



Citizens Advisory Committee Minutes

Wednesday, October 11, 2023

Location: via: Zoom

Attendance:

New Jersey: Reggie Haynes, Alan Becker, Pamela Mack-Brooks, Judy Boldurian, Steve Benigno, Strasso Jovanovski

Pennsylvania: Bob Melikian, Tyrone Wesley

Emeritus Member(s): Dan McArdle, Dan Norfleet

Potential Member(s):

DRPA/PATCO: Jim White, CFO; Mike Venuto, CE; Rob Finnegan, CSS; Barbara Wagner, Executive Assistant

Public Member(s):

Call to Order

A motion was made to approve the September 13, 2023 minutes. The minutes were approved.

CFO, Jim Whites

Status update:

CFO White reported that the DRPA and PATCO are in the process of conducting budget hearings for capital and operating spending. Various departments and divisions have been meeting to review their proposed budgets for 2024 and those hearings should be concluded by the end of this week.

CE Venuto added that the budget hearing process started in late July to gather all submissions. We review the proposed projects based on priority at each facility, working with our operational groups, ending up with our final budget. During the first week of November, the capital plan will be taken to the Operations and Maintenance Committee, then it will go to the Finance

Committee for a vote. If the capital budget and the five-year plan passes by the Finance Committee, it will then be presented to the full Board for approval, and the veto period ends in December.

Finance Update:

CFO further reported that the DRPA saw a slight decline in unaudited traffic as it has been averaging between 90-93 percent during the first part of the year; however, during the months of September and October, it was a little under 90 percent.

On the PATCO side, CFO White reported that we are seeing ridership go over 50 percent during the last few weeks. That is a positive sign as we haven't seen those numbers for over a month, but we won't know if this is a trend for the next few weeks or so.

CFO White reported that the Authority is in very good shape related to our general fund that funds our PATCO subsidy and our monthly capital expenditures. Essentially, we continue to be significantly under budget in expenses. We are still in the process of filling open positions and that is causing a positive variance on the budget.

Bob Melikian reiterated his comment from last month's meeting about Comcast's announcement that they were expecting their employees to report to work 4 days per week. Obviously, this impacted PATCO's increase but he's surprised it didn't impact toll revenue, as well. He asked if traffic at the end of the summer season to and from the shore reduced bridge traffic and if the Authority saw any other positive trend.

CFO White reported that traffic remains stable. Typically, traffic is higher during the August-September months and thereafter it starts to decline. He added that we also had a lot of rain during the month of September which may have had an impact, but it doesn't explain the situation in the month of October as it doesn't seem that employees going back to work in Philadelphia are translating to higher numbers.

CE, Mike Venuto

Bridge and Highway Update:

Status update on resurfacing the Ben Franklin Bridge.

CE Venuto reported that when driving over the Ben Franklin Bridge you can see areas where there is a steel orthotropic deck with a layer of asphalt on top where we are having bonding issues with some problematic areas where we've done localized surface repairs or replacement for the last couple of winters. He reported that last year, two different types of test materials were used - epoxy asphalt and polyester polymer concrete. We want to see how these materials perform through the seasons before using the materials across the bridge.

CE Venuto reported that there is one large project in the Capital Budget called the Ben Franklin Bridge Safety Improvements where we have some partial funding from PennDot to resurface the

entire bridge and replace some of the finger joints and expansion joints. We are trying to perform the work as economically as possible as the epoxy materials are very expensive. Currently, we are in the design phase and trying to pick the most economical places to use the different types of materials. We are also looking at how we will close traffic and how it will work with other projects. The schedule is undetermined currently because we are in the design phase and trying to coordinate the suspension span project completion with a few upcoming projects on the Ben. We don't want to be in the middle of large construction in 2026 when we're celebrating the 100-year Anniversary of the bridge.

He also reported that the suspension span project on the bridge continues. We are progressing on the southside and working towards the dehumidification of the cable on the southside. We're doing structural repairs and painting. Three quarters of the suspension span is painted.

Status on bridge projects/future projects.

CE Venuto reported on the Betsy Ross Bridge, the painting project started and is ongoing. The containments are installed, and blasting is being performed on the PA approach spans. In the areas that have already been blasted, we have put some of the prime coats on. He stated that we continue to move along on the project in sections and the project is not scheduled to be completed until the end of 2027.

CE Venuto reported on the Commodore Barry Bridge where the Authority is performing a structural inspection. When the bridge was built, there was a different type of welding technique used and we have been monitoring those welds over the course of our inspections. The FHWA came out with a mandate that an inspection of these types of welds, approximately 800 on the Commodore Barry Bridge, is required. We hired professional engineers and non-destructive testing firms to do the weld testing. We have three different types of locations where we have pre-designed reinforcement repairs. If we find a defect, they will be fabricated and installed while we are in that same localized area.

Bob Melikian asked about solar savings.

CE Venuto reported that it's not as simple as a calculation to just simplify the answer by saying this is what we would have paid this month compared to what we are paying now. We are seeing savings month after month because generation and transmission rates fluctuate so we are trying to nail it down, particularly at the PATCO locations.

PATCO Update:

PATCO Weekend Pass sale availability beyond 15th/16th & Locust machine.

Because GM Rink was not present at the meeting, CE Venuto reported from an e-mail that was sent by GM Rink in response to the following questions:

Due to the method used to display the monthly/weekend pass on the TVM screens, we will need a software configuration update to remove the passes. At the same time, we are fixing bugs created by the recent Windows 10 and the EMV upgrades. Removing the monthly/weekend pass

from the TVM has been batched together with other fixes to cut down on cost and testing times. The software to disable the passes and configure the enable/disable top level menu on TVM (so we do not need a software change again for new fare products) is currently in the QA process in the San Diego lab. This software patch also includes a fix for the issue occurring with the bill handling units holding money. Once the software passes the QA process it is released to the PATCO test lab for further fix and regression testing. **If no issues are found**, we will push the new software to the TVMs by station. I expect this to occur in 2-3 weeks.

Status on increased PATCO ridership? Is it affecting finances positively? SEPTA is reporting an increase in ridership.

Over the last couple of weeks, we have seen the highest weekday ridership since March 2020. Weekly ridership has exceeded 50%, last week was almost 52%

Status on PATCO searching for lower credit card processing fees.

GM Rink reported that there is no status as we are not currently researching this issue. This question was answered in June, and we stated that we are using the lowest costing model. The following is what I discussed (provided by Kathy):

The short answer is PATCO is too small to get any lower transaction fees. We will need to partner with larger agencies to receive lower fees. This is on our road map during the integration of open payments. We can go it alone as the merchant (as we do now) or enter into a service contract with Cubic as the merchant with larger agencies included with us. (think E-ZPass). This will be a decision for executive management when we get closer and see the pricing model. PATCO uses an Interchange Plus pricing model (described in the June CAC meeting). The only fee that can possibly change is the transaction fee. Our devices and payment application use security keys from our acquirer (Elavon) and have gone through a very long certification process with that acquirer. We would need to go through the same process with any new acquirer unless they have certified previously with the Cubic Payment Application and the Ingenico dip readers we just installed on our TVMs (EMV). Cubic has such as acquirer: Fiserv. Our vendor is currently working on the Fiserv adapter for PATCO interfacing with Fiserv. We Expect to deploy this into Cubic PATCO QA lab at beginning of November 2023. Once deployed, the TVMs will be using Fiserv and other transactions (automatic loads and web) will be using Elavon until we do a complete switch later in the project. At this time, the tap function on the bank card readers will become functional. The fees will be similar to the ones Elavon currently charges.

Below was the answer to the question about fees in June 2023:

| | |
|------|-----------|
| 2019 | \$521,420 |
| 2020 | \$200,970 |
| 2021 | \$211,152 |
| 2022 | \$307,820 |

Credit card fees are comprised of the following: Processor fee + interchange fee + assessment fee. The interchange fee and the assessment fee are percentages of the sale amount based on the type of credit or debit card used. The processor fee is a flat charge going to our contracted processor that is determined by the type of card. PATCO has an Interchange Plus pricing model. This is often the least expensive pricing option. However, interchange-plus pricing has the greatest amount of variability because interchange rates vary based on several factors, including:

- Card network. Visa's rates are different from Mastercard's.
- Type of card used. Rewards credit cards cost more to process than non-rewards credit cards, for instance.
- How the card is processed. In-person transactions (TVM transactions) are less expensive than card-not-present transactions (example web or threshold transactions).

Our pricing structure consists of the interchange rate charged by the credit card network (Chase, Citi, BOA) plus a defined markup, or transaction fee, which goes to the processing company (Elavon) in addition to the assessment fee which goes directly to the brands (Visa, MasterCard, Amex). The fees can vary based on the type of transaction: credit or debit. By going out less to the credit card network, we spend less on the flat rate fees.

Impact on PATCO due to SEPTA's new contactless payment system. Will PATCO bring this technology to market?

Impact on PATCO due to SEPTA's new contactless payment system. No impact. Our shared riders use the contactless share card to ride both systems using one card. Will PATCO bring this technology to market? Yes. I previously discussed at CAC meeting when the \$17.5 M Cubic project was going to be approved by the Board. Anticipated completion is in 2025. If you would like, we could give a presentation on this project and can be given if needed.

Status on rail and Franklin Square Project:

CE Venuto reported that construction continues at Franklin Square on the new elevator shaft, placing concrete on the new stairs, structural repairs, and electrical improvements to the station. The electrical installation, the escalator, and the steel erection for the new headhouse will begin in the next few weeks where you will see some of the structural steel come out of the ground.

CE Venuto reported on the PATCO Control Tower where the work has begun including some demolition and excavation for the new Control Tower. Shop drawings have been submitted that are in review. We are going to start the pile foundations early November and the job will continue into mid-2025.

CE Venuto also reported on work that will begin on the pedestrian bridge over Evesham Road. Sometime ago, the pedestrian bridge structure was hit by a vehicle that bent a beam. We are going to close the pedestrian bridge during the next month while working on two separate projects at the same time: 1. concrete work repairs to the retaining wall, the concrete steps, and

bearing work, and 2. heat straightening of the beam, all done by the same contractor. This work will be complete by the end of 2023.

Steve Benigno asked if PATCO was responsible for maintenance of the pedestrian overpass maintenance, and will the new bridge have cameras?

CE Venuto reported that PATCO is responsible for the maintenance of the overpass and is only performing structural repairs at this time. The repairs being done are strictly structural.

CSO Finnegan reported that the Authority does not have cameras for that overpass.

Social Media, Larry Davis

None

Old Business:

Upcoming Advance Notice on Public Events:

CE Venuto reported that the only upcoming event would be in the Spring of next year at Franklin Square where we will have a grand opening.

New Business:

General CAC Administration

Reggie Haynes addressed the Committee to ask if they could do a better job at responding to emails to note attendance as well as to provide agenda items. He understands everyone is busy. He stated that he sends out an e-mail one week before the meeting requesting attendance and agenda items. He stated that he would like to stay within those timelines when an ask is made to receive a response.

Active member count:

Reggie Haynes reported that, currently, the CAC only has 9 active members.

NJ – 6

PA – 3

Members transitioning to Emeritus Status:

Reggie Haynes reported that Steve Benigno can reapply for active member in December 2023.

Larry Davis is eligible to reapply for active member now and Daniel McArdle is eligible to reapply at the end of October.

Reggie Haynes also reported that there will be no members transitioning to Emeritus Status until March 2024. Ben Saracco will be the next member transitioning to Emeritus Status in March 2024, Alan Becker and Pam Mack-Brooks in September 2024 and Reggie Haynes will transition to Emeritus Status in December 2024.

For the Good of the Order:

The Committee asked if Chairwomen Parker or Vice Chair Nash could attend a meeting to discuss what could be done about Scofflaws in New Jersey and Pennsylvania.

Next CAC Meeting: Will be held on November 8, 2023, at 6:00 p.m. – Zoom Web Conference

Next DRPA Board Meeting: Will be held on October 18, 2023, at 9:00 a.m. – Zoom Web Conference