



Citizens Advisory Committee Minutes

October 14, 2020

Location: via: Zoom

Attendance:

New Jersey: Reggie Haynes, Ben Saracco, Steve Benigno, Martin King, Alan Becker, Judy Boldurian, Dan Norfleet, Straso Jovanovski, Pamela Mack-Brooks, Bruce Schwartz,

Pennsylvania: Daniel McArdle, Robert Melikian, Larry Davis, Tyrone Wesley

Emeritus Member(s): Jeff Kessler,

Potential Member(s): Joseph Russell

DRPA/PATCO: John Hanson, James White, John Rink, Edward Montgomery, Mike Venuto, Dawn Whiton

Public Member(s):

Call to Order

A motion was made to approve the September 9, 2020 Minutes. Motion was approved and seconded. The Minutes were approved. Bruce Schwartz abstained as he was not present during last month's meeting.

CFO Jim White

James White gave an update to bring the committee up to speed. From a traffic perspective we are still holding between 79 and 82% which is a good number for us. Our audited info through July we have had our toll revenues down 41.7M at 80% compared to 2019 are roughly down around 5M which has improved significantly, the bleeding has certainly slowed down, but obviously not where we would like to be in terms of toll revenues. One of the great things is that while that there has been a drop off in revenue, our commercial vehicles in the month of September were higher in 2020 than 2019 and it's really the first that this has happened since Feb of this year. A real positive, while we are losing the regular revenue of vehicle tolls of \$5.00, the revenue its actually going up because of the increase in commercial activity. Last two months we are holding at 80% and pretty pleased where we are. We did not actually see a bump after Labor Day. '

On PATCO Ridership side, positive trends. September numbers, looks like we are we are down around 24% on Tuesday.

John Rink stated that last week we are up 26% of the norm. Friday ridership was the highest, hit over 27%, so last week was 3.4% higher than the week prior, so each week we have seen that small percentage increase week to week.

Jim White as John mentioned 2 months ago, we were under 20% and its gradually moved from the last 4 to 6 weeks, moved to above 25% which is another positive sign. Remind everyone that even though we are experiencing a loss in terms of the PATCO subsidy couldn't be 3.5M to 4M as a revenue shortfall in regular operations we do have the Cares Act subsidy of 41M and we have drawn in around 16M which helps us from a cash flow perspective.

Capital spending is a very high level over the last couple of months of 28M which is probably the highest I have ever seen. Major projects are going on and we took advantage that traffic was down for a number of months, so our spending is significant in general and project fund. An increase of 100M and offset from money we have received from the Cares Act wo we are down around from December 31 approximately at 93M. Typically, in a year we are contributing around 70M to the general fund and our toll revenues based on our bond indenture flow into general fund after payment of debt service both on our the revenue bonds and PDP Bonds about obviously since we are down around 70M, the general fund contribution is gone to be close to netting about zero. But we are still in a very positive place in terms of numbers we have 460M in terms of general fund and project fund and at this point we are doing good.

We are in the process of pulling together both our capital and operating budgets. We will probably be around 196M next year based on our capital budget hearings and our operating budget hearing will take place next week. Proceeding as is and hope we do not get hit with a really bad fall season relating to COVID and looking at 2021 as a conservative budget that we can put together.

Robert Melikian asked cumulatively, cash cow/cash toll on bridge toll, how bad is it from February through to this month? Mr. White responded that we only have numbers through July and we are approximately down 41.7 M In Janu and Feb. our tolls were above plan of 2019 figures, so as of March 13th, things dropped down, so cumulatively, we will be down around 70M by the end of the year.

John Hanson stated that to put in perspective if we are down 70M that brings us to just about breaking even based on budget except for Cares Act money we will probably come about a little ahead with a little amount in the general fund deposit. The issue of us is that because of the work that we have done at the Authority, every single man and woman who has worked has contributed to this, we have had a significant amount of money put away. The danger for us is not being able to pay the bills, its whether or not we are able to meet debt service covenants requirements which is current revenues vs. current expenses and the ration of what is left to our debt service. If we stay on this trend, we expect to make that this year and trying not to use all the cares act money so we have some next year. We should be ok with both 2020 and 2021 barring any changes from where we are right now. We have hiring freezes going on and not spending money we don't have to spend, to make sure we make our bond indentures. In the longer term if this continues, we would have a problem.

Robert Melikian asked was there any level of savings with PATCO's reduce level of service? Was the amount of subsidy the same? James White responded that the subsidy without Cares act will be 43M this year. General it would be 30M. The loss of revenues, approximately 10M explains the difference the 30M based on budget to now projecting 43M. I don't have a real good sense of the reduction service per se but the subsidy has been pretty flat. John Hanson stated that the reduction of schedule hasn't made a huge impact on the budget its reduced some electricity costs both with running trains and a little bit of

stations while closed. We are significantly under budget not so much related to service reductions as us being tight on spending, and people not being in the office, not consuming a lot of the consumables and things like that. Mr. White mentioned that to John's point we are almost 10M under budget through July and increasing positively, part of that is the hiring freeze and not filling positions. It's been our plan so that our cash flow is doing ok. We are where we want to be in terms of expenditures. And that number will continue to grow throughout the year.

Robert Melikian then asked so as to the money question, you are both comfortable in where we are right now regardless of how bad it is. Not feeling squirming right now. John Hanson stated that we are not but a resurgence of COVID 19 could completely flip the script. On of the things I have been talking about internally, there are even people out there in leadership positions right now that are telling you that its ok to go out there and live your life and that you do not need to wear a mask. Don't worry about it or take over your life. Bottom line we need people to be cautious, not necessary cowering in fear, but people should be wearing masks. Fewer trips to the grocery store will help to stop the spread of this disease. The big part is the droplets that are captures with the masks. Missouri hairdressers came in contact with 500 who were both positive and symptomatic and no one got the disease. We then shouldn't see a resurgence. People need to use common sense, inconvenience, but nowhere near the level if people don't take these steps. The thing that makes us nervous people become more relaxed.

Steve Benigno any significant increase such as PPE, labor, etc. related to COVID? Mr. White responded that we have seen some increases, but the numbers are not significant. There were some purchase orders for plexi glass, etc. By significant I mean over half million dollars. The only significant increase is when we went cashless in the toll lanes, there had to be some special programming when we went to cashless tolling and that is about \$300k.

Daniel McCardle asked Mr. White about his mentioning that the number of capital costs was fairly large, to clarify, a lot of capital costs, already were capital expenditures, just pushed up on the timeline. Jim White affirmed. Mr. Hanson stated that it was money that would have been spent anyway, but we don't have people in parking lots, and don't have as many people on the bridges, so it's easier to take out lanes and on the PATCO Line it's easier to do the work when running less trains and cars in parking lots. Jim White stated so that some of the costs would arrive at 2021 is not hitting in 2020.

Al Becker mentioned he recalled that when Mike Venuto put out the 5-year plan, wasn't this year the most expensive anyway. Mr. White, basically 2021 is 200M based on last years plan. My recollection 2021 and 2022 are going to be higher. Mr. Rink stated that he had the capital plan in front of him and 2020 was 200M and 2021 201 and 2022 is 161M. Mr. Beck then stated that we were right on track and doing good. Mr. White affirmed. Even though we budget we come to 80 to 90% I expected that we will consume 50% of the 200M next year.

Mr. Becker asked if there was a time limit on the Cares Act money? Mr. White responded that we had up to three years.

Larry Davis with all big projects going on, bridges, elevators or solar project is there any outbreak on the construction crews. Mr. Hanson stated that not that they were aware of. We are only notified if there was contact with our workers and to the best of our knowledge there hasn't been a lot of that. Mr. Montgomery from our engineering department is with us and he may be answer. Mr. Rink responded that at PATCO there has not been outbreak during PATCO Projects. Mr. Montgomery stated that we have had a few isolated cases, but a lot of our projects are outdoors, and people are spread apart. We put in place a lot of protocols in the workplace.

Bob Melikian asked what was going on with the bridge closure the other night on the WWB. Mr. Montgomery responded we are in the process in replacing the gantries, so we shut down the whole bridge to remove and then another outage to put back the new one in its place. Mr. Melikian asked when the next one is planned? Ok so I am going ahead with my updates, so I read the minutes from last month and will keep with the forum.

Items 1-4 - PATCO Station elevator installations project continue to move ahead. No significant change since last meeting.

5 - PATCO Station Enhancement project continues at Ferry Station.

6 - Corridor Project at the WWB - we are performing the final milling and paving the eastbound interior lanes. So right now, we have interior lanes on 76 eastbound closed and will be shifting traffic Thursday night (October 15th). Traffic was shifted to the left and center lanes in the westbound direction last week. Work on the westbound lanes of I-76 continues with repair work on the overpasses at Broad, Tenth, Seventh, and Randolph streets. For the next three weeks, the ramps from I-76 to Seventh Street and Packer Avenue/Darien Street to I-76 will be closed for construction. Once work is complete on these ramps, the ramp from I-76 west to Broad Street will be closed. A new Gantry A was installed Tuesday night (October 13th) during a 4-hour bridge closure. Gantry C is scheduled to be installed Monday, October 19 during another 4-hour closure weather dependent. Also, there will be more slowdowns when we start taking down the old sign structures along the corridor and on the bridge.

7 - Following the last CAC meeting, CEO Hanson, Chief Engineer Venuto, and Bridge Director McAroy visited the pier at the BFB. Bridge Operations has performed maintenance and clean-up of the area. Engineering engaged a consulting engineer to evaluate base of the pier and provide a design for repairs. We have received the preliminary design and are seeking pricing from a contractor for repairs.

Lastly, I have a note on the pier, John would you like to update on this? Mr. Hanson stated that yes at the last meeting Mr. Saracco brought up the condition of the pier down by the BFB. Mike Venuto and I went down a couple of days later and Ed if you could update that would be great. Bridge Operations have performed maintenance and clean up of the area. Engineering has engaged in a consultant to provide a design for the repairs. So currently we are working on preliminary design and seeking a contractor to get prices for the repairs. Mr. Hanson and Mike Venuto walked down at the recommendation of Mr. Saracco and they realized that yes, indeed, something needed to be done. We appreciate it. Thank you for that.

Mr. Montgomery mentioned that there was one other question, according to the City of Philadelphia, the Oregon Avenue property is owned by PRPA. Philadelphia Regional Port Authority. Mr. Melikian thanked Mr. Montgomery for that information.

CEO John Hanson

Mr. Hanson thanked Ms. Whiton for helping out at the meeting and making a cameo appearance. He asked that Ms. Brown's Return to Work Plan be forwarded to the members of the CAC. That works has been done by our COVID-19 Task Force, which is being led by our Chief Administrative Officer, Tony Brown. This plan was reviewed by two independent consultants, a sole proprietor, local university professor consultant and also KPMG to critique look to give us their blessing on our plan.

Mr. Melikian mentioned that there was a story in the paper the other day about Carl Dranoff. I raise the question with Daniel and didn't recall didn't the Authority loan or guaranty a loan for that property and what is the disposition of that situation. Ms. Hanson stated that there were two things relative to Mr.

Dranoff. Bottom line is we gave him a direct loan, don't remember exactly the amount of the loan, but I am sure Mr. White could advise. Every year Mr. Dranoff would write off everything he bought in confirmation to no accounting principles. If he bought furniture, he would not depreciate any of it. He wrote it all off against his income and claimed an inability to pay every year and then he paid it off in one lump sum at the very end keeping all the money inhouse earning interest on it. In addition, Mr. Dranoff was able to get DRPA before I was here even as a commissioner to indemnify general electric to take responsibility on all remediation. We are still dealing with that and it is becoming less and less. He was also tried to get DRPA to consider indemnifying on that one also and we refused to do. Our experience with him was less than pleasant but he did pay off the loan and, in my opinion, used questionable accounting procedures. He did pay it off and we are still monitoring the environmental contamination and still taking remediation action and Pennoni Engineering is our consultant.

Bruce Schwartz, what Dranoff did does that look like it could be a federal or state income tax fraud? Mr. Hanson stated that No I would be highly unlikely it wasn't his takes we got. What we got I believe was a specially prepared document for DRPA where he wrote everything off, it wasn't worth taking it off. Was it personal expenses? NO, in a business setting under generally accepted accounting principles, for any income type statement or even for tax purposes, when you invest in capital items, you depreciate them over a period of time. Nothing worth reporting to the IRS. No it was only for us so that he would not have to pay. He should have been paying all along in my opinion.

GM of PATCO, John Rink

Add to Ed's comments, Westmont Station elevator is scheduled to be opened by the end of the year. So that would be the next station and we are on target for that. The station enhancements, pretty much working on Ferry and if you notice in front of the station where we are reconstructing the handicapped parking which is being moved. One of the drive lanes which was never used by buses or taxis we have eliminated and we are moving the handicap parking across the way so that the do not have to cross the active lane and we are actually increasing the sidewalk and the space in front of the station.

Soon we will be starting demo work inside the station at Woodcrest.

Update on Solar Project at Lindenwold we are just started Phase 5A which is the last of the of the free lots. They started the work there, once they started to open the lot next to Walgreens for those that use the old Walgreens, and once they move to the lot adjacent they will finish the free lots and move in to the paid lots and then move to the canopy over the handicapped parking. Then basically every lot at Lindenwold will be covered by canopies.

Larry Davis asked if he could ask a question, about the paid lot in Lindenwold, so that will be covered? John Rink affirmed that it will be at the last phase.

John Rink commented that at Ashland we hope to open up any day a portion of the south lot. They are doing their final cleanup there is six rows of canopies and they hope to have that reopened soon.

And at Ferry Avenue they have the Westmont far lot under construction to put up all the canopies there and hopefully they will be switching out the big free lot. That should be finishing up and then they will move on. Mr. Hanson interrupted to just manage expectations it's not like a some or solid roof. There is one canopy after another, there will be real breaks in between, it's not solid and there will be snow that gets in there. Mr. Rink then shared his screen to show the picture of the south side of Ashland lot.

Lastly, we started our leaf season schedule this week. We implemented a new technology which was prevalent in Europe. We installed these gel applicators; we have two by Ashland and two by Westmont

and its just like a greaser to eliminate the squeals as you go around the curves. This gel is placed on top of the rail and also supposed to increase the cohesion of the wheels. This is our pilot season to reduce wheel flats that we tried this year.

Ben Saracco asked that one of the billboards that is up for renewal on the Camden side north of the Bridge. The company's that owns the billboard, which was nice of them, that they actually came around to the community groups to take questions and let people know about it and one neighbor asked a question about it being an LED Board in trying to avoid the fight that happened a year or two ago. The company had expressed that they had no intention of doing an LED billboard. I am curious to see if there is language in the contract on this. Mr. Hanson mentioned that first of all, that was something that we required them to do, to go to the community groups to get a letter from them and the Board Approval is only for a non-digital billboard and in order for that to change they would have to come back and ask us for a change in the contract. It is not in the contract right now simply because the agreement hasn't been completed yet, but it will not give them the right to a digital billboard.

Mr. Schwartz asked if there were any LED billboards on DRPA property at this point. Mr. Hanson did not have the answer to that at this time. Mr. Schwartz mentioned that he had two problems with the LED billboards. One is having them become effectively movie screens which they are all capable of being and I think it would be a real distraction to have video playing beside our highways and they also can get very distracting if the change rate is very rapid. So I think you need to put into any contract a requirement that they not change the display more frequently, not sure what the standard would be, but to a minute, two minutes so that you do not have this contact distraction to driver's attention going over the bridge. And second, some are so bright they actually, cause your night vision impaired and I would like to know if there is any authority or scientific standard settings at the authority that has put out recommendations for these things. Like anything new things start to get out of control without any regulations on it and the next thing you know we have the social media dilemma. Mr. Hanson will pass this along Mr. Schwartz's concerns to our legal department. I don't think we have any contracts now that are up for renewal right now, but I will pass that along.

Mr. Schwartz also mentioned one more thought regarding the Billboards. He expressed his dislike for billboards but understood the need to generate revenue and doesn't want to see them get completely out of hand. The LED technology is certainly rather nice, and certainly there must be a much more sufficient way of changing the display on the billboard. I don't think we should be discouraging the LED Billboard, but I do find them to be somewhat distracting.

Alan Becker questioned John Rink on the solar panels that say it snowed. Snow on roof starts to melt and then refreezes, could be have an icicle problem. Is that a concern? John Rink responded that if icicles form they would send the staff that handle the snow and ice patrol to take care of it. Mr. Melikian mentioned that the panels are black, and the snow would melt pretty fast and should be a problem. Mr. Hanson mentioned that for the safety of the ridership and our customers our people would be out there dealing with that. From a safety and maintenance of the equipment that is the responsibility of Sun Power. We don't own those canopies, the panels are owned by them and our finance purchase power agreement we will buy all the power without owning the equipment so in terms of the integrity of the equipment, not our problem, not our responsibility. We only have to worry about the safety of the people, so there are giant ice cubes that look like they are ready to come down and impale somebody, we will take care of that.

Mr. Hayes put in a question to Mr. Rink about as to whether a second lot at Ashland was going to be covered? Mr. Rink stated that the west far lot across Evesham Avenue, no there are no plans for that.

Mr. Schwartz mentioned that Straso sent out an email on Monday morning which raised an interesting point about the signage for social distancing for PATCO. He made the point that obviously not just sick people that are to be avoided but COVID -19 can be spread by healthy people who don't know they have it. I did a quick look online and most of them are lame or lame on the message. Would like to ask John Rink and John Hanson, do we have access to a graphic artist, so that I can work with, I have an idea that could be very effective. Mr. Hanson replied that we really don't at this time, but if you send us what you think the problem is, I did not receive this email. If you can send us what you think the problem is, I can address it. In meantime do you have sample of the signage on the trains. Mr. Hanson stated he could certainly obtain and send to him. John Rink stated that the one message on the train states, "respect distances" and we have ones that are on the doors and our LCD's screens. Mr. Hanson stated that he was a little confused, we don't really have anything that mentions symptomatic people to keep their distance. I am pretty sure that we direct everyone to maintain distances and direct everybody to maintain masks.

Judy Boldurian mentioned that the only time she saw signage about staying away from sick people, was actually on TV. Public Service Notice, you can have many things that are asymptomatic, you can be asymptomatic with the flu. You should maintain distances, wash your hands which is the biggest fighter. We are so overwhelmed with signage I don't even see it. Reggie Haynes mentioned the only concern he has is with SEPTA and the bus which is filled to capacity. I do not have an issue with PATCO. Mr. Hanson stated he appreciated the comments from Judy and Reggie. I am sure that the SEPTA is experiencing, and we will too, we only have so much capacity and if the people come back, we are limited to what we can do. There is very little we can add to the schedule right now. Mr. Haynes mentioned that what is interesting to know is that that early in the morning, it's mostly hospital workers. It's the way that it is right now. John Rink mentioned that he pulled up the signs and it is alternating respect distances. Mr. McArdle mentioned that John Hanson and John Rink were not on the email from Dr. Jovanovski, and I will certainly forward it to them, so everyone is on the right page.

PATCO Watchers

Larry Davis asked about the LED lighting elements like this and a picnic spring garden station that goes under 95. Very decorative. I replied that there would have to be a partnership, etc. Anyone know what I am referring to? John Hanson stated it was an interesting idea, and one worth considering but probably not something we would be considering right now, given the cash and where we are trying to be careful with our money, but it is something we could consider in the future. Mr. Schwartz made mention that if you do consider this, take a look at the viaduct for I95 in Philadelphia, put

What's going on with the parking lot in Ferry was that the solar project? John Rink affirmed and also mentioned the enhancement project.

What's going on with Franklin Square? The design is just about complete, and we are still working with community groups and confirmed with Ed Montgomery affirmed we are meeting with a lot of bits and pieces of the City of Philadelphia to make sure everyone is lined up for the opening. John Rink mentioned we did go through with the grant we received. We had to go through certain steps with archaeological findings through the state and we just got approval from the state for one of those pieces. We must get all these steps done and we just got approval on one of those portions.

Steve Benigno asked if there was anything left on remediation that has to be done. John Rink stated only thing we have to do is the transformers from 1950's.

Old Business

Daniel McArdle made mention that this is the third meeting attended by Mr. Russell. He asked if Mr. Russell had any questions or concerns? Mr. Russell asked when the leaf schedule will be out there. And I believe Mr. Rink mentioned a different company to generate it? John Rink confirmed that there are other options we are exploring. Mike said that all the information was sent to the current vendor. Hopefully should have been up. Mr. Russell mentioned that he took a look at it and it still says the 9.14.20 date on it.

Mr. Haynes asked Mr. Rink the status of the cellular service on the subways. None. Board approved the contract with AT&T but none of the vendors have been out doing any work lately. Mr. Rink believes that COVID put a hold on their expansion projects.

Meeting adjourned.

Next CAC Meeting: Will be held via Zoom on November 11, 2020 @ 6:00 p.m.

Next DRPA Board Meeting: Will be held virtually on November 18, 2020