

Port Authority of Allegheny County

Fiscal Year 2021
July 1, 2020 – June 30, 2021

OPERATING AND CAPITAL IMPROVEMENT BUDGET



PortAuthority.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Allegheny County Port Authority
Pennsylvania**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director

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Board of Directors

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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

Gerald Delon

Representative Lori Mizgorski

John L. Tague, Jr.

Stephanie Turman

Jessica Walls-Lavelle

Michelle Zmijanac

Chief Executive Officer

Katharine Eagan Kelleman

Senior Staff

Michael Cetra, Chief Legal Officer

Inez Colon, Chief Human Resources Officer

Jeffrey Devlin, Chief Information Officer

Michael T. Heidkamp, Chief Operating Officer

David Huffaker, Chief Development Officer

James Ritchie, Chief Communications Officer

Donald A. Rivetti, Jr., Chief Operating Officer

Peter Schenk, Chief Financial Officer

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Introduction

I am pleased to present to you the FY2021 annual Port Authority of Allegheny County (The Authority) Operating and Capital budgets for fiscal year ending June 30, 2021. This budget document provides a financial plan to assist in the day-to-day decision making of the Authority as well as the basis for a forward focused plan for a long-range view of the company.

The Authority acknowledges that its services are necessary in the lives of many Allegheny County residents and even though the Authority has been impacted by the COVID-19 pandemic, as the rest of the world, the FY2021 budget will be used as a guide to place the company on the right path to continue to serve the public safely and completely.

Background

Beginning in late FY2020, the Authority was operationally and financially impacted by the COVID-19 pandemic. In March 2020 Pennsylvania governor Tom Wolf declared a disaster emergency in the commonwealth followed by an order to temporarily close all non-life-sustaining businesses. Public transportation was permitted to continue to operate as a specifically defined life sustaining business and government operated entity. The Authority quickly developed and implemented various COVID-19 employee patron and employee safety protocols including the suspension of employee travel, daily disinfecting of transit vehicles, stations, and work areas, a masking requirement for both employee and patrons, an employee temperature screening protocol and vehicle capacity limitations. The FY2021 budget includes over 60 new positions to continue nightly disinfecting of vehicles and stations and it also allows for a new marketing campaign entitled “OK to Go” which details to the public all the steps the Authority has taken to make riding public transportation safer.

The Authority was a recipient of \$141.5 million in CARES ACT funding and will utilize these funds to offset the reduction in ridership due to the pandemic. The Authority continues to work with Federal, State and Local Officials to identify additional funding sources if the COVID-19 pandemic continues to have adverse impact on the Authority past June 2021.

Achievements

The Authority completed a Tactical Plan during FY2021 which addressed the five core areas of Financial Sustainability, Safety Program, Customer Experience, Employee Engagement and Public Communications. Within each of these core areas, the Authority completed a number of multi-divisional tasks that ultimately improved the overall performance of the organization.

The Authority realizes the importance of public transit in the lives of the residents of Allegheny County. The company has embarked on preparing a strategic plan to be better prepared to address future resource needs. This plan will prove instrumental in providing information to various stakeholders on how the Authority improves both opportunities and the lives of residents of the region.

Finally, the Authority has contracted with a Mobile Application provider that has begun installation of mobile app readers on our bus and rail fleet. In the near future, our riders will be able to purchase their fare products from their phones.

Future Challenges

In spite of being in a global pandemic and financial uncertainty, the Authority is moving forward with working with a fare consultant to consider future fare policy changes along with their impact on total revenue yields.

We are committed to improving the service we provide to the community and the Authority will continue to plan for the future. Work has begun on a long-term plan entitled NEXTransit that will include a new service plan and the asset requirements to make that service plan a reality. This document can be used to inform policymakers of the Authority's true potential to serve the community with a dedicated and growing revenue source. This can also be instrumental in educating stakeholders on how the Authority can be the backbone of an economic recovery post COVID-19.

The Authority will also continue to monitor current resource levels to make certain the Authority remains on firm financial ground. We will continually monitor the financial impacts of the pandemic on the company.

Acknowledgement

I would like to thank the Authority's Board of Directors for their leadership and support during these trying times. I would also like to extend my appreciation to all of the Authority's employees and the Department Management for all they have done to keep transportation service available to the public. Most importantly, I would like to say thank you to our valued riders, for whom it is an honor to serve.

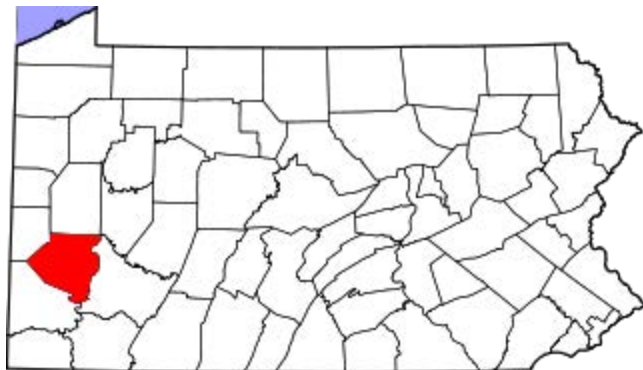
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kelleman', written in a cursive style.

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 2019 estimate, stands



at 1,216,045 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, 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 career opportunities and cultural attractions helped Pittsburgh and Allegheny County to be ranked No. 3 on the *2019 National Geographic Traveller Cool List*, and help Pittsburgh get ranked in the top 10 cities to live and travel to by various organizations including *WalletHub* and the *Economic Intelligence Unit*.

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 1.216 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
• Vehicles - 730 • Ridership - 44,772,584 • Stations - 15 • Stops - 6,722	• Vehicles - 83 • Ridership - 5,572,417 • Stations - 27 • Stops - 102	• Vehicles - 2 • Ridership - 351,056 • Stations - 2 • Stops - 2

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

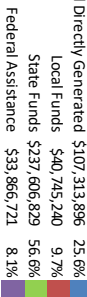
Pittsburgh, PA
905 Square Miles
1,733,853 Population
27 Pop. Rank out of 498 UZAs

Service Consumption

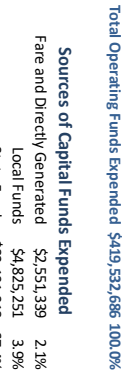
267,132,134 Annual Passenger Miles (PMT)
63,463,854 Annual Unlinked Trips (UTP)
214,617 Average Weekday Unlinked Trips
97,932 Average Saturday Unlinked Trips
64,862 Average Sunday Unlinked Trips

Financial Information

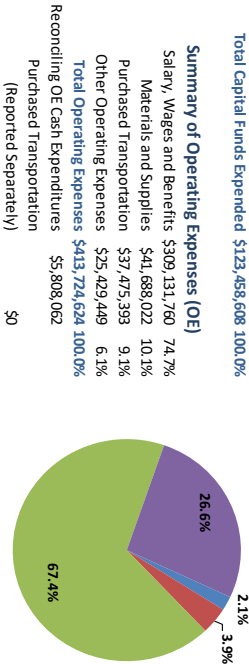
Sources of Operating Funds Expended



Operating Funding Sources



Capital Funding Sources



Sources of Capital Funds Expended
Fare and Directly Generated \$2,551,339 2.1%
Local Funds \$4,825,251 3.9%
State Funds \$83,191,918 67.4%
Federal Assistance \$32,890,100 26.6%

Total Capital Funds Expended \$123,458,608 100.0%

Summary of Operating Expenses (OE)

Salary, Wages and Benefits \$309,131,760 74.7%
Materials and Supplies \$41,688,022 10.1%
Purchased Transportation \$37,475,393 9.1%
Other Operating Expenses \$25,429,449 6.1%
Total Operating Expenses \$413,724,624 100.0%

Reconciling OE Cash Expenditures \$5,808,062
Purchased Transportation (Reported Separately) \$0

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	\$0	\$0	\$0
Light Rail	58	0	\$0	\$20,472,186	\$4,533,871	\$130,736
Bus	603	0	\$51,325,317	\$22,565,480	\$21,928,886	\$1,762,657
Total	663	270	\$51,325,317	\$43,718,660	\$26,521,238	\$1,893,393

Operation Characteristics

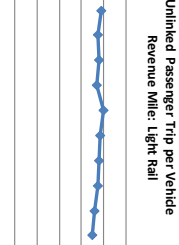
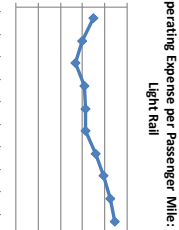
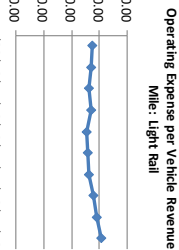
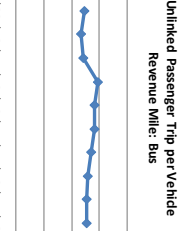
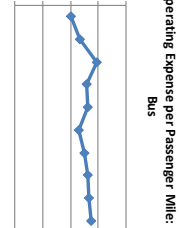
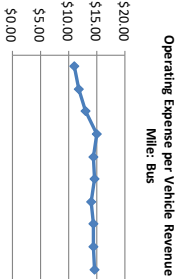
Mode	Operating Expenses		Uses of Annual Passenger		Annual	
	Fare Revenues	Capital Funds	Miles	Unlinked Trips	Revenue Miles	Annual Vehicle Revenue Hours
Demand Response	\$37,500,282	\$11,830,785	\$0	11,706,990	1,464,260	612,460
Inclined Plane	\$1,063,918	\$648,929	\$739,475	71,333	610,433	6,239
Light Rail	\$66,793,023	\$9,686,650	\$25,136,793	30,261,649	7,655,339	2,184,781
Bus	\$308,367,401	\$79,575,413	\$97,582,340	225,092,162	53,733,622	21,183,003
Total	\$443,724,624	\$101,751,777	\$123,458,608	267,132,134	63,463,854	32,630,017

Performance Measures

Mode	Operating Expenses per Vehicle		Service Efficiency	
	Revenue Mile	Operating Expenses per Vehicle Revenue Mile	Vehicle Revenue Hour	Operating Expenses per Vehicle Revenue Hour
Demand Response	\$4.06	\$61.23	\$170.53	\$392.06
Inclined Plane	\$72.94	\$170.53	\$188.43	\$170.57
Light Rail	\$30.57	\$188.43	\$170.57	\$170.57
Bus	\$14.56	\$170.57	\$170.57	\$170.57
Total	\$12.68	\$170.57	\$170.57	\$170.57

Service Effectiveness

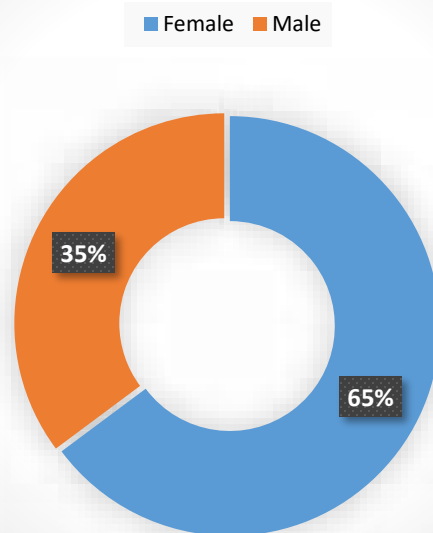
Mode	Operating Expenses per		Unlinked Trips per	
	Passenger Mile	Operating Expenses per Passenger Mile	Vehicle Revenue Mile	Unlinked Trips per Vehicle Revenue Mile
Demand Response	\$3.20	\$14.91	\$1.74	41.9
Inclined Plane	\$14.91	\$2.21	\$8.72	3.5
Light Rail	\$2.21	\$1.37	\$5.74	2.5
Bus	\$1.37	\$1.55	\$6.52	1.9
Total	\$1.55	\$1.55	\$6.52	26.2



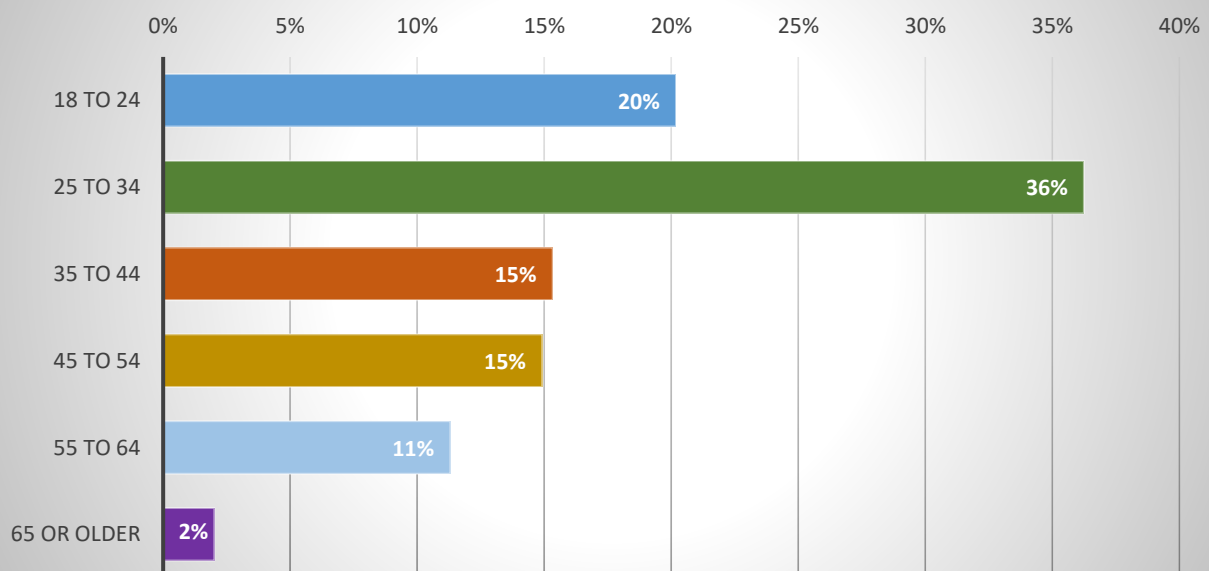
Port Authority Ridership Profile

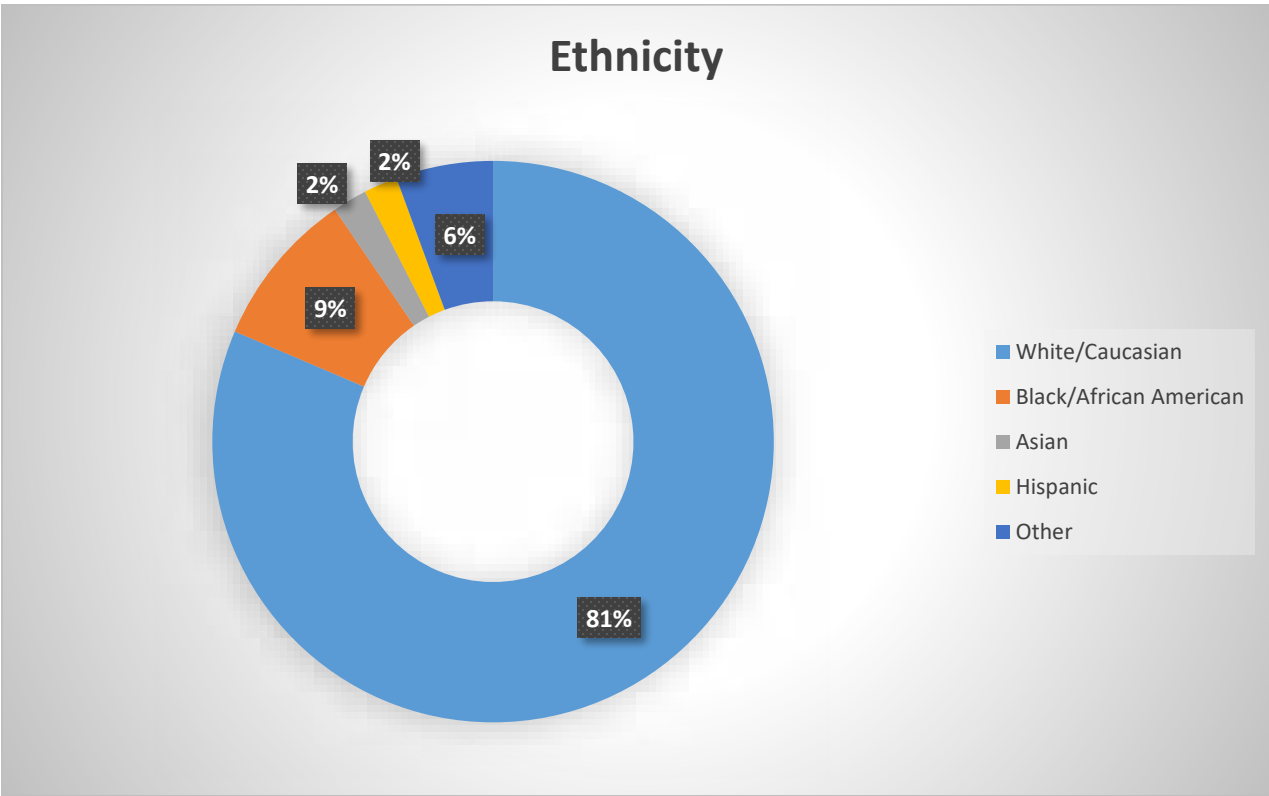
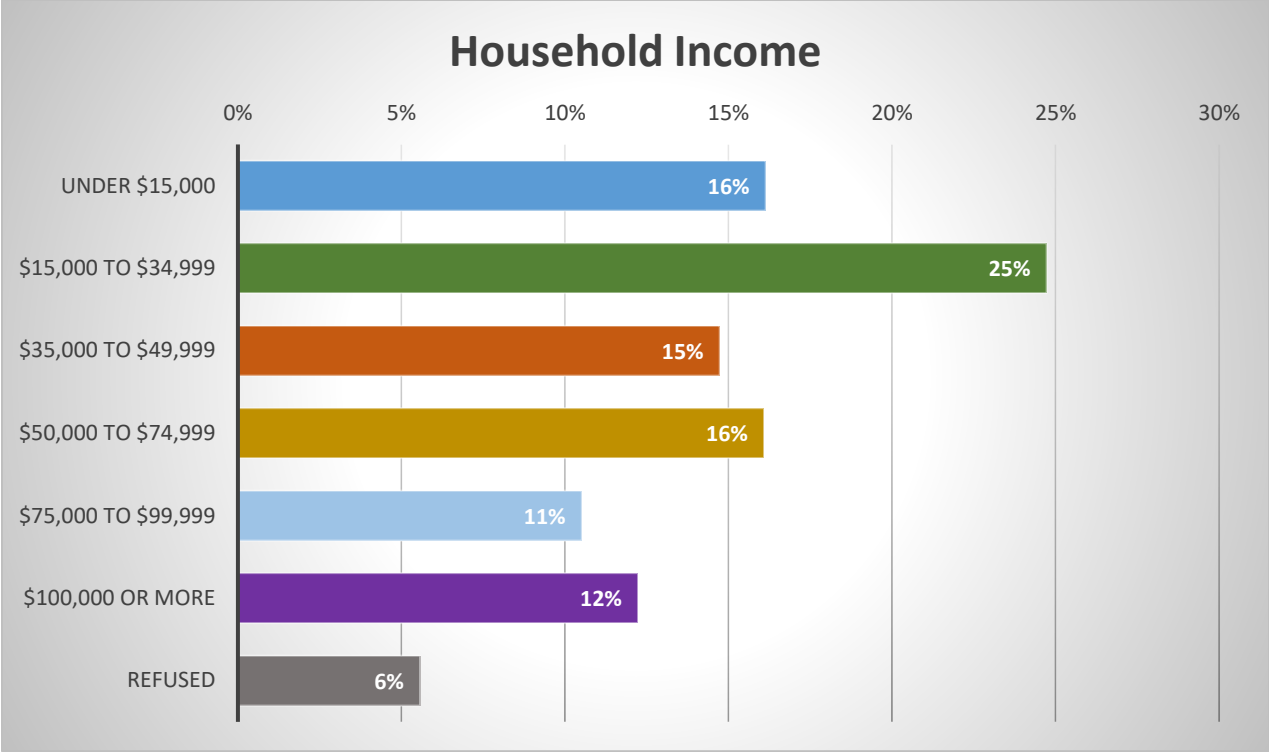
The following charts represent a typical adult Port Authority passenger and were derived from the data recorded as part of the 2014 Rider Study. This survey was conducted by a consultant contracted by the Port Authority between November 10, 2014 and January 20, 2015. Their criteria for inclusion were 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 Passengers





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 15.

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. A large portion of capital project span more than one fiscal year because of the necessary scope of work to complete the project.

See Capital Budget Development Timeline on Page 16.

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 future Capital needs, and achieve the company vision and organizational goals established by the Port Authority.

Operating Budget Timeline

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Capital Budget Timeline

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DELIVER AN EXCELLENT CUSTOMER EXPERIENCE

- **Develop a system-wide service plan to maximize availability of public transit**
 - a) Long range 20-year service plan - Ongoing
 - b) Initiate mid-term service plan with community vision. Ongoing
 - c) Develop I.T. strategic plan to integrate services, including mobile fare and other C apps. Complete
 - d) Plan and construct BRT to allow expedited loading to maintain improved service & reliability. Ongoing
 - e) Centralize service center and customer service. Complete
- **Develop and deploy maintenance plan to support service plan**
 - a) Make the line 95% of the time. Ongoing
 - b) Vehicle overhaul program bus and rail. Ongoing
 - c) Station/stop upgrades. Ongoing
- **Improved accessibility and on time performance (73% goal at 1 minute early to 5 late)**
 - a) Overhaul route and relief schedules. Ongoing
 - b) Fleet/maintenance stabilization. Ongoing
 - c) Enhance Bus PM Schedule to Improve Mean Distance between Road Failures (MBRF). Ongoing
 - d) Road Supervisors /Traffic Dispatchers to Monitor Clever CAD to increase on-time performance. Ongoing
- **Introduce new Market Research Concepts**
 - a) Use Voice of Customer research data and Customer Service data annually to support divisional enhancements and recommend opportunities Ongoing
 - b) Use customer feedback loops to improve service quality. Ongoing
 - 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. Ongoing
 - b) Adopt a Board Debt Policy. Ongoing
 - c) Conduct a comprehensive review of the Operating and Capital Budget process. Complete
 - d) Adopt a Board approved Treasury Management Program. Ongoing
 - e) Adopt a Board approved Operating Budget Reserve Policy. Complete
- **Explore increasing current revenue sources and developing new revenue streams**
 - a) Update U-Pass agreements. Ongoing
 - b) Review opportunities for increasing Advertising Revenue on Fixed Route or ACCESS vehicles. Complete
 - c) Explore naming rights for current and future service. Ongoing
 - d) Investigate paid parking at the Port Authority owned lots. Complete
 - e) Explore alternative funding scenarios for the eventual replacement of the Light Rail Transit fleet and Non-Revenue Vehicle Fleet. Ongoing
- **Develop a Performance and Productivity Reporting Framework**
 - a) Respond to PennDOT PAAC System Performance Review. Complete
 - b) Use new Maintenance Work Order System to begin to develop productivity reports. Ongoing
 - c) Develop multi-year Strategic Plan. Ongoing
 - d) Explore creation of Project Management Office (PMO). Complete
- **Enhance the Sustainability Program to drive future cost containment**
 - a) Explore opportunities for new technologies that may reduce future operating costs. Ongoing
 - b) Assist in a fuel diversification program. Ongoing

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. Complete
 - b) Update Security and Emergency Preparedness Plan to include cyber security and payment card industry (PCI) compliance policies and procedures. Complete
- **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. Ongoing
 - b) System Safety to provide SMS Awareness training to Board. Complete
 - c) Coordinate with Transportation Safety Institute to hold SMS Principles for Transit training program for Operations and Facilities Division Management. Complete
 - d) Develop Division and Operator recognition programs based upon revenue vehicle miles without a chargeable accident performance. Complete
 - e) Develop Division recognition program for prevention and reduction of workplace injuries. Complete
- **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. Complete
 - b) Complete installation of security cameras at key stations along the East Busway, including Herron, Negley and Roslyn Stations. Complete
 - 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. Complete
- **Develop and deploy cyber and PCI initiatives**
 - a) Develop an employee training program to increase awareness of potential cyber attacks. Complete

DEVELOP AN EMPLOYEE ENGAGEMENT PROGRAM

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

➤ **Labor Relations**

- a) 300 Committee. Ongoing
- b) Open Door forums and other committees such as Scheduling Committees. Ongoing

IMPROVE CUSTOMER AND PUBLIC COMMUNICATIONS AND BETTER ENGAGE COMMUNITIES

➤ **Initiate Integrated Marketing Plan**

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

➤ **Integrate Public Message**

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

➤ **Upgrade Community Involvement**

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

Transition from Tactical to Strategic Plan

In FY2021, Port Authority began the process of replacing the yearly Tactical Plan with an overall company Strategic Plan. The Strategic Plan would allow Port Authority's divisions to operate while maintaining a focused commitment towards the strategic direction of the company. The Tactical Plan was used as the driving point behind developing the new Strategic Plan. A consultant was used to develop a companywide survey and examine the results of the survey to identify pillars that will set the foundation for the Strategic Plan. Focus groups were then assigned to each pillar to develop an approach to implementing the pillars into one cohesive strategy.

Port Authority will operate under three specific pillars which will act as the foundation of the Strategic Plan. The three pillars are Financial Sustainability, Customer Experience, and Internal Operations.

Financial Sustainability

- Develop partnerships at all levels of government and all stakeholders for sustainable funding in the post-COVID environment

- Explore technological advancements and process improvements to reduce operating costs
- Develop new products and relationships to provide access to ridership for all income levels and create new products that will attract new ridership
- Develop long term plans to diversify fuel programs and identify the best use of maintenance assets

Customer Experience

- Advance the BRT project
- Prioritize station and stop upgrades while continuing with the Bus Stop Optimization program
- Explore opportunities for increased access to the transit system through bike facilities, park n' ride, and TOD investments
- Use the Long-Range Plan to develop service planning to meet the needs of all ridership
- Enhance communications across the organization

Internal Operations

- Develop internal governance to ensure accurate decisions that are data-driven
- Build employee excellence by implementing talent management, development, diversity, equity and inclusion programs
- Promote agency wide culture of safety and accountability based upon the Safety Management System requirements
- Explore the use of collaborative workspaces to further increase collaboration among staff and transparency throughout the organization
- Prioritize the Environmental Sustainability Plan principles across the agency

The three pillars and Strategic Plan will guide the Port Authority to greater success in the long term while allowing the entire agency to focus on their individual tactical approach to drive the strategy successfully forward.

Summary of Assumptions

FY 2021

In order to project expenses and revenues for FY 2021, 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 2020. The Port Authority will continue to seek model scenarios showing the effects of fare changes against the subsequent change in ridership. A change in fare structure could be implemented as early as FY2022.
- Minor service adjustments in September 2020 with the aim to continue to improve the overall performance of the system and reach areas with little to no service.

Ridership

- Ridership is budgeted at pre-COVID-19 levels to simplify CARES Act invoicing that necessitates demonstrating the financial impact of COVID-19 on revenues and expenses. Overall paid ridership is expected to increase slightly compared to FY 2020 budget. (Ridership will remain low through COVID-19 pandemic.) Ridership is expected to increase through new marketing research and community outreach efforts that will target new markets and rider profiles.

Passenger Revenues

- Passenger revenues are likewise budgeted at pre-COVID-19 levels to simplify CARES Act invoicing. Passenger revenues are budgeted at levels consistent with FY2019 actual revenues.

Expenses

- Projected operating expenses total \$485.8 million. An increase of 13%, or approximately \$57.5 million over the FY 2020 actuals. Most of the additional expenses are attributable to a 4.37% increase in Salaries & Wages and a continued rise in the Authority's Pension obligations, as well as a 60% increase in Purchased Services.

Operating Subsidy

- Port Authority receives operating assistance from state and county governments. For FY 2021, these funds are budgeted at a total of \$381.47 million, an increase of \$35.8 million over FY 2020. A portion of this increase, \$42.7 million, is the usage of deferred state operating assistance to ensure a balanced budget.

FY 2021 Operating Budget Summary

FY 2021

Amounts in Thousands ('000)	FY 2021 Operating Budget	
Revenues:		
Passenger Revenue	\$	77,136
ACCESS (Shared Ride) Service		10,394
Contract Services		11,515
Advertising		2,750
Interest Income		1,587
Other Income		814
Total Operating Revenues	\$	104,196
Expenses:		
Wages and Salaries	\$	181,366
Pensions and Employee Benefits		182,280
Materials and Supplies		47,491
Provision for Injuries and Damages		5,693
Purchased Services		20,282
Utilities		8,248
Other Expense		11,079
ACCESS (Shared Ride) Service		29,223
Total Gross Operating Expenses	\$	485,662
Deficit Before Subsidy	\$	(381,466)
Subsidy Source		
Federal		37,489
State		258,163
Local		39,791
Regional Asset District		3,000
Deferred State Operating Assistance		42,708
Total Subsidy	\$	381,466
Operating Surplus/(Deficit)	\$	-

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 1st. 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 2018 - 2021

FY 2021

Amounts in Thousands ('000)	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	FY 2021 vs. FY 2020
Revenues:					
Passenger Revenue	\$ 79,120	\$ 77,300	\$ 60,764	\$ 77,136	\$ 16,372
ACCESS (Shared Ride) Service	11,602	10,652	8,607	10,394	1,787
Contract Services	11,190	11,489	8,578	11,515	2,937
Advertising	2,823	2,839	3,089	2,750	(339)
Interest Income	1,067	2,167	2,040	1,587	(453)
Other Income	843	814	832	814	(18)
Total Operating Revenues	\$ 106,645	\$ 105,262	\$ 83,910	\$ 104,196	\$ 20,286
Expenses:					
Wages and Salaries	\$ 158,754	\$ 162,231	\$ 173,182	\$181,366	\$ 7,574
Pensions and Employee Benefits	149,572	158,668	161,585	182,280	18,827
Materials and Supplies	41,627	44,556	41,571	47,491	5,920
Provision for Injuries and Damages	2,977	2,867	-440	5,693	5,089
Purchased Services	10,515	13,151	12,667	20,282	5,083
Utilities	7,462	7,681	7,753	8,248	495
Other Expense	7,734	8,740	7,504	11,079	3,575
Interest Expense	0	0	0	0	-
ACCESS (Shared Ride) Service	27,071	26,158	24,346	29,223	4,877
Total Gross Operating Expenses	\$ 405,712	\$ 424,052	\$ 428,168	\$ 485,662	\$ 57,495
Deficit Before Subsidy	\$(299,067)	\$(318,790)	\$(344,258)	\$(381,466)	\$ (37,208)
Subsidy Source					
Federal	\$ 33,145	\$ 44,004	\$ 35,466	37,804	\$ 2,338
State	244,092	242,027	253,085	300,871	47,786
Local	37,528	40,654	12,080	39,791	27,711
Regional Asset District	3,000	3,000	2,957	3,000	43
CARES/Other	328	302	42,005	0	(42,005)
Total Subsidy	\$ 318,092	\$ 329,987	\$ 345,593	\$ 381,466	\$ 35,873
Operating Surplus/(Deficit)	\$ 19,026	\$ 11,196	\$ 1,335	\$ (0)	\$ (1,335)

Fiscal Year 2021 Operating Budget

FY 2021

Operating Revenues

FY 2021 revenues for operations are approximately \$485.7 million and include passenger revenues, federal, state, and local operating assistance and capitalization grants. Passenger revenues to support operations are expected to represent 18.25% of the Authority's operating revenue. Passenger Revenue includes the sale of fare products, cash fare payments, and contracted services through the U-Pass program which currently involves student and faculty at the University of Pittsburgh, Carnegie Mellon University and Chatham University.

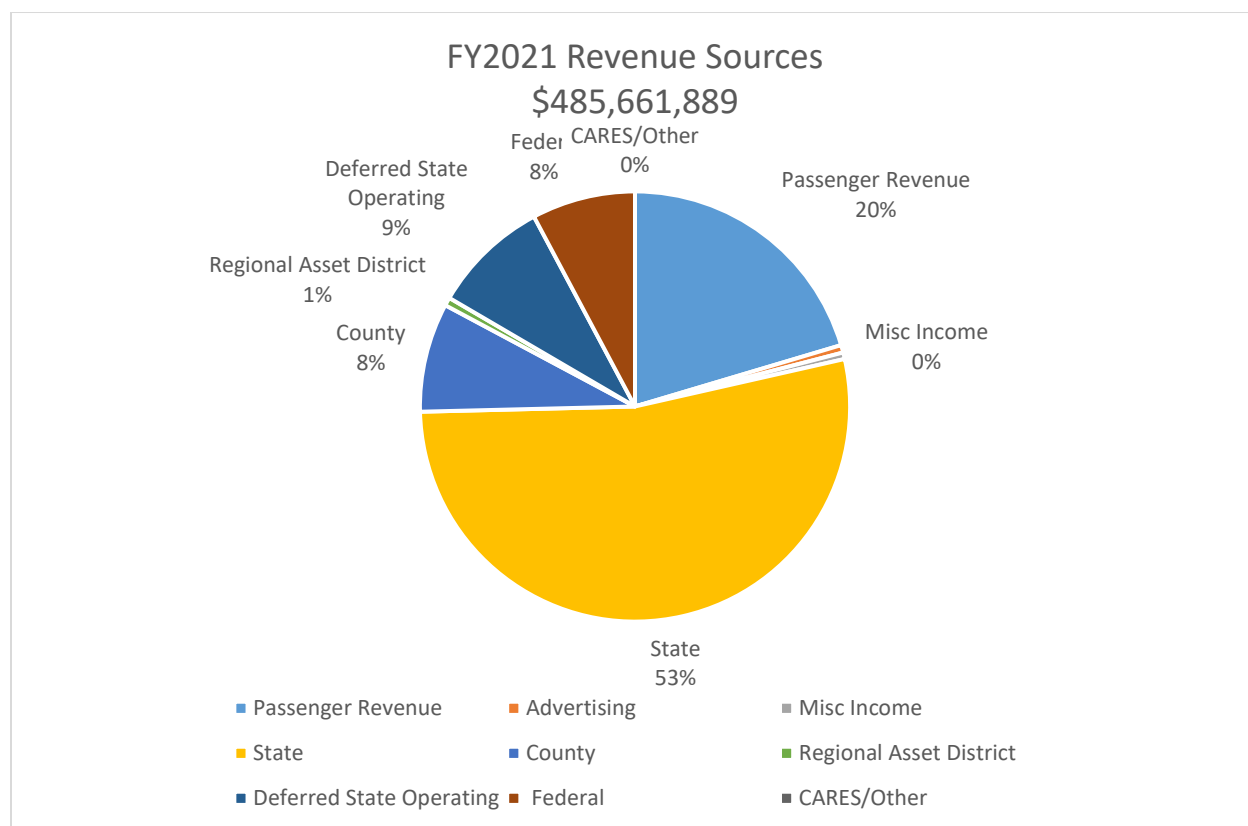
Total Revenue for Operations

\$000	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% change FY2021 vs. FY2020
Operating Income					
Farebox Revenue	\$79,120	\$ 77,300	\$ 60,764	\$ 77,136	26.9%
Access Program Service	11,602	10,652	8,607	10,394	20.8%
Contract Services	11,190	11,489	8,578	11,515	34.2%
Advertising	2,823	2,839	3,089	2,750	-10.9%
Interest Income	1,067	2,167	2,040	1,587	-22.2%
Other Income	843	814	832	814	-2.2%
Total Operating Income	106,645	105,262	83,910	104,196	24.18%
Operating Assistance					
State Operating Assistance	\$230,041	\$235,628	\$239,534	\$244,850	2.1%
County Operating Assistance	31,671	32,265	5,500	33,728	513%
Regional Asset District	3,000	3,000	2,957	3,000	1.5%
Deferred State Operating	-	-	-	42,708	-
Total Operating Assistance	264,712	270,893	247,991	324,286	30.8%
Operating Grants					
State Grants	\$14,051	\$6,398	\$13,551	\$13,313	-1.8%
Federal Grants	33,145	44,004	35,466	37,804	6.6%
County Grants	5,856	8,389	6,530	6,063	-7.2%
CARES/Other	328	302	42,005	0	-100%
Total Operating Grants	53,380	59,093	97,602	57,180	-41.4%
Total Revenue	424,738	435,248	429,503	485,662	13.1%

Overall, FY 2021 total operating revenue is projected to increase by approximately \$56.5 million, or 13.1%, compared to FY 2020 actuals.

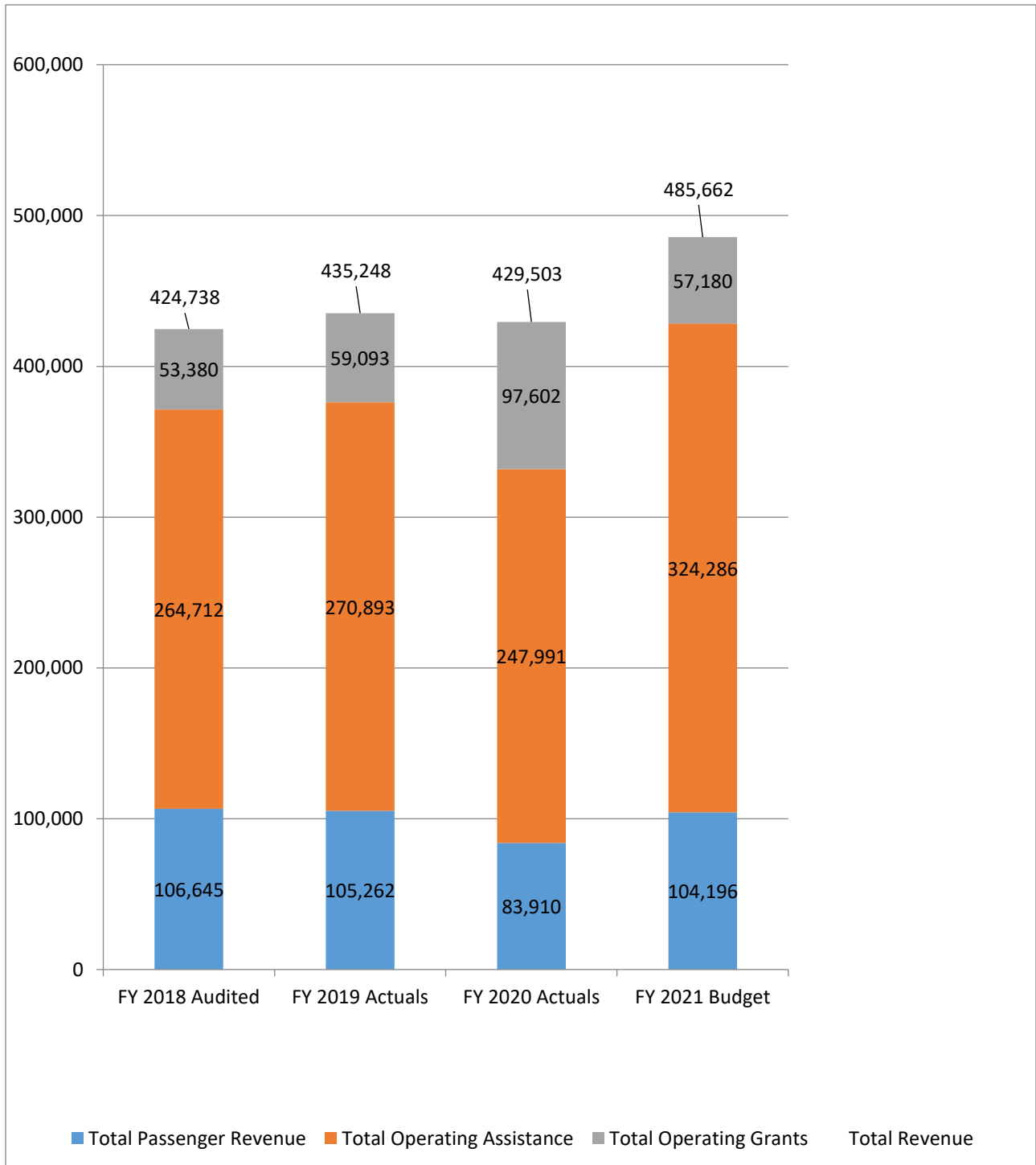
Operating Assistance from state and local sources provide roughly 66.7% of budgeted revenue. State Operating Assistance for FY 2021 is \$244.9 million. As was the case under Act 44, State Operating funding requires a 15% local match. Allegheny County will contribute \$33.7 million with the remaining \$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.

Total Revenue Sources



Federal, State and County Capital grants supplement operating expenses and represent 11.77% of FY 2021 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 2018 to FY 2021



Operating Expenses

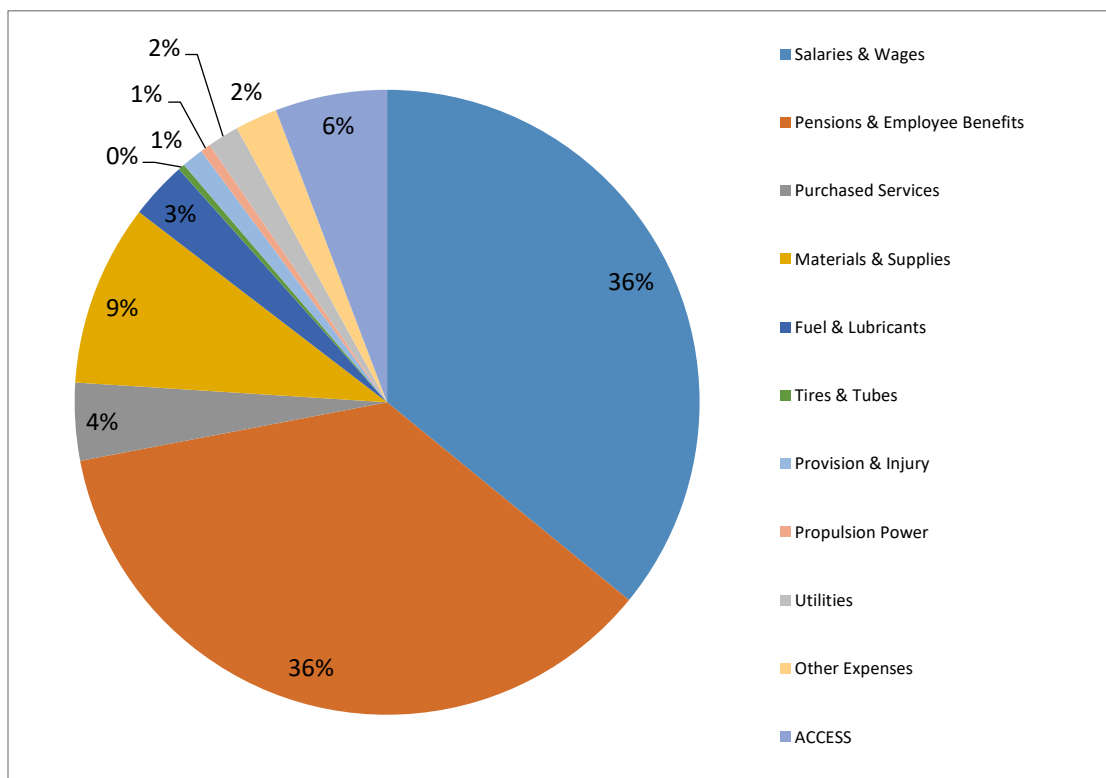
Port Authority Operating expenses are categorized according to the Uniform System of Accounts required by the National Transit Database. These categories include salaries and wages, pension and employee benefits (fringe benefits), materials and supplies, provision for injuries and damages, purchased services, utilities, other expenses, and ACCESS contracted services. FY 2021 budgeted labor costs (salaries, wages, and benefits) represent 74.9% of operating expenses. Salary and wage expense total \$181.4 million and increased due to contractual wage increases, wage progressions and increased staffing for sanitizing vehicles and facilities. Benefit expenses include healthcare for active employees and retirees, pension obligations, unemployment compensation, as well as vacation, sick, holiday pay and payroll taxes, which total \$182.3 million for FY 2021. Healthcare costs for both active and retired employees will decrease by approximately 6.5% compared to FY 2020.

Operating Expenses by Account

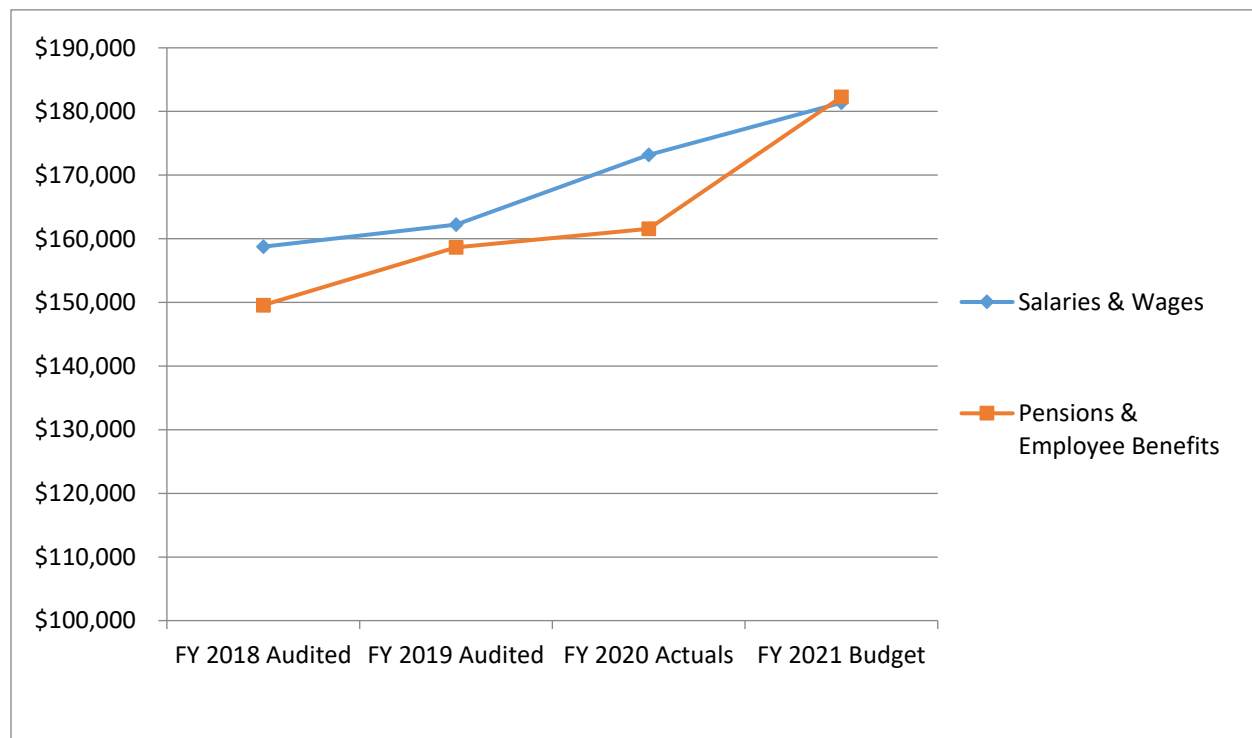
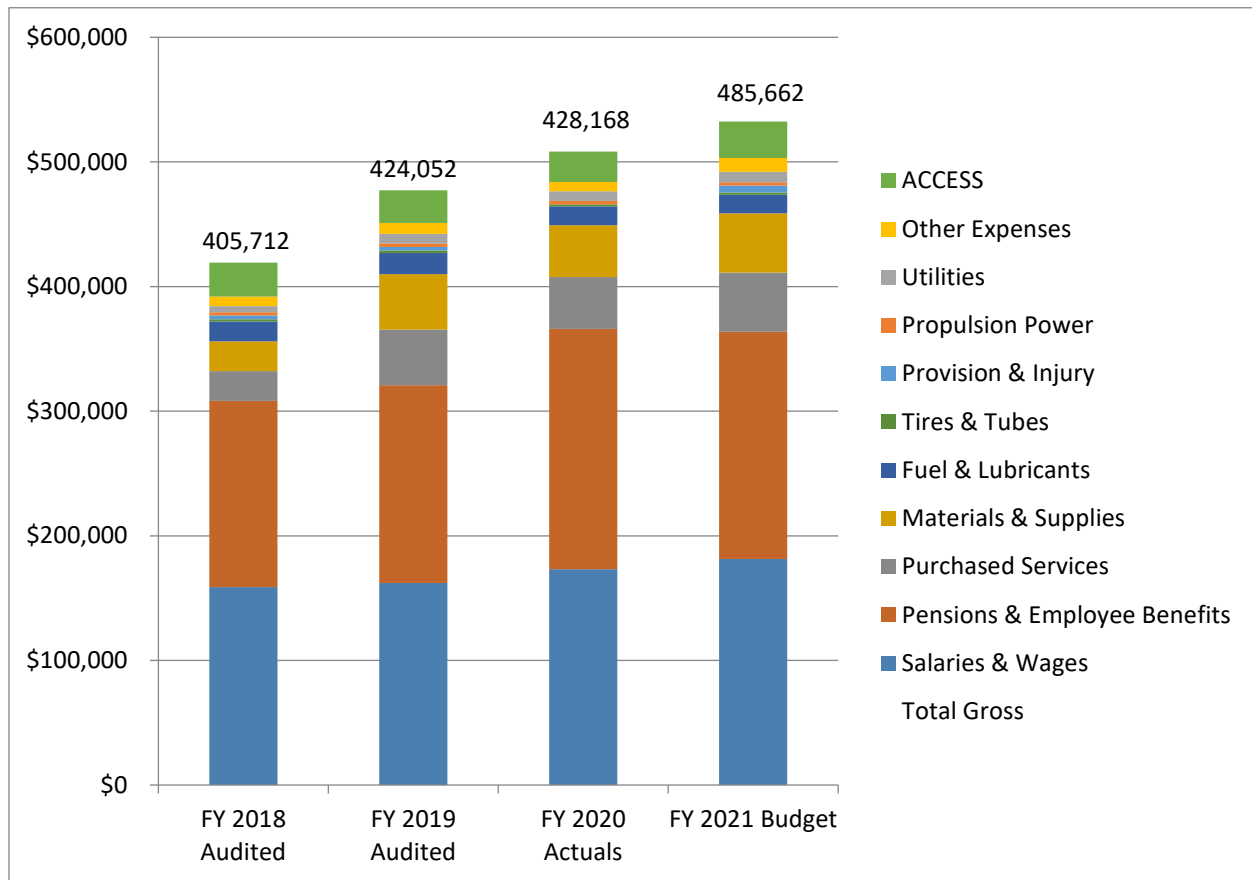
Expense Accounts \$000	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% change FY21 vs. FY20
Salaries & Wages	\$158,754	\$162,231	\$173,182	\$181,366	4.7%
Pensions & Employee Benefits	149,572	158,668	161,585	182,280	12.8%
Purchased Services	10,515	13,151	12,667	20,282	60%
Materials & Supplies	23,910	44,556	41,571	47,491	14.2%
Fuel & Lubricants	15,727	17,008	15,249	15,067	-1.2%
Tires & Tubes	1,990	2,012	1,517	1,721	13.4%
Provision & Injury	2,977	2,867	(440)	5,693	1394%
Propulsion Power	2,675	2,810	2,720	2,659	-2.2%
Utilities	4,787	7,681	7,753	8,248	6.4%
Other Expenses	7,734	8,740	7,504	11,079	47.6%
ACCESS	27,071	26,158	24,346	29,223	20.0%
Total Gross	405,712	424,052	428,168	485,662	13.4%

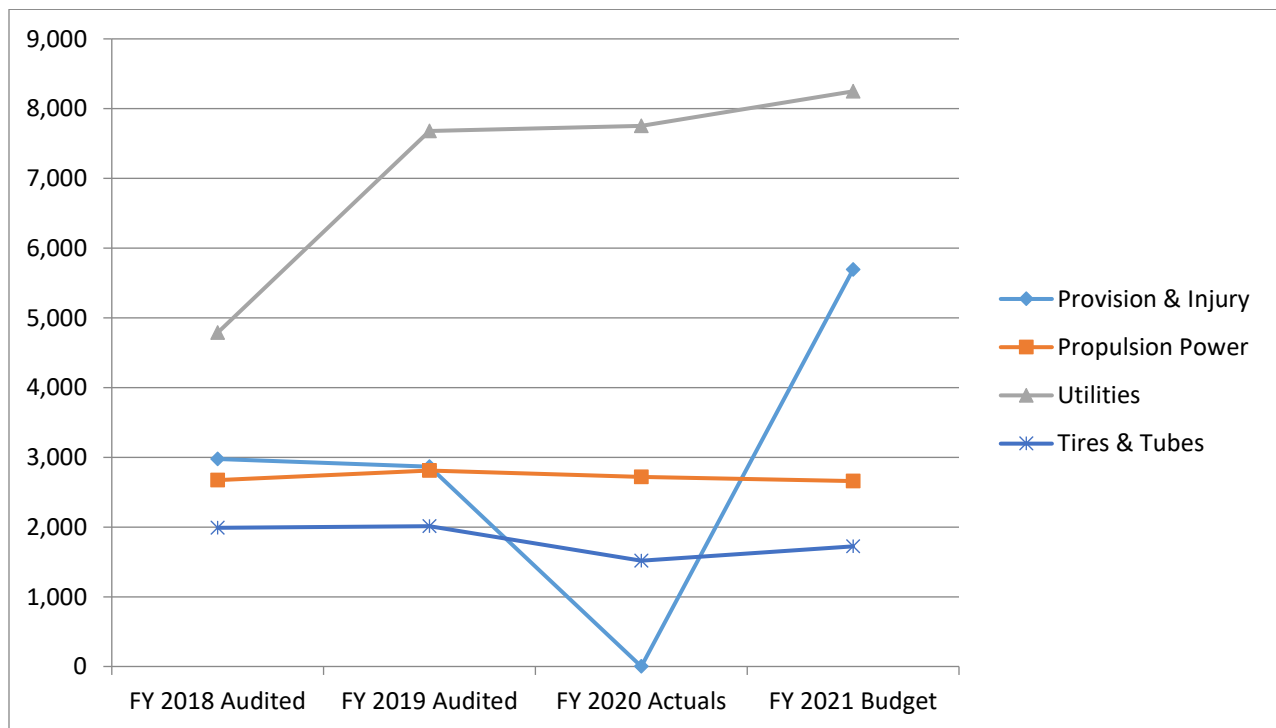
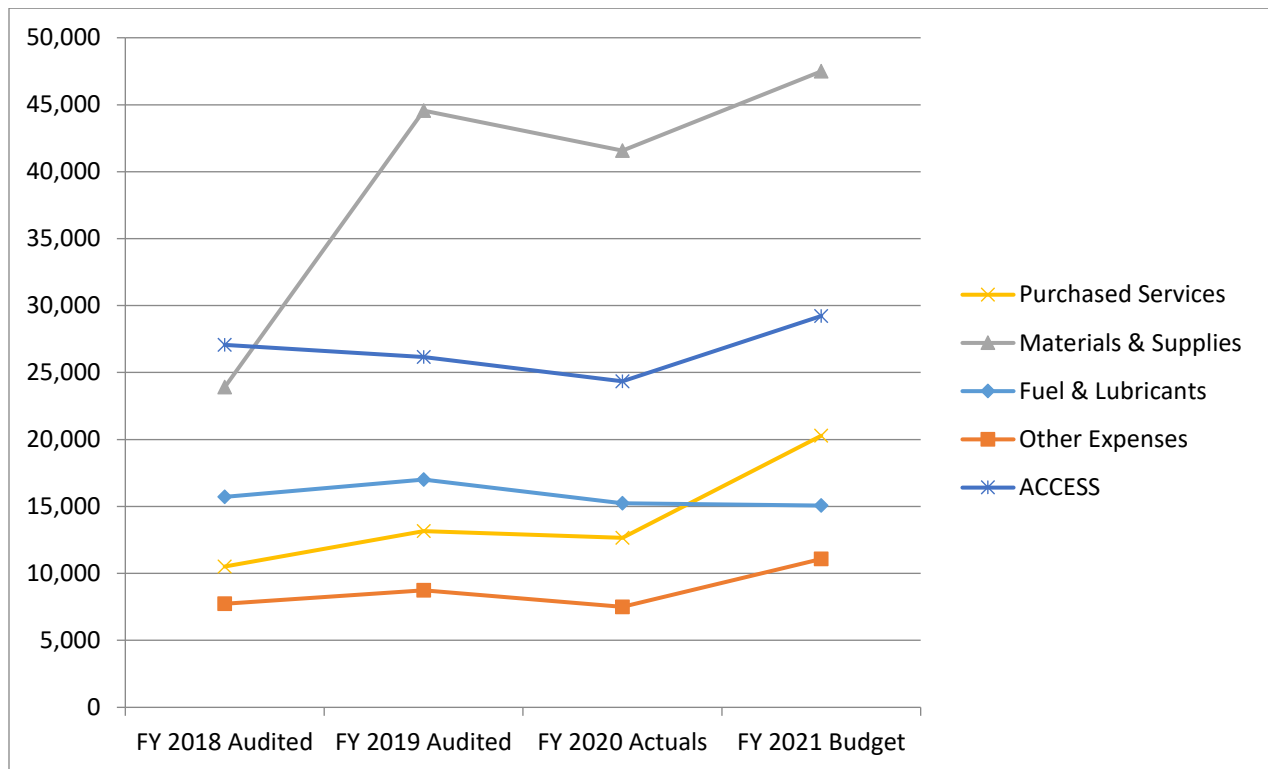
Material and supplies expenditures are expected to increase by \$5.9 million over FY 2020 actuals due to enhanced service, additional part requirements for our light rail vehicles and rehabilitation of the LRT System infrastructure. Fuel and Lubricants are budgeted to decrease 1.2% over 2020 actuals. 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 60% 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 FY21 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 increase by 6.4% over FY 2020. 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 \$3.6 million over FY 2020. This increase is due to employee development programs, new marketing and customer outreach initiatives, technology training, and the continued increase in Software License expense. The ACCESS expense is projected to increase by 20.0%. This increase is due to low actual expenses in FY2020 and a pre-pandemic budget for FY2021.

FY 2021 Operating Expenses by Source



Operating Expenses – FY 2018 to FY 2021



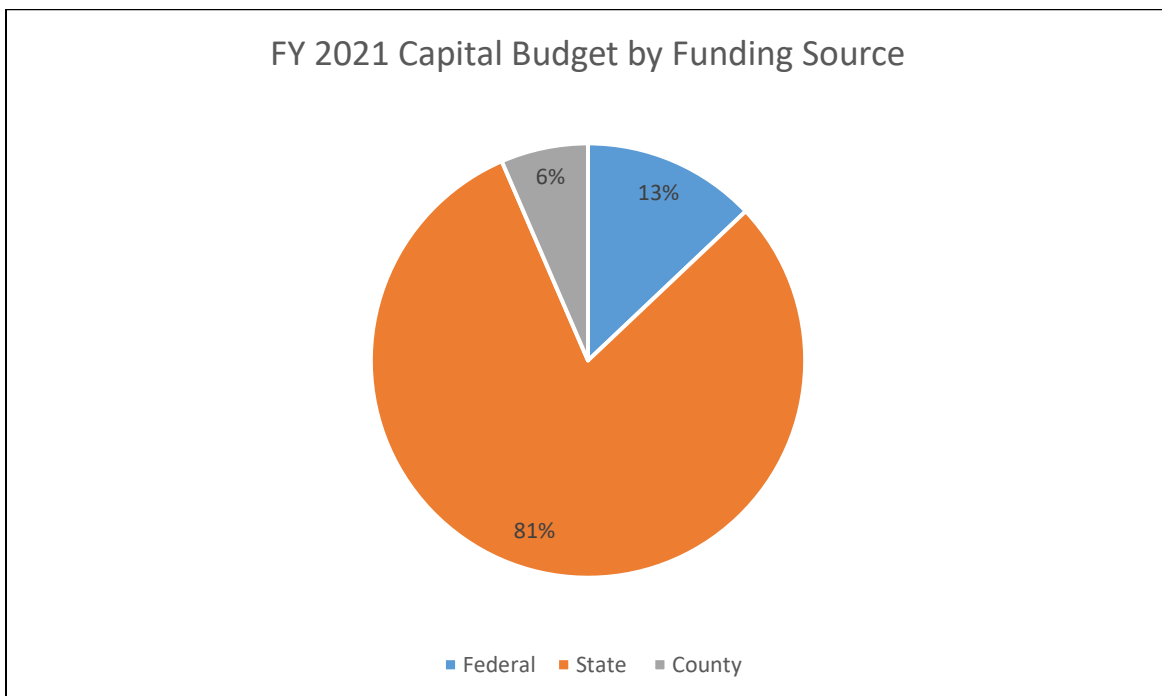


Fiscal Year 2021 Capital Budget

FY 2021

FY 2021 Capital Budget by Anticipated Funding Source

<u>Anticipated Funding Sources</u>	<u>Amount</u>
<i>I. Federal</i>	
FFY 2021 Net Section 5307 Urbanized Area	\$ 7,345,682
FFY 2021 Section 5307 CMAQ Flex	6,172,000
FFY 2021 Section 5339 Bus and Bus Facilities	3,454,918
Subtotal	\$ 16,972,800
<i>II. State</i>	
Previously Appropriated State Act 89	\$ 599,657
FY 2021 Net ACT 89 Section 1514	105,073,921
Subtotal	\$ 105,673,578
<i>III. County Capital Funds</i>	
2021 County Capital Match	\$ 8,525,527
Subtotal	\$ 8,525,527
Total Funding Sources	\$ 131,191,888



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.

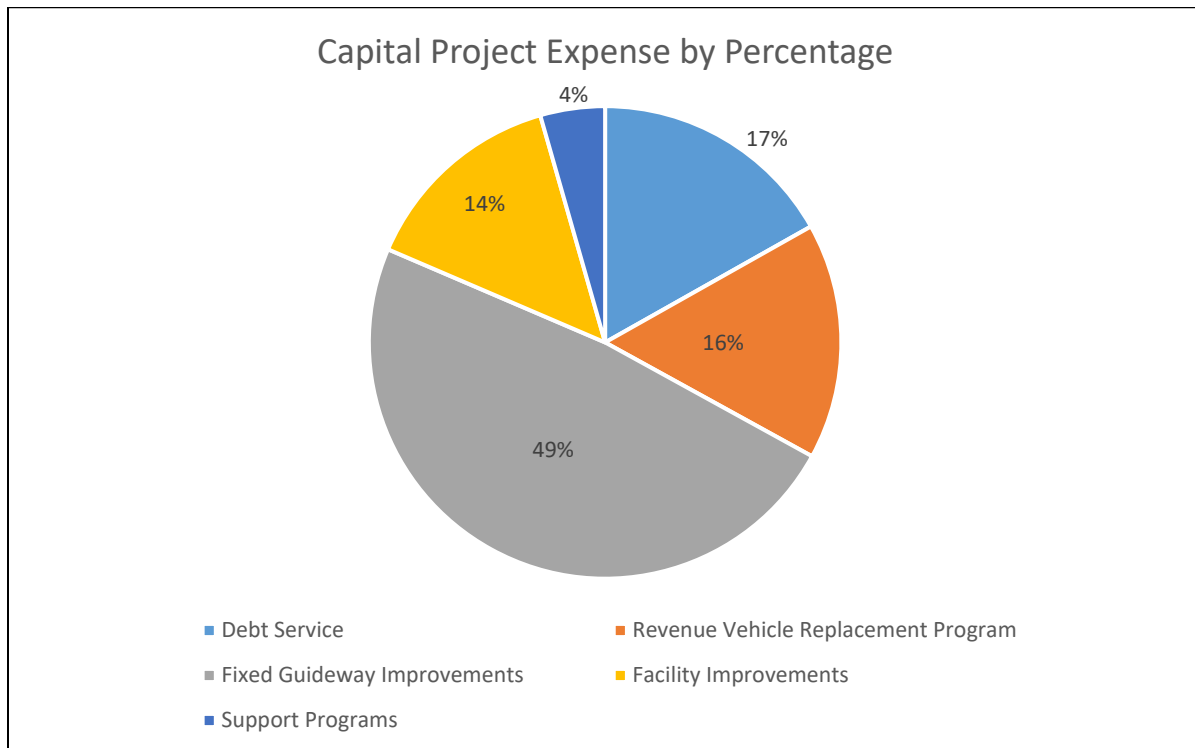
The projected growth in Act 89 of capital funding permits the Port Authority to address its \$550 million State of Good Repair/Deferred Maintenance backlog due to chronic funding shortfalls. Port Authority's FY 2021 Capital Improvement Budget (CIP) will continue to be focused solely on currently held infrastructure assets and state of good repair. Port Authority's FY 2021 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 2021 CIP totaling \$131.2 million, includes \$105.7 million in state funds, \$16.97 million in federal funds, and \$8.5 million local funds.

There is concern over Act 89 Capital Funding in the next two years, as the program has been funded via annual statewide bond issues of \$450 million which are scheduled to be reduced and eventually be supplanted by payments from the Commonwealth's General Fund.

With the anticipated FY 2021 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 2021 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 40 - 40' low floor clean diesel buses that have met or exceeded their useful life (12 years).
- **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 2021 projects include Bridge/Tunnel/Rail Inspection, Penn Tunnel Fire Line Repairs and Berry St. Tunnel Fire Hydrant repairs and replacement, South Busway Paving, BRT Downtown-Oakland Construction, ATS System Upgrade, CBD Plinth Repairs with DF Plates, and continuing the Rail Replacement Program.
- **Facility Improvements** –Some key 2021 CIP projects include the Mixing Hoses and Duct Work and Emergency Generator at Pitt Tower, Fall Protection Systems at Manchester and Easy Liberty, Rail Heavy Equipment Maintenance and Ops Relief, Steel Plaza/Wood Street/1st Avenue Station Escalator Rehab, Roofing and HVAC Upgrades at Manchester, LRT Stage I and Stage II Station Rehab, 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 2021 CIP, Port Authority will replace Route Foreman trucks, and various passenger vans that have reached their useful life. New hardware and software upgrades including the CCTV Systems Equipment, Network LAN Switch/Router Upgrades, Network and Hardware Monitoring Tools, Hastus Upgrades, Firewall Upgrade, Telecommunications Upgrade, and, New LRT Bus and Radio System and Upgrade of Bus Radio



Capital Projects by Designation

Debt Service \$22,085,000

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

Revenue Vehicle Replacement \$21,216,000

- \$21,216,000 - (40) 40' Gillig Clean Diesel Buses

Fixed Guideway Improvements \$63,550,000

- \$22,300,000 - Rail Improvements
- \$32,000,000 - Bus Rapid Transit Final Design/Construction
- \$2,000,000 - Tunnel Improvements
- \$750,000 - Bridge Improvements
- \$6,500,000 - Busway Improvements

Facility Improvements \$18,530,000

- \$3,000,000 - Manchester Mixing Boxes and Ductwork and Pitt Tower Emergency Generator
- \$1,000,000 - Fall Protection System Manchester and East Liberty
- \$6,000,000 - Rail Heavy Equipment Maintenance and Ops Relief
- \$4,430,000 - Steel Plaza, Wood Street and 1st Ave Station Escalator Rehab
- \$4,100,000 - SHV Pit Concrete Repairs & Rail Replacement - Construction

Support Programs \$5,810,000

- \$4,485,000 - Information Technology Hardware/Software & ITS Programs
- \$1,325,000 - 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.

The Authority has begun the process of refinancing its outstanding debt to take advantage of lower market interest rates.

Annual Debt Service Requirement

Fiscal Year Ending June 30	Principal	Interest	Debt Service
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
Total	\$252,845,000	\$144,681,033	\$397,526,033

Revenue Vehicle Replacement

The Port Authority plans to procure 40 new clean diesel 40 ft buses from Gillig for \$21,216,000. These new buses will replace existing buses that have met or exceeded their useful life of 12 years.



Fixed Guideway Improvements

- BRT Downtown – Oakland Construction - \$32,000,000
 - 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. Construction of the Downtown-Oakland system will begin in FY 2021.
- Bridge/Tunnel/Rail Inspection NBIS / NTIS - \$750,000
 - 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.
- Penn Tunnel Fire Line Repairs & Berry St. Tunnel Fire Hydrant - \$2,000,000
 - This project consists of evaluating and modifying the fire system and repairing or replacing any damaged or worn lines to the system. The fire hydrant is approaching the end of its useful life and needs to be replaced to maintain safety codes.

- **CBD Stray Current Investigation & Stage 2 Substation Bus Duct Feeder - \$500,000**
 - This project funds the investigation of stray current in the CBD, Mt. Washington tunnel, Mt. Lebanon tunnel and Hi-Pot testing of Stage 2 Substation Bus Ducts. Stray current from the traction power system can cause damage to underground metallic facilities and track structures owned by the Port Authority. Stray current corrosion is caused by direct current from a source external to the underground metallic structure. Due to the age of the Port Authority's current LRT alignment there are no corrosion control measures installed at the Stage 1 traction power substations to ensure that the DC traction return current travels along the running rails and does not stray onto surrounding metallic structures, thus causing excessive stray current corrosion, interference with the rail signaling system and disruption to revenue service.
- **Central Business District (CBD) Plinth Repairs - \$13,000,000**
 - 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 need rehabilitation. Continued deterioration of the concrete plinths and tie plates could negatively impact the structural integrity of the plinths, safety, and revenue service.
- **Stage 1 Substation Breaker Load Test Equipment and Batteries - \$450,000**
 - This project funds the purchase of Breaker Load Test equipment and batteries for Stage 1 substations, which provide DC power to Authority's Light Rail Vehicles (LRV). Breakers inside substations play a vital role in protecting expensive equipment from damage through electric faults, connecting and disconnecting the electrical power in a reliable way. The breakers tend to gather dirt and moisture while in service and their insulation system can also weaken due to heat created by arc interruption. If the breakers are not properly maintained, they will not be able to disconnect power circuits from system due to failures which could cause equipment damage. Breaker Load test equipment will help to test breakers for functionality, which could avoid unplanned outages or damage to circuits which the breaker protects. Testing the performance of circuit breakers regularly is therefore an essential and cost-effective part of any maintenance strategy. Batteries are a primary component of the substation DC control system. The function of the control system is to supply control power to operate critical devices such as protective relays, alarms and status indicators, supervisory and communications equipment, and switchgear operating circuits. If batteries fail to operate, breakers would be inoperative and could cause equipment damage and service interruptions which will increase maintenance costs and lower revenues.
- **System Rail & Special Track Work - \$3,000,000**
 - 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 - \$350,000
 - 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 - \$5,000,000
 - 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 – Construction - \$6,500,000
 - 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.

Facility Improvements

- Steel Plaza, Wood Street, & 1st Avenue Station Escalator Rehab - \$4,430,000
 - The escalator systems in Steel Plaza, Wood Street and 1st Avenue are exposed to high levels of foot traffic and outdoor weather conditions. This project consists of the full depth repair of the escalators. Repairing the escalators will decrease the shut down times for cleaning and repairs and will decrease the number of maintenance requests at the stations.

- Manchester Mixing Boxes and Ductwork & Pitt Tower Emergency Generator - \$3MM
 - Scope of the project is to improve the HVAC system in the Manchester Administration offices, which is the new central location for the Authority's IT equipment. The new system will provide the necessary heating/cooling and dehumidification year-round. The Emergency Generator at Pitt Tower has reached the end of its useful life and needs replaced. Pitt Tower houses the network security system and must always remain on and functional. Loss of power at Pitt Tower could put the public safety at risk.
- Fall Protection System Manchester Engine Line Bays & East Liberty Maintenance- \$1MM
 - Scope of the Project is to improve the fall protection system in the Manchester Engine Line Bays and East Liberty Maintenance bays. The system is used to prevent a Port Authority employee from falling off the top of a bus when making repairs to bus engine. The system involves a harness used by the employee which is attached to a rail above the repair bay. The system needs to be installed above each of the designated bays.
- Rail Heavy Equipment Maintenance and Ops Relief Building at Penn Park - \$6,000,000
 - 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.
- South Hills Village Pit Concrete Repairs & Rail Replacement - \$4,100,000
 - 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".

Information Technology Hardware/Software & ITS Programs

- Additional Sales Office Terminal Units (SOTs) - \$50,000
 - 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 Alleghany 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 - \$3,500,000
 - 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 - \$500,000
 - 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 - \$60,000
 - 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 - \$100,000
 - 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.

- PeopleSoft HCM 9.2 Upgrade/Payroll System - \$100,000
 - 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.
- Telecommunications System Upgrade - \$175,000
 - This project consists of a general phone/communications upgrade for the entire Port Authority. All equipment is over ten years old and is outdated technologically and causes communication problems across the Port Authority, which slows down communications and results in lost time.

Support Vehicles and Shop Equipment

- Service Vehicle Replacement - \$475,000
 - The Port Authority will purchase 19 new pick-up trucks for the Port Authority Police. The vehicles scheduled for replacement range from 2006 to 2014 models and have over 100,000 miles on them.
- Steel Hauler Replacement -837 - \$850,000
 - The Port Authority will purchase a new Steel Hauler which is used to transport materials, supplies, and heavy machinery. The current Steel Hauler has reached the end of its useful life and the new machine will reduce maintenance costs.

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 FY2021 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 FY2021 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 ductwork, Steel Plaza/Wood Street/1st Avenue station escalator rehabs, and fall protection system at Manchester and East Liberty. These projects include upgrades to HVAC, electrical and lighting to modern equipment of higher efficiency, saving utility consumption and reducing operation costs. The escalator rehabs improve our service and maintenance needs, reduces costs for special repairs and improves the overall functioning and use of resources.

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 FY2021 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

FY2021 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.

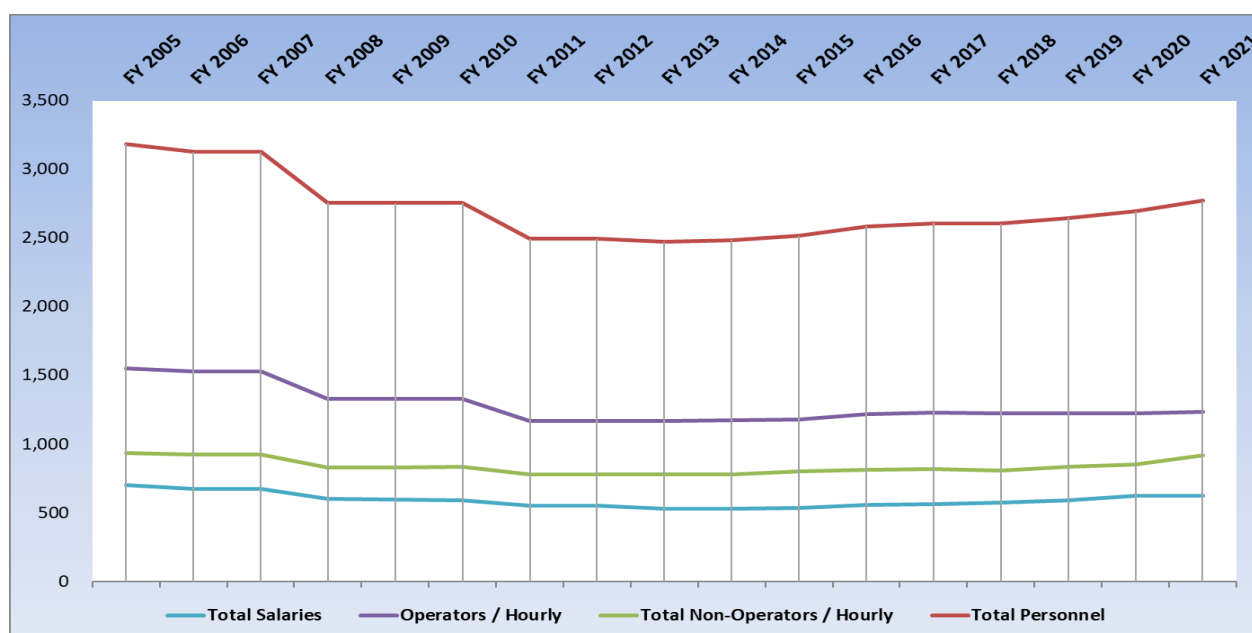
Port Authority Structure

FY 2021

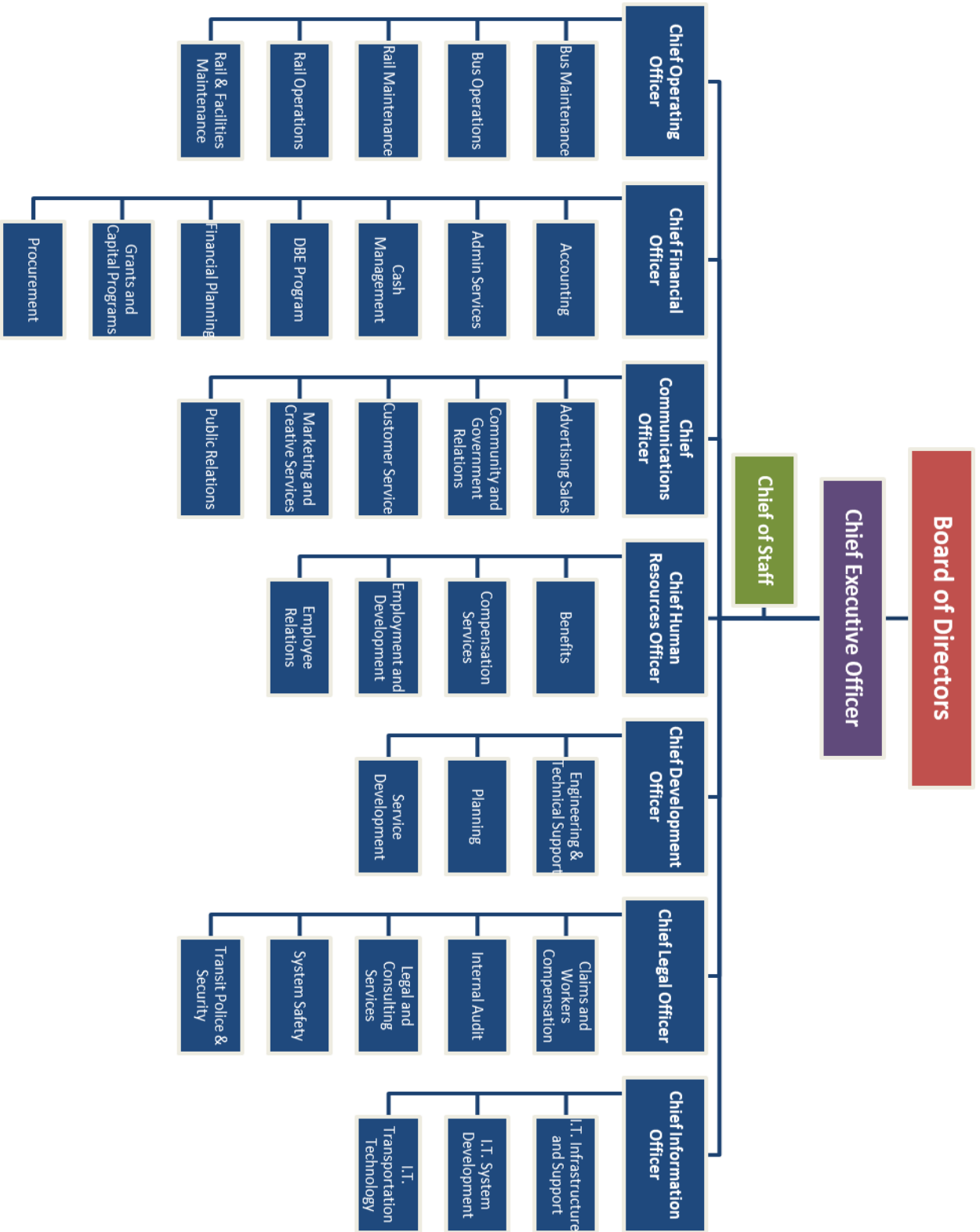
In FY 2019, the Port Authority underwent a reorganization from six divisions into eight. The existing six divisions, the Office of the CEO, Transit Operations, Finance, Marketing & Communications, Human Resources, and Legal & Corporate Services, were joined by Planning & Service Development and Information Technologies. The staff for those new standalone divisions moved from Transit Operations, Finance, and Marketing & Communications. In FY 2021, the Chief Operating Officer position was split into two positions, the COO – Transportation and the COO - Maintenance. The budget is developed based on these eight divisions and those departments reporting within each division. The Port Authority has over 70 departments at 14 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.

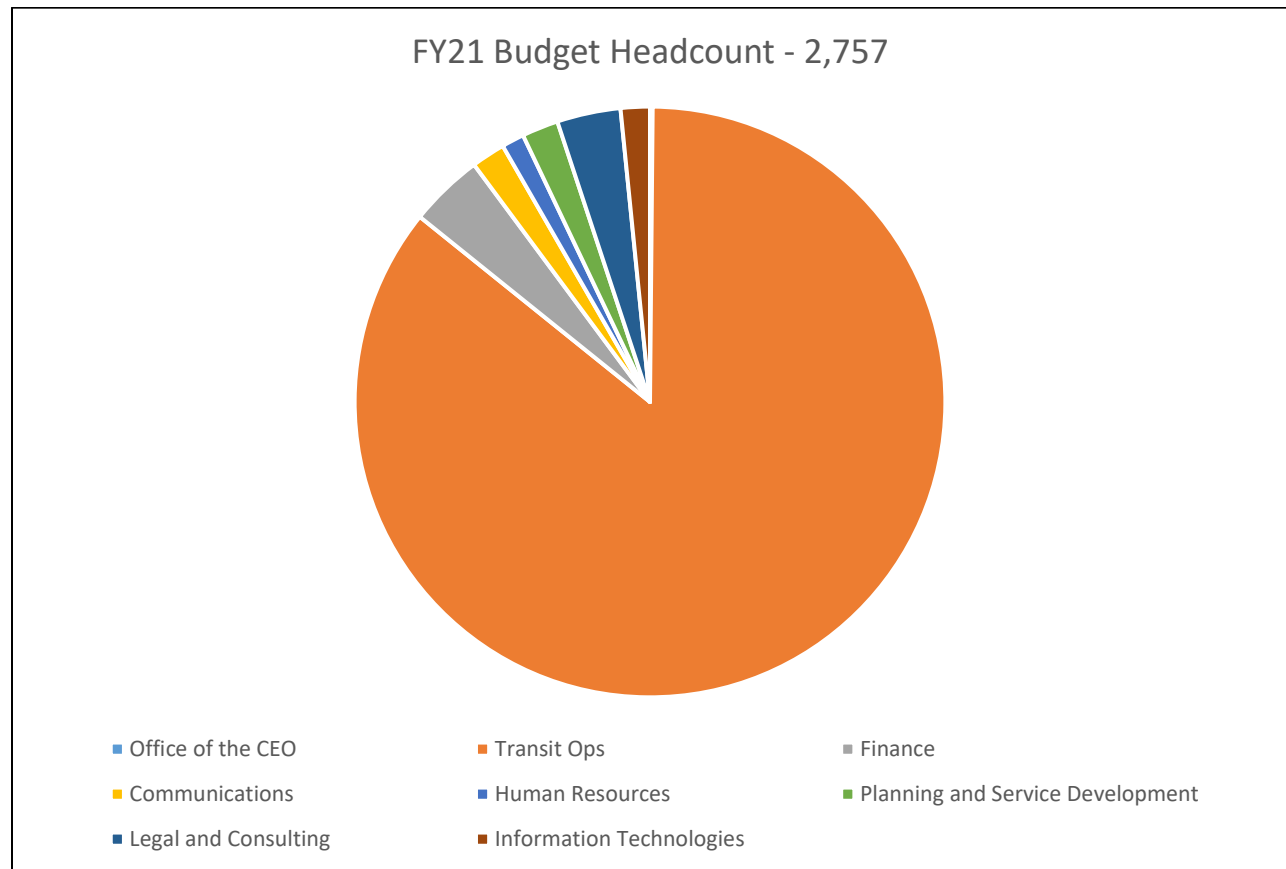
The Port Authority of Allegheny County has approximately 2,500 employees. There are three separate collective bargaining units within the Authority. Roughly 85% of the total workforce is Amalgamated Transit Union (ATU) employees, a small fraction is International Brotherhood of Electrical Workers (IBEW) union members, and the Transit Police are a separate bargaining unit. The remaining employees are non-represented employees.



Organizational Structure



FY 2021 Headcount



	Actual FY 2018	Actual FY 2019	Budget FY 2020	Actual FY 2020	Budget FY 2021	Change 20-21 budget
Office of the CEO	2	4	5	3	4	-1
Transit Ops	2,300	2,177	2,297	2,162	2,361	64
Finance	128	130	112	105	112	0
Communications	47	41	49	40	51	2
Human Resources	30	31	32	32	34	2
Planning and Service Development	0	50	54	51	55	1
Legal and Consulting	35	85	95	92	96	1
Information Technologies	0	0	37	35	44	7
Total	2,542	2,518	2,681	2,520	2,757	76

Divisional Summaries and Expenses

FY 2021

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.

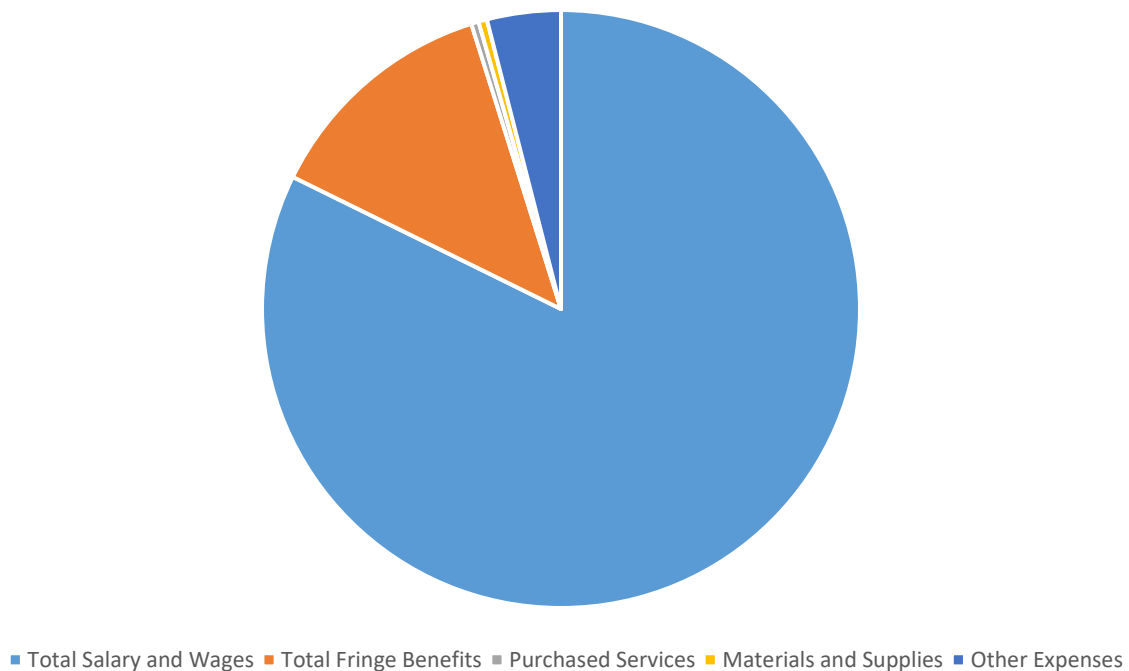
Office of the CEO – Personnel (No. of Employees)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Office of the CEO	2	2	3	3
Office of the Chief of Staff	-	2	0	1
Total Personnel	2	4	3	4

Office of the CEO - Expenses by Category

Office of CEO Expense Accounts	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Total Salary & Wages	\$466,389	\$381,671	\$472,353	\$615,806	30.7%
Total Fringe Benefits	-	41,027	74,499	96,285	29.24%
Purchased Services	31,869	77,146	1,219	3,000	146.20
Materials and Supplies	1,045	233	817	3,440	321.11%
Other Expenses	45,254	37,992	13,166	29,856	126.76%
Total Gross Expense	544,556	538,070	562,054	748,387	33.15%
Transfers and Capitalizations	-	-	-	-	0.0%
Net Total Expense	544,556	538,070	562,054	748,387	33.15%

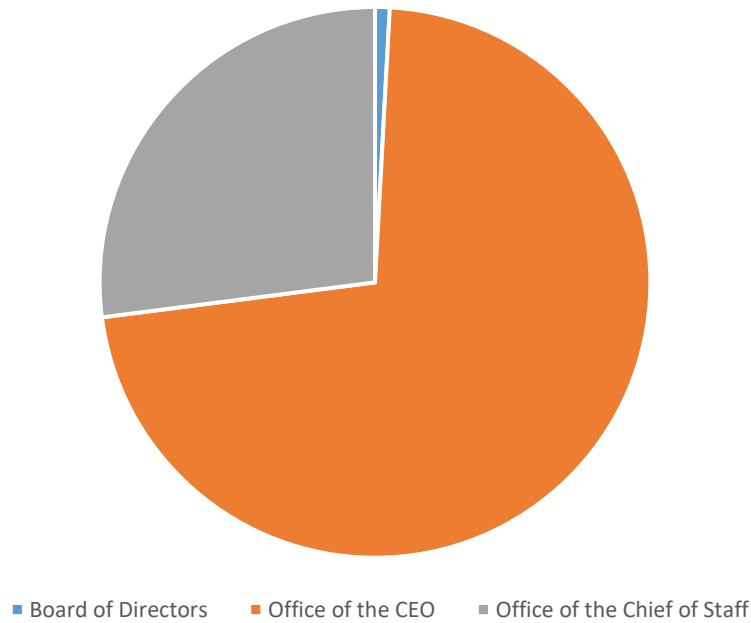
FY 2021 Office of the CEO - Budget by Category



Office of the CEO - Expenses by Department

Office of the CEO Departments	Audited FY 2018	Audited FY 2019	Actuals FY 2020	FY 2021 Budget	% Change '20 to '21
Board of Directors	\$2,484	\$2,035	\$2,114	\$5,640	267%
Office of the CEO	542,072	536,035	401,534	473,063	17.81%
Office of the Chief of Staff	-	-	161,594	177,319	9.73%
Net Total Expense	544,556	538,070	565,242	748,387	32.4%

FY 2021 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. In FY 2021, a new department was created called Special Events and was added to the Transit Operations Division.

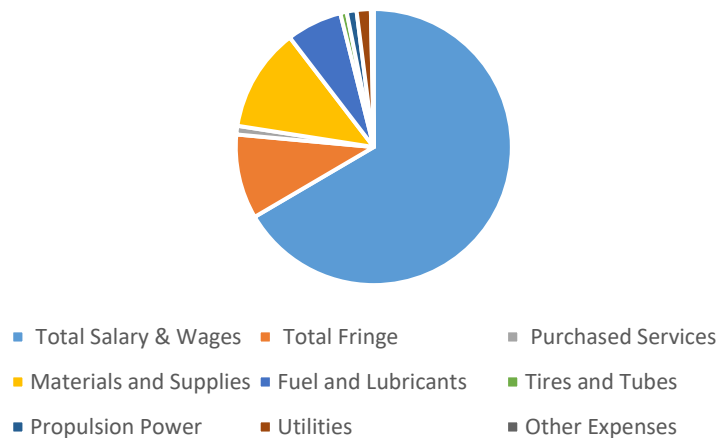
Transit Operations – Personnel (No. of Employees)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Office of Chief Operations Officer	2	2	4	4
Bus & Rail Operations	1,354	1,327	1,275	1344
Bus & Rail Maintenance	606	598	628	747
Service Development	14	0	0	0
Technical Support	28	0	0	0
Facilities & Rail Administration	238	249	255	263
Automated Fare Collection System	2	0	0	0
Transit Police and Security	56	0	0	0
Special Events	0	0	0	3
Total Personnel	2,300	2,177	2,162	2,361

Transit Operations - Expenses by Category

Transit Operations Expense Accounts	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Total Salary & Wages	\$141,118,090	\$140,496,653	\$148,948,415	\$154,192,113	3.52%
Total Fringe Benefits	17,873,795	21,458,253	20,394,183	22,941,830	12.49%
Purchased Services	3,699,621	1,440,553	1,580,704	2,332,700	47.57%
Materials and Supplies	23,091,442	24,108,259	23,593,077	28,082,700	19.03%
Fuel and Lubricants	15,726,665	17,008,202	15,242,804	15,067,374	-1.15%
Tires and Tubes	1,990,032	2,011,783	1,516,886	1,740,000	14.71%
Provision and Injury	(342,461)	(1,264,264)	(1,274,424)	-	0.0%
Propulsion Power	2,675,301	2,809,525	2,719,651	2,658,600	-2.24%
Utilities	3,891,800	3,787,613	3,636,127	3,860,928	6.18%
Other Expenses	257,516	501,818	433,634	787,421	81.59%
Total Gross Expense	209,981,803	212,358,395	216,791,057	231,663,666	6.86%
Transfers and Capitalizations	(9,203,331)	(1,265,708)	(8,833,981)	(6,570,000)	-25.63%
Net Total Expense	200,778,472	211,092,688	207,957,076	225,093,666	8.24%

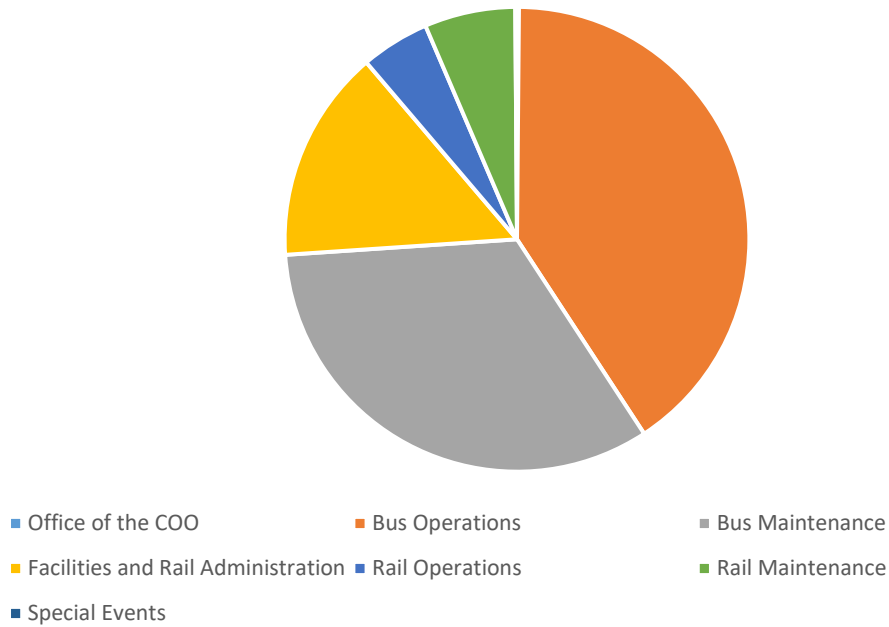
FY 2021 Transit Operations - Budget by Category



Transit Operations - Expenses by Department

Transit Operations Departments	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Office of the COO	\$234,393	\$349,673	\$317,059	\$303,880	-4.16%
Bus Operations	80,854,802	84,854,591	86,863,063	91,491,489	5.33%
Bus Maintenance	62,470,040	69,984,511	70,030,678	74,621,355	6.56%
Service Development	1,087,210	1,150	-	-	-
Facilities and Rail Administration	29,792,918	31,555,434	29,611,062	33,402,075	12.80%
Rail Operations	9,402,167	10,071,824	9,947,181	10,768,772	8.26%
Rail Maintenance	10,928,675	14,275,504	11,188,033	14,243,448	27.31%
Technical Support	1,751,951	-	-	-	-
Automated Fare Collection System	2,023,447	-	-	-	-
Transit Police and Security	3,847,703	-	-	-	-
Special Events	-	-	-	262,057	100%
Net Total Expense	202,393,303	211,092,688	207,957,076	225,093,666	8.24%

FY 2021 Transit Operations - Budget by Department



Transit Operations – FY 2020 Accomplishments

- ✓ Completion of the upper station renovations of the Monongahela Incline
- ✓ Installed new grade crossings at Cook Lane and Mt. Lebanon Boulevard.
- ✓ Completion of the Way Finding Project
- ✓ Installation of hand sanitizer dispensers throughout the system
- ✓ Completed renovations to the platforms at Arlington Station

Transit Operations – FY 2021 Objectives

- Develop partnerships and increase support for public transport
- Strengthen Port Authority's financial position
- Assess and expand Port Authority's Capital Investment Program
- Improve employee morale and labor management relations

- Build on Port Authority's reputation as a competent, effective organization
- Complete 50% of bridge inspection deficiencies
- Installation of 40 catch basins on the WBW
- Begin renovations to the lower station of the Monongahela Incline
- Install 13,000 feet of continuous-welded rail from SHV-CS and replace 10 stock/point rails and 6 frogs
- Install a concrete pad, bench and bicycle rack at the Monongahela Incline for pedestrian accommodations

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.

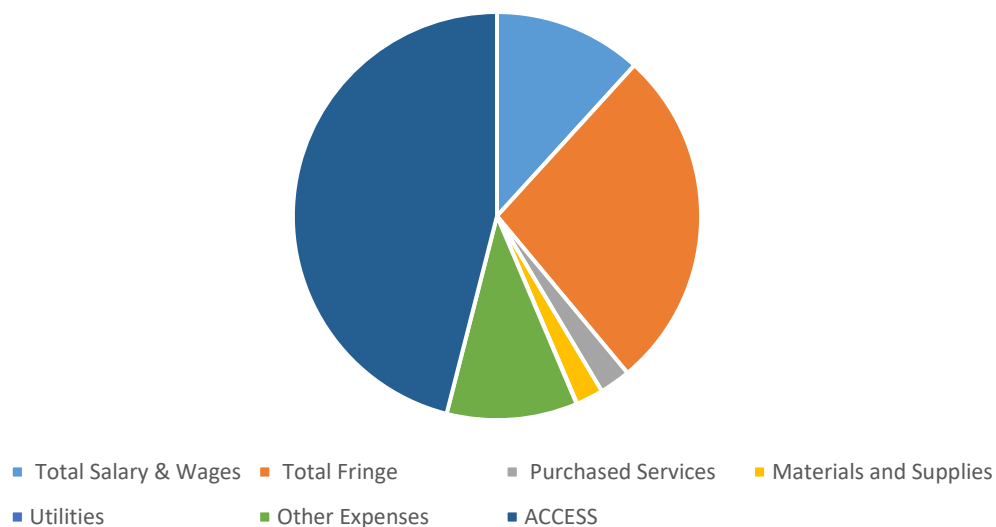
Finance – Personnel (No. of Employees)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Executive & General - Finance	1	1	2	1
Materials	41	41	40	43
Operating Accounting	4	4	3	4
Payroll	5	5	5	4
Cash Management	6	5	4	5
Service Center	6	7	8	9
Financial Planning & Budgets	4	4	6	6
General Administration	0	0	0	0
I.T. Operations	1	1	0	0
Procurement	22	22	22	24
I.T. System Development	10	11	0	0
I.T. Infrastructure & Support	14	13	0	0
DBE Program Manager	0	0	1	1
Grants and Capital Programs	7	8	8	8
Automated Fare Collection System	0	0	0	0
Administrative Services & Technical Specs	7	8	6	7
Total Personnel	128	130	105	112

Finance - Expenses by Category

Finance Expense Accounts	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Total Salary & Wages	\$8,373,887	\$6,411,531	\$6,951,327	\$7,467,429	7.42%
Total Fringe Benefits	13,973,593	14,618,778	15,412,288	17,264,953	12.02%
Purchased Services	2,539,773	2,935,318	3,411,237	1,561,050	-54.24%
Materials and Supplies	460,471	593,886	539,331	1,372,680	154.52%
Provision and Injury	-	(2,949)	-	(300,000)	0%
Utilities	894,986	9,747	35,775	28,736	-19.68%
Other Expenses	6,237,850	4,428,013	4,962,464	6,573,769	32.47%
Interest Expense	-	-	-	-	0.0%
ACCESS	27,070,911	26,158,452	25,381,345	29,222,815	15.14%
Total Gross Expense	59,551,471	55,152,775	56,693,766	63,191,432	11.46%
Transfers and Capitalizations	(41,991,919)	(55,183,759)	(56,435,707)	(48,127,904)	-14.72%
Net Total Expense	17,559,552	(30,984)	258,059	15,063,528	5737.23%

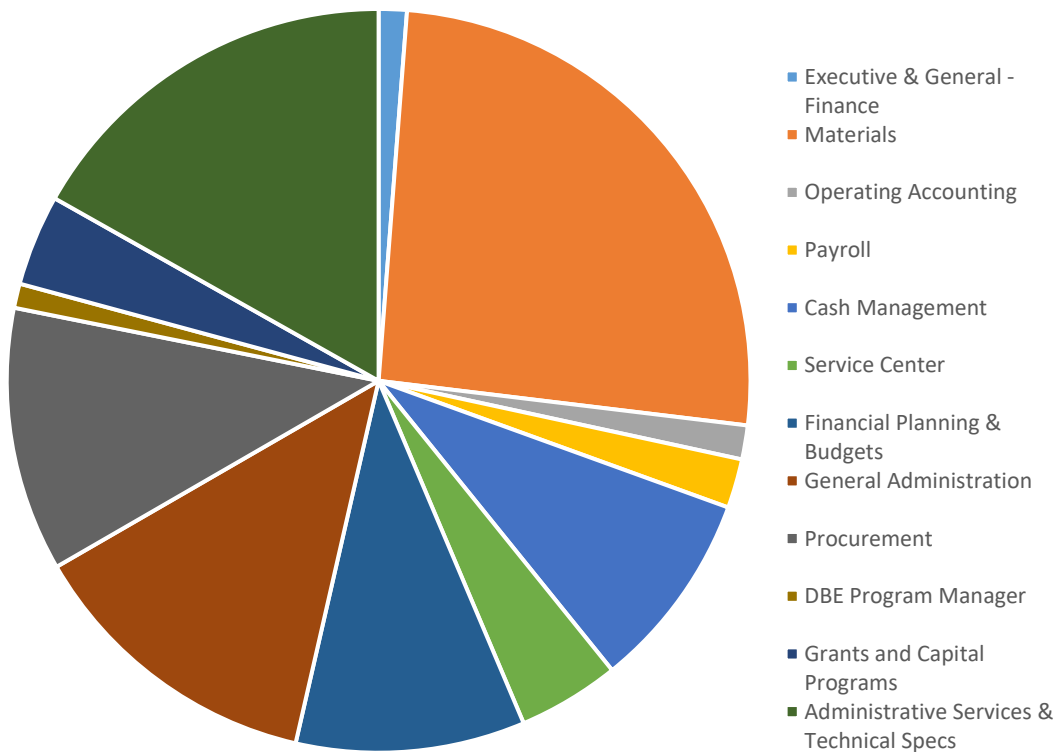
FY 2021 Finance - Budget by Category



Finance - Expenses by Department

Finance Departments	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Executive & General - Finance	\$143,057	\$211,875	\$159,470	\$184,020	15.4%
Materials	3,178,657	3,295,606	3,679,431	3,867,502	5.1%
Operating Accounting	241,882	254,798	252,981	222,253	-12.2%
Payroll	304,075	318,805	290,380	321,732	10.8%
Cash Management	1,138,411	1,093,846	874,222	1,303,693	49.1%
Service Center	345,604	411,968	499,971	666,907	33.4%
Financial Planning & Budgets	647,243	786,887	825,910	1,499,395	81.5%
General Administration	2,082,056	(12,374,629)	(13,262,115)	1,968,839	-114.8%
Information Technologies	7,026,358	506	-	-	0.0%
Procurement	1,351,917	1,425,906	1,637,956	1,729,150	5.6%
DBE Program Manager	-	-	79,790	159,066	99.4%
Grants and Capital Programs	413,985	534,990	574,079	595,744	3.8%
Automated Fare Collection System	-	1,950,601	2,542,398	-	-
Administrative Services & Technical Specs	686,306	2,057,857	2,103,586	2,533,659	20.4%
Net Total Expense	17,559,552	(30,984)	258,059	15,063,528	5,737.23%

FY 2021 Finance - Budget by Department



Finance – FY 2020 Accomplishments

- ✓ The Authority applied for and was awarded a CARES Fund Grant totaling \$141.7 million.
- ✓ Successfully completed an automated Personnel Requisition process that will streamline the process for filling new or vacant positions
- ✓ Developed a Budgeting Training Module which was used to train new managers and re-train existing managers on the Operating and Capital budget process
- ✓ Successfully selected a bond underwriter who will guide the Authority on a near term strategy for refinancing eligible bonds
- ✓ Successfully completed an upgrade of the PeopleSoft Finance Module

Finance – FY 2021 Objectives

- Work with various funding partners to mitigate the financial impact of COVID-19 on the Port Authority
- Train newly hired personnel in the Department of Financial Planning and Budgets
- Expand the reach and duties of the Project Management Officer (PMO) which is a newly created area responsible for Operating project oversight
- Fill a newly established position within the Disadvantage Business Enterprise (DBE) Department that will permit greater outreach and assist in reaching established DBE goals
- Procure DBE tracking software that will simplify FTA and PennDOT Reporting within the department
- Continue to work with PennDOT and other Port Authority Departments on implementing processes to speed the development of Capital projects
- Complete a Fare Study to be presented to the Board of Directors and various stakeholders for consideration
- Implement new Procurement Department Software in order to improve processes

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.

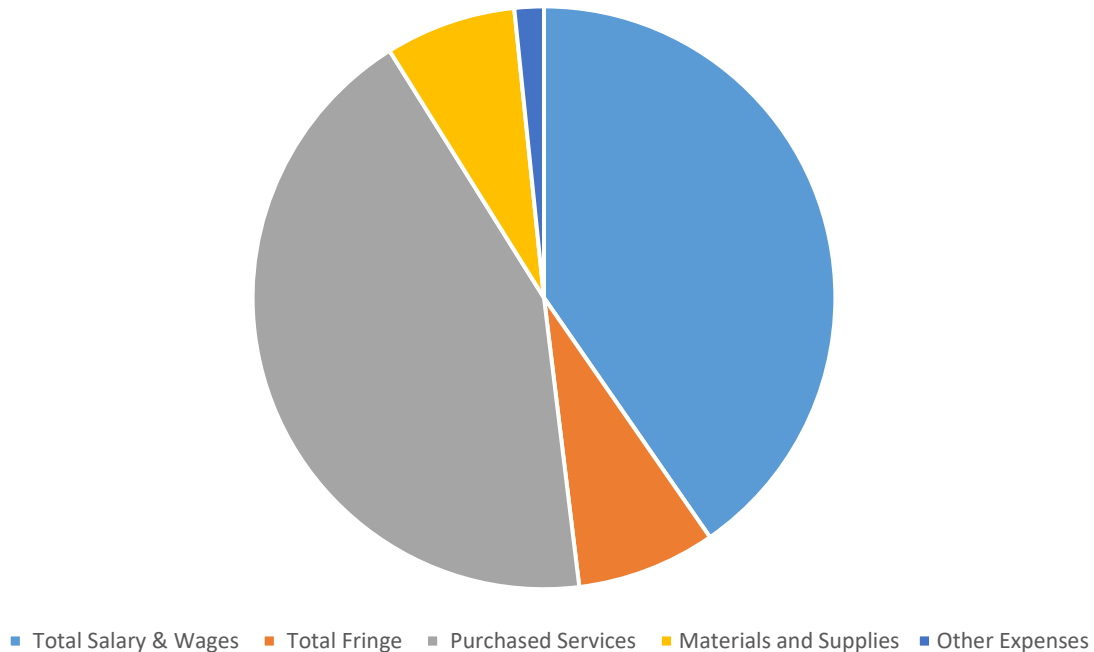
Marketing & Communications – Personnel (No. of Employees)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Executive & General - Marketing	1	1	1	2
Community & Government Relations	0	0	3	3
Creative Services	4	4	4	4
Marketing	1	1	1	1
Customer Service	27	26	25	31
Planning & Evaluation	6	0	0	0
Advertising Sales	4	3	3	4
Public Relations	4	6	3	6
Total Personnel	47	41	40	51

Marketing & Communications - Expenses by Category

Marketing & Communications Expense Accounts	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Total Salary & Wages	\$2,594,368	\$2,190,045	\$2,592,339	\$3,051,160	17.7%
Total Fringe Benefits	197,772	545,998	498,642	583,304	16.98%
Purchased Services	446,534	511,325	391,210	3,254,600	731.93%
Materials and Supplies	284,030	362,752	239,598	549,200	129.22%
Utilities	-	-	-	-	0.0%
Other Expenses	1,123,381	1,397,637	765,944	123,357	-89.89%
Total Gross Expense	4,646,086	5,007,755	4,487,734	7,561,621	68.5%
Transfers and Capitalizations	(48,339)	(202)	(2,272)	(2,000)	-11.96%
Net Total Expense	4,597,747	5,007,553	4,485,462	7,559,621	68.54%

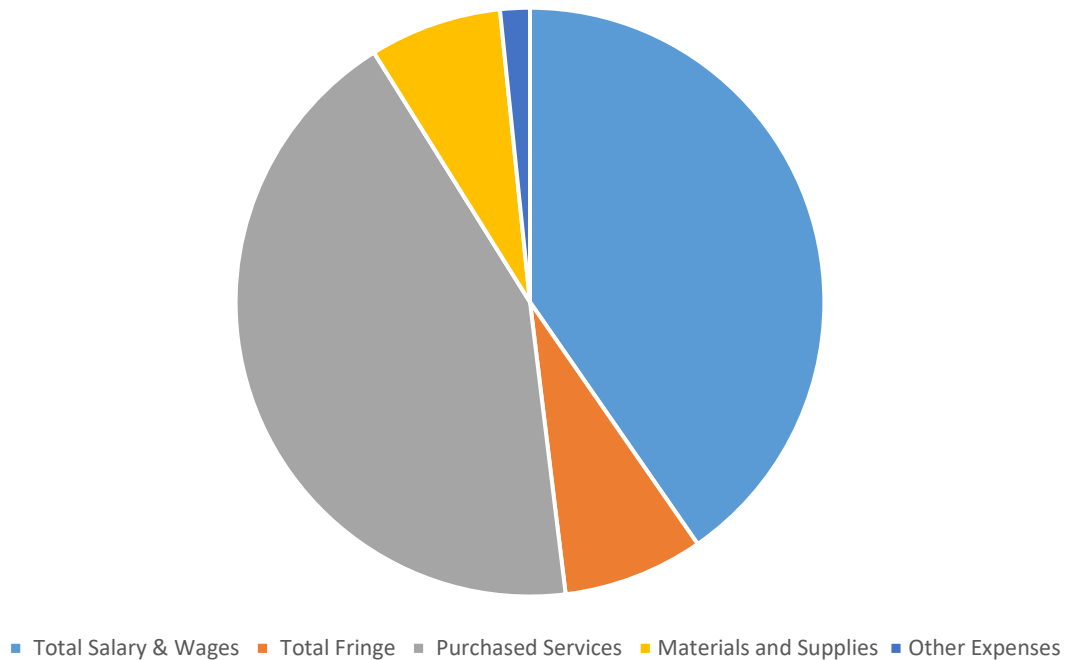
FY 2021 Marketing & Communications - Budget by Category



Marketing & Communications - Expenses by Department

Marketing & Communications Departments	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Executive & General - Marketing	\$116,795	\$149,568	\$214,628	\$297,325	%
Community & Government Relations	-	-	440,798	582,366	%
Creative Services	660,321	745,833	766,406	1,703,102	%
Marketing	487,010	899,136	380,594	1,467,496	%
Customer Service	1,625,097	1,471,681	1,602,984	1,850,973	%
Planning	264,641	-	-	-	-
Advertising Sales	922,065	1,017,934	912,532	1,148,174	%
Public Relations	521,817	723,403	198,682	510,185	%
Net Total Expense	4,597,747	5,007,553	4,516,625	7,559,621	%

FY 2021 Marketing & Communications - Budget by Category



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.

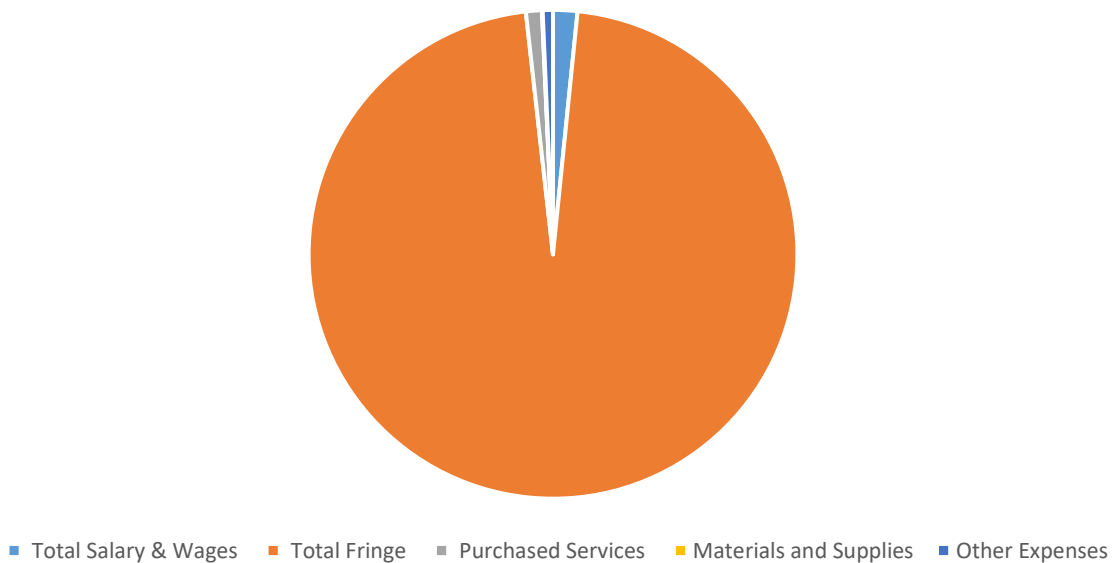
Human Resources – Personnel (No. of Employees)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Executive and General - HR	1	1	1	2
Employment and Development	4	4	11	12
Employee Relations / OEO	9	9	9	9
Employment	7	7	0	0
Benefits	9	7	8	8
Compensation Services	0	3	3	3
Total Personnel	30	31	32	34

Human Resources - Expenses by Category

Human Resources Expense Accounts	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Total Salary & Wages	\$2,070,881	\$1,978,235	\$2,154,497	\$2,284,393	6.03%
Total Fringe Benefits	140,466,802	170,423,367	120,979,535	137,172,572	13.38%
Purchased Services	991,607	1,167,583	949,267	1,497,500	57.75%
Materials and Supplies	19,959	16,984	29,837	66,400	122.54%
Provision and Injury	-	-	-	-	0.0%
Other Expenses	236,273	352,518	336,830	959,879	184.97%
Total Gross Expense	143,785,522	173,938,687	124,449,967	141,980,744	14.09%
Transfers and Capitalizations	(1,095,453)	(1,193,788)	(1,134,734)	(1,094,000)	-3.59%
Net Total Expense	142,690,068	172,744,899	123,315,232	140,886,744	14.25%

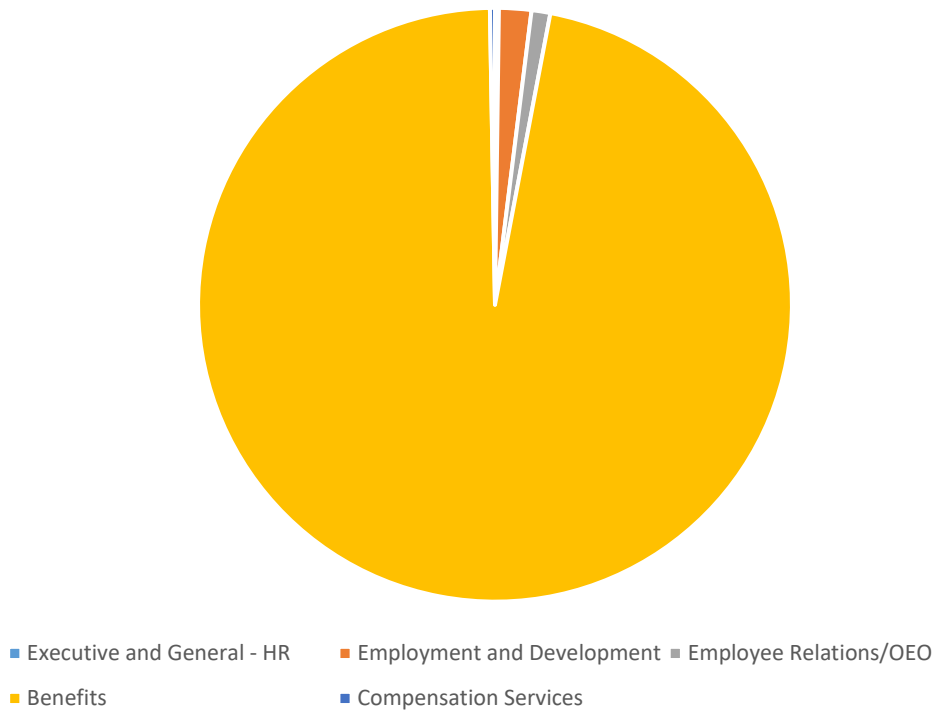
FY 2021 Human Resources - Budget by Category



Human Resources - Expenses by Department

Human Resources Departments	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Executive and General - HR	\$108,075	\$193,944	\$191,883	\$296,485	54.5%
Employment and Development	522,949	637,200	1,614,239	2,478,292	53.5%
Employee Relations / OEO	1,245,959	1,101,715	1,122,223	1,439,614	28.3%
Employment	946,107	924,502	185.48	-	-100.0%
Benefits	117,172,177	119,305,954	120,098,691	136,287,512	13.5%
Compensation Services	-	318,920	307,984	384,841	25.0%
Net Total Expense	119,995,266	122,482,234	123,335,020	140,886,744	14.2%

FY 2021 Human Resources - Budget by Department



Human Resources – FY 2020 Accomplishments

- ✓ Completed the development of the Maintenance Software Based Bid/Bump
- ✓ Implemented a Learning Management System (LMS) for in-house training programs
- ✓ Developed and implemented a Mentoring Program as part of the Succession Planning Program
- ✓ Soft launched Open Enrollment using Employee Self-Service
- ✓ Implemented new short-term disability program for Non-Represented employees
- ✓ Successful completion of Collective Bargaining with Port Authority IBEW union resulting in a one year fiscally responsible contract
- ✓ Implemented four separate recognition programs systemwide

Human Resources – FY 2021 Objectives

- Continue the implementation of the Compensation Desk Audit Part II
- Soft Launch of Total Reward Statement
- Complete and distribute new EAP brochure
- Develop and Employee Assistance Program video for first level supervisors
- Implement a virtual Benefit Fairs and Open Enrollment
- Implement a Roth 457 Plan and Loan Program
- Complete implementation of Maintenance Software Based Bid/Bump System
- Implement a system-wide Mentor Program
- Finalize automation of on-line Job Authorization process

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.

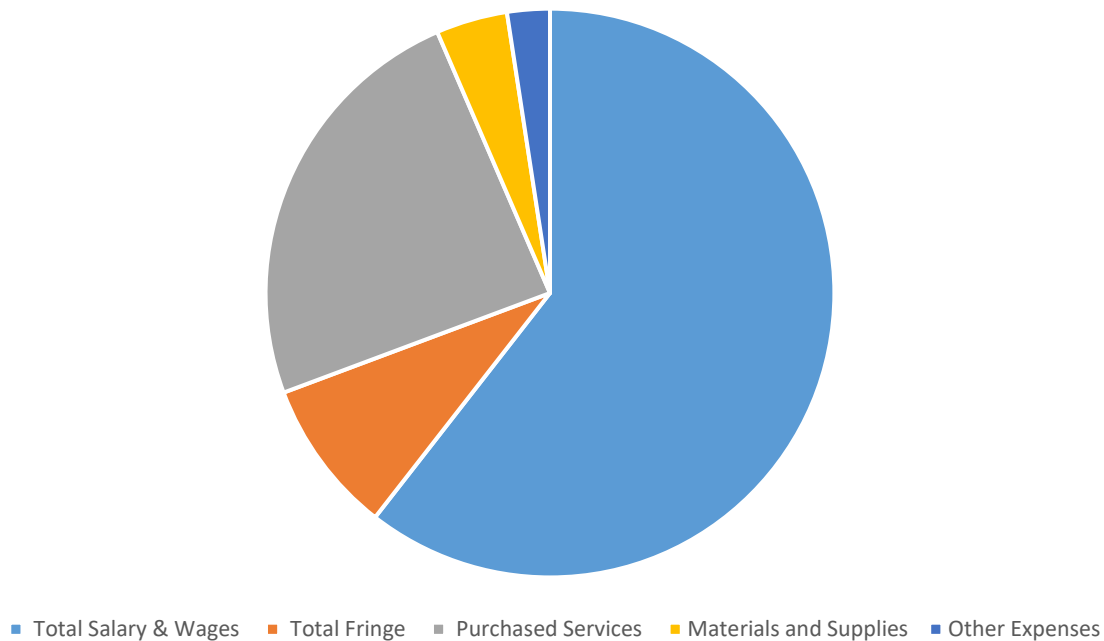
Planning and Service Development – Personnel (No. of Employees)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Executive & General - Planning & Svc. Devel.	0	1	1	1
Service Development	0	13	16	17
Technical Support	0	30	26	30
Planning	0	6	8	7
Total Personnel	0	50	51	55

Planning and Service Development - Expenses by Category

Planning & Development Expense Accounts	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Total Salary & Wages	\$1,866,598	\$3,167,475	\$3,522,303	\$4,241,966	20.43%
Total Fringe Benefits	\$6,847	472,449	466,570	614,121	31.62%
Purchased Services	\$752,386	2,552,612	1,502,338	1,696,000	12.89%
Materials and Supplies	\$19,767	325,115	165,374	284,640	72.12%
Provision and Injury	-	-	(1,607,502)	-	0.0%
Other Expenses	\$10,574	157,670	110,548	169,919	53.71%
Total Gross Expense	\$2,656,172	6,675,321	4,159,632	7,006,646	68.44%
Transfers and Capitalizations	(1,041,341)	(1,319,199)	(1,329,909)	(1,326,000)	-0.29%
Net Total Expense	1,614,831	5,356,122	2,829,723	5,680,646	100.75%

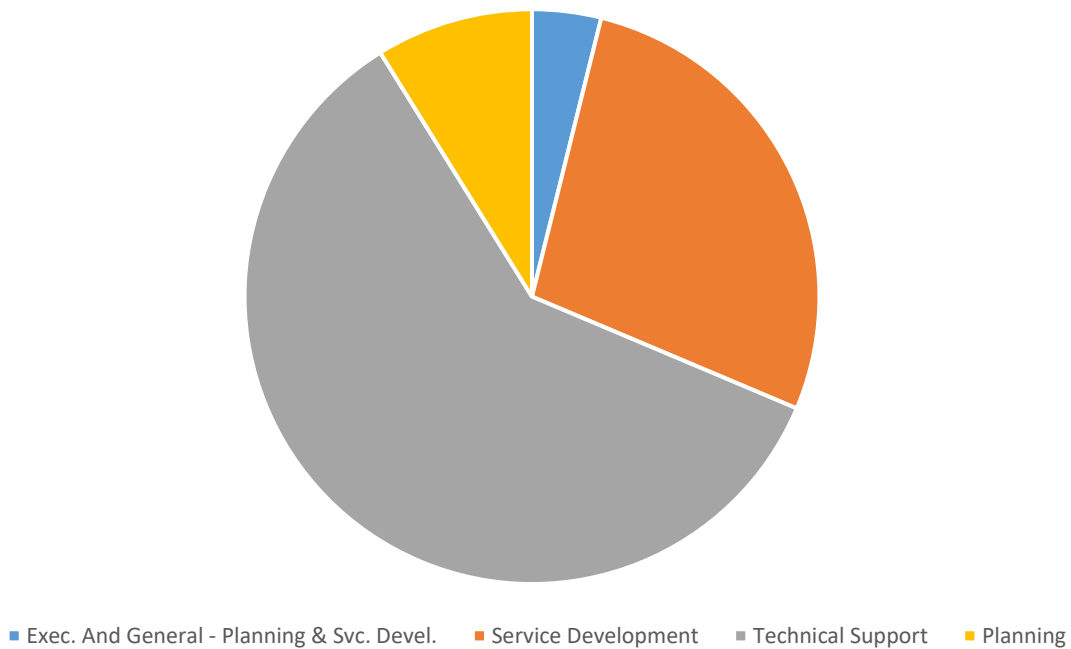
FY 2021 Planning & Service Devel. - Budget by Category



Planning and Service Development - Expenses by Department

Planning & Development Departments	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Exec. And General - Planning & Svc. Devel.	-	\$200,084	\$222,561	\$222,729	0%
Service Development	-	1,180,315	1,069,988	1,577,395	47.4%
Technical Support	-	3,595,296	1,085,913	3,432,131	316%
Planning	-	380,426	484,243	508,189	4.9%
Net Total Expense	-	5,356,122	2,862,705	5,740,444	200.5%

FY 2021 Planning & Service Devel. - Budget by Department



Planning and Service Development – FY 2020 Accomplishments

- ✓ The Long-Range Transportation plan, NEXTransit, was initiated in March 2020 and is progressing on target to have a plan wrapped up by the end of FY2021. It will define values, vision, prioritize future projects, and explore funding mechanisms to support those projects through intensive public engagement
- ✓ 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.
- ✓ Bus Stop Consolidation was implemented on four routes in FY20. Analysis will be on going to evaluate impacts to such key performance measures such as travel times, ridership and on time performance.
- ✓ Updates to Transit Service Standards were formally adopted by the Board. These Standards include an updated timeline that will coincide with the budgetary process and incorporates robust public outreach components into the Service Planning process.

Planning and Service Development – FY 2021 Objectives

- Grow the dedicated transit network to support faster and more reliable service by advancing the Downtown-Uptown-Oakland-East End Bus Rapid Transit project to project readiness so that it can receive its FTA Small Starts grant.
- Complete and externally share NEXTransit, Port Authority's 25-year long-range transit plan, to prioritize projects and funding mechanisms for corridor and infrastructure investment in Allegheny County transit for the next 25 years.
- Advocate for transit-supportive design, land use, and policy via coordination with our partners throughout the County, including but not limited to Pittsburgh City Planning and Department of Mobility and Infrastructure, Allegheny County Economic Development, SPC, PennDOT, and URA.

- Improve the customer and Operator experience, grow service, and increase efficiency through improved scheduling and improved adherence to transit service standards.
- Deliver capital projects to ensure our system is in a state of good repair while looking for efficiencies to deliver more projects using existing resources.
- Plan and design infrastructure updates to our existing system that improve the customer experience through projects in the Station Improvement Program, First-Last Mile Program, Park and Ride development, Bus Stop Consolidation Program, Shelter Program, street design, and other miscellaneous opportunities.

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)

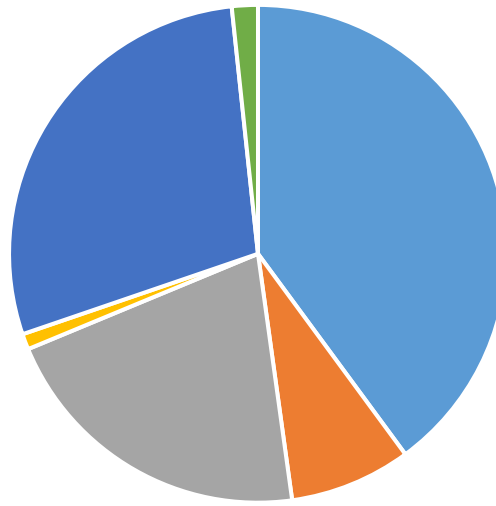
	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Executive and General - Legal	0	0	0	0
Legal and Consulting Services	9	9	10	9
Claims and Workers Compensation	14	11	11	13
Internal Audit	4	4	4	5
System Safety	8	8	8	9
Transit Police and Security	0	53	59	60
Total Personnel	35	85	92	96

Legal and Corporate Services - Expenses by Category

Legal and Corporate Services Expense Accounts	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Total Salary & Wages	\$2,263,298	\$5,495,485	\$5,903,556	\$6,499,126	10.09%
Total Fringe Benefits	298,462	1,014,111	984,785	1,285,261	30.51%
Purchased Services	2,053,549	2,031,688	2,135,979	3,409,500	59.62%
Materials and Supplies	33,109	100,908	129,294	165,700	28.16%
Provision and Injury	2,976,840	2,866,690	3,019,428	4,649,000	53.97%
Other Expenses	165,847	152,665	160,140	274,944	71.69%
Total Gross Expense	7,791,105	11,661,548	12,333,183	16,283,531	32.03%
Transfers and Capitalizations	-	(130,707)	(177,137)	(60,000)	-66.13%
Net Total Expense	7,791,105	11,530,841	12,156,045	16,223,531	33.46%

* Transit Police & Security moved under Transit Operations in FY 2017

FY 2021 Legal and Corporate Services - Budget by Category

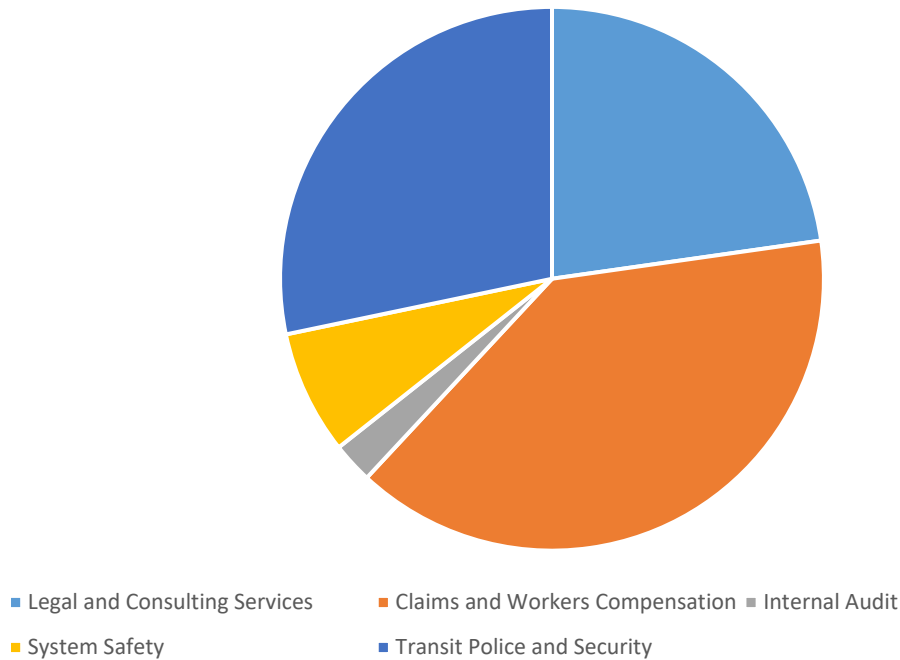


■ Total Salary & Wages
 ■ Total Fringe
 ■ Purchased Services
■ Materials and Supplies
 ■ Provision and Injury
 ■ Other Expenses

Legal and Corporate Services - Expenses by Department

Legal and Corporate Services Departments	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Legal and Consulting Services	\$2,373,118	\$2,402,493	\$2,854,882	\$3,691,074	29.3%
Claims and Workers Compensation	4,075,643	4,401,677	4,460,702	6,355,924	42.5%
Internal Audit	245,462	290,480	289,069	393,428	36.1%
System Safety	546,663	658,880	743,444	1,195,168	60.8%
Transit Police and Security	-	3,777,312	3,857,606	4,587,937	18.9%
Net Total Expense	7,240,886	11,530,841	12,205,703	16,223,531	32.9%

FY 2021 Legal and Corporate Services - Budget by Department



Legal and Corporate Services – FY 2020 Accomplishments

- ✓ Completed 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.
- ✓ Finalized Internal Audit's FY2021-22 Work Plan for review and approval by Port Authority's Board.
- ✓ Organized and managed Port Authority's COVID-19 Monitoring and Response Working Group, including Pandemic Plan revisions, personal protective equipment identification

and supply chain management, positive case reporting and response protocols and Board, employee and patron informational updates and related communications.

- ✓ Negotiated BRT Project Cooperation Agreement with City of Pittsburgh, County of Allegheny and Urban Redevelopment Authority of the City of Pittsburgh, a key agreement necessary to advance the BRT Project through the final design stage
- ✓ Successfully recovered Port Authority's damages arising out of a September 2019 freight train derailment onto Port Authority property

Legal and Corporate Services – FY 2021 Objectives

- Following FY2020 adoption of Port Authority's Public Transportation Agency Safety Plan, develop an employee Safety Management Systems training for key management and other personnel
- Continue to manage Port Authority's COVID-19 Monitoring and Response Working Group, including resumption of normal transit service and phased in-office return plans, along with protocols for re-emergence of cases in our region and within Port Authority's transit system.
- Coordinate with Technical Support for the completion of security camera installation at key East Busway Stations (Herron, Negley, East Liberty and Penn Park Stations).
- Complete necessary temporary construction and permanent right-of-way acquisitions for Port Authority's Downtown to Oakland Bus Rapid Transit Project.
- Complete Triennial Update of the Port Authority Police Policy and Procedure Manual
- Complete the audits and projects identified in the newly adopted FY2021-22 Internal Audit Plan to an overall level of 40% by the end of FY2021

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.

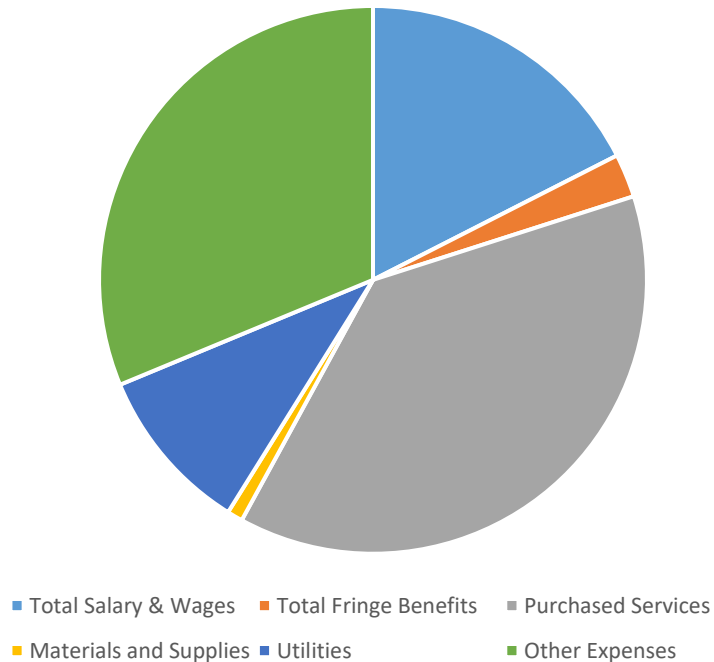
Information Technologies – Personnel (No. of Employees)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Executive & General - I.T.	0	1	1	2
I.T. Operations	0	1	0	3
I.T. Transportation Technology	0	0	5	5
I.T. System Development	0	19	16	20
I.T. Infrastructure & Support	0	13	13	14
Total Personnel	0	0	35	44

Information Technologies - Expenses by Category

Information Technologies Expense Accounts	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Total Salary & Wages	-	\$2,109,630	\$2,637,626	\$3,013,869	14.3%
Total Fringe Benefits	-	357,163	354,720	442,093	24.6%
Purchased Services	-	2,435,140	2,565,060	6,528,000	154.5%
Materials and Supplies	-	27,655	18,272	158,700	768.5%
Utilities	-	1,074,314	1,361,660	1,700,000	24.8%
Other Expenses	-	2,978,541	2,841,751	5,383,938	89.5%
Total Gross Expense	-	8,982,442	9,779,089	17,226,600	76.2%
Transfers and Capitalizations	-	-	-	-	0.0%
Net Total Expense	-	8,982,442	9,779,089	17,226,600	76.2%

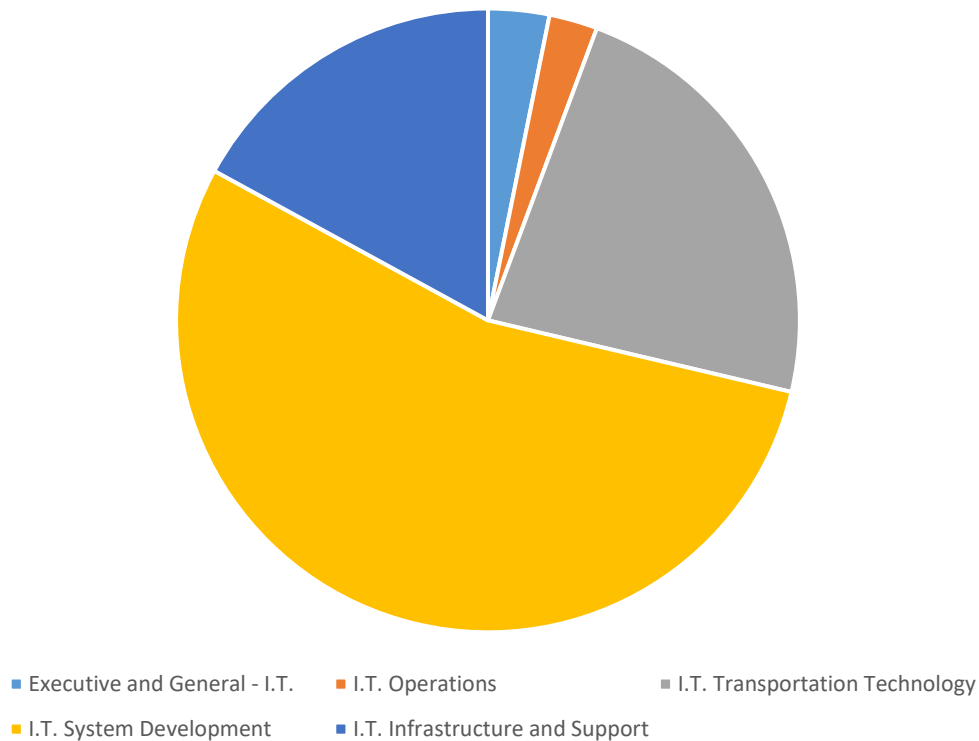
FY 2021 Informatino Technologies - Budget by Category



Information Technologies - Expenses by Department

Information Technologies Departments	FY 2018 Audited	FY 2019 Audited	FY 2020 Actuals	FY 2021 Budget	% Change '20 to '21
Executive and General - I.T.	\$0	\$169,619	\$186,747	\$546,289	192.5%
I.T. Operations	-	6,158,227	6,330,371	431,784	-93.2%
I.T. Transportation Technology	-	-	661,020	3,963,860	499.7%
I.T. System Development	-	1,692,261	1,604,150	9,348,857	482.8%
I.T. Infrastructure and Support	-	962,337	996,780	2,935,810	194.5%
Net Total Expense	-	8,982,442	9,779,089	17,226,600	76.2%

FY 2021 Information Technologies - Budget by Department



Information Technologies – FY 2020 Accomplishments

- ✓ Piloted and began Phase I of the Mobile Ticketing Application implementation
- ✓ Upgraded WiFi on buses for patron use
- ✓ Installed digital signage at bus and rail stations
- ✓ Transitioned agency to Microsoft Office 365

Information Technologies – FY 2021 Objectives

- Begin Phase II (pilot and installation of validators on bus fleet) of the Mobile Ticketing application implementation
- Begin procurement for digital communications design at bus & rail stations
- Prepare for critical systems tabletopping (testing of system readiness)
- Install Clever Devices' Disruption Management service for detour & event routing

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 2018, 2019, 2020, and 2021. In addition, graphs illustrating revenue, expense and ridership amounts are presented for comparative purposes.

Modal ridership data for fiscal years 2018 through 2020 were calculated using monthly ridership reports. Anticipated ridership levels for FY 2021 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 2018 through 2020 and developed the FY 2021 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 2018, 2019, 2020, and 2021.

COMPARATIVE SUMMARY BY MODE

FY 2018 Actual, FY 2019 Actual, FY 2020 Actual, and FY 2021 Budget

	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET
Operating Revenues:				
Bus	\$82,158,000	\$82,963,000	\$ 66,762,000	\$ 81,827,000
Light Rail	11,922,000	10,976,000	8,027,000	11,191,000
Monongahela Incline	964,000	670,000	514,000	784,000
ACCESS Program	11,602,000	10,652,000	8,607,000	10,394,000
Subtotal	\$ 106,646,000	\$ 105,261,000	\$ 83,910,000	\$ 104,196,000
Operating Grants	264,712,000	270,893,000	247,991,000	324,286,000
Capitalizations	53,380,000	59,093,000	97,602,000	57,180,000
Total Revenue & Grants:	\$ 424,738,000	\$ 435,247,000	\$ 429,503,000	\$ 485,662,000
Expenses:				
Bus	\$314,479,000	\$ 326,237,000	\$ 332,888,000	\$ 377,939,000
Light Rail	63,112,000	67,600,000	69,821,000	77,271,000
Monongahela Incline	1,051,000	1,074,000	1,113,000	1,229,000
ACCESS Program	27,071,000	26,158,000	24,346,000	29,223,000
Total Expenses:	\$ 405,713,000	\$ 424,052,000	\$ 428,168,000	\$ 485,662,000
Excess Revenue over Expense:	<u>\$ 19,025,000</u>	<u>\$ 11,195,000</u>	<u>\$ 1,335,000</u>	<u>\$ -</u>

Bus Mode

Bus service is the largest of the transportation services provided by the Port Authority. The active bus fleet as of June 2020 consists of (30) 35-foot vehicles, (574) 40-foot vehicles and (126) 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.



provided.

For this mode of transportation, FY 2021 ridership is expected to increase slightly compared to FY 2020 levels due to the budget being set pre-COVID-19 levels. The contractual transit agreements between the Port Authority and the University of Pittsburgh, Carnegie Mellon University, and Chatham University will 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

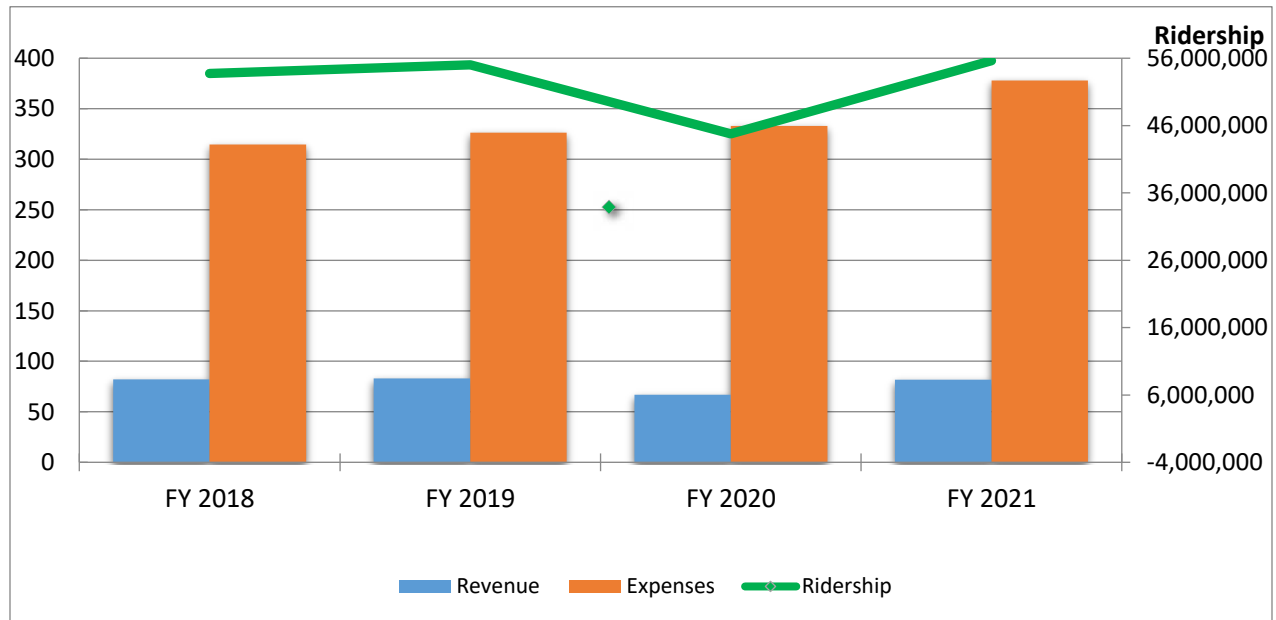
For FY 2021, total bus revenues are projected to increase by 22.6% above FY 2020 actuals due to the budget being set pre-COVID-19 levels. This increase in revenues is due to a projected increase in passenger revenues. Other revenues consist of Advertising and other non-transportation related revenues. 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 2020 levels by 13.5%. 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.

TABLE 4.2
Port Authority of Allegheny County
BUS MODE

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY21 Inc/Dec
<u>RIDERSHIP</u>					
Non-Seniors	49,646,000	50,821,000	43,661,000	51,311,000	
Seniors	4,087,000	4,195,000	1,111,000	4,322,000	
Total Ridership	53,733,000	55,016,000	44,772,000	55,633,000	24.3%
	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY21 Inc/Dec
<u>REVENUES</u>					
Passenger Revenue	\$ 78,066,000	\$ 77,859,000	\$ 61,350,000	\$ 76,355,000	
Sr Citizen Reimbursement	0	0	0	0	
Other	4,092,000	5,104,000	5,412,000	5,472,000	
Total Revenue	\$82,158,000	\$82,963,000	\$66,762,000	\$81,827,000	22.6%
<u>EXPENSES</u>					
Salaries & Wages	\$ 130,495,000	\$ 133,679,000	\$ 142,702,000	\$ 149,446,000	
Fringe Benefits	123,098,000	130,267,000	132,661,000	149,652,000	
Materials & Supplies	38,213,000	36,728,000	36,728,000	41,958,000	
Prov for Inj & Damages	2,911,000	2,815,000	(432,000)	5,590,000	
Purchased Services	9,306,000	11,341,000	10,923,000	17,490,000	
Utilities	3,336,000	3,391,000	3,423,000	3,642,000	
Other Expenses	7,120,000	8,016,000	6,883,000	10,161,000	
Total Expense	\$314,479,000	\$326,237,000	\$332,888,000	\$ 377,939,000	13.5%



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 2021 are expected to increase by 34% from FY 2020 and 4.2% from the FY2019 total light rail ridership due to the budget being set pre-COVID-19 levels. This increase is projected due to the continued 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.

Total expenses in FY 2021 are expected to increase by 10.7% over FY 2020 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 40% increase in Purchased Services is mainly due to maintenance cost increases.

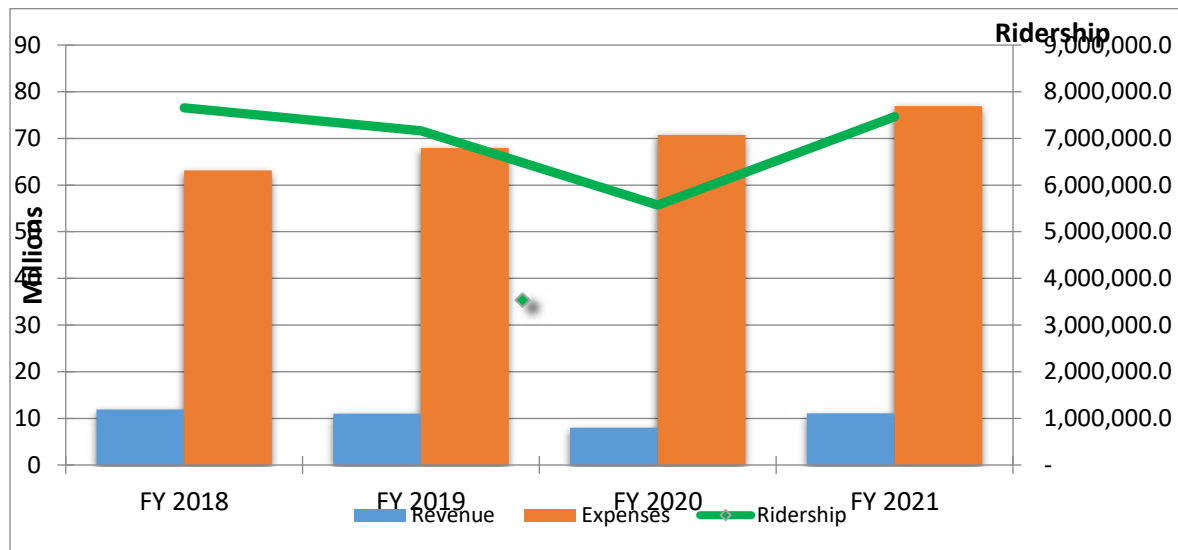
The financial data, along with ridership figures and a graphical illustration of revenues and expenses pertaining to the light rail mode, can be found on the following pages.

Port Authority of Allegheny County
LIGHT RAIL MODE

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY20 Inc/Dec
<u>RIDERSHIP</u>					
Non-Seniors	7,204,000	6,724,000	5,249,000	7,018,000	
Seniors	451,000	439,000	323,000	447,000	
Total Ridership	7,655,000	7,163,000	5,572,000	7,465,000	34.0%

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY20 Inc/Dec
<u>REVENUES</u>					
Passenger Revenue	\$ 11,328,000	\$ 10,301,000	\$ 7,376,000	\$ 10,443,000	
Sr Cit Reimburseme	0	0	0	0	
Other	594,000	675,000	651,000	748,000	
Total Revenue	\$ 11,922,000	\$ 10,976,000	\$ 8,027,000	\$ 11,191,000	39.4%

<u>EXPENSES</u>					
Salaries & Wages	\$ 27,782,000	\$ 28,066,000	\$ 29,960,000	\$ 31,376,000	
Fringe Benefits	26,026,000	27,926,000	28,439,000	32,081,000	
Materials & Supplie	3,372,000	4,807,000	4,807,000	5,492,000	
Prov for Inj & Dam	65,000	51,000	(8,000)	101,000	
Purchased Services	1,178,000	1,781,000	1,716,000	2,747,000	
Utilities	4,082,000	4,251,000	4,290,000	4,564,000	
Other Expenses	607,000	718,000	617,000	910,000	
Total Expense	\$ 63,112,000	\$ 67,600,000	\$ 69,821,000	\$ 77,271,000	10.7%



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 in FY 2021 compared to FY 2020 and 2019 actuals. The increase is projected to happen due to the budget being set pre-COVID-19 levels.

As with the other modes of transportation, expenses for the Mon Incline are also expected to increase. Port Authority has budgeted for an 8.5% 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.

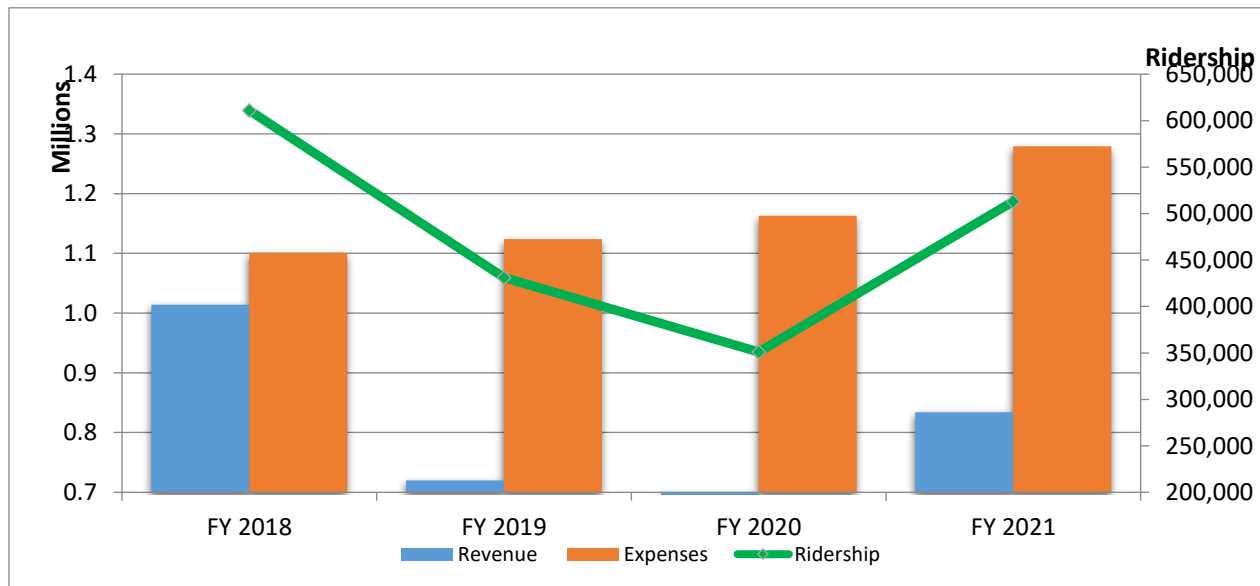
The financial data and ridership figures and a graphical illustration for the Inclined Plane Mode can be found on the following pages.

Port Authority of Allegheny County
INCLINED PLANE MODE

	2018 Actual	2019 Actual	2020 Actual	2021 Budget	FY21 Inc/Dec
<u>RIDERSHIP</u>					
Non-Seniors	583,000	410,000	336,000	492,000	
Seniors	28,000	21,000	15,000	21,000	
Total Ridership	611,000	431,000	351,000	513,000	46.2%

	2018 Actual	2019 Actual	2020 Actual	2021 Budget	FY21 Inc/Dec
<u>REVENUES</u>					
Passenger Revenue	\$ 916,000	\$ 629,000	\$ 472,000	\$ 732,000	
Sr Cit Reimbursement	0	0	0	0	
Other	48,000	41,000	42,000	52,000	
Total Revenue	\$ 964,000	\$ 670,000	\$ 514,000	\$ 784,000	52.5%

	2018 Actual	2019 Actual	2020 Actual	2021 Budget	FY21 Inc/Dec
<u>EXPENSES</u>					
Salaries & Wages	\$ 476,000	\$ 487,000	\$ 520,000	\$ 544,000	
Fringe Benefits	449,000	476,000	485,000	547,000	
Materials & Supplies	42,000	36,000	36,000	41,000	
Prov for Inj & Damage	0	1,000	0	2,000	
Purchased Services	32,000	29,000	28,000	45,000	
Utilities	45,000	39,000	39,000	42,000	
Other Expenses	7,000	6,000	5,000	8,000	
Total Expense	\$1,051,000	\$1,074,000	\$1,113,000	\$1,229,000	10.4%



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 \$29.2 million of expenses pass through Port Authority's budget. Likewise, only \$10.4 million is reimbursed to Port Authority from the Commonwealth's Senior Citizen Fare Assistance Program for ACCESS senior ridership.

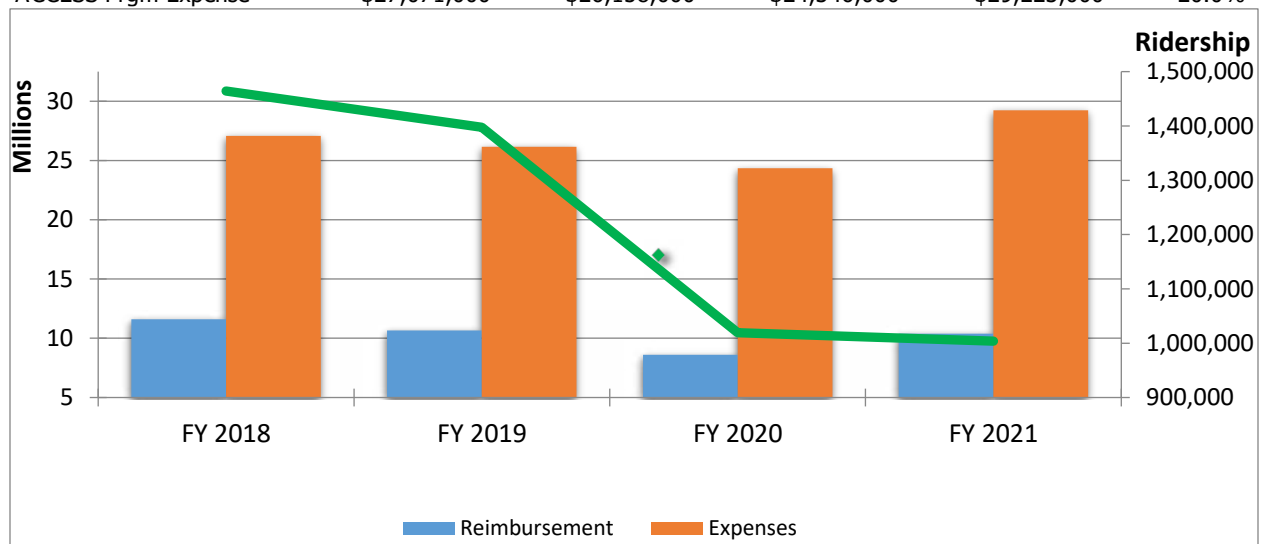
In FY 2021, ACCESS ridership is projected to increase compared to FY 2020 figures. The financial data and ridership figures, along with a graphical illustration of revenues and expenses pertaining to the ACCESS mode can be found below.

Port Authority of Allegheny County **ACCESS MODE**

	<u>FY 2018 Actual</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Budget</u>	<u>FY21 Inc/Dec</u>
<u>RIDERSHIP</u>					
Sr. Citizen Passengers	577,690	528,050	420,875	396,626	
Other Originating Pass.	886,570	869,461	598,218	607,180	
Total Ridership	<u>1,464,260</u>	<u>1,397,511</u>	<u>1,019,093</u>	<u>1,003,807</u>	-1.5%

	<u>FY 2018 Actual</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Budget</u>	<u>FY21 Inc/Dec</u>
<u>REIMBURSEMENTS</u>					
ACCESS Prgm Reimbursement	\$11,602,000	\$10,652,000	\$ 8,607,000	\$10,394,000	20.8%

	<u>FY 2018 Actual</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Budget</u>	<u>FY21 Inc/Dec</u>
<u>EXPENSES</u>					
ACCESS Prgm Expense	\$27,071,000	\$26,158,000	\$24,346,000	\$29,223,000	20.0%



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.



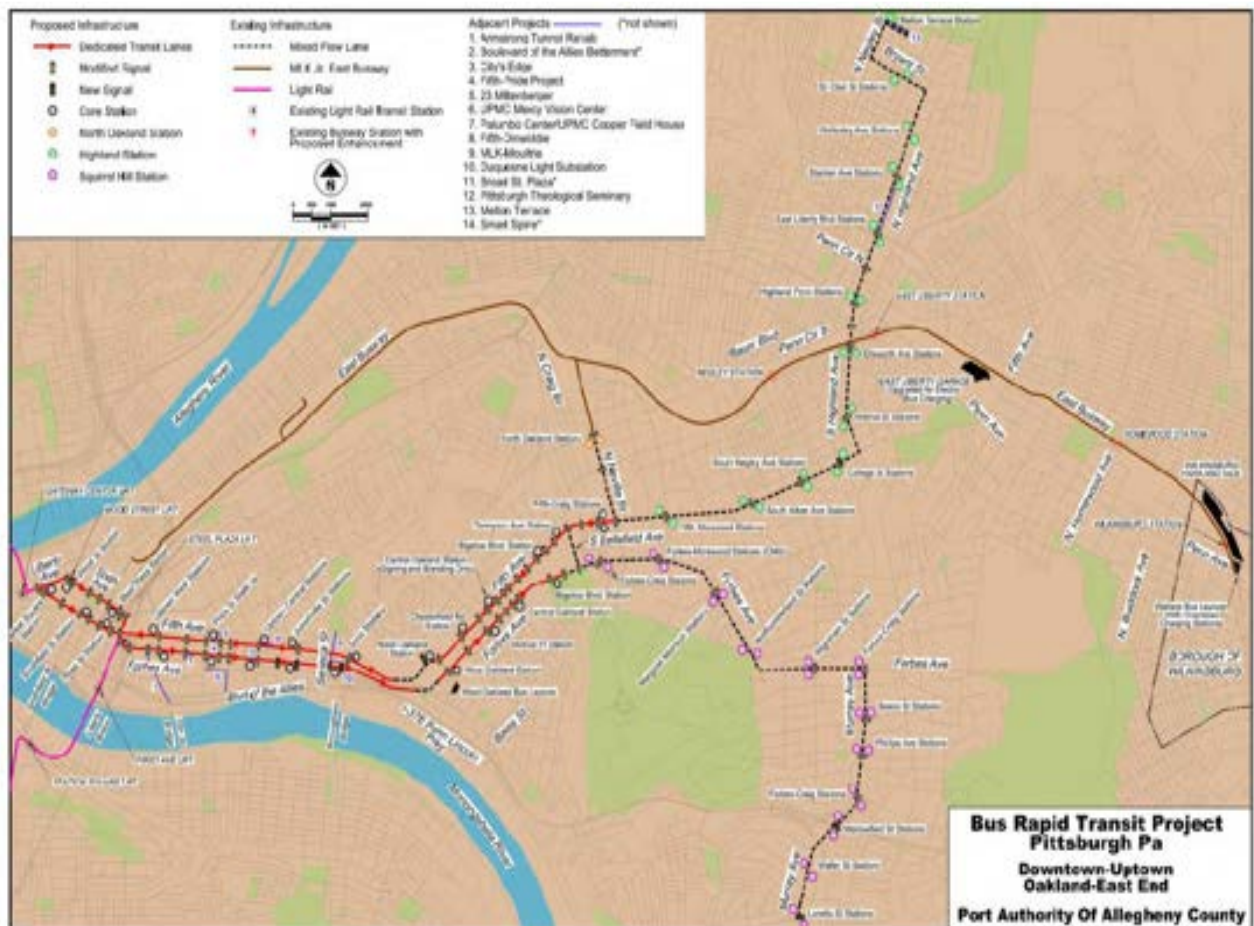
Bus Rapid Transit (BRT)

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.

