters. The upper station is in the city's Mt. Washington neighborhood and the lower station is located at Station Square, where riders may transfer to the T.



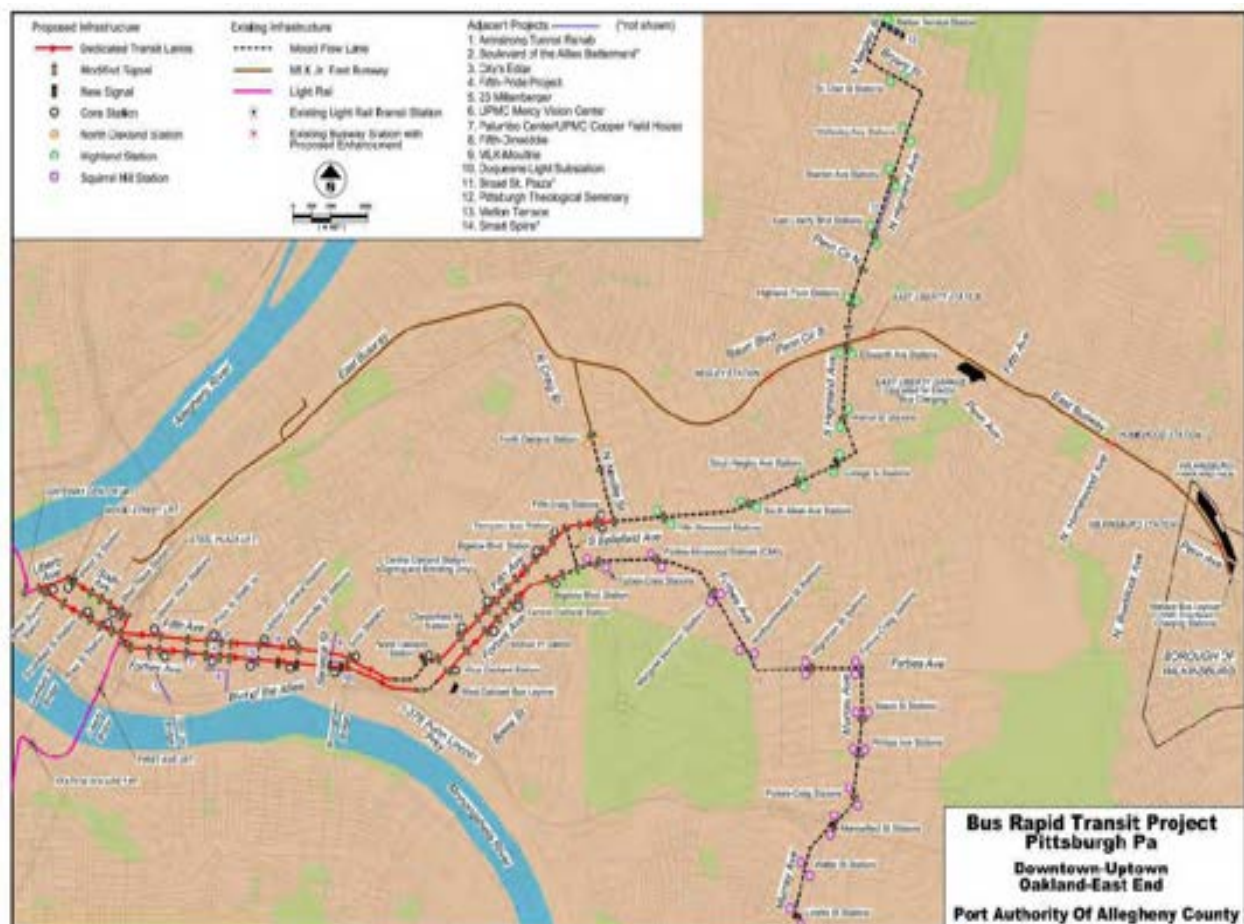
## Bus Rapid Transit (BRT)

Allegheny County, the City of Pittsburgh, Port Authority of Allegheny County, and the Urban Redevelopment Authority of Pittsburgh have proposed a Bus Rapid Transit (BRT) system that connects Downtown Pittsburgh with Uptown, Oakland, and East End communities.

Bus Rapid Transit (BRT) is a high-quality bus-based transit system that delivers fast, comfortable, and cost-effective services via dedicated lanes and fast and frequent operations.

While BRT often looks different in each area it's implemented, it generally contains features similar to a light rail or metro system and is therefore more reliable, convenient, and faster than regular bus services. With the right features, BRT is able to avoid the causes of delay that typically slow regular bus services, like being stuck in traffic and queuing to pay on board.

The Downtown-Uptown-Oakland- East End Bus Rapid Transit (BRT) Project will provide a vital east-west connection between downtown Pittsburgh and the Uptown, Oakland, and East End neighborhoods. The project includes changes to both physical infrastructure and transit operations along the Downtown-Uptown-Oakland portion of the corridor (the “BRT Core”) along with changes to transit operations in the East End portion of the corridor – Highland Park, Squirrel Hill, and the East Busway.



**ACCESS Program** – A program that provides subsidized door-to-door, advanced reservation transportation services for the elderly and handicapped residents of Allegheny County. This is the Port Authority's demand response service.

**Balanced Budget** – A budget in which expected revenues equal expected expenses during a fiscal year. It is required that the Port Authority's Board of Directors adopt a balanced budget before the beginning of the fiscal year.

**Base Fare** – Cash fare that is charged to an adult for regular local transit service.

**Budget** – An estimate, often itemized, of expected income and expenses for a given period of time.

**Bus** – A transit mode comprised of rubber tired passenger vehicles operating on fixed routes and schedules over roadways.

**Capital Improvement Program** – A financial plan for the allocation of Capital Project funds necessary to acquire, improve, or maintain the Port Authority's fixed assets.

**Debt Service** – The payment of interest on and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

**Deficit** – The amount by which revenues fall short of expenses during a given period.

**Demand Response** – A transit mode comprised of passenger cars, vans or small buses operating in response to calls from passengers or their agents to the transit operator, who then dispatches a vehicle to pick up the passengers and transport them to their destinations. Vehicles do not operate over a fixed route or on a fixed schedule except, perhaps, on a temporary basis. Typically, the vehicle may be dispatched to pick up several passengers at different pick-up points before taking them to their destinations. This is the Port Authority's ACCESS program.

**Farebox Revenue** – Revenues obtained from passengers and other fare subsidies. Also referred to as Passenger Revenue.

**Fiscal Year** – The Port Authority's fiscal year runs from July 1 through June 30.

**Fixed Guideway** – A public transportation facility using and occupying a separate right-of-way or rail for the exclusive use of public transportation vehicles.

**Fixed Route** – An established route where transit vehicles stop to pick up and deliver passengers to specific locations following a repetitive, fixed schedule.

**Funicular Railway** – A cable railway ascending a steep slope, one in which an ascending car counterbalances a descending car. Also known as an Inclined Plane.

**Incline** – A fixed facility that is comprised of two (2) vehicles operating in opposite directions on angled, parallel tracks.

**Inclined Plane** – A transit mode that is a railway operating over exclusive right-of-way on steep grades with powerless vehicles propelled by moving cables attached to the vehicles and powered by engines or motors at a central location not onboard the vehicle.

**Light Rail** – A transit mode that typically is an electric railway with a light volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car trains on fixed rails in shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley or a pantograph.

**North Shore Connector** -- The 1.2 mile extension of Port Authority's Light Rail Transit System of which the centerpiece is a tunnel underneath the Allegheny River.

**Operating Budget** – Combines the financial plan for the allocation of projected revenues and expenses consumed in the daily operations of the transit system and specific programs to support achievement of the Port Authority's mission statement.

**Paratransit** – Types of passenger transportation which are more flexible than conventional fixed-route transit but more structured than the use of private automobiles. Paratransit includes demand response transportation services, shared-ride taxis, car-pooling and vanpooling, and jitney services. Most often refers to wheelchair-accessible, demand response service. This is the Port Authority's ACCESS Program.

**Passenger Revenues** – Revenues consisting of farebox collections, ticket sales, school permits and pass sales, weekend fare receipts, weekly permit sales, monthly pass sales, and special event fare receipts.

**Ridership** – Each passenger counted each time that person boards a Port Authority vehicle

**Subsidy** – Funds received from another source that are used to cover the cost of a service or program that is not self-supporting.

**Vehicle Improvement Program** – The terminology used by the Port Authority for rehabilitation of its revenue vehicle fleet.