



Citizens Advisory Committee Minutes

March 10, 2021

Location: via: Zoom

Attendance:

New Jersey: Reggie Haynes, Marty King, Alan Becker, Bruce Schwartz, Judy Boldurian, Pamela Mack-Brooks, Mike Devlin, Straso Jovanovski

Pennsylvania: Bob Melikian, Larry Davis, Dan Norfleet, Tyrone Wesley

Emeritus Member(s): John Boyle, Jeff Kessler

Potential Member(s): Joseph Russell

DRPA/PATCO: John Hanson, CEO; Jim White, CFO; John Rink, GM; Mike Venuto, CE; Barbara Wagner, Executive Assistant

Public Member(s):

Call to Order

A motion was made to approve the February 10, 2021 Minutes. The Minutes were approved.

CEO, John Hanson

CEO Hanson informed the committee that he requested expedited consideration of Joe Russell's Application for membership to the Citizens Advisory Committee. Mr. Russell's Application and Interview was approved by the Audit Committee, which will now go before the Board on Wednesday, March 17, 2021, following a 2-week veto period. At that time, Mr. Russell's membership should be approved.

*Joe Russell's membership was approved by the Board on March 17, 2021 following a 2-week veto period.

CEO Hanson commented on the City of Philadelphia's "A Vision for 2045," an extension of PATCO into University City. He stated that it looks like an interesting project, but not something the DRPA can fund. By a review of all the documents, CEO Hanson stated that Federal and State funding would need to be procured. The DRPA would be happy to be involved in the project in the capacity of construction managers, executive time, and engineering time, but cannot be a funding source. CEO Hanson also stated that there is already a two-seat

ride to University City by taking PATCO to the El at 34th Street in Philadelphia to University City.

Larry Davis asked CEO Hanson if the same was true about extending PATCO to 25th Street in Philadelphia to the Navy Yard. CEO Hanson stated that it would be the same, however for the DRPA to get involved in the funding, we would have to get a special assessment for an additional toll increase (as the bridge tolls pay the bills) for the amount to operate the subsidy and the cost of construction to do it. A lot of people would have to get onboard for that to happen. It is something we would have the ability and expertise to do, but there is a lot that would have to be accomplished for the funding.

GM Rink reported that a while ago he was a part of a plan review where SEPTA performed a study on extending the Broad Street line into the Navy Yard at various points, along with light rail and bus rapid transit, so it is something that SEPTA would eventually do.

CEO Hanson addressed the committee on the Glassboro Camden Line light rail project. He reported that the DRPA is going to serve as the Project Manager. \$200 million in funding has been identified from the South Jersey Transportation Authority to fund preliminary engineering, land acquisitions, and the establishment of a Project Manager's office. CEO Hanson reported that we are looking forward to South Jersey Transportation Authority getting their bonding and start the flow of that funding. CEO Hanson and Chief Engineer, Mike Venuto, met with the Mayor, Council, and residents of Pitman on Monday night, which turned out better than thought. The Mayor of Pitman and Council understood the project; however, most of the residents were opposed. The residents were concerned about the amount of property that was being taken to construct the line. It affects six parcels, five of which are slivers that only affect landscaping and not the overall use of the property. The sixth property involved is an overflow parking lot from a car repair shop.

The residents said they also believed that the use of mass transit is declining in the United States. CEO Hanson reported that the use of PATCO in the South Jersey area is high, as PATCO had its highest year of ridership in 2019, pre-COVID19, compared to the 1990's. CEO Hanson stated that he would like to bring those people together with the people who opposed the Owl Service when they complained that the trains need to run all day and stop at every station. CEO Hanson stated that the overall belief is that when climate change progresses, as energy prices fluctuate, and as policy changes affects user fees related to automobile use, people are going to need the use of mass transit. We believe it is a particularly important project and are strongly committed to it.

CE Venuto reported that extending mass rail into South Jersey is not a new concept. He recalls reading a report dated back in the 1970s. We started this initiative back in 2003 with a feasibility study, then to an alternative analysis which selected the current alignment and from there we went into an environmental impact statement. Throughout the course, we held a significant amount of public outreach events and public hearings which brought us to where we are today. Together with the program management office and preliminary engineering, the project will be done in accordance with our standard competitive selection statement qualifications request for the proposal selection process.

Q. Is the Glassboro Camden Line going to be diesel and is there any possibility it could be electrified?

Larry Davis

A. CEO Hanson reported that right now it will be diesel-electric because the state of technology, the cost of the project and the money that is available is the alternative that works to get the project off the ground. Presently, we are in the process of preliminary engineering and design. Because we are using the Conrail right-of-way, an electrified third rail is not going to be possible in that corridor nor is an overhead catenary type structure. For the train to be electrified, the cars will have to work off battery. Right now, the functionality and expense is not there. New Jersey's elected leaders are unified in funding this project so we cannot afford to squander this opportunity to restore passenger rail service to South Jersey. The diesel technology that will be used will be environmentally friendly. However, it is our fervent hope that by the time we are in position to select the car technology, both in function and funding, we will be able to select battery operated cars.

Q. What is the timeline to make the selection of rolling stock?

Bruce Schwartz

A. CE Venuto reported that the selection process will occur during the Preliminary Engineering Design and Project Management phase and we are, at least, two or more years before we identify the type of technology best suited for the project.

Q. Is the plan for the DRPA to operate the system? Or is the DRPA just the Project Manager for construction and will pass it off to New Jersey Transit to operate?

Jeff Kessler

A. CEO Hanson reported that anything is possible. The project may be bid as a design, build, finance, operate and maintain contract. DRPA will continue to support the project in an oversight capacity.

Q. Is there any chance that the DRPA will also have an oversight role over the River Line?

Jeff Kessler

A. John Hanson reported that the DRPA could not take on that subsidy but might consider operational responsibility in an oversight role with outside funding.

Q. Do you think New Jersey Transit is able to operate and maintain the GCL even with outside funding considering their financial situation?

Alan Becker

A. CEO Hanson reported while New Jersey Transit has a number of issues and challenges it is working to overcome, there are several different ways the operation of the GCL might be structured depending on what policymakers decide.

CEO Hanson addressed the update on the motor vehicle repair claims due to potholes/damage on the bridges and the number of repeat offenders. CEO Hanson reported that he was not able to

get the numbers for tonight's meeting; however, he believes it is low. He reported that the DRPA will consider reimbursing claims for damages sustained from potholes on the bridges but only in cases where DRPA was unable to make necessary roadway repairs in a timely manner. Mike Devlin stated that he was told that the Port Authority was looking for tires for someone's sports car that was allegedly damaged on the bridge. John Hanson reported that he was not aware of that and it is not something we do as we typically provide financial reimbursement

Q. What were the damages caused to the Walt Whitman Bridge by the truck fire?
Bob Melikian

A. CE Venuto reported that the truck was headed in the eastbound direction where the ramp splits between RT 42 and the Black Horse Pike. There was some charring to the parapet on initial inspection. It was just superficial damage and nothing that we had to go out to look at.

CE Venuto further reported that there was also a truck that tipped over close to the Ben Franklin Bridge on the curve going towards I-95 that caused minor damage to the concrete roadway that was temporarily patched in-house.

CFO, Jim White

CFO White reported that during the months of December 2020 and January/February 2021 there was a drop-off in traffic. In January, traffic was down by 24% against 2020 activity. In February, there were a few minor snowstorms, which did impact PATCO ridership and bridge tolls bringing revenue down to 32.24%. Because we forecasted our budget conservatively for January, figuring traffic to be at 72.5%, traffic revenue was higher at 76% and over budget by \$2.3 million. Comparing 2020 to 2019, we lost \$64 million in toll revenue and 12.8% in traffic. Numbers are starting to improve this year. In March, traffic is closer to 80% vs. 2019 and if we continue to maintain traffic at that rate, we will be down \$55 million in comparison to 2019. Hopefully, with people getting vaccinated, resolving their childcare issues, and working remotely, we will see a better third and fourth quarter.

PATCO lost \$17 million in passenger revenue in 2020 and is a little ahead of plan, but that is a reduced plan vs. 2020. (PATCO ridership is 1.4% behind plan thru February 2021.)

CFO White further reported that the DRPA's five-year Capital Plan is close to \$800 million. Last year, we had an aggressive year with expenditures of at least \$177 million. As a result, we had large decreases in our project fund and general fund. CFO White stated that the DRPA is still in particularly good shape financially and able to fund the projected 2021 budget at \$200 million and would like actual expenses to stay close to that number, or lower. He stated that he would like the toll revenues/general fund contribution to be higher than what was budgeted, which is at \$1.3 million. In 2020, we expected around \$74 million to be our general fund contribution, which makes a big difference in funding the five-year capital plan. We are contemplating a bond refunding sometime in the second quarter to achieve some savings on our 2013 revenue bond to help the budget and long-term savings from reduced interest rates.

CEO Hanson added that the DRPA has been fortunate in receiving over \$41 million last year from the CARES Act to offset the PATCO deficit because of lower ridership. Because we did

not use it all we were able to carry over approximately \$8 million into this year. We also received \$15.7 million in the beginning of the year and expect to receive another \$15.7 million from the legislation that passed today. However, we did not receive anything for the loss of bridge tolls. CEO Hanson reported that the DRPA is doing slightly better than breaking even. We are meeting our bond covenants, but it puts us in the position of pay as you go out of surplus. If things do not turn around, we will have to contemplate a revenue enhancement which primarily will be a toll increase. Right now, we are in good shape between the money received from the government, and if traffic holds steady, we can navigate through 2021 and remain optimistic about 2022.

Q&A Session:

Q. Has there been any savings due to the freeze on hiring?
Bob Melikian

A. CEO Hanson reported that we are significantly under budget compared to normal. However, even though a hiring freeze went into effect, we continue to hire individuals who are needed for operations i.e., police officers, train operations, and train dispatchers. We also evaluate and consider the maintenance department a high priority and recently approved the hiring of an equipment electrician to work on the air conditioning system at PATCO, because we are losing an employee during the June time frame. Most of the administrative positions are not being filled unless in some way the position is critical. We typically do run under budget in hiring, but last year we are even further under budget.

CFO White added that typically there are employees who retire in January and that helps decrease the payroll budget. By not hiring in 2020, we saved \$5-6 million in salaries and employee service expenses i.e., FICA, pension, and medical.

CFO further added that when you look at 2020 as a whole, we are \$16 million below budget. Typically, we are 2-3% below budget, but currently we are at 9% below budget because we took an aggressive approach in not hiring unless necessary for operational reasons.

Q. Regarding the 2021 budget, were the 2020's expected expenditures vs. reality considered, do you adjust, or wait until the end of the year.
Bob Melikian

A. CFO White reported that 2021 was a challenging budget year as we have a 2% cap on our budget yearly. We have budget hearings for operations and capital during the October time frame. Submissions from various departments are reviewed and I question the department heads on each expenditure. The 2020 numbers were hard to project against the 2020 projections because they are so far off related to the Pandemic. We also shifted certain payments in 2020 to 2021 because we were essentially delaying certain initiatives or certain projects. 2020 was a difficult year because expenditure levels would have been higher in a normal year.

CEO Hanson further added that we are a service organization which means most of our operating expenses are people and benefits. So, what we did with the budget is assume that we will get back to our normal staffing. We are on track with budgets, a little above revenue, significantly

under expenses, and the budgets proposed allow us to meet our bond covenants which means we will not be forced to implement a toll increase.

Q. Does the DRPA receive revenue from the billboards along the Walt Whitman Bridge?
Bruce Schwartz

A. CEO Hanson reported that we do receive revenue from some of the billboards, but we do not own them all. The DRPA owns the land, but not all the billboards. Bruce Schwartz stated that the DRPA should receive revenue from the billboards and if not, should install spike fences to block the view of the billboards.

CFO White stated that he will look into the amount of revenue received from billboards and believes it is approximately a few hundred thousand dollars per year. *(Update: Actuals are about \$300K annually.)

CEO Hanson further stated that although billboards are lucrative in an absolute sense, but in context with our budget they are not a huge item. The cost of erecting a spiked fence would be expensive and time consuming. Additionally, it would probably wind up in litigation for interfering with their commerce. CEO Hanson further stated that the bridges are old, and we must be careful how much weight we hang from them. CEO Hanson stated that he does not see it as a viable alternative but will ask legal to look into it.

CE Venuto stated that besides the concern of the additional weight on the suspension bridge, it would also induce a large wind load onto the structure. If it is a fence that cannot be seen through, it would cause a wind load that the bridge is not meant to withstand in addition to the ice in the winter that adds additional stress and strain on the bridge. The cost and methods to build a fence around the billboards would be extremely expensive and difficult.

GM, John Rink:

GM Rink reported that currently we are at 23% of pre-COVID. We are seeing our highest amount of ridership since the second week of November 2020, when ridership started to drop off. Each week we are seeing ridership slowing increase. Yesterday, March 9th, we had an increase in ridership at 24%. We are at a quarter of where we would like to be but seeing a slow gradual increase.

GM Rink responded to the update on the parking lot by the Perkins Center in Collingswood. He reported that back in February he received calls from residents who live close to the lot complaining about the snow and ice building up and being unsafe to walk. To get into the lot, we had to ask for the cars to be removed because the lot was filled with cars not belonging to PATCO customers. With the Pandemic, the lot should have only been at 25% capacity. The lot was eventually blocked off and the cars were moved so we could remove the ice and snow. The lot is being kept closed because there is no need for the lot at this time for PATCO passengers. There are a lot of parking spaces in front of our Station that are available and by the Collingswood Station.

GM Rink responded to the GTFS data update. He reported that we did find out that there were some problems on our end with the data that the GTFS was receiving. He believes the problem was solved today and hopefully all the data is correct. He and Mike Williams are trying to meet with SEPTA to inquire about how they oversee their GTFS data so we can improve our system.

GM Rink responded to updates on supplying free surgical masks for distribution at PATCO Stations. He reported that PATCO has been supplying free masks since Christmas Eve. GM used. On February 25th, we did a mask force event with SEPTA at 8th & Market where we were providing masks, hand sanitizer, and key fobs to passengers coming in and out of the station.

GM Rink reported that last week PATCO celebrated the 10th Anniversary of shipping Car 1 to Hornell. On the 10th Anniversary, we also hit the 10-million-mile mark with all the Alstom cars since they have been in operation.

GM Rink further reported that we received approval from New Jersey Transit to finally start the planning and begin the installation of solar panels at the Woodcrest Station. CE Venuto reported that the Solar Project is moving along very well. We are finishing up at One Port Center, the Betsy Ross Bridge, the Commodore Barry Bridge and Ashland Station. We are at the last few phases at Ferry Avenue and Lindenwold and getting started at Woodcrest.

Q&A Session:

Q. Question re: Open fare collection system.
Joe Russell

A. GM Rink reported that in previous meetings we discussed multi-step projects related to toll collections and looking at an open fare collection system that will be 3-4 years down the road. We have to update our system to Windows 10 and move our back-office operation to the Cloud. These improvements must be done before anything is upgraded in the future.

Q. Was there any noticeable ridership increase for the Flyers Game?
Jeff Kessler

A. GM Rink reported that we usually do not see a ridership increase for games. We sometimes see an increase for Eagles games, but not for Phillies games. Since people are getting vaccinated, we are starting to see a slight increase into the City as businesses and museums are opening and restaurants are decreasing restrictions and increasing their capacity. We continue to perform car checks but do not see cars with over 50% of passengers. When we see an increase in passengers, we will add additional cars.

Old Business:

CE Venuto reported that the DRPA will continue to do outreach meetings in other towns regarding the GCL. Meeting with Woodbury, Student Government at Rowan University, and Mantua have already been scheduled. We will also continue our outreach in many other towns.

CE Venuto also informed the committee that there will be one more bridge closure to install the last lane indicator light and sign gantry on the Walt Whitman Bridge. In addition, within the next few months, traffic will be going down to single lanes for nine months on the Walt Whitman Bridge for the Corridor Project.

New Business:

Motions were made for Board nominations. Reggie Haynes was nominated as Chair, Alan Becker was nominated as Vice Chair, and Daniel Norfleet was nominated as Secretary. All nominations were confirmed.

Bob Melikian asked CEO Hanson if there is anyway the DRPA can advertise for CAC members, especially from Philadelphia. CEO Hanson said he will discuss it with Mike Williams. Alan Becker stated that he responded to an advertisement when he saw it on the train. GM Rink reported that he will look into it and make sure it continues to be advertised on the trains and the headhouses.

Reggie Haynes will update active CAC membership list.

Next CAC Meeting: Will be held via Zoom on April 14, 2021 @ 6:00 p.m.

Next DRPA Board Meeting: Will be held virtually on April 21, 2021 at 9:00 a.m.