SOUTHEASTERN PENNSYLVANIA TRANSPORTATION
AUTHORITY

REGULAR MONTHLY BOARD MEETING

July 23, 2020

3:01 P.M.
ATTENDANCE OF BOARD MEMBERS:
Honorable Kenneth Lawrence, Vice Chairman
Thomas E. Babcock
Joseph E. Brion, Esquire
Michael A. Carroll, P.E.
Robert D. Fox, Esquire
Honorable Stewart J. Greenleaf
Kevin L. Johnson, P.E.
John I. Kane
Obra S. Kernodle, IV
William J. Leonard, Esquire
Deborah Mahler
Honorable Charles Martin
Honorable Marcy Toepel

ATTENDANCE OF STAFF MEMBERS:
Leslie S. Richards, General Manager
Richard G. Burnfield, Deputy GM/Treasurer
Robert L. Lund, Deputy General Manager
Gino Benedetti, Esquire
Francis E. Kelly
Carol R. Looby, Board Secretary
Stephanie Dieger, AGM, Employee Development/Relations
Scott A. Sauer, AGM, Operations
Thomas McFadden, Chief Financial Officer
VICE CHAIRMAN LAWRENCE: All right. We're now going to call as it were, the Regular Board Meeting. The Special Meeting, which was noted has been canceled, and I'll start with attendance:

Tom Babcock.

MR. BABCOCK: Here.

VICE CHAIRMAN LAWRENCE: Skip Brion?

MR. BRION: Here.

VICE CHAIRMAN LAWRENCE: Mike Carroll?

MR. CARROLL, P.E.: Here.

VICE CHAIRMAN LAWRENCE: Mark Dambly?

MR. DAMBLY: Here.

VICE CHAIRMAN LAWRENCE: Robb Fox?

MR. FOX: Here.

VICE CHAIRMAN LAWRENCE: Senator Greenleaf?

SENATOR GREENLEAF: Here.

VICE CHAIRMAN LAWRENCE: Kevin Johnson?
MR. JOHNSON, P.E.: Here.
VICE CHAIRMAN LAWRENCE: John Kane?
MR. KANE: Here.
VICE CHAIRMAN LAWRENCE: Obra Kernodle?
MR. KERNODLE, IV: Here.
VICE CHAIRMAN LAWRENCE: Bill Leonard.
MR. LEONARD: Here.
VICE CHAIRMAN LAWRENCE: Debbie Mahler?
MS. MAHLER: Here.
VICE CHAIRMAN LAWRENCE: Charlie Martin?
(INAUDIBLE)
VICE CHAIRMAN LAWRENCE: Representative Toepel?
REPRESENTATIVE TOEPEL: Here.
VICE CHAIRMAN LAWRENCE: All right. Good afternoon. Thank you everyone who is joining us today. Let's start with the Pledge of Allegiance.
PLEDGE OF ALLEGIANCE
VICE CHAIRMAN LAWRENCE: I will ask Board Members to please announce yourself before you make or second a motion, and also please mute your phone if you're not speaking.

The Board met in Executive Session just prior to the meeting to discuss legal matters.

Like everyone in our region, SEPTA is working through the unprecedented challenges from the COVID-19 pandemic.

We are continuing to see positive signs. After our initial focus on preserving core services for essential travel, we have bolstered schedules and welcomed some riders back to the system.

The safety of our employees and customers has been our top priority during the pandemic. SEPTA employees have embraced wearing face covering, and so have most of our customers. We know this is not always easy, especially now as we are dealing with summer heat, so I
would like to thank everyone who is doing their part to stop the spread of this virus.

Before we move on, I just want to thank, again, SEPTA's workforce for their tireless efforts. During the worst of the crisis they made sure people in our region could get to essential jobs and access life-sustaining services. They continue to work, day and night, to keep the system safe, clean and ready as more people start to return. And I would also like to commend our general manager, Leslie Richards, for her leadership as well.

As the recovery from this pandemic continues, it is reassuring to know that we have this dedicated workforce leading the charge.

The first item on the Agenda is the approval of the minutes of the June 25th Regular Board Meeting. These minutes have been circulated. I'll entertain a motion to approve the
minutes.

MR. BABCOCK: Tom Babcock, so
moved.

VICE CHAIRMAN LAWRENCE: It has
been moved and seconded.

Any comments or questions?

NO RESPONSE

VICE CHAIRMAN LAWRENCE:

Corrections?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: I will
call the question. All those in favor
say, "aye."

ALL: Aye.

VICE CHAIRMAN LAWRENCE: Any
opposed?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: The
minutes are approved.

And we will now take the
Financial Report. Mr. Burnfield?

TREASURER BURNFIELD: Thank you,
Mr. Acting Chairman.

As many of you know, Tom
McFadden, SEPTA's Chief Financial Officer, will be retiring at the end of the month. His leadership has been critical to the fiscal performance of the Authority, and we will miss Tom's expertise and counsel.

With your permission, I will ask Tom to give the Treasurer's Report this month.

VICE CHAIRMAN LAWRENCE: Absolutely.

MR. MCFADDEN: Thank you, Rich.

With the end of the Fiscal Year, the Treasurer's Report will focus on Fiscal Year 2020's Financial Results. The operating results were significantly impacted by the COVID-19 pandemic. For the year, farebox and other revenue was $124.4 million below budget. Expenses were $50 million below budget, as both transit and regional rail services were reduced to provide essential trips only. Federal CARES funding of $66.6 million was allocated to offset the deficit.
With the receipt of Federal CARES funding, the Authority was able to end the year with a balanced budget and this is the twenty-first consecutive year that the Authority has had a balanced budget.

And that concludes my report.

VICE CHAIRMAN LAWRENCE: You sure you don't want to come back next month to do next month's report?

MR. MCFADDEN: As long as we can have positive results.

VICE CHAIRMAN LAWRENCE: Tom, I want to thank you for your years of service to SEPTA. I have gotten to work with you on the Pension Committee since I have been a board member, and I know that this is not a surprise this has been announced, but now all of a sudden it's here. You will certainly be missed, and thank you for your years of dedication and service to the Authority.

MR. MCFADDEN: Thank you very much. It's been a great honor to work here, especially to sever this SEPTA --
VICE CHAIRMAN LAWRENCE: And let's just make Rich jealous and give Tom a round of applause.

APPLAUSE

MR. LEONARD: We will miss you, Tom.

VICE CHAIRMAN LAWRENCE: The Financial Report will be received and filed.

Obra, you're making the motion. Okay.

Is there a second?

MR. LEONARD: Second, Bill Leonard.

VICE CHAIRMAN LAWRENCE: I'll call a question. Any comments?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: All in favor say, "aye."

ALL: Aye.

VICE CHAIRMAN LAWRENCE: Any opposed?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: Motion
passes. The June Financial Report is received and filed. And please note that all written comments and voicemail messages that have been received will be included in the official board meeting transcript, which will then be posted to SEPTA's web site.

(Whereupon, there were no voice messages.)

VICE CHAIRMAN LAWRENCE: And I understand that there are no speakers for today, so I will entertain a motion regarding election not to hold a Regular Meeting of the Board in the month of August, 2020, and cancelation of the Regular and Special Meetings of the Board scheduled for August 27th, 2020?

(INAUDIBLE)

VICE CHAIRMAN LAWRENCE: Motion, Obra.

MR. LEONARD: Bill Leonard, so moved.

VICE CHAIRMAN LAWRENCE: Bill Leonard.
MR. MARTIN: Charlie Martin, second.

VICE CHAIRMAN LAWRENCE: We got it, Carol. Got it.

Any comments?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: All in favor say, "aye."

ALL: Aye.

VICE CHAIRMAN LAWRENCE: Any opposed?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: Okay. The Resolution is adopted.

The next item of the Agenda is the Consent Calendar, which consists of:

"The Amendment of the Fiscal Year 2020 Operating Budget;"

"Authorization to Enter into Agreement with PNC Bank for Renewal of $100 Million Unsecured Line of Credit;"

"Authorization to Renew Purchase of Stop Loss Insurance for Medical and Prescription Drug Benefits with HCC, a
Tokyo Marine Subsidiary;

"Award of Contracts Pursuant to Request of Proposals;"

"Acquisition from the Estate of Tiner Hackey of a Temporary Construction Easement on Property situated in Abington Township, Montgomery County for use in the Stone Arch Bridges Culvert Rehabilitation Project;"

"Authorization to Award Contracts for Various Procurements."

"Award of Contracts for Sole Source Procurements;" and

"Authorization to Execute Change Order and Amendment."

Please note that Item II.A, Amendment of Fiscal Year 2020 Operating Budget have been revised. Copies of the revised Resolution have been provided to the appropriate Board Committees in public session.

I'll entertain a motion to adopt these Resolutions.

(INAUDIBLE)
VICE CHAIRMAN LAWRENCE: Moved
by Obra.

MR. BRION: So moved, Skip Brion.

VICE CHAIRMAN LAWRENCE:
Seconded by skip Brion.

Are there any questions or comments?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: Hearing no further discussions, I'll call the question. Are there any abstentions?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: All those in favor say, "aye."

ALL: Aye.

VICE CHAIRMAN LAWRENCE: Any opposed?

NO RESPONSE

VICE CHAIRMAN LAWRENCE: Okay.
The Resolutions are adopted, and we will take the report of our general manager.

GENERAL MANAGER RICHARDS: Sure.

Thank you.
With the region in the "green phase," including Philadelphia, which continues in modified green, we are seeing a slow return to our system and I'm happy to say we are prepared to welcome our riders back.

We know that the number one priority for our customers returning to SEPTA is cleanliness of our vehicles and our stations. Our cleaning efforts have been outstanding. Our --

(Now exiting)

MR. MARTIN: Charlie Martin.

GENERAL MANAGER RICHARDS: -- workforce stepped up to this challenge, and we have special teams cleaning and sanitizing every day around the clock.

We're also very focused on reinforcing Govern Wolf's order that require face covering to be worn at all times on SEPTA's vehicles and in our facilities.

With vehicles reaching greater capacity, it is more important than ever
for riders to wear a face covering, and
to continue to practice social distancing
where possible.

SEPTA has just completed a masks
compliance analysis on our system and
found that overall we are at 81.4 percent
compliance. That tells us that we're off
to a good start with our communication
effort, but there is more work to do, and
we want to get to 100 percent compliance.

We'll continue our outreach and
education efforts, which include social
media posts nearly hourly about the
importance of mask.

We are looking to increase the
frequency of our automated announcements
on vehicles and in stations, and we are
planning to deploy outreach teams to key
stations to remind customers to wear
facial covering.

I'm happy to report that since
our last meeting, SEPTA launched Travel
Wallet on Regional Rail, which will
increase the health and safety of our
employees by reducing the need for
in-person transactions.

Our Revised Fair Restructuring
Plan is now in place, allowing children
under the age of 12 traveling with a
fare-paying adult to ride for free on all
SEPTA modes and customers to use the
Travel Wallet on SEPTA Key will have up
to two hours to transfer free one time.

SEPTA's pleased to be able to
help our riders as they recover
financially from the pandemic, and to
meet the needs of our low-income
communities and traveling families, as
well as our riders who have new work
schedules.

The Fair Restructuring Plan is
one example of how equity is essential to
all that we do here at SEPTA. That focus
also extends to racial equity, and how we
can begin to make changes here at SEPTA.

At a recent SEPTA Town Hall
meeting I reinforced my commitment to
evaluate our organizational process and
address systemic issues to work toward racial equity. Chairman Deon and I are committed to making sure, and fostering an equitable workplace culture here, exist at SEPTA.

One of several actions introduced is the newly formed counsel that is focused on diversity, equity and belonging, chaired by Jackie Hopkins, our Director of EEO/AA and Employee Relations.

I'm excited by the response to the invitation to employees to join the counsel. It's been very well received, and we want to make sure that all voices are heard. As the executive sponsor of the counsel, I will work to see that changes needed to address racial equity are implemented throughout our authority.

And finally, I want to share that SEPTA has partnered with the Philadelphia Foundation and the Delaware Valley Regional Economic Development Fund to create the SEPTA Disaster Relief
Development Fund to help the families of employees who have been impacted by COVID-19.

Throughout the pandemic we have heard from employees who have asked, how can I help families and the families of their co-workers. Our goal with this fund was to create a meaningful way for them to provide support to the families of their friends and colleagues who have died and suffered severe health impacts as a result of COVID-19 related illnesses.

The SEPTA Disaster Relief Memorial Fund will be administered by the Philadelphia Foundation and an independent committee of employees will advise on the distribution of resources. I'd like to thank the Delaware Valley Regional Economic Fund for their generous gift of $10,000, which helped launch the fund.

And that concludes my report,

Acting Chairman.
VICE CHAIRMAN LAWRENCE: I just want to say again, and I know we spoke last month, I know a pandemic was not in your 90-day action plan when you started here as the SEPTA GM, so we just want to thank you for your leadership, and it's great to see you continue, not just to react to the pandemic, but pushing forward issues like equity, so we appreciate what you do --

GENERAL MANAGER RICHARDS: Thank you.

VICE CHAIRMAN LAWRENCE: -- in the next 90 days or six months.

And with that, if there are no further comments or questions, I'll entertain a motion that this meeting be adjourned.

Moved by Obra. Second -- Chairman usually doesn't get a second on this. Can I get a second to adjourn?

MR. BRION: Second, Skip.

VICE CHAIRMAN LAWRENCE: It's been moved and seconded.
Any negative votes?
NO RESPONSE
VICE CHAIRMAN LAWRENCE: All right. Meeting is adjourned.

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(Meeting concluded at 3:15 p.m.)
CERTIFICATE

COMMONWEALTH OF PENNSYLVANIA:
COUNTY OF PHILADELPHIA:

I do hereby certify that I am a Notary Public in good standing, that the aforesaid meeting was taken before me, pursuant to notice, at the time and place indicated; that proceeding was correctly recorded in machine shorthand by me and thereafter transcribed under my supervision with computer-aided transcription; that the transcript is a true record of the proceedings.

WITNESS my hand and official seal this 5th day of August, 2020.

Paulette Cox, Court Reporter
Notary Public