

NIAGARA FRONTIER TRANSPORTATION AUTHORITY

COMMITTEE MEETINGS

JUNE 23, 2022

Transcript of Video Recording
of Proceedings held at NIAGARA FRONTIER TRANSPORTATION
AUTHORITY, 181 Ellicott Street, Buffalo New York,
STENOGRAPHICALLY TRANSCRIBED BY LARA K. SENIW, NOTARY PUBLIC.

1 MEMBERS IN THE BOARDROOM:

2 Michael Hughes, Chair
3 Commissioner Joan Aul, Treasurer
4 Commissioner Anthony Baynes
5 Commissioner Adam Perry
6 Commissioner Jennifer Persico
7 Commissioner Stephen Tucker
8 Commissioner Philip Wilcox

9 OFFICERS IN THE BOARDROOM:

10 Kimberley Minkel, Executive Director
11 John Cox, Chief Financial Officer

12 STAFF IN THE BOARDROOM:

13 Vicky-Marie Brunette, Deputy General Counsel
14 Christine D'Aloise, Director, Risk Management and Special Projects
15 Patrick Dalton, Director, Internal Audit and Corporate Compliance
16 Lyle Death, Director, Health, Safety, and Environmental Quality
17 Tom George, Vice President, Operations
18 Deanna Guest, Manager, Workers' Compensation
19 Darren Kempner, Director, Government Relations and Development
20 James Lavelle, Deputy Director, Health, Safety, and Environmental
21 Quality
22 James Morrell, Director, Public Transit
23 Karen Novo, Vice President of Human Resources and Talent Management
24 Brian Patterson, Chief of Police
25 Christopher Ruminski, Manager, Financial Planning & Analysis, Cash
26 Management
27 John Schaefer, Vice President Engineering and Facilities Management
28 Helen Tederous, Director, Public Affairs
Lee Weitz, Director, Aviation

29 PRESENTERS FROM LUMSDEN & MCCORMICK LLP:

30 Sara M. Dayton, CPA, and Seth D. Hennard, CPA

31 MEMBERS ON THE PHONE:

32 Commissioner Margo Downey

33 OFFICERS ABSENT:

34 David State, General Counsel

35 CHAIR HUGHES:

36 Good morning, Everyone. Welcome to the June
37 Audit, Governance, Finance Committee Meeting. We're going to start off
38 this morning with the 2022 audit. John, do you want to kick us off with
39 an intro here?

40 MR. COX:

41 Yes. Yes, I have Sara Dayton and Seth Hennard
42 from Lumsden & McCormick. They were our auditors for this year's
43 financial statements. And, I'll turn it over to you guys and your

1 presentation on how it went..

2 MR. HENNARD: Thanks. So, yeah, we're here to present the
3 audited financial statements through March 2022. What we've prepared is
4 a brief presentation to summarize all of the various reports that we're
5 issuing. There are quite a number of them. So, we'll start on slide one
6 (1), and then kind of go over all of the reports we have, the results
7 of the audit. Your final statement do include several "Management
8 Reports". So, Management is basically certifying that the statements
9 are correct, they have proper internal controls, proper design of
10 controlled controls and those are signed off by management. The
11 statements also include a management's discussion and analysis which is
12 basically a year-to-year comparison. You kind of give it some flavor as
13 to why things changed or why things are presented the way they are.
14 Everything on the bottom of page one (1) is the "Auditors' Reports". We
15 are going to summarize those. The main purpose of the financial
16 statement audit is to provide an opinion that your financial statements
17 are materially correct in accordance with the Government Accounting
18 Standards and that is what we did. We have issued an unmodified
19 opinion. An unmodified opinion is the clean opinion that basically says
20 that your statements are in fact materially accurate and in good shape.
21 That is the highest level of assurance we can provide with the opinion.
22 The fact that you are an Authority of New York State and the
23 Government, we also are required to follow the "Government Auditing
24 Standards" and that requires us to provide other reports over internal
25 control and compliance, submitting findings would be in there but we
26 did not have any findings in any of those categories so again another
27 clean report on that item. Most of the bullet points listed here are
28 other various other reports for compliance. For example, we have to

1 issue a report on compliance over the Federal grants because you get a
2 lot of Federal money. We tested the Federal transit cluster, a lot of
3 that was COVID money, about \$80 million so that total program was \$100
4 million dollars we had to test this year. We also have test for
5 compliance with New York State DOT grants. We test the PFC and CFC
6 programs which is are the passenger facility charges for enplanements
7 at the airport, and also consolidated facility charges which are
8 rentals at the..., car rentals. And we also issue a report on investments
9 - they need to have appropriate investment guidelines, that your
10 investments are safe and secure in accordance with New York State laws
11 on the PAAA. So based on all of those compliance reports, there were no
12 findings. They were all clean reports. So, overall, everything was
13 good. Audit results - we had no findings. We've also issued a no
14 material weaknesses report, any significant deficiencies or materials
15 of internal controls, we would report it to you, but again, I sound
16 like a broken record, but no, no findings, no issues, so everything was
17 a clean slate for that.

18 The audit plan on page two (2), just to kind of
19 confirm that we had the planning meeting. We have performed the audit
20 and of course the audit plan. We have communication with management
21 throughout the year, kind of avoiding surprises, so kind of working
22 with John and other management to make sure that the audit goes
23 smoothly. We obtain an understanding based on talking to employees, we
24 do observations and other items, we do a cash count with the room in
25 the Metro, so we do a lot of observations and inquiries, identify
26 various risks in significant areas we think we need to test, and we do
27 that. We also coordinate with the Authority's Internal Audit
28 Department, with Pat Dalton, so he performs the internal audits. We

1 receive all of those internal audit reports from him, we read them, if
2 anything is identified by him and his staff to disclose any significant
3 issues, we would investigate further, we rely on him and leverage him
4 and that Audit work, so we are not double-counting, not double-auditing
5 certain areas and we let him get some audit assurances from what he is
6 doing over there as well. This is a reminder the audit is not a fraud
7 audit, so we do consider fraud and we, kind of, look into it if we find
8 it, but we are not specifically engaged to perform a fraud audit
9 itself.

10 On page three (3), this is the "Required
11 Communications". This is a three-page letter that talks about various
12 issues, if we found anything, but it's a pretty boring letter because
13 we do not have any major issues to bring up. There's no disagreements
14 with management, everything we asked for, we received, management is
15 very helpful in doing the audit, takes us three (3) to four (4) weeks
16 of being here, a lot of it was virtual, but we received everything
17 timely and got everything done to meet your 6/30 deadline. Just
18 pointing out the Federal Statements do include a lot of estimates, so
19 things like cash we can tie out to the dollar, but there's a lot of
20 accounts that are estimates. We have to rely on the management's
21 assumptions and kind of verify those assumptions make sense. Those
22 receivables and allowances, provisions for your plane liabilities and
23 the big ones are pension liabilities in New York State, and your OPEB
24 liabilities, a lot of that stuff is actuarially determined and heavily
25 assumed. You look at their assumptions and their estimates to verify
26 those all make sense and we do all that.

27 Just a couple of the note disclosures that are
28 significant is Note 2 and Note 13, there's a lot of CARES money, CRSSA

1 money, ARPA money, all of that Federal pandemic stimulus - \$236 million
2 - so that's all disclosed, how that all flows through your statements.

3 And the next two (2) pages, before we turn it over to
4 Sara, are just basically new pronouncements, and the big one is GASB
5 87, which that's been out for about five (5) years. That's been
6 discussed with management so you're in the process of implementing
7 that, and digging through all of your leases to make sure that gets
8 capitalized. All of the other ones should be a lot simpler. GASB 96, I
9 believe your software you're going to have is going to also going to be
10 able to handle GASB 96 for those subscription-based commitments as
11 well. GASB 99, 100 and newly issued 101, which is, I think, is Monday
12 or Tuesday of this week, so it's not actually in this, are all
13 clarification standards, they should have no real major impact on the
14 statements. So, we'll monitor those for any changes but basically, we
15 don't expect anything there to be a material change going forward. So,
16 it's just the 87 which you are on top of, and we will work with you
17 throughout the year to follow-up on that.

18 MS. DAYTON: So, I will jump to page six (6) and go over the
19 financial highlights. If Seth sounded like a broken record on clean
20 report, no issues, no findings, I will sound like a broken record
21 talking about COVID, so I apologize. But, the first page is summary of
22 revenue and expenses, basically a condensed income statement. We have
23 2022 and fiscal year 2021 as well as the variance and the changes. So,
24 the big changes on your revenue side are a full year, really, of
25 operations - more typical - still not back to normal, but getting
26 there. If you recall, 2021 started, your fiscal year starts in April
27 2020, so you had three (3) months of no fees, no fares, so revenue
28 would have been down because of that and also really the height of

1 COVID at the beginning of that fiscal year. So, a large increase,
2 almost double, in fares year-to-year. Similarly, concessions,
3 commissions and rentals, and then airport fees and services, as more
4 people were able to and willing to travel again, all of those fees went
5 up as well. So, increases in parking, car rentals, food and retail
6 sales, landing fees, etc. all caused those increases. On the operating
7 expense side, like most entities, you are experiencing staff shortages,
8 so vacant positions, are causing some of that decrease, however
9 overtime pay to existing employees does offset some of that. There is
10 also a very large decrease in pension expense year-to-year, about
11 almost \$8.4 million, and that is really causing the bulk of that
12 decrease. Your largest pension expenses relate to the employees'
13 retirement system and police and fire retirement system. Those rates
14 are set by the state. The measurement date for those pensions is the
15 state's fiscal year which is March 31st, and it's a year prior to your
16 fiscal year. So, there was a measurement date for your 2021 fiscal year
17 was March 31st, 2020. We're talking two weeks into COVID, so the markets
18 were not doing well as you recall, so there was a much bigger
19 adjustment to that pension liability in your fiscal year 2021. As a
20 result, so there was a big decrease of \$8.4 million this year as that
21 adjusted because fortunately at 3/31/21, markets weren't much better.
22 So, we will see what happens, however, going forward.

23 Other expense variances on the other operating
24 expenses, as you can see there, is again, as operations continued to
25 increase, so fuel, maintenance and utilities, because of those. On the
26 non-operating revenue side, these fluctuations are really due to the
27 three (3) acts that gave you funding as a result of COVID. So, the
28 original CARES Act, CRSSA funding and then ARPA funding would be the

1 three (3) sources. In the current year, you saw mostly ARPA funding,
2 small amount of CARES, small amount of CRSSA. In the prior year, you
3 only saw the first two (2). The ARPA funding, that was just passed in
4 March 2021, so the revenue was recognized in 2022. That was about \$80
5 million of that total. You also saw increases in mortgage taxes from
6 Erie and Niagara County, and sales tax has also increased, thanks to
7 improvements in the economy so that increased as well, along with your
8 STOA assistance.

9 On page seven (7) is the condensed balance sheet. You
10 can see here on the asset side, there is not a lot of change in total
11 of \$1.1 million, versus \$1.0 million. Some of those changes are just
12 timing on receivables. There was more outstanding receivables from the
13 ARPA funding at year end than you had for receivables in the other
14 funding from the prior year. On the liabilities side, again timing
15 related to accounts payable and projects, and just when those bills are
16 paid at year end. Your long-term debt, you had no new bonds, that
17 number is made up primarily of airport revenue bonds and you had your
18 principal payments and then amortization of premiums which decreased
19 that about \$17 million. The big number is, as you can see the total
20 OPEB liability, that, both pensions and OPEB, as I mentioned, are
21 calculated by actuaries and we use those actuarial reports. We review
22 the assumptions and the calculations to make sure they are reasonable
23 and consistent. Those numbers kind of flow through several different
24 places on the balance sheet so if you look at deferred outflows of
25 resources up top, those two liability lines and deferred inflows of
26 resources, all of those relate to both your pensions and your other
27 post-employment benefits, OPEB. The large OPEB liability is the amount
28 for retirees, for health insurance for employees at retirement. That

1 number will fluctuate a bit year to year. This year's increase is
2 really just current year cost, relative to the plan increasing that
3 liability. No significant changes in assumptions. That is slightly over
4 ten (10) minutes. Does anyone have any questions?

5 MULTIPLE COMMISSIONERS: Laughter.

6 MS. DAYTON: Tried so hard.

7 MULTIPLE COMMISSIONERS: Laughter.

8 MR. HENNARD: Thank you Sara. One thing I didn't mention I

9 will say now is one thing we want to point out too is we had no
10 material adjustments so the numbers we got from management are not
11 really adjusted here. We also want to say that management does prepare
12 the financial statements, so with most government entities, we assist
13 more preparing the statements for management reviews, where on yours,
14 it is kind of flipped. Management does prepare the statements and
15 provides us with a full set of statements, and we just review them and
16 suggest changes. Good evidence of management's committed to providing
17 good statements for the auditors.

18 CHAIR HUGHES: Questions on the ho hum audit here?

19 MULTIPLE COMMISSIONERS: Laughter.

20 CHAIR HUGHES: Go ahead.

21 COMMISSIONER PERRY: So, you said it was a clean opinion?

22 MR. HENNARD: Yes.

23 COMMISSIONER PERRY: What's the opposite?

24 MULTIPLE COMMISSIONERS: Laughter.

25 COMMISSIONER PERRY: Pat, I see, Pat knows where I am going. Is that
26 dirty opinion? A swayed opinion? An unclean opinion?

27 MULTIPLE COMMISSIONERS: Laughter.

28 MR. HENNARD: We don't like to issue those ones. They are

1 kind of messy.

2 COMMISSIONER PERRY: Sorry.

3 MR. HENNARD: That's OK.

4 CHAIR HUGHES: Couple of quick questions. On the GASBY 87, any
5 issues, John, in terms of leases for us? Or any concern with that?

6 MR. COX: No. That's actually something we are going to
7 have to implement with our next statements that come out for the next
8 year. We do have a Board Action for purchasing some software which will
9 allow us to go through that implementation process and then go forward
10 as far as it will simplify everything once our, all the data is in
11 there, we'll just be rolling forward and then maintaining that database
12 going forward. So that's, but it's not something I am concerned about.
13 It's going to take some work and we are going to have to set up the
14 software but once that's in place, you know, it should go pretty
15 smooth.

16 CHAIR HUGHES: Gotcha. This is a question I ask every year. No
17 concerns about inter-agency transfer of dollars? I know this comes up
18 from time to time.

19 MR. HENNARD: None.

20 CHAIR HUGHES: Other questions? No? OK, thank you.

21 MR. HENNARD: Thanks.

22 MS. DAYTON: Thank you.

23 CHAIR HUGHES: Do you have a comment at all about the
24 financial position or the good news we just received?

25 MS. MINKEL: You know, the only thing that I do want to
26 point out, is Linda Sorrento, who isn't here. Or is she? I don't see
27 her, our Controller, really did a yeoman's job. It's a lot of work. I
28 know we gave you ten (10) minutes to present the audit, but it was, you

1 know, it takes days, months, putting all of it together. So, under
2 John's group, it's a lot of work. I just also want to highlight what
3 Seth said and I asked him to point it out - we are the only agency that
4 prepare our financial statements. You know, other transit agencies,
5 they sub that work out. So, the fact that we do all of that in-house,
6 on top of everything else, really speaks to the great work that's done
7 under John's group and going forward. So, thank you, Seth, for pointing
8 that out.

9 MR. HENNARD: Thank you. Thanks for doing that. It makes it a
10 little easier on us too.

11 MULTIPLE COMMISSIONERS: Laughter.

12 CHAIR HUGHES: Well, thanks. Thanks for coming in person.
13 Appreciate it.

14 MR. HENNARD: Yup. Thanks.

15 MS. DAYTON: Thank you.

16 CHAIR HUGHES: Stay on the Audit theme, Pat Dalton, do you
17 want to move on?

18 MR. DALTON: More audits for you guys. You warmed up? You
19 ready?

20 MULTIPLE COMMISSIONERS: Laughter.

21 MR. DALTON: Starting on page eleven (11), we have the Audit
22 Status report. There is a theme here on page one (1) called Buy
23 America. We're in the process of procuring buses and actually taking
24 delivery of buses. So, the process goes like this: when we go to buy a
25 bus, for example, the first item the Board approved the purchase on
26 nine (9) buses, so before we issue a purchase order, we are required by
27 Federal Regulation to do a pre-award Buy America audit. So as such, we
28 get the preliminary information from the vendor, showing that the

1 components and sub-components are seventy percent (70%) American made.
2 That is the proposed. No invoices to support that but that is why it is
3 only a pre-award. As you'll notice on the next two (2), we have post-
4 delivery when we actually take delivery of these buses, then we
5 actually have a little more of an exercise on our post-delivery Buy
6 America audits in order to confirm that the seventy percent (70%) rule
7 is met. We actually look at paid invoices and actually get the actual
8 Buy America content on these buses, so that is the work that we're
9 doing right now for Gorman, Nova. The bottom one, New Flyer, has been
10 issued so you should have seen that Audit Report in your inboxes in
11 your email.

12 We have two (2) more audits that coming up next
13 month, we have a couple Board Actions for New Flyer as well as Nova Bus
14 for the procurement of more buses and as such we will do the pre-award
15 Buy America audit on those two (2). You'll see those items on next
16 month's report. Quite the theme of Buy America...

17 CHAIR HUGHES: Laughter.

18 MR. DALTON: Moving on to page twelve (12), just want to
19 highlight the bottom one, Truman Arnold, TAC Air, we have that audit
20 report in the wrap-up stages, so we are just in the plan and review
21 process, and you will have that audit report in your inboxes probably
22 within the next couple of weeks.

23 On page thirteen (13), we just have a couple
24 Corporate Audits that are ongoing. DAL Global Services. We get five
25 percent (5%) of their gross revenues. We just got that information in,
26 and we'll be able to complete that audit.

27 On page fourteen (14), a big one. The one we are
28 working on right now is the PARIS report. We'll be getting the various

1 reports from Lumsden & McCormick in pdf format and what we'll do is
2 we'll post it up on our website and what we do is we cross reference
3 them into the PARIS report, which is the Public Authorities Reporting
4 Information System. There is a boatload of information that is required
5 to be inputted into the PARIS report so, we've got a lot of it
6 uploaded. The big upload that we have is our Procurement data and that
7 is going to be, we're actually in the wrap-up stages right now. It's
8 like 8,000 lines of data that has to be confirmed and validated so we
9 go through that process and get that upload and certify it for the
10 PARIS report. That is due next Thursday, so we will be in compliance,
11 and we plan on being fully certifying all of the reports for PARIS. So,
12 that's it.

13 CHAIR HUGHES: Thank you. For the new Board Members, just
14 explain the PARIS system, and what it's used for?

15 MR. DALTON: Yeah, the Public Authority's Law requires
16 certain financial information to be provided to State Officials and
17 what it does is, it is a depository spot on the web and these people
18 have access to these various mandatory required Public Authorities Law
19 items that are required to be reported to the State Legislator, etc.
20 What it does is it does it via web. We used to send boxes, volumes of
21 boxes of paper data, we'd send it to the State and now it is all web-
22 based and they just go and grab it and it is all there. In addition to
23 that, most of the PARIS stuff that we report, we also put on our
24 website, so we have the double-transparency there. So, if they don't
25 see it there, they can certainly go to our website and look at our
26 certified financials, for example, and all the other required reports
27 that are there. So, it's a big exercise on our part, on Staff's part,
28 but it gets us cleanly in compliance with the Law, the Public

1 Authorities Law.

2 CHAIR HUGHES: Thanks. Other questions for Pat?

3 MR. DALTON: Thank you.

4 CHAIR HUGHES: OK. Moving on. Chris. Performance Reports.

5 MR. RUMINSKI: Good morning, Commissioners.

6 MULTIPLE COMMISSIONERS: Good morning.

7 MR. RUMINSKI: ...and that is the May performance report. For

8 the month of May 2022, we had a favorable budget variance of a little
9 over \$1 million dollars. We had higher than budgeted operating revenues
10 and operating assistance of \$782,000.00 or three percent (3%). This is
11 comprised of Metro passenger fares being \$147,000.00 favorable for the
12 month of May. BNIA concessions and commissions revenue was \$140,000.00
13 favorable and NFIA concessions and commissions revenue was \$68,000.00
14 favorable and sales tax revenue was \$393,000.00 favorable. And finally,
15 consistent with last month, New York State Operating Assistance was
16 \$43, excuse me, \$45,000.00 favorable to budget. Just a reminder, we did
17 our initial budget based on the Executive New York State Budget. When
18 the final and active budget was put in place, we actually received
19 about \$500,000.00 more in STOA, so this is going to be an ongoing
20 favorable variance. Operating expenses were favorable to budget by
21 \$288,000.00 or two percent (2%). Most of this is due to the personnel
22 costs which were \$394,000.00 or three percent (3%) favorable and mostly
23 due to vacancies and lower overtime at the BNIA, the transportation
24 centers and central admin. Transit fuel power was \$80,000.00
25 unfavorable to budget mostly due to higher than budgeted diesel prices
26 in Metro. And finally, utilities were \$37,000.00 unfavorable to budget,
27 due to higher Metro electric and gas billings for the month. Are there
28 any questions on the May Performance?

1 CHAIR HUGHES: Maybe just stick to the fuel question? I mean,
2 you got the plan going forward?

3 MR. COX: Well, the, as far as the fuel, our usage is
4 down so much that I think we are at about 77,000 gallons per month on a
5 per month basis. With the changes that we had as far as the bus stop
6 balances, the improvements in service and we originally anticipated
7 having electric buses by this time, now those have been delayed and
8 those would be anywhere to, from 3 to 4,000 gallons per year. We
9 actually at this point haven't locked in any fuel. The, and the minimum
10 lock-in is, each contract is 42,000 gallons. So, at most, we could have
11 locked in one (1) contract for the year. But it looks like right now,
12 and one of the biggest concerns is, and I did look at this, is the
13 biggest driver, we saw fuel prices go up about forty-two percent (42%)
14 after the invasion in the Ukraine so that really spiked prices up and
15 that was driven by the major concern that Russian oil would be taken
16 off the market. What's actually happening is, and not to get too deep
17 into this, is Russia is actually finding other buyers. India is buying
18 their oil, China is buying their oil, so the original concern was all
19 of that's going to come off of the global supply, that's not happening.
20 So, in the last, what is it, week or so, they're starting to, you know,
21 the market is starting to say, that's not all coming off. We've seen
22 oil come down about \$15.00 a barrel. When, you know, that resolves
23 itself, when that is, I am sure we'll see another big drop-off there.
24 On the natural gas side, you know, we had been, a lot of natural gas in
25 the United States had been shipped to Europe and that is still
26 occurring but there was an event that happened down in one of the
27 natural gas plants, now they can't even ship it out of the United
28 States. It's held that back so more is staying here. That brought down

1 natural gas prices about eighteen percent (18%). So, at this point, it
2 probably with prices as high as they are, it's more likely that they'll
3 go down than they'll go up, of course barring anything outlandish
4 happening in Ukraine like chemical weapons or some other type of
5 weapon. It looks like, at this point, we should stick with what we're
6 doing and just because the uncertainty of our usage too, because we
7 only have so much storage capacity. So, if we commit to purchasing a
8 certain amount of fuel, we may run out of places to put it. So, if we
9 just stay the course, I think we'll see prices, hopefully not, not,
10 there is no, you know, that is one of the toughest things, there
11 doesn't seem to be anybody who has the exact answer of what's going to
12 happen. But it does look like, the belief is, that we will see prices
13 to moderate sometime over the next year and even into next year.

14 CHAIR HUGHES: Thank you. Any other questions for Chris or
15 John on the Performance Report?

16 COMMISSIONER BAYNES: John, I have a quick question. How much fuel
17 could we store?

18 MR. COX: Hmmm... I think it's about, I want to say, it is
19 about 120,000 gallons of diesel approximately. We're using about
20 77,000.

21 COMMISSIONER BAYNES: So, we don't buy, you're not buying any
22 futures?

23 MR. COX: We haven't been, no.

24 COMMISSIONER BAYNES: So, we, prior to the war, you didn't buy any
25 futures?

26 MR. COX: No, no. We did not. When COVID first hit, we
27 did have two (2) contracts, and when our usage dropped down so much, we
28 did run into an issue where we were running out of places to actually

1 put the oil and it really only took, it was six to eight (6-8) months,
2 but it only took being committed to, you know, 5 or 6,000 gallons more
3 than we were actually using until it was...

4 COMMISSIONER BAYNES: 5 or 6,000 gallons that you had to buy?

5 MR. COX: Each one, yes, each increment. So, we would, so
6 even if we had two (2) contracts, we would be committed to more than
7 we're actually using on a monthly basis. So, at the most, one (1), that
8 we could do would be one (1) contract.

9 COMMISSIONER BAYNES: What are we paying for diesel right now?

10 MR. RUMINSKI: The average for May was about \$4.30.

11 COMMISSIONER BAYNES: And last year, what were we paying, \$2.00?

12 MR. RUMINSKI: About that much.

13 COMMISSIONER BAYNES: Prior to the war?

14 MR. RUMINSKI: Yeah.

15 COMMISSIONER BAYNES: Thank you.

16 CHAIR HUGHES: OK. Any other questions? If not, we can move
17 on. Cash Management.

18 MR. RUMINSKI: Sure, just quickly, the year-to-date
19 performance also on page nineteen (19). Just thought I would cover
20 that. We were favorable to budget year-to-date by \$1.9 million, almost
21 \$2 million, resulting from operating revenues being favorable to budget
22 for the year due to higher Metro passenger fares, NFIA concessions and
23 commissions. Additionally, we had higher than budgeted operating
24 assistance due to higher mortgage and sales tax, and STOA revenue and
25 finally, operating expenses Authority-wide are two-point-nine percent
26 (2.9%) favorable to budget and that's mostly related to BNIA. The
27 bottom of page nineteen (19) is the business center analysis through
28 May 2022. The BNIA is \$634,000.00 favorable to budget, due to

1 operating, mostly due to operating expenses being six percent (6%)
2 below budget, the NFIA is \$126,000.00 favorable to budget, due to
3 higher than budgeted concessions and commission revenue and is
4 partially offset by operating expenses being unfavorable to budget by
5 about six percent (6%). Transportation Centers are \$150,000.00,
6 \$115,000.00 favorable to budget due to operating expenses being sixteen
7 percent (16%) favorable to budget. And, Metro is \$1.1 million favorable
8 to budget for the year due to favorable variances in fares, STOA and
9 mortgage and sales tax revenue. Are there any questions on the year-to-
10 date performance?

11 CHAIR HUGHES: No questions?

12 MR. RUMINSKI: And, now on to page thirty-four (34), the Cash
13 Management Report. Briefly, we are a, currently have, ah, excuse me, at
14 the end of May, we had \$205 million in cash which is about \$1.4 million
15 ahead of budget. And we are ahead of budget for the reasons previously
16 described - we have received higher than budgeted Metro passenger
17 fares, STOA, mortgage and sales tax revenue - and then we have also had
18 lower than budgeted operating expenses for most of the Authority giving
19 us a favorable cash variance for the year-to-date. Any questions
20 relating to the Cash Management Report?

21 CHAIR HUGHES: Any other questions for Chris? OK. Thank you.

22 MR. RUMINSKI: Thank you Commissioners.

23 CHAIR HUGHES: And on to the Safety Report. Good morning, Jim.
24 How are you?

25 MR. LAVELLE: Good. How are you? Good morning, Commissioners.

26 MULTIPL COMMISSIONERS: Good morning.

27 MR. LAVELLE: Thank you. OK, the Safety Report begins on page
28 thirty-five (35) in your binders. Very happy to report during the month

1 of May we recorded zero (0) recordable injuries. When we look at the
2 previous year's data through May, compared to this year, we are down
3 thirty-seven percent (37%) in our recordable injuries overall. Our lost
4 workday cases are down fourteen percent (14%) and days away have
5 decreased by twenty-four percent (24%). Couple of comments for the
6 month... this is our first month where we can look at records where we
7 have had zero (0) recordable injuries. Shows an outstanding performance
8 by our field staff and management and great focus by everyone. Another
9 initiative for the month, as we are beginning to work with key
10 stakeholders to develop a sustainability plan for the Authority. Absent
11 any questions, that a...

12 CHAIR HUGHES: How far do your records go back?

13 MULTIPLE COMMISSIONERS: Laughter.

14 MR. LAVELLE: We have a...

15 CHAIR HUGHES: Couple weeks or is there?

16 MULTIPLE COMMISSIONERS: Laughter.

17 MS. MINKEL: We have...

18 MR. LAVELLE: No. No. Many, many years...

19 CHAIR HUGHES: In all seriousness, I don't know if you want to
20 talk about safety... I just want to show the important here...

21 MS. MINKEL: Yeah, you know, so the toll of someone getting
22 hurt, obviously it's a personal toll, on themselves, on their family,
23 but the financial toll to the agency can be in terms of being here to
24 work, we have to backfill with overtime, it's significant. Safety is so
25 important to everything that we do, and we spend a lot of time and
26 emphasis on it. And for us, I've only dreamed of this. I'm envious that
27 Jim gets to report that we have zero (0)...

28 MR. LAVELLE: First one too...

1 MULTIPLE COMMISSIONERS: Laughter.

2 MS. MINKEL: He, um. Yeah, his first time reporting, he gets
3 to report zero (0). I used to do environmental health and safety though
4 this was, and Lyle and Lyle didn't want to take credit for it. Lyle
5 said "Jim, you do it". But it's really outstanding and it takes years,
6 it takes decades, to change the culture of the organization. So, all of
7 the efforts that we have been working towards over the past decade are
8 really starting to bear fruit. And the impact on safety, all of this,
9 if you control the safety and you control the quality, and you control
10 a lot of the organization. So, this is really a leading indicator of
11 what's going on. I couldn't be more excited. I couldn't be more proud
12 of the work that everyone's doing, because it can't be any one
13 individual. It's everyone from operators, custodians, to supervisors,
14 managers, everyone is growing in the same direction. So, it's
15 outstanding. Looking forward to another zero (0), Jim? No pressure.

16 MR. LAVELLE: Of course. No pressure, but you can't go down
17 from zero (0), but we'll do our best to.

18 MULTIPLE COMMISSIONERS: Laughter.

19 CHAIR HUGHES: That's a great message. I know when
20 Commissioner Perry and I first joined the Board, this, this chapter or
21 this topic, of the Committee, we'd spend 10-15 minutes on it because it
22 was so problematic. So, you guys are doing great. Well done.

23 MS. MINKEL: And it was two (2) pages of injuries.

24 CHAIR HUGHES: Laughter. Yeah. Exactly. Any other questions?
25 Thank you. Government Affairs. Darren?

26 MR. KEMPNER: Good morning. Grants and Government Affairs
27 Report is on page thirty-eight (38) in your packet. Just a couple of
28 items to note under Federal Government Affairs... For FAA Re-

1 Authorization, which the current bill expires next year, in 2023,
2 Congress has started hearings on that process as well as ACI-North
3 America which we participate in set forth some priorities for the next
4 FAA Re-Authorization Bill which are listed here. They're focused on
5 increasing AIP funds (Airport Improvement Program funds), increasing
6 the PFC, reducing regulatory burdens, firefighting foam, which has been
7 a big environmental topic as of late, an effective and quick transition
8 to a fluorene-free firefighting foam and then also releasing money so,
9 money, regulations, more money, environment. We will use those points
10 to meet with our Federal representatives and talk about priorities.

11 For the 2023 Budget, just last night, the House
12 Appropriations Committee released their draft Transportation Bill, and
13 I haven't had the chance to summarize it yet, it includes earmarks as
14 well as a number of priority programs that we'd like to take advantage
15 of. So, I think the full mark-up is next Thursday, so I hope to report
16 at the next meeting about that.

17 And then, just the last note, well maybe two (2)
18 things... Under Competitive Grant Applications Awarded, Federal Highway
19 awarded that NFTA \$6.6 million for the Complete Trip - ITS4US
20 Deployment Program. That award was on June 8th, and we've actually
21 already executed the contract. FHWA moves quick. We're excited about
22 this and do have a Board Action request for the meeting later regarding
23 a contract to deploy that, to deploy that work.

24 And the last item, I've got some real old grants on
25 here and I can't talk about it yet, but I am hoping to have some
26 positive news on the last one on the list, helping us move forward some
27 of our Bailey Avenue Bus Rapid Transit work coming up very soon. But,
28 barring any questions, that concludes my report.

1 CHAIR HUGHES: Any questions for Darren? No? OK.

2 MR. KEMPNER: Thank you.

3 CHAIR HUGHES: Public Affairs. Helen.

4 MS. TEDEROUS: Good morning, Commissioners.

5 MULTIPLE COMMISSIONERS: Good morning.

6 MS. TEDEROUS: I have...

7 MULITPLE COMMISSIONERS: Laughter.

8 COMMISSIONER PERSICO: Thank you.

9 MS. TEDEROUS: Before the review of the May Public Relations
10 report, I just want to highlight some of the many events that took
11 place over the past week. Last Friday, we had an unveiling of the
12 improvements at the Freedom Wall. James Morrell is going to talk more
13 about that in Service Planning. On Saturday, we had great
14 representation at the Juneteenth Festival, at the parade, we had a very
15 large group as well as the battery electric bus and also our community
16 bus. Everyone wanted to see the electric bus. It's very funny how it's
17 just really very popular out there. It was a really wonderful
18 opportunity to talk with our community and also to recruit. And, I do
19 just want to mention and just a kudos to Crystal Edwards, our Customer
20 Service Department, she did a wonderful job, she has a very, very busy,
21 challenging job, but she has so much passion and she has really made
22 this event so wonderful. I can't tell you the pride I felt walking
23 around Juneteenth, particularly this year, and having so many people
24 from the NFTA be part of that. It is very important, and it was just
25 wonderful and kudos to her and to Metro for making this happen.

26 And, just before Juneteenth, we had our first Park
27 Adventure bus trip. I have some video of that. It was just a really,
28 really wonderful program that we started. We are partnering with New

1 York State and the Erie County Parks Department to provide free bus
2 service to our beautiful parks and beaches. We started with Knox Park
3 last week, and this week, we are going to Chestnut Ridge. We had over
4 sixty (60) people take part in that, our first trip, which was
5 wonderful and better than expected. It really shows how valuable this
6 program is and how needed it is and how people are taking advantage of
7 it. Lots of kids. Very exciting for everyone. We also wrap the bus, you
8 can see, and it was a really terrific day. Our operator was so excited
9 to be a part of it. We really had a lot going on over the past week,
10 but all great stuff, which is wonderful.

11 Now taking a look back at May, it was a pretty robust
12 month media-wise. We had fifty-six (56) media mentions, a couple of our
13 airports about our coverage, print letter coverage as well. From an
14 earned-media perspective, we had \$230,000.00 worth of publicity. Our
15 advisories that went out included the suspension of our bus fare
16 collection from our tragedy in Buffalo, we also took part in a FeedMore
17 donation, we sent out a release on that, and we also had our ceremony
18 to celebrate the seasonal launch of the Metro Trolley Service in
19 Niagara Falls.

20 Internally, we completed 11 creative service jobs,
21 and with respect to Community Outreach in May, as we had mentioned, and
22 discussed, in time of need, the NFTA pulled through and provided a
23 suspension of fares. We've done that again recently, last weekend we
24 announced that, on the four routes to help individuals access
25 groceries, essential services, and grief and mental health counsel. We
26 shared that information below. It was very well received.

27 And finally, we had in conjunction with Delaware
28 North, and our government leaders, we held a ribbon-cutting event at

1 the Buffalo Airport on June 9th to highlight the opening of two (2) food
2 court restaurants, Buffalo-based Bocce Club Pizza and national
3 franchise BurgerFi. That was a really wonderful event and it really
4 received... Pizza goes really well in Buffalo, right, so we had about
5 9,000 social media impressions and it was a very spirited event, and it
6 showed, you know, the new life at the airport and more choices for
7 people which is very important now that travel is back. Any questions?

8 CHAIR HUGHES: Questions for Helen? Two things Helen. I did
9 mention the Creative Service, I know you mentioned the Creative Service
10 jobs, but Kim and I were whispering over here, just for the Board
11 Members, one thing I did ask Kim as I've come into the Chair position
12 is starting to make the Mission/Vision statement a little bit more
13 prominent here in the Boardroom, so you'll see some changes. They are
14 going to refresh the statement out by the elevator, you'll see it now
15 on the Board packet on the cover page just to kind of get us closer to
16 why we're here. Another question I should ask before what I did, is
17 Helen's team working, or did they work on, any type of internal
18 messaging on the Safety Report stuff? Celebrating the stats?

19 MS. MINKEL: Yeah, they work closely...

20 MS. TEDEROUS: We worked a lot on that. That's one of the...

21 CHAIR HUGHES: Sure. That's one of the creative?

22 MS. TEDEROUS: Yeah, that's the HSEQ.

23 CHAIR HUGHES: Great. OK. OK.

24 MS. TEDEROUS: We do a lot with them. They do a wonderful job.

25 They are actually a very creative team, even though they are safety
26 first...

27 MULTIPLE COMMISSIONERS: Laughter.

28 MS. TEDEROUS: They are very creative. So, we like to help

1 them, and we really enjoy working with them and they're very passionate
2 about safety and it is truly a joy to work with that department but
3 yes, we do a lot.

4 MS. MINKEL: No, I don't have the image, I made a note to
5 bring it...

6 CHAIR HUGHES: Yeah.

7 MS. MINKEL: ...to show to the Board what the new initiative
8 looks like. Mission Statement, wonderful graphic, that Corey and
9 Helen's team have put together. It looks like the earth but it's the
10 NFTA going around. I love it as an environmental person, it speaks to
11 me, and then it has in clean, bright, white verbiage is our Mission
12 Statement. So, refreshing that, I think, is long overdue. Things hang
13 on the wall; we should change them. Important stuff.

14 CHAIR HUGHES: Yeah, important stuff. Thank you. Thank you,
15 Helen. Karen? Human Resources.

16 MS. NOVO: Thank you, Chair, and good morning,
17 Commissioners.

18 MULTIPLE COMMISSIONERS: Good morning.

19 MS. NOVO: HR Report, just the one (1) page today, on page
20 forty-nine (49) of your booklet. Just a recruit, going over the
21 recruitment events, that we've done, and the last couple in May. Again,
22 we continue to hit every event we can, from the Niagara Falls Housing
23 Authority, we go to the churches, the Baptist Church in Lackawanna,
24 Lackawanna High School, any recruitment event that we can go to, that
25 we're invited to, that we actually kind of call as well if we are not
26 invited, we make sure that we're there. We just actually had a very
27 large one at Northland from the New York State Department of Labor,
28 they actually put one on at Northland. That was huge. We really, I

1 think we got over sixty (60) applicants. We're still vetting that, so I
2 won't have that information because it just happened last week, yeah,
3 last week, I'm sorry, we're a week away already. So, I just, we
4 continue, you know the team's out there, everyone is a recruiter here
5 basically from our operators to our custodial staff. Everybody helps
6 and gets the word out there to come work at the NFTA.

7 So, jut an overview of our open positions we have.
8 Don't have great news but we're continuing. Operators we're at fifty-
9 four (54), our mechanics, where the bus side, we're at twenty (20) and
10 our rail seventeen (17), and one (1) at the BNIA which is where we're
11 doing a little bit better there at the airport. But, it's just a
12 continuous challenge, everywhere as we all see. I mean, I just saw
13 there is a shortage of lifeguards yesterday. I mean lifeguards,
14 teachers, everywhere you look, there's a shortage. I'm working,
15 networking with other HR Recruiters, what they're doing, working with
16 our other peer agencies. Everyone, it seems like, we're in the same
17 boat. Everyone you talk to from McDonald's to everywhere. So, we're
18 continuing getting out there. Doing what we can do. For the mechanics,
19 we provide study guides, we help them through the process. We're
20 helping, we do CDL permit courses. We actually now have it taped from
21 our prior, it was earlier in the year, we did the CDL permit course, we
22 actually have it videotaped now so we'll send it out and we will say
23 take a look at it, what can we help you with. So, we're trying to do
24 everything we can do, anything we can think of, you know, we're open to
25 any other options. So, this is the overview of where we are today. We
26 do have, last month, I did mention, we had twenty (20) operators in the
27 class that were training. We did lose one (1) so that was one of our
28 largest classes that we've had over the last couple of years. So, we

1 have nineteen (19) that are now on the road, starting to drive on their
2 own. Monday, we have a new class starting. I just got word that we're
3 at sixteen (16) for that class. That number changes because we are
4 still waiting for some follow-ups, and so forth, so we could have, we
5 could have, a few more that could be starting, that could be added to
6 that for Monday's class. So, I will keep the Board updated on those
7 classes as well. I'd like to mention one thing I did mention last month
8 in regarding to our tragedy at the Tops Market, EAP has been wonderful.
9 They have gotten so much communication to us that we share with all of
10 our employees here. I just sent out, they are continuously sending me
11 information for post tragedy, for talking, making sure, making
12 themselves available, they have live sessions that they do. They're
13 available 24/7 and I've gotten actually quite a few, I haven't even
14 gotten to tell Kim this, but, this morning, this employee, they are
15 actually sending them back saying "thank you, this has been so helpful,
16 to continuously hear that we can go and talk to somebody". So, I just
17 thought it was important because, you know, it happened in May but it's
18 never going to be forgotten and I think it's helpful to continuously
19 support our employees. And, they're out there, they're the face of the
20 NFTA and they're dealing with some tough challenges out there as well.
21 So, I just wanted to put that out there. It's Child & Family Services
22 for those of you that don't know. That's who we use for our Employee
23 Services. Tremendous, tremendous help they have been. So, if there are
24 any questions?

25 CHAIR HUGHES: Questions for Karen? Karen, you mentioned
26 everybody's a recruiter, I would encourage you to use the Board as
27 well. We have some Board Members who are extremely well-connected in
28 the community. They have large networks, so I don't know if you put it

1 in as part of the media package, we're also getting that a couple times
2 a week. Because we hear about these events afterwards, so I don't know
3 if you have flyers for these types of recruitment events that we can
4 circulate?

5 MS. NOVO: Yes. Absolutely. Absolutely. Thank you.

6 CHAIR HUGHES: Anything else, Kim?

7 MS. MINKEL: No, the only other thing that I would add to
8 Karen's report is we wanted to let you know that we have been working
9 with the State so that we can administer testing for the CDL license.
10 We've identified a space over on Cayuga Road, a property that we have
11 that we're trying to make ready. We think that will help. You know, the
12 more we can control the process, the time in, so that we don't lose
13 these candidates to other people who are looking for CDL-licensed
14 individuals, I think the better. So, that is something that Albany, you
15 know, has been very helpful because they understand the challenge and
16 how we can help working with the DMV we'll be able to administer the
17 test going forward, I think will be helpful. We're not ready yet but we
18 should be by the fall.

19 CHAIR HUGHES: Good. Other comments?

20 MS. MINKEL: That's all I had.

21 CHAIR HUGHES: Questions? So, we'll conclude Audit, Governance
22 and Finance Committee. Commissioner Perry, we'll roll right in?

23 COMMISSIONER PERRY: We're ready, if you're ready.

24
25 CHAIR HUGHES: Aviation. Commissioner Perry.

26 COMMISSIONER PERRY: Thank you Chairman. Calling this Aviation
27 Committee to order. And we will begin with John Schaefer and the
28 Airport Improvement Project update.

1 MR. SCHAEFER: Thank you Commissioner. Good morning, Everyone.

2 AIP Report for June. Buffalo Airport runway 5/23 rehabilitation. Union
3 Concrete, they are the construction contractor, are getting their
4 submittals in for review for lighting, runway lighting and guide-in
5 signs and we're planning for installation this fall. We've got a
6 meeting tomorrow to go over some of these submittals with the
7 contractor, the suppliers and the consultant to help expedite. And one
8 might ask what are we expediting? There is a pre-requisite in a
9 construction contract before you get it into the supply chain and there
10 is a lot of administrative pre-requisites and I just wanted to give
11 that to you, if you read submittals or hear submittals, what's all
12 involved with it. When a contract goes out, the contractor reads the
13 specs, they identify what equipment they need to buy, what materials
14 they need to buy. They identify a supplier. They send the supplier the
15 specifications. They come back with a supplier submittal. Basically, it
16 is a supplier saying here's how we're going to meet your spec, with
17 equipment A, equipment B, material A, material B. That comes to our
18 design engineers of record. They accept it or reject it and it could be
19 an iterative process depending on what they submitted and what is
20 required by spec. And then once accepted, the contractor is then OK'd
21 to cut a PO to their suppliers to then get in the queue of the material
22 supply chain which you'll hear a lot about and has its own slowdowns or
23 delays recently. But even before we get in the queue, there is an
24 administrative point to make sure, what, they're meeting spec and that
25 the product they're sending is what we are asking for. Just a little
26 bit of backstory so we do use it quite often in these reports, is
27 submittal review and it's a little bit of what's going on in there,
28 more than just a day. There is a bit of a process that needs to happen

1 for submittals.

2 A new project you'll see on here is passenger
3 boarding bridge for the airport. We're replacing fourteen (14)
4 passenger boarding bridges at the Buffalo Airport. These fourteen (14)
5 are owned by the NFTA and they're approximately twenty (20) years old.
6 They frequently experience operational and maintenance issues. It would
7 be a good time to be replaced so we have a request for proposal, an
8 RFP, for design services, we'll start advertising this month. So, the
9 plan is to get a consultant onboard. Have us do a selection. First
10 review our aircraft mix, to ensure what selections are made and then
11 get the bid package out to a construction contractor. And part of the
12 design services will include helping us program for whatever they are
13 available nominally a five-year period to just make sure we get them in
14 the queue as we can afford to pay for them.

15 And lastly, the Niagara Falls Airport Taxiway D, Ed
16 Bauer, the construction contractor, is in the midst of asphalt milling,
17 working on the drainage work as well as paving. They are about a third
18 complete, but they seem to be on track to finish before the end of
19 summer. And, that's all I have to report, unless there are any
20 questions?

21 COMMISSIONER PERRY: Any questions on any of that material? Seeing
22 and hearing none, we'll move on to the next item on the agenda which is
23 the Aviation Business Update, and we have a big PowerPoint and a whole
24 bunch of stuff.

25 MR. WEITZ: Oh, we have everything.

26 COMMISSIONER PERRY: OK.

27 MR. WEITZ: Good morning, Chairman.

28 CHAIR HUGHES: Good morning, Lee.

1 MR. WEITZ: Good morning, Commissioners. Chris went over a
2 lot of the financials in Audit and Governance so I won't bore you with
3 those details again, but I will mention that the May net surplus was
4 twenty percent (20%) better than it was last year and at Niagara Falls,
5 the net deficit variance was thirty-four (34%) favorable to budget so
6 good numbers at both airports. First slide here, this is the April 2022
7 Buffalo concession revenue per enplanement and as you can see, all the
8 numbers are trending in the right direction. We're up about a \$1.00 per
9 enplanement, in enplanement year-over-year so everything is trending
10 really nice there. I was going to say next slide, but I have it.

11 MS. SENIW: Laughter. I gave you the power.

12 MR. WEITZ: Laughter. The next slide is the Buffalo parking
13 report and as you can see the May numbers are up about seventy-five
14 percent (75%) for parking revenue in the garage, and about fifty-nine
15 percent (59%) favorable in the long-term parking. I was looking at the
16 2019 numbers, before the pandemic, and we're getting real close to
17 those numbers, especially in the garage, where there was \$449,000.00 in
18 2019, and we're at \$430,000.00 this year so getting real close. And I
19 was also looking at the number of cars parked in the garage. Back in
20 2019, we had 27,200 cars parked in the garage versus this year, 21,080
21 so quite a significant difference there however people are staying
22 longer in the garage so we're seeing more revenue out of the garage
23 this time of year, so that's great news.

24 COMMISSIONER BAYNES: Lyft and Uber?

25 MR. WEITZ: Ah, yeah, the numbers on the last slide showed
26 so we're up about \$.09 per enplanement for Uber and Lyft but yeah, more
27 people are trying to use it.

28 Next slide is the historical enplanements for

1 Buffalo. We're at 181,000 this May versus if you look at last year,
2 we're up about fifty-two percent (52%) year over year. But were still
3 down if you look at pre-pandemic numbers. In 2019, we were 225,289. The
4 flights are still down year over year. When you look at 2019, as you
5 know, there are a lot of pilot shortages still out there and there was
6 a lot of aircraft that were retired during the pandemic so the airlines
7 could save costs so we're not seeing the same number of seats and
8 flights. We're doing, the airplanes are full, but we just don't have
9 the capacity to meet those 2019 numbers yet. I think Adam would like to
10 talk about all the delays and cancellations a little bit later here.

11 On the next page, market share, air carrier market
12 share and I will mention a couple of the airlines. Southwest is only up
13 two-point-two percent (2.2%) in scheduled seats year over year and a
14 lot of that has to do with what I just mentioned. They retired a lot of
15 their older 737s during the pandemic and they're also short a lot of
16 pilots so it's kind of two fisted at Southwest Airlines and that's why
17 we're not seeing a lot of additional service. We're still only
18 operating like one (1) flight a week to Phoenix, one (1) flight a week
19 to Vegas, versus in years past it was, I think it was like seven (7) a
20 week.

21 MR. COHEN: Yes, daily service, sometimes twice a day.

22 MR. WEITZ: Yeah, so we're way behind in those long-range
23 flights on Southwest Airlines. They also entered in to, during the
24 pandemic, entered into six (6) new markets, Southwest did. The six (6)
25 new markets is pretty good so they decided to keep those markets so
26 that could be why it's difficult getting planes back in Buffalo. United
27 is doing, has added a lot of seats and they're up about two hundred
28 percent (200%) year over year on scheduled seats. So, United has

1 brought back their schedule quite robustly.

2 COMMISSIONER BAYNES: How about to the City of New York? Have there
3 been some cuts with JetBlue and Delta?

4 MR. WEITZ: Yeah, JetBlue is down. They've only... Maybe
5 Pascal can speak more to this regarding the New York market with
6 JetBlue.

7 MR. COHEN: Yeah, New York, all three (3) airports are
8 still really, really stressed. That is really because the business
9 travel that really has not returned to the levels that it was. What we
10 have three or four (3 or 4) daily flights to each of the airports, but
11 we are still 15-20 flights down. So, the biggest thing is really the
12 business travel is down and all airlines are expecting they will be
13 returning by '23 but right now, it's not good.

14 MR. WEITZ: The next page is the Niagara Falls historical
15 enplanements. We were at 5,188 passengers for May of 2022. It's up
16 significantly from last year, seventy-four percent (74%) higher than
17 last year but again, I'll go back to the comparison of 2019, and we had
18 9,100 passengers back in 2019. So, a long way to go in Niagara Falls.
19 As you know, Spirit is not flying up there right now and we're hoping
20 they'll come back next spring.

21 This is a really busy slide, but I wanted just to
22 point out that the top of the slide is for all U.S. airports combined,
23 all U.S. airports combined, and the black line, it's not showing up on
24 the screen, the black line...

25 CHAIR HUGHES: Looks like my cardiac report.

26 MULTIPLE COMMISSIONERS: Laughter.

27 MR. WEITZ: ...we're trending very nicely, this was back in
28 2020, 2021 is the green line, 2021 was the yellow line, it was trending

1 very nicely with the number of people going through the checkpoints in
2 U.S. airports. And the next slide down is Buffalo, so you'll see we're
3 very similar to what's going on throughout the country so, that's a
4 good news slide for us that we're trending in the same direction as
5 most U.S. airports are.

6 Next slide, I wanted to talk a little bit,
7 there is a Board Action coming to us in the Board Meeting later on, but
8 I wanted to just brief the Board a little bit on the Joint Use
9 Agreement, the JUA that we have at Niagara Falls with the Air Force. As
10 everyone knows, Niagara Falls is a joint use facility. It's home to the
11 United States Air Force Reserve 914th Air Refueling operation. They fly
12 K-135 refueling units. I think they have eight (8) of them, eight (8)
13 or nine (9) of their mods that are based here at Niagara Falls. The
14 NFTA portion of the airport property is approximately 700 acres. I
15 think I will go to the next slide to show you. Our area down here,
16 about 700 acres, on the bottom. This is all the Air Force up here. So,
17 their property line, and you'll see it in a future slide, ...this runway
18 or taxiway and then it dips down, so they own part of the runway, then
19 it goes back up and over. So, it's kind of weird that they own one-
20 third of the runway. So, since they own one-third of the runway,
21 whenever we do have a major project on that runway, they do cover one-
22 third of the cost to rehabilitate the runway which is nice. It helps us
23 out a lot.

24 MS. MINKEL: The benefit is to them we cover two-thirds of
25 the cost of funding with FAA so that helps with cracks, knowing this is
26 a funding that they can use.

27 MR. WEITZ: So, the terms of the agreement are certain
28 costs and services to operate the airport. The Air Force provides us

1 with ARFF which is fire protection and crash rescue services. That
2 saves us about \$1.7 million in services and personnel costs. So, that
3 is significant to our operation up there. We have primary maintenance
4 responsibility for the airport's runways and taxiway system in regards
5 to snow removal, but they do plow during the daylight hours during the
6 week, they do plow the runway for their operations. So, usually between
7 7 and 4 o'clock in the afternoon, they would take care of the runway
8 for us, which is a significant savings to us as well. We also, just so
9 you are aware, we also provide them with low-cost power, about 2,300
10 kilowatts of low-cost power and it's through a NYPA agreement that we
11 pass-through that electricity to the military up in Niagara Falls and
12 that NYPA agreement runs up through September of 2024 right now.

13 MS. MINKEL: That was one thing that they were also able to
14 use to their advantage when BRAC was brought up in the past.

15 MR. WEITZ: So, that, the agreement expires at the end of
16 June. That's why we're coming the Board today, for the agreement.
17 There's minor revisions to the agreement, you know, John is here...

18 MR. FENZ: I'm in your seat. Laughter.

19 MR. WEITZ: We'll talk about that at the Board meeting.
20 Laughter. So, the new term will end June 30th of 2027. There's a little
21 bit of revised ground maintenance responsibility boundaries for 2023
22 and it also memorializes the responsibilities for Cayuga Creek
23 including dredging and U.S. Airforce maintenance of the spill boom. So,
24 there's minor changes to the agreement.

25 COMMISSIONER PERRY: Question.

26 MR. WEISZ: Yup.

27 COMMISSIONER PERRY: So, they pay one-third of the cost for the
28 repair and rehabilitation for the runway, so that's general operating

1 costs for operating the runway? It just says repair and rehabilitation.

2 MR. FENZ: Yeah, with respect to that, there is the
3 standard wear and tear that happens on the runway, they'll pick up one-
4 third of that. If there is a major repair, that is a result of sole use
5 by the Air Force, then they pick up the full amount.

6 COMMISSIONER PERRY: OK. OK.

7 MR. WEISZ: For example, there was some damage caused by
8 one of their contractors not too long ago, and they picked up the total
9 cost to fix that.

10 COMMISSIONER PERRY: Oh, OK. Good. Thanks.

11 MR. WEISZ: Yup. This is that other map I was talking
12 about. You'll see all of the green areas is the Air Force's
13 responsibility and then the white areas on the bottom are all of our
14 responsibility. So, it kind of shows you which part of the runway that
15 they do take care of. That's it on the Joint Use. Are there any
16 questions on the Joint Use before I move on?

17 COMMISSIONER PERRY: Any questions on the Joint Use or anything
18 about the relationship between the base and the airport or the economic
19 development that that provides especially for especially Niagara but
20 for the entire Western New York Region? Any questions? Comments?
21 Concerns? Great.

22 MR. WEISZ: OK. We just have a couple more slides,
23 Commissioner Perry?

24 COMMISSIONER PERRY: Please.

25 MR. WEISZ: We have, same day that we opened, as Helen
26 mentioned, we opened BurgerFi and Bocce Pizza, the same day at the same
27 time, which was great because the new crews just turned their cameras
28 around, and took a picture of the airplane out the window, we had our

1 first inaugural flight on Sun Country to Minneapolis to start on June
2 9th. And, they're flying two (2) days a week, Thursdays and Sundays to
3 Minneapolis, and that service will continue through Labor Day weekend.
4 ...hence the name, Sun Country, they fly to a lot of Florida
5 destinations, you know, during the fall, winter, and spring seasons,
6 but they have extra aircraft for the summer. So, they decided, they
7 picked Buffalo as a place to put one of their aircrafts for the summer
8 which was great news for us.

9 COMMISSIONER BAYNES: This is until September?

10 MR. WEITZ: Just until September, but who knows? Going down
11 the road if the service does well, then they'll look at other markets
12 for Buffalo. So, it's a good start with Sun Country. And the last thing
13 we want to talk about is the... Pascal attended the 2022 JumpStart® Air
14 Service Development Conference in Reno, Nevada, just a few days ago
15 actually. And, he would like to kind of give an update on what he
16 experienced at the conference.

17 MR. COHEN: Sure. So, for the newer Commissioners, we
18 attend several times per year these air service development
19 conferences, potentially speed-dating opportunities, we get twenty (20)
20 minutes with airlines to pitch new business including existing carriers
21 as well as new carriers although at the moment, there are not a lot of
22 new carriers out there as you can imagine. Actually, a lot of carriers
23 went belly-up during the COVID downturn, but there are some new ones
24 out there. So, this one was a little limited. Normally we get about to
25 get eight to ten (8 to 10) meetings. I was able to secure seven (7) in
26 the end which was good, two (2) with prospect new carriers and five (5)
27 with existing carriers. We did get an update on what they are doing
28 capacity-wise and really, the overall theme is, as Lee mentioned, the

1 staffing issues are pervasive still. A lot of their equipment was
2 retired over the last couple of years, and as you can imagine, a lot of
3 the aircraft manufacturers were not making deliveries at the same time.
4 So, the entire order for airlines is pushed back several, several
5 years. So, there is no easy out of this roughly fifteen to twenty
6 percent (15-20%) capacity reduction that is going on currently. Having
7 said that, we are actually in pretty good shape. Carriers like
8 Southwest is almost restored to where we need to be, other than the
9 Vegas and Phoenix flights. Other airports are only operating at only
10 twenty to thirty percent (20-30%) staffing. And, then I know this is a
11 priority, we continue to have our conversations regarding Albany
12 service. Also met with the Albany airport folks to make sure we
13 approach this from the same angle from both ends. They also have the
14 same needs. It remains very difficult with South Jet that picks up
15 passengers from there, but also regular carriers really don't operate
16 point to point service without connecting to a hub. So, we really are
17 looking at niche carriers that do that kind of stuff. And some of our
18 carriers that we do have fly point to point like Frontier, their
19 aircraft is just way too big. There is not enough demand on the market
20 for Buffalo but it's ongoing. We feel good about it that we will get it
21 at some point, but I can't tell you that by the next legislative
22 session, people don't have to drive anymore.

23 MULTIPLE COMMISSIONERS: Laughter.

24 MR. COHEN: May have to be another time.

25 MULTIPLE COMMISSIONERS: Laughter.

26 COMMISSIONER BAYNES: One question. What about prior to COVID, we
27 were working on a San Francisco or Oakland flight. Has that come back?

28 MR. COHEN: Yeah. We talked about that. That is currently

1 in a deep freeze over right now for multiple reasons besides staffing,
2 besides equipment, with oil the way it is, there is not a carrier that
3 is looking at those kind of options. In fact, JetBlue LAX service has
4 been doing really well, and has been doing really well, but even that
5 for November, December and January will be pulled way back. Just
6 because of oil being that expensive right now, they are trimming the
7 most expensive markets as you can imagine what they are paying, just
8 like with cars, they are paying roughly double what they paid two years
9 ago. And on an aircraft like that, only guzzle down between 800 and
10 1,000 gallons an hour, on a five (5) hour flight.

11 MR. WEISZ: Yeah, those are the most expensive broad stop
12 rates.

13 MR. COHEN: Roughly a round trip will run about \$50,000.00
14 worth of fuel which is why it is easier to make more money going
15 through JFK. But, it's ongoing. The San Francisco, right now, there is
16 a big pause on that right now. I don't foresee that per our
17 discussions. I just had a call actually with United about it too and
18 they don't even want to talk about overflying hubs at this point, I
19 don't...

20 COMMISSIONER PERRY: ...during the pandemic, Chuck Schumer did a press
21 conference where he called on JetBlue to start the San Francisco
22 service, which typically means that the CEO of JetBlue would go in
23 there and start the service, so he calls his friends.

24 MULTIPLE COMMISSIONERS: Laughter.

25 COMMISSIONER PERRY: So, it really, I mean it seems to me as a
26 practical matter, that they really were preparing to do the final
27 exploration and start the service so, we should assume if we deal with
28 all of these industry issues, that it's still a viable service from

1 Buffalo to SFO.

2 MR. COHEN: Eventually.

3 COMMISSIONER PERRY: Eventually.

4 MR. COHEN: Yeah, eventually, but right now, if you look at
5 the panel, like a couple of years ago, we had no service through Denver
6 at all. In fact, Southwest didn't fly to Denver at all even though they
7 flew back from Las Vegas and Phoenix, they're flying daily to Denver
8 now. It's become a flow point so they look at places like SFO, or
9 Oakland or San Jose, we can go there through Denver just as easily as
10 flying over...

11 COMMISSIONER PERRY: Ahh...

12 MR. COHEN: So, while we gained some service on one hand,
13 it makes the business case a little harder in our head to say yeah...

14 CHAIR HUGES: Go non-stop.

15 MR. COHEN: ...keep Denver but also fly over.

16 CHAIR HUGHES: Yeah. Yeah.

17 COMMISSIONER PERRY: OK, so where we're a member of the Airports
18 Council International, there's all these trade groups, and all these
19 transportation groups, and all of us do all this government relations.
20 Are we, are we, are there any efforts to collaborate on dealing with,
21 especially pilot and mechanic shortages? I mean are we supporting these
22 efforts? There is an effort and a discussion with Niagara County
23 Community College and other places to do these kinds of things, but
24 what are we doing structurally? I haven't heard anything about that
25 with the airports and the airlines are doing to collaborate to say that
26 instead of just telling people to go to college for whatever, maybe
27 they should be talking about going to vocational school for aircraft
28 mechanics or for pilot training and other things. What are we doing?

1 What's the industry doing?

2 MR. WEITZ: ACI is heavily involved in that effort
3 obviously. You know, it's a big thing to them and every day I get
4 updates from ACI regarding you know they're talking to, they're
5 lobbying in Washington, they're talking to Senators and Congressmen,
6 about what can we do to number one (1) get more pilots trained and
7 flying in the air and mechanics too as well. They're working very hard
8 on behalf of the airlines. We're a member of both ACI and AAAE who are
9 both working hard on our behalf, and they brief us just about...

10 MS. MINKEL: ...longer term, which is what Lee mentioned,
11 right? The number of hours you need to fly is pretty significant so
12 it's going to take a couple of years to get there. But in the meantime,
13 to fix the problem, there has been a push, that ACI also supports, to
14 raise the retirement age of pilots from 65 to 67 to help bridge that
15 couple of, that two (2) year gap, that's going to be needed in order to
16 fix the problem. So ACI has been...

17 MR. WEITZ: They've been lobbying hard for that. That's a
18 good point, Kim.

19 MR. COHEN: And I'll just add one more difficulty in that
20 the rules, the FAR 121 Rules that require a certain amount of hours of
21 flying required for a pilot's license, those hours you really cannot
22 get at another flight school, there are many hours but in order to
23 earn that many hours, they have to pay for them themselves but there
24 are really no jobs out there that will take them because of this fuel.
25 But in the past, and this is atypical, if you have an aircraft that is
26 thirty (30) seats or less, you can operate on different flight rules,
27 135, you don't need that many hours to do that. That was the way for
28 pilots to get out. But given the fact the pilot shortage right now, the

1 airlines do not want to upgrade their thirty (30) seat airplanes
2 because it ties up two (2) pilots, so it is a chicken and the egg thing
3 that makes the matters even worse. It's hard to get people the hours
4 that they need because they do not want to operate that aircraft.

5 COMMISSIONER PERRY: And just my last question, with this Albany
6 flight, I assume that we can't be involved in some kind of charter if
7 we know that there's a group of people who want to do it, but what
8 about the new vendor that was, that was, that took over the Prior
9 Aviation operations?

10 MR. WEITZ: So that's TAC Air, yeah, that's TAC Air and
11 they're going to change hands again shortly at the end of the month.
12 It's going to be Signature Flight Support which is a huge FBO. You've
13 probably heard of Signature. It's a huge FBO throughout the country,
14 throughout the world actually. They have over a hundred, hundreds of
15 stations throughout the world. So, it might be worthwhile, once they
16 get in and get their feet wet, maybe we can talk to them about charter
17 operations.

18 COMMISSIONER PERRY: Did we approve, did that Signature Flights
19 item, would that have come before the Board already? Or is that..

20 MR. WEITZ: No.

21 COMMISSIONER PERRY: OK, but now we know, it's like an announcement
22 here.

23 MR. WEITZ: Yeah, they're doing the close at the end of
24 this month.

25 COMMISSIONER PERRY: OK. That's all I have. Any other questions? And
26 do we have anything else, Lee, or is that it?

27 MR. WEITZ: Unless you wanted to talk any more about the
28 delays...

1 COMMISSIONER PERRY: Just a brief, brief comment because there's
2 been some media articles. It's obviously it's in the news every, all
3 the time. What's going on?

4 MR. WEITZ: So, it's a myriad of things and Pascal may want
5 to jump in here but... So, there's obviously staffing issues, not just
6 pilots but staffing issues throughout every airline. There's also
7 staffing issues with the FAA... others numerous flights to Florida every
8 day out of Buffalo and out of pretty much across the country and
9 they're having a significant turnover in air traffic controllers at the
10 Jacksonville Center. The Jacksonville Center controls all of the
11 traffic going into Florida. So, they have brand new air traffic
12 controllers coming on, they have less controllers because they are
13 trying to hire and they're spacing aircraft out further because these
14 new air traffic controllers, you know, obviously they're new and they
15 have to get their feet wet and get some experience. So, that's
16 contributing not only to thunderstorms and everything we've had on the
17 east coast but that's attributing to the delays going into Florida as
18 well. As far as Buffalo, I've looked at the numbers, so we had forty-
19 seven (47) cancellations this May and I looked back at 2019, we only
20 had twenty-four (24) so quite a significant difference and we only had
21 ten (10) in 2018. So, there's a big difference between how many delays
22 are happening at Buffalo, you know, versus 2019, 2018. Anything else
23 you want to add?

24 MR. COHEN: Yeah, I'll just add just one more point which
25 was kind of an interesting article that just came out last week because
26 obviously the pilots have been taking a hit in the media as well.
27 People think that pilots are just not flying, etc. but that was
28 actually the airlines that actually handles the pilots for Delta put

1 out an open letter and in this letter, it says that "if they continue
2 with the rate of overtime that they did this year... they are doing more
3 overtime than they did in 2018 and 2019 combined".

4 COMMISSIONER PERRY: Wow.

5 MR. COHEN: So, pilots are trying. I mean the whole system
6 has really taken a body blow that it's going to take some time to get
7 through it.

8 MR. WEITZ: Yeah, I sent that article to Kim. If, Kim, if
9 you want to share it with the Board?

10 MS. MINKEL: Yeah, I'll pass it out to the Board. It's from
11 the Washington Post. It's a very, very good article and it speaks to
12 the challenge, and I really think that it will take the next two (2)
13 years, before we start to see things return back to normal.

14 COMMISSIONER PERRY: Any other questions, comments, or material?
15 Anybody? That concludes this Aviation Committee.

16 CHAIR HUGHES: Thank you Commissioner Perry.

17 MR. WEITZ: Thank you.

18 CHAIR HUGHES: Move on to Surface.

19
20 CHAIR HUGHES: Great. We will call the Surface Transportation
21 Committee Meeting to order. We'll start off with Mr. James Morrell who
22 has a presentation for us.

23 MR. MORRELL: Alright, our Discussion Item... Good morning.

24 MULTIPLE COMMISSIONERS: Good morning.

25 MR. MORRELL: Our Discussion Item today is a brief overview
26 of our Annual Performance Report. Tom will be presenting our Metro
27 Annual Performance Report, looking our key performance indicator
28 comparisons over the years. Tom?

1 MR. GEORGE: Good morning, Commissioners. As is our normal
2 ritual to go through our performance report, I would just like to go
3 through a couple items today in the book, if you have it in front of
4 you, starting on page five (5). As we normally do, we compare ourselves
5 and our peers on both the bus and rail side, and do a lot of work with
6 peer groups and what we try to do is represent that in certain select
7 areas in the, so you can see not only how we're doing trend-wise,
8 because it is very important to see positive trends, but also how we do
9 relative to the industry, so you'll see that sprinkled throughout the
10 report. I'm just going to walk through just a couple of things of
11 interest I think to the Board and then, if there's any questions later..
12 On page eight (8), I'm going to give you a snapshot in time as to where
13 we stand relative to bus ridership and how we're developing. As I've
14 reported recently, about sixty percent (60%) across the board or sixty-
15 five percent (65%) depending on the mode. Rail is actually closer. So,
16 you'll see those numbers. On the page nine (9), you'll see some of the
17 routes where we are growing and where we are not. Interesting trends.
18 Some of the routes, you'll start to see the rebound, other routes,
19 you'll see are very flat. We're not seeing the growth since the
20 pandemic. Kind of tells a bit of a story there. Continuing on, I am
21 going to jump around quite a bit, there's a lot of information in here,
22 lots of different routes, fare recovery, and the way we are operating.
23 If you go to page twenty (20), you'll see our mileage efficiency, doing
24 OK relative to our efficiency but we are down in miles that we are
25 operating but certainly not down to the extent we are down in
26 ridership. And, I think that that's just showing that we are still
27 operating the bulk of our service out there, we have seen some
28 reductions in the amount of service we put out on the streets. But yet,

1 nonetheless, we are still not relative to the ridership we were
2 carrying previously. On page twenty-two (22), later today, we are going
3 to have Board actions for new buses. This kind of gives you a snapshot
4 where we are in time. Our average age per bus is actually up a little
5 bit from 2021... an opportunity to reduce our fleet size a little bit.
6 When we go back to those miles I talked about earlier, they are lower,
7 that means we are actually operating less buses, we actually have a
8 smaller peak fleet size than we did back in 2019 to reflect the
9 ridership and we did skip a year, so, you're seeing granted we're up,
10 we're not up a full year on average age, but we're up a bit so we need
11 to continue on with purchasing those vehicles.

12 CHAIR HUGHES: Hey Tom, just for the new Board members, just
13 give a sense of what's the mileage on these vehicles? What's the
14 industry standard? How your maintenance team comes in to play?

15 MR. GEORGE: Yup. So, the FTA rules require that we operate
16 a bus effective life of twelve (12) years and 500,000 miles. We operate
17 significantly longer. Our goals here are more like fifteen (15) years
18 and 750,000 miles. We've been known to have twenty (20) year old buses
19 in the system. So, when you see an average age of ten (10) years, FTA
20 life is twelve (12) and that's our average age, so we are significantly
21 above the mean there, where we'd like to be. In an ideal world, if
22 everything was perfect, you'd have an average age of about six (6)
23 years, and you would have an average mileage of about 250,000. We think
24 we can operate higher than that. We've traditionally done that. We've
25 done that safely and effectively, so our goal is seven and a half (7½)
26 years and closer to 600,000 miles on an average, on a tool, so closer
27 to 300,000 to 350,000 miles is where we'd like to see our averages be,
28 just for cost effectiveness and being able to operate buses beyond the

1 FTA minimum... Moving on in the report if we could, because I don't want
2 to take all day with this but I could, believe it or not, on page
3 thirty (30), we're taking about Paratransit. I showed you the ridership
4 earlier on the fixed route and on the rail, which is significantly
5 lower, you can see that the Paratransit ridership has rebounded
6 significantly. And when we talked earlier in Audit & Governance, we
7 talked about operator shortages and those challenges, those have really
8 exacerbated the issues for Paratransit because we are really right back
9 up nearly as back up, in fact if you look, we are almost where we were
10 in 2018 with the ridership. So, ridership on Paratransit being very
11 similar to where it's been historically where it's down a little from
12 our peak in '20, but that group of our community is, or that segment of
13 our community is back in full force. Unfortunately, we have not been
14 able to capture the remainder of our riding public. And the other thing
15 that I found that is interesting is the fact that we have seen a change
16 in how ridership in our community operates, whether it from shopping by
17 home or all the things we do virtually now. The Paratransit community
18 hasn't engaged that as much. They certainly, you know, you can see
19 their desire to get out and be engaged in the community and stay
20 involved. Also has a lot to do with the life connection that this
21 provides these riders. It provides a connection to their jobs, to their
22 medical appointments, the things that they need to survive and be
23 vibrant parts of our community. So, it's really important that we're
24 able to do that on behalf of them. You'll see on the next page, thirty-
25 one (31), a little bit of a reduction in our active eligible riders.
26 But you do see again, the new eligible rider registration starting to
27 jump back up. We had a big drop in '21. So, that group we're seeing as
28 fairly active and back to, I would say, nearly normal. I do want to go

1 on to page thirty-four (34), where at the bottom of that page we talk a
2 little bit about our trip on-time performance. A challenge that we had
3 in here was missed trips. These are how many trips that we miss on an
4 annual basis. So, you see as our ridership went up, we've had
5 challenges, we've brought new technologies in to become more efficient
6 with Paratransit delivery, but in 2022, we had 927 missed trips, which
7 is simply unacceptable. We've been focused on that heavily as an order
8 of magnitude, we provided about 800 to 850 rides a day. So, 927 over a
9 period of a year is not astronomical but certainly not where we would
10 want to be with those numbers. So, we've been focused heavily on trying
11 to address that. And again, you can kind of see the importance of us
12 tracking all this data and looking at it regularly so we can manage to
13 the data that we track.

14 If I move further on in the report, I will jump
15 forward to page forty-six (46), just to indicate, I normally in the
16 past have done a customer satisfaction results, we do that annually,
17 with both our benchmarking groups, this is benchmark data, and I'm not
18 going through these but you can see that our customer satisfaction has
19 eroded during the period of 2022, you'll see some erosion there so
20 we've got some work to do in the customer satisfaction area. But we do
21 track that and again the important part of this is not only because we
22 present it to you as a Board, we present it to our Management Team to
23 improve our effectiveness and we also provide transparency to our
24 community as to how we're doing. So, this is put on the website, this
25 report will be posted on the website here immediately so that it is
26 available in our community. Interesting, I was reading one of those
27 Buffalo News stories or one of the stories where all these people with
28 their comments and all this stuff about the NFTA and all this stuff and

1 I just thought to myself, well if you just go on our website, all that
2 data is there. You don't have to guess about it, but I didn't comment.

3 MULTIPLE COMMISSIONERS: Laughter.

4 MR. LAVELLE: That was fine.

5 MR. GEORGE: Moving forward to page fifty-one (51), I did
6 want to talk a little bit about the financial piece here. You can see,
7 and we talked about earlier how our fare revenue has decreased, this is
8 on the top of page fifty-one (51), we were averaging, you can see,
9 around \$55 million in fare revenue prior to COVID. We dropped down,
10 we're back up last year to \$23 million, but luckily, we've had that
11 wonderful support from our elected officials and the state operating
12 assistance. So, you can see that the reductions we've had have been
13 made up with the increases in the assistance that we do receive so
14 that's been a real positive, a real positive development.

15 Another thing of interest is on page fifty-four (54),
16 at the top of the page - Metro pass sales. We've seen a big jump in 30-
17 day pass sales and 7-day pass sales. These jumps are almost exclusively
18 related to the increase in our, what is called, our token transit for
19 our mobile device-based fare collection system, which we're moving into
20 the new fare collection system, but we do have that third-party that
21 we've been using. An anecdote, we were out, we do route reviews with
22 our operators, we pick a specific route, we go sit with the operators
23 and all of our staff and talk about them, and we asked that, this is on
24 a route out in Tonawanda, and we asked about how are doing with fare
25 collection and the new fare box and one of the operators said "well,
26 they don't even use cash anymore, all you see is cell phones all the
27 time". So, you'll see how big of an uptick our ridership has taken in
28 these and building the new system will further support the uptick in

1 that.

2 And last, but not least, I did want to talk on page
3 fifty-six (56), at the bottom, years of bus driving experience. If you
4 look back in 2016, six (6) years ago, fifty percent (50%) of our
5 operators had ten (10) years or less of driving experience. Now it's
6 nearly two-thirds. So, you'll see a significant change in our bus
7 driver tenure here at the organization. It's a good thing, it's a bad
8 thing, it's neither. There's positives, we've got younger drivers so
9 that's going to help us in the future, but at the same time we have
10 less experience that provides challenges as well. That's all I had on
11 the report. I did want to mention, you know, with Kim's support and the
12 position that I've taken, I don't want to say this will be the last
13 Metro performance report you'll see but I want to say the next one
14 you'll receive will be more comprehensive across the agency. So, we're
15 going to expand this out and we're going to do performance reports on
16 all of the operations here at the NFTA.

17 CHAIR HUGHES: That's great.

18 MR. GEORGE: Well, if there is any questions, I will be glad
19 to answer them.

20 CHAIR HUGHES: Tom, I know you said this lives on the website,
21 do our friends in government get a nice, penned letter from you?

22 MR. GEORGE: They...

23 CHAIR HUGHES: or Kim?

24 MS. MINKEL: Yeah. They get this.

25 CHAIR HUGHES: Great. Great.

26 MR. GEORGE: This is distributed to every one of our
27 electeds.

28 CHAIR HUGHES: And you hand these out and give the same

1 presentation to Advisory Committee meetings?

2
3 MR. GEORGE: We do.

4 CHAIR HUGHES: Good.

5 COMMISSIONER BLUE: How far? Oops. I'm sorry. How close are we to
6 restoring routes? Ones that we had to end because of the shortages?

7 MR. MORRELL: Sure. So as of the seventeenth (17th) of June,
8 the express service was restored, except for one was performing really
9 poorly, but all of the express services are reinstated.

10 COMMISSIONER BLUE: OK.

11 CHAIR HUGHES: What one was not restored?

12 MR. MORRELL: The seventy-four (74), was overall doing really
13 bad. The community did not really respond when we cut it before. It
14 was, there were, a lot of responses from certain communities that we
15 did cut service, and we restored that service right now.

16 COMMISSIONER BAYNES: Tom, one quick question on page forty-six (46),
17 the customers feel secure on the buses but on the trains, they don't.
18 Is that happening on the trains?

19 MR. GEORGE: Well, we have a lot of challenges in our rail
20 system. I don't want to necessarily point the finger at one group but
21 specifically, in the afternoons, we have a lot of challenges with the
22 schools. We are making some changes with our school service going
23 forward. In the past, we've had routing on the buses, that we would
24 dictate where certain students could ride in order to get back and
25 forth but a few years ago, we waived that, and I think the Chief could
26 maybe, maybe address this better than I could, so, maybe I'll let you
27 jump on in?

28 CHIEF PATTERSON: Sure, the question was?

1 COMMISSIONER BAYNES: On the rail service, people don't feel safe. I
2 think Tom answered the question with students probably.

3 CHIEF PATTERSON: Yeah, and we do have that narrowed down, that
4 sentiment...

5 COMMISSIONER BAYNES: Sure.

6 CHIEF PATTERSON: ...and we've tried to look at it and we know that
7 between 3PM and 5PM, there's a two (2) hour window where we have
8 hundreds, literally hundreds of students that get on and get off. In
9 the past, there was a routing system which gave us control, so we could
10 use supervision to stop a student in a station when they were being
11 disorderly or their behavior was bad, and say "hey, you're off the
12 path, you're off the beaten path" and we could do something about that.
13 But this all-access pass loses our leverage for the ones that are
14 engaging in bad behavior. This all-access pass gets them anywhere in
15 the system to watch fights, you know, and other types of behaviors so
16 this routing is being examined which we're happy about. The other side
17 of that is to increase our police presence, increase our community
18 presence which I've talked about to this body several times, but that
19 will improve, and we hope that sentiment will change over time. We're
20 on top of it.

21 COMMISSIONER BAYNES: This was going on before your time anyway...

22 CHIEF PATTERSON: Yes, thank you... Still got to work on it.

23 MULTIPLE COMMISSIONERS: Laughter.

24 MR. MORRELL: Very true. So, Commissioner, in addition to
25 that, we've been doing blitzes in the system. Checking passes on
26 individuals, checking behavior, and it's become very successful at the
27 end of the school year that we'll start back up when school starts
28 again.

1 COMMISSIONER BAYNES: Thank you.

2 CHAIR HUGHES: Want to move on to financials?

3 MR. MORRELL: So, the Metro fiscal summary was outlined again
4 in the Audit and Governance, but I do want to just point out the
5 favorable... percent above budget. It ties in really well with the
6 ridership increases for the first quarter of this year that I will talk
7 about a little bit later. I'll move into our Metro Initiatives Report
8 on page eight (8). The most significant changes would be initiatives,
9 other than service improvements that I talked about earlier providing
10 the express service which is welcomed by the community. So, if there
11 are no other questions on the initiatives report. Can we go into the
12 Capital Report?

13 CHAIR HUGHES: Any other questions? If not, Mr. Schaefer?

14 MR. SCHAEFER: Good morning, Commissioners.

15 MULTIPLE COMMISSIONERS: Good morning.

16 MR. SCHAEFER: The Metro Capital Report for June. We'll talk
17 about three (3) of them, three (3) projects, but one (1), we've got
18 some delays and it's the Freedom Wall Walk. So, the purpose of this
19 project is to create a Freedom Wall Walk by improving the sidewalk area
20 and to light the portraits along the Freedom Wall area at the corner of
21 Michigan and Ferry. The work will include reconstruction on the area in
22 between the wall portraits and the curb as well as install LED lighting
23 to accent those portraits. The design, and there is a few renderings,
24 was performed by Watts, and the two (2) things to highlight as you're
25 looking through them is essentially two (2) major components. Some
26 things we call flat work or the sidewalk between the curb and the
27 walls. It's a bit more, much more intricate than you see on typical
28 sidewalks. They paint African flags, the colors, the multi-shades of

1 the along the areas. There is the opportunity as well, just about in
2 front of every portrait to do what we'll call a punch out in the
3 sidewalk. So, it's an area that when we installed it, we had
4 facilitated an area to knock it out and put in anything you like,
5 whatever the community wants, famous quotes, walk of the stars type
6 thing, so whatever they want to do, it is available. We didn't want to
7 take liberties with that piece and trying to guess at that. It would
8 have dragged out the project. We'd rather fill those in, come in when
9 you're ready, if you're ready, or leave it as is, so there's an
10 opportunity on the sidewalk. The other highlight of it is the major
11 component, is the lighting. We had Albright-Know advise us on the
12 lighting to help maintain the artistic integrity and I'm sure that
13 involves minimizing shadows, so you get the full view of the portraits
14 at night. So, this month we're asking the Board to approve the
15 construction contract with 4th Generation. Their contract dates will be
16 as such, assuming approval today, they'll have notice to proceed in
17 July. Contract execution does take a little bit of time after Board
18 approval, and they'll get started right away in July. The construction
19 complete by contract is in May. It's very likely, I talked with the
20 contractor last week, they are very confident they will get the flat
21 work done before the end of the calendar year, in fact they would like
22 to get it done by fall, better weather. What they are uncertain about
23 they'll be able to complete ahead of time would be the electrical and
24 again it has to do with submittal reviews and availability of
25 materials. The contractor is a civil, structural contractor by their
26 type of work, and they will be subbing out the other piece to an
27 electrical firm. So, that gives you a little appreciation of what that
28 lays out to be. They're going to try to get to the electrical as well,

1 but some things may be out of their control.

2 So, the next projects, I don't have visual aids for
3 those, the Metro bus garage facilities rehab, there's some more
4 completed out there. Masonry out at Cold Springs, that has been
5 completed. Work in progress is at Frontier, that's masonry work and
6 what's called t-beam structures, these are a little a little different
7 technically as to how to hold the roof up in the building. We are doing
8 some rehab there. This month, Staff is requesting the Board approve
9 contract year option number two (2) I was incorrect stating it is with
10 Horizon, not just with 4th Generation. That is coming forward to the
11 Board and this is to replace the exterior doors out at Frontier Garage
12 so when we all procured it, we asked for the option to add these doors
13 to be as part of the scope of work. It was at our discretion depending
14 on the availability of funds and we want to actually do that this
15 month.

16 The other project I just wanted to highlight was
17 Humboldt Station escalator replacement. The status of that is escalator
18 one (1) and three (3) installations are in progress. Number two
19 (2) installation will start up as soon as escalator one (1) is in
20 service. And this month, we want to have the Board, or ask the Board to
21 approve change order number five (5) with Schindler. That's for the
22 removal and installation of escalators at University Station. And,
23 that's all I have to report unless there are any questions?

24 CHAIR HUGHES: Any questions for John?

25 COMMISSIONER BAYNES: John, I just have a question on that change
26 order. That's \$3 million dollars?

27 MR. SCHAEFER: That is correct.

28 COMMISSIONER BAYNES: So, it was \$16, \$13 million and now another...

1 MR. SCHAEFER: That is correct.

2 COMMISSIONER BAYNES: Very costly change order.

3 MR. SCHAEFER: Oh, we are extending the scope.

4 COMMISSIONER BAYNES: Oh, OK.

5 MR. SCHAEFER: So, it wasn't in the scope. At the time we put
6 that together, that propo... the RFP together...

7 COMMISSIONER BAYNES: So, you're extending this out...

8 MR. SCHAEFER: We're extending it through the University
9 Station which at the time had just come off a rebuild and that was
10 designed for about a ten (10) year life as opposed to these escalators,
11 where fifteen to twenty (15-20) are expected. We got that. We got it at
12 the same price as the other escalators that we have in our scope, so
13 that is why we are taking the opportunity.

14 COMMISSIONER BAYNES: Thank you.

15 MR. SCHAEFER: You're welcome.

16 CHAIR HUGHES: So, we don't have to talk about escalators
17 anymore?

18 MR. SCHAEFER: Hope not. We just got to finish them up.

19 CHAIR HUGHES: Exactly. OK, James, want to keep moving?

20 MR. MORRELL: Sure, we'll move on to performance goals and
21 measures. As Tom indicated ridership is increasing but it is not at the
22 levels we had pre-pandemic, but we do see trends that are getting
23 better, especially on the bus side. If you notice on page seventeen
24 (17), for the first quarter, we are up nineteen percent (19%) year to
25 date ridership. So, that's some pretty interesting numbers to let us
26 know that individuals are continuing to ride the bus and the rail. We
27 do see some increases, possibly due to gas prices, individuals are now
28 taking the service, and we'll be monitoring the additional service on

1 the express service that we put on just to see if those choice riders
2 are now beginning to come back. We know that individual companies have
3 not fully opened in the downtown area, but we do see trends in terms of
4 some of the divisions within those companies are beginning to bring
5 some of those employees back. So, it is something we will be
6 monitoring.

7 If you turn to page thirty-one (31), system miles
8 between service interruptions, I just want to point out, as Tom
9 indicated the number of the average age of a vehicle. We are somewhere
10 system-wide about 10.1 years, but individually based on the garages,
11 you'll see Babcock Garage is well over twelve (12) years. The fiscal,
12 useful life based on FTA standards. Cold Spring is at, again, above
13 twelve (12) years for useful life. And if you notice the Frontier
14 Garage is well under because of the new CNG vehicles that we have been
15 purchasing over the years. There's Board actions later to be approved
16 by the Board for the purchase of battery electric buses that will be
17 applied to Cold Spring Station as well as diesel buses to be applied at
18 the Babcock Station that will bring that average age down. So, what
19 we're trying to do, as Tom indicated, is to get in that sweet spot of
20 about seven (7) years for the average age of buses and the purchase of
21 the individual bus types will help us do that. If there is no questions
22 on that, I will move on to our community stakeholder involvement.

23 CHAIR HUGHES: James, just one quick question...

24 MR. MORRELL: Sure.

25 CHAIR HUGHES: ...on the fare evasion rate and I know it is only
26 sixty (60) days but is that a trend? Is that some of the blitzes?

27 MR. MORRELL: Absolutely. We've been working with Chief and
28 working with the rail folks to try to get more bodies down there to get

1 individuals who are at least, aren't being behaved correctly, and as we
2 see that they're not, they are being pushed out and that's part of that
3 information.

4 CHAIR HUGHES: Thank you.

5 MR. MORRELL: The CAC did not have a meeting in May. That
6 meeting was held in June, and we will be presenting on that at our next
7 meeting. The AAC meeting, a very spirited group, the Accessible
8 Advisory Committee, held their meeting on May 26th. To just go through a
9 few highlights, we are discussing the website redesign with this group
10 they're heavily involved and making sure that the accessible
11 individuals that require, that are sight-impaired are able to navigate
12 the website. So, they are heavily involved in the designing of that
13 website, as well as heavily involved in MetGo. And, as we continue to
14 implement MetGo in the final design, how they navigate that system,
15 they are heavily involved in that process as well. We also went over
16 the PAL subscription policy and got feedback from that group. That
17 particular process and policy was tabled until July so we can
18 incorporate the changes that the group wanted us to make on that
19 policy. We have a very strong workplan development with that group and
20 we're trying to get that group to understand that there's a process to
21 make changes throughout the system and it's working really well
22 bringing that group into line. And lastly, some questions that the
23 committee raised with regarding the battery electric buses and how
24 quiet it is so those individuals that are visually impaired, and what I
25 just found out from our resident engineer that there is a sound
26 generator function that is on the vehicle that as it approaches, it
27 makes a sound for those individuals, so we had put that to rest.

28 CHAIR HUGHES: James, on the website, is it just a functionality

1 issue that they're concerned about or is this they want to optimize
2 what you guys currently are doing?

3 MR. MORRELL: Well, it's both. To be able to navigate and to
4 be able to use the tools, that there is certain tools that they need to
5 be able to add into the website that they can then navigate that
6 website. There's some technology, and functionality.

7 MS. MINKEL: ...now it's required.

8 MR. MORRELL: So, if you look at a website, instead of
9 reading straight across, it will read down for them. So, instead of
10 saying a particular schedule on a bus route, and instead of reading it
11 across, our bus schedules don't read across, they read down. So,
12 providing that technology for them is useful.

13 CHAIR HUGHES: That's stuff you probably would have never even
14 dealt with until, unless you had that committee in place?

15 MR. MORRELL: Absolutely! And they were really forceful when
16 we were putting the RFP out that they were part of that process.

17 CHAIR HUGHES: That's great.

18 MS. MINKEL: Yeah.

19 CHAIR HUGHES: Other questions for James? If not, we'll move
20 on to the Public Safety Report.

21 CHIEF PATTERSON: Good morning, Chair. Good morning,
22 Commissioners. I am recognizing the seat shifting in the room so I will
23 try to be brief and concise with my report.

24 MULTIPLE COMMISSIONERS: Laughter.

25 CHIEF PATTERSON: In keeping with our core mission, Transit
26 Police Officers responded to 163 calls for service in the month of May.
27 I'll probably say that every time I give my report, that's my
28 introduction, but I probably should let you know that is really just

1 calls for service. We also have what we call discretionary policing,
2 this is where officers engage in other types of proactive work to
3 secure our spaces. Out of those calls, 105 cases were closed, 21
4 arrests were made, 31 investigations are pending, and the remainder are
5 either cases unfounded, prosecution was declined or in one case, we
6 have an unknown case.

7 On the aviation side of what we do, I talk about the
8 personality, kind of the crime personality, really the infinities you
9 can expect in certain spaces. The top three (3) on the aviation side
10 are SIDA violations, property issues and disturbances and also
11 accidents competing with disturbances. So, we see that in our aviation
12 space.

13 CHAIR HUGHES: Chief, SIDA? Just so people understand
14 acronyms, SIDA stands for?

15 MS. MINKEL: The badge?

16 CHIEF PATTERSON: Yes. Secure Identification Display Area.

17 MULTIPLE COMMISSIONERS: Laughter.

18 CHAIR HUGHES: I come from healthcare. It's an acronym. Thank
19 you for spelling it out.

20 MULTIPLE COMMISSIONERS: Laughter.

21 CHIEF PATTERSON: So, SIDA is how we control access, how we
22 control people moving through the space and it is a major area of our
23 responsibility.

24 MR. WEITZ: We have quite a few piggy-backing events where
25 somebody let another person in who forgot their badge, or whatever the
26 case may be, they will let them through behind them. That's not
27 allowed.

28 CHAIR HUGHES: OK.

1 CHIEF PATTERSON: That's not allowed. Then we do integrity checks
2 so there is a complete system in place, so that's what, that's what
3 SIDA is. Out at the NFIA, the Niagara Falls International Airport, we
4 dealt with suspicious occurrences, something that we see, specially
5 drone activity. We get calls, several times, of drone activity out
6 there. On the Metro side, the top three (3) incident types are property
7 damage on our buses, criminal mischief and combative behavior in our
8 subway system.

9 Administratively, we are pursuing a New York State
10 accreditation led by the state and this allows us, this is an
11 opportunity for police departments throughout New York State to improve
12 their overall performance by meeting a 110 standard system driven by
13 the Department of Criminal Justice Services and we are in the process
14 of pursuing such accreditation. So, again, there are 110 standards, we
15 are kind of on section five (5). We're really, we're building our
16 policies slowly but we have a task master in my Deputy Chief who has
17 years of experience in accreditation so we are really marching forward,
18 and I will keep you abreast of our developments and how we're doing.

19 On the training side, it's no secret that we are
20 really in a generation of mass shooting incidents. This is very
21 personal for us and there's a couple things that keep me up at night.
22 One is the subway, and the other is ensuring that we have a response
23 for any, should there be an active shooter incident in any of our
24 spaces. So, I am spending a considerable amount of time, maintaining,
25 looking at what we have and what we are doing well. Without getting too
26 far into the weeds, we are, we do have some active shooter training
27 that is relevant, but I am trying to expand it to something I am
28 calling "Place-Based Training" which really at the end of the day,

1 makes sure that we're all safe and that our officers know what they are
2 doing should they have to respond to an active shooter incident in any
3 of our spaces. So, we are laser focused on our critical incident
4 training responses.

5 On the community side, what we're doing, I will be, I
6 guess this is the first of its kind where the police department is part
7 of the new hire orientation for the entire organization. I'll stop
8 down, I think they'll give me ten (10) to fifteen (15) minutes to talk
9 about what the Transit Police do as an entity and then how it
10 coordinates with what some of our other employees are doing so, we're
11 looking forward to being a part of the new hire orientation. And then I
12 think I've talked about our reach-out services where we try to do some
13 innovative things where we get to know the community by finding ways to
14 connect with them. So "Coffee with a Cop" has been done. We're now
15 going to, instead of reaching out, we're now going to reach in and do
16 coffee with some of our employees. I think we are going to focus on
17 officers meeting with bus operators so, and I see the heads shaking
18 which I think is awesome. We think there's an opportunity to engage and
19 improve our relationship with our bus operators. And I think that is
20 it for my report. Are there any other questions?

21 CHAIR HUGHES: Questions for the Chief? No.

22 CHIEF PATTERSON: Thank you.

23 CHAIR HUGHES: Any other business for Surface Transportation
24 Committee?

25 MR. MORRELL: No, we're moving along.

26 MULTIPLE COMMISSIONERS: Laughter.

27 MR. MORRELL: Rolling along.

28 CHAIR HUGHES: Pun intended. Well, if there is no other

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business, that will conclude out Committee meetings. We'll adjourn
until 12:30 for the Board Meeting.