NIAGARA FRONTIER TRANSPORTATION AUTHORITY

Monthly Board Meeting

June 25, 2020

Transcript of Video Recording

of Proceedings held at NIAGARA FRONTIER TRANSPORTATION AUTHORITY, 181 Ellicott Street, Buffalo, New York, stenographically transcribed by VALERIE A. ROSATI, Notary Public.
MEMBERS IN THE BOARDROOM:

Commissioner Peter Demakos (Vice Chair)
Commissioner Adam Perry
Kimberley Minkel (Executive Director)
David State (General Counsel)
John Cox (Chief Financial Officer)
William Vanecik (Director, Aviation)
Tom George (Director, Public Transit)
Karen Novo (Director, Human Resources)
Helen Tederous (Director, Public Affairs)
Darren Kempner (Manager, Government Affairs)
Darlene Jaeger (Assistant to Executive Director)

MEMBERS ON THE PHONE:

Chair Sister Denise Roche
Commissioner LaVonne Ansari
Commissioner Joan Aul
Commissioner Anthony Baynes
Commissioner Bonita Durand
Commissioner Margo Downey
Commissioner Charles Gurney
Commissioner Wesley Hicks
Commissioner Michael Hughes
Commissioner Philip Wilcox
John Schaefer (Director, Engineering)
George Gast (Chief of Police)
Steve Duquette (Chief Information Officer)
Sara Dayton (Lumsden McCormick)
Seth Hennard (Lumsden McCormick)

COMMISSIONER DEMAKOS: Welcome everyone. This is the regularly scheduled monthly board meeting of the NFTA. It's June 23rd, 2020. Before we officially begin, we need a roll call of
commissioners to determine if we have a quorum.
    David State, if you could do that, please.
MR. STATE: Absolutely.
    Commissioner Ansari?
COMMISSIONER ANSARI: Here.
MR. STATE: Commissioner Aul?
COMMISSIONER AUL: Here.
MR. STATE: Commissioner Baynes?
    Commissioner Demakos?
COMMISSIONER DEMAKOS: Here.
MR. STATE: Commissioner Downey?
COMMISSIONER DOWNEY: Here.
MR. STATE: Commissioner Durand?
    Commissioner Gurney?
COMMISSIONER GURNEY: Yeah.
DAVID STATE: Thank you.
    Commissioner Hicks?
    Commissioner Hughes?
COMMISSIONER HUGHES: Here.
MR. STATE: Commissioner Perry?
COMMISSIONER PERRY: Accounted for.
MR. STATE: Sister Denise?
CHAIR SISTER ROCHE: I'm here.
MR. STATE: And Commissioner Wilcox?

COMMISSIONER WILCOX: Here.

MR. STATE: So we do have a quorum.

COMMISSIONER DEMAKOS: Thanks, David.

It's June 25th, not June 23rd. I apologize.

After -- we're in week fifteen now, I guess, so --

MS. MINKEL: Yeah.

COMMISSIONER DEMAKOS: -- there's really, you know --

the joke is we all get to put on a tie one day a month now so --

Anyway, as vice chair and the presiding officer, I call the meeting of June 25th to order. Since I'm physically present in the boardroom and the chair is participating by teleconference, I have agreed to serve as chair for the meeting. So I ask for unanimous consent to serve as the chairman pro tem for the June 25th, 2020 meeting, and hearing no objection, I will serve as chairman pro tem for this meeting.

The first order of business is the approval of minutes of the May 28th, 2020 annual meeting. That was our annual meeting. Do I have a motion
to approve the minutes from May 28th?

COMMISSIONER PERRY: So moved.

COMMISSIONER DEMAKOS: Second?

COMMISSIONER HUGHES: Hughes.

COMMISSIONER DEMAKOS: I keep forgetting. Do we need a roll for that, David?

MR. STATE: Not for that.

COMMISSIONER DEMAKOS: Okay. Thank you very much.

Before I turn it over to Kim, Kim has brought up a couple good points. We've been doing now -- this is now for the fourth straight month. We now have several more people here as we slowly work our way back. But, again, only essential NFTA staff are here in person. The public is not invited or included, and we're all keeping a safe distance. There are no committee meetings. All the committee reports will be done at this meeting. As Kim mentioned, please keep your phones on mute and let us know who you are if you've got a comment. And we have three groups of resolutions, but we'll probably do it in four because of the financial statements we probably should do in one separate one.
MS. MINKEL: Sure.

COMMISSIONER DEMAKOS: So we'll have four roll calls per order.

    Again, our foremost concern is the health and safety of all the employees. And Kim later will be doing her monthly report on how the NFTA is managing this whole COVID situation. And, again, we thank everybody who is out in the front lines, wherever they are, for helping our community provide safe and reliable transportation services.

    And now I'd like to turn it over to Kim for her executive director's report.

MS. MINKEL: Great. Thank you, Peter.

Before I go over my executive director report, we have our auditors from Lumsden and McCormick on the phone, and they are going to present to the board the audit of our financial statements. On the phone I have Sara Dayton and Seth Hennard from Lumsden and McCormick.

Sara and Seth, are you on the phone?

SARA DAYTON: We are.

MS. MINKEL: Great. Thanks. And before I turn it
over to you, so the board can follow along, a copy of their presentation was in the PDF document that I sent to you yesterday. It begins on page four of that document. And now I'll turn it over to Sara and Seth to present their findings.

SARA DAYTON: Thank you, Kim. Good afternoon, everyone. I will try to remember to ask you when to turn the slides over. But, just as a reminder, I'm Sara Dayton. I'm the partner in charge of the audit for Lumsden and McCormick. Donna Gonser was the partner in charge for a number of years. As you know, the public authorities are required to rotate partners every five years. So Donna remains as the coordinating partner, which was my former role, and basically we have a second technical review partner of the financial statements. So as I was involved previously, just not as a member that you saw, Donna continues to remain involved in her review. And obviously she has a strong history and understanding of the Authority.

I'm going to hand it over to Seth to go
through the reports, our audit process and our
required communications, and then I will
summarize the results of the financial section of
the audit when he's done.

SETH HENNARD: Hi. This is Seth Hennard from
Lumsden. I'm going to go over slide one to start
with. So this is really a summary of all the
reports that are in the financial statements. So
the statements themselves are about forty pages.
This slide summarizes the management reports, the
top three, which are basically reports that
management is responsible for. So the
certification of the financial statements and the
report on internal controls, those really come
from a public company Sarbanes-Oxley requirement,
and management has chosen to do that voluntarily.
So that's really more of an above and beyond
what's required, but it basically says that the
statements are accurate and that internal
controls are there and functioning within the
Authority. So those are both good things.
The third document is the management
discussion and analysis. That's prepared by
management. It's essentially a summary of your financial statements with some extra analysis on what changed during the year and what's going to be changing in the future. And that's also on the document.

The following reports are all the documents we are responsible for. So the main one is the financial audit. It is performed in accordance with the government accounting and auditing standards. And we have issued an unmodified or clean opinion which basically says that the financial statements as presented are materially correct and they're not misrepresented in any way.

Also included in the financial statements is a federal single audit. That's performed in accordance with the Uniform Guidance. So as part of that, receiving all the federal grants that the Authority receives, you have to comply with the Uniform Guidance. And we have to perform Uniform Guidance procedures to test those. So for the fiscal year 2020, you had sixty-two million dollars of federal funds. Most of that
was FTA funds. In the prior year, you had thirty-four million dollars, so that would have been a substantial increase over last year. Sara will get into more details, but, essentially, that was more capital grants and the CARES Act funding.

Related to that is also we have the collection forms. We'll be filing that over the next few weeks. Essentially, all that is is an electronic filing of the federal single audit paper reports.

The New York State single audit is an additional requirement that New York State DOT has established for DOT funds. That functions similarly to the federal single audit, that we have to test state funds that come in mostly through the STOA program. But, that in total was seventy-four million dollars for all DOT funds. That was audited this year, and no findings on that either.

The next bullet point is the compliance with investment guidelines for public authorities, another requirement that we have to audit your
investments. So mostly you have CDs and, you know, low term mutual funds. So as long as your in-state investments and you're complying with their policies, there's no findings with the investment guideline report.

The national transit database report. We will do that closer to October. That's when that system is available, when management has had time to enter in all that data. So we'll come back and audit that later on.

The no material weaknesses report, also known as the management letter, has no comments in it. If we had any substantial internal control concerns, material weaknesses, insufficiencies, things like that, we would let you know, or any kind of just recommendations for improvement, if it was substantial enough, we would tell you in that report.

And then finally is the communication with those charged with governance, which is an interest line I'll get into.

So on page two is the audit plan. So we went over this for the planning meeting, so I
don't want to really go through this. I'll be very brief. It's a risk based audit. You know, we communicate with management throughout the year to kind of go over the more complex theories like OPEB and pensions so there's no surprises during the year. We kind of have that continuous communications. We obtain a detailed understanding of Authority operations and procedures, unique historical knowledge and past experiences. And that really makes it more efficient for us and for management. And that was really important this year, especially with how things have turned out. We were on site for maybe a day or so total, so most of the audit was performed remotely. So that was really a lot of uploading files for us to review, scanning documents by management, and we were still able to file this, you know, before the June 30th deadline. So I think that historical knowledge and knowing really what to ask for and having management be very cooperative really helped that process along to file -- to get the audit done.

Identify major audit areas. So that's stuff
like receivables, pensions, OPEB, especially it's your grants. Those are big audit areas. We also do coordination with the Authority's internal audit department. So we really look at the audit plan, internal audit plan, get the documents and get the files that were audited for the internal audit and review those files, and then kind of supplement the audit as we can. If we find anything in there that is a red flag, we take it further.

Fraud risk. The financial audit is not designed to detect fraud, but we do perform limited procedures as necessary. We have no significant items -- or, any items, really, to report on a fraud concern basis.

Page number three is the required communications I mentioned. So that's about a three-page report, but essentially what it gets into is it's a communication to the board of any significant findings or any issues we had during the audit. We're pleased to report there were no disagreements with management, there were no audit findings, there were no issues. Really the
only thing we had was some delays because of working remotely. But, that really wasn't a management issue, just a function of how to do things remotely, and it still went very well. For the size of your audit, the size of your organization, to do it as efficiently as we did, I think that worked out quite well and there was no issues.

Now, the accounting estimates were found to be reasonable. So in the financial statements, there's a lot of accounting estimates. They're listed there. You know, accounts receivables, grants, capital assets. They're all -- they have varying degrees of estimates involved with them.

The final three bullet points, provisions for claims and settlements, if you're self-funded, the pensions and the OPEB liability. Management gets actuarial reports for all those items. We look at those reports as an expert that is essentially helping determine what those liabilities should be from an actuarial basis. So we get those reports and review those.

And then, finally, there were additional
disclosures related to the coronavirus. That's in the footnotes. So in the statements that you have, about forty pages, in note two there is additional disclosure on revenue recognition related to grants. So note two pops up. The CARES Act funds and how the Authority has received FTA funds of sixty-one point three million and FAA funds of twenty-three point five million. Those were the grant awards, and only about eighteen million of the FTA funds were drawn down for fiscal year 2020.

And then note thirteen talks about risks and uncertainties. So it's a requirement in federal statements that you disclose basically subsequent events and what's happened after the year-end. So there was a note in there about coronavirus and how that's really affected into these operations and how you had decreased ridership and stopped collecting fares in March. So that's all disclosed. And you also further disclosed that more on the MD and A, but that's also in note thirteen.

Then on page four, just to wrap it up on
this part with some recommendations. Again,
there were no material weaknesses, there's no
items that received significant deficiencies.
There were no real issues or any kind of concerns
about internal controls. We kind of made
recommendations to management and received kind
of minor items here and there to, you know,
improve some of the control signoff and review of
procedures like that. We continue to recommend
that the GBNRTC and NITTEC relationship and
allocations be reviewed just to make sure that it
is being charged correctly.

And then, finally, the new pronouncements
that we usually go over, the new GASBs. And I
know in the planning meeting and last year, we
talked about GASBs 84 and 87. 84 would have been
implemented this year, and 87 would have been
slated to go for next year, but because of the
coronavirus, GASB issued GASB 95, which basically
postpones about eight or nine GASBs. And so now
GASB 84 is required for 2021.

And then leases got extended by a year and a
half, but because of the way your fiscal year
falls, you actually have until March 31, 2023 now. So you actually got a two-year extension on that. We've been working with management on the leases already, going to talk to them about how to implement that going forward, so at least now you have another two years before that has to be implemented.

And then on page five, Sara is going to get into the actual numbers part.

SARA DAYTON: Thanks, Seth. So pages five and six are just a snapshot of the financial statements. Page five is your income statement. Those numbers are reported in thousands. I'll briefly go through it.

On the operating revenue side, you'll see a decline overall in operating revenues of about two point four percent. The biggest reason for that decline is COVID-19. Keep in mind your fare collection wasn't suspended until March 27th, so the decline in fares is also just a result of decreases in ridership in the month of March as a result, while still trying to -- or, still charging a fare. There were no fare increases
either during the year prior to that.

For the concessions, commissions and rentals as well as the airport fees and services, that, again, is a result of COVID-19. Fewer enplanements, you know, therefore fewer parking, less fees through the airlines, less food and retail charges. Also occurring in 2020 -- well, actually in March of 2019, was the grounding of the Boeing 737 Max, so that continued grounding also had an impact on those revenues and lower enplanements for 2020.

On the operating expense side, the decline in salaries, payroll taxes and benefits is primarily a function of benefit decreases. Most significantly was savings in your self-insured health insurance and Workers' Comp. plans. Some of that savings was offset by an increase in your OPEB expense. OPEB is other post employment benefits. As you may recall, there was a standard GASB 75 that was implemented in the prior year, 2019, and that required that the actuarial evaluation in your financial statements reflect the entire value of the OPEB liability as
calculated by the actuaries. And the OPEB liability is really health insurance that will be paid to retirees up to as much as a hundred percent based on the timing of when employees were hired. So that is an estimate of that calculation. Seth mentioned the estimate within your financial statements.

The biggest actuarial ones are the OPEB and your pension plans. So changes in those estimates, which can result from many factors, for the plans that are funded, which is really the pension, the estimates include estimated earnings versus actual earnings. And then on the other side for OPEB is estimates of health care cost trends, mortality. So there's a lot of pieces that go into that, so those, those estimates can fluctuate rather significantly year to year, and you do see those flowing through this line. And you'll see that a bit more on the balance sheet, which I'll go through in a minute.

No significant depreciation changes. Your other operating expenses this year included some more software and maintenance costs, including
some IT security upgrades. So you -- it resulted in an operating loss similar to the prior year, a hundred and seventy-eight million. That's all -- that's been offset by your non-operating revenues. As Seth mentioned, in the current year, you did recognize around about nineteen million in federal funding relative to the CARES Act of eighty-five million total. So you'll see the rest of that recognized in 2021 as you have the related expenses recognized.

You also had increases in the state budget items and as well with county money, which is mortgage recording tax and sales tax. So obviously you're going to see a decline in those in 2021, but you will see the recognition of the additional CARES funding, the remainder of that in 2021 as well.

The passenger facility charges, again a function of COVID-19 and the 737 Max caused declines there. Down to capital contributions. You had an increase there. That's really timing of project expenses. About twenty-five million of that thirty-five million in Metro Federal
Transit Authority funds, and a lot of that is because of the buses. You purchased twenty-three buses in 2020 with those funds. So at the end of the day, you actually do show a net income of nine point one million this year. But, again, that's really a function of that CARES Act funding that is offsetting some of those costs in 2020.

If you move then to page six, that's the balance sheet. Starting with assets and deferred outflows. You had issued a bond in 2019 for the airport project, so you had some unspent proceeds still at the end of 2019. You spent those in 2020. Receivables include that eighteen or nineteen million for the CARES Act funding. Your capital assets, so this is your land, buildings and equipment, net of depreciation. You had about twenty-eight million dollars in addition for construction on the terminal expansion and renovation project as well as fourteen million dollars for the new buses, offset by depreciation expense of about fifty-one million dollars this year.
Deferred outflows of resources as well as deferred inflows of resources, which you can see further down under liabilities and deferred inflows, are, as I was mentioning, a function of those actuarial valuations. So as those assumptions change, they hit those two lines and then they hit the net pension liabilities and the total OPEB liability and then they basically -- a piece of it gets expensed each year, so that's the fluctuation you see on the income statement on the expense side.

Continuing into the liabilities. Your long-term debt you see went down this year. You had no, no significant new debts, you had no bonds that you issued this year, so it's really just payments of just under twelve million dollars of principal this year. On the liabilities for the pension and OPEB, as I mentioned, those are based on actuarial reports. Your pension liabilities include really three plans; the state plan which is the employees retirement system, the stipend plan and then the Metro plan which is actually funded. So those
three all combine to that twenty-seven point four million dollar net pension liability. You can see your total OPEB liability is large, five hundred and sixty-five million dollars. Again, as a reminder, that is just the estimate of what the Authority owes for health insurance for employees upon retirement, including as much as a hundred percent. And that's really for employees hired prior to 2004.

At the end of the day, the difference between those two categories is your net position. Your total net position is about fourteen million dollars at year-end, but that's made up of various categories, and the biggest is your investment in capital assets, and that's really just the assets net of the debt on those assets. Restricted is amounts restricted for debt service, and that's the passenger facility charges as well. And then unrestricted by difference is a deficit really directly as a function of that OPEB liability at the end of the day.

So that's the relatively quick synopsis of
your financial statements. Does anyone have any questions?

COMMISSIONER DEMAKOS: Yes. Do any of the board members have any questions for the Lumsden McCormick team?

COMMISSIONER BAYNES: Peter, this is Anthony. I don't have any.

COMMISSIONER DEMAKOS: I think we need a mute somewhere.

MS. MINKEL: Yeah. Sam?

COMMISSIONER GURNEY: Yeah.

MS. MINKEL: Did you have any questions? We thought we heard you in the background.

COMMISSIONER GURNEY: No.

MS. MINKEL: Okay. Great. Are there any other questions of the auditors?

COMMISSIONER DEMAKOS: Okay. If not, thank you, Lumsden McCormick team, for all your hard work.

Do they click off now, I guess, or not?

MS. MINKEL: Sara and Seth, you're welcome to stay on the line, but you don't need to, so thank you very much.

SARA: Thank you. Thank you to the board.
COMMISSIONER DEMAKOS: Having been through more of these presentations than I care to admit, sometimes maybe you take it for granted and you keep -- you know, every year -- really almost every year that I can remember you hear things like, no material weaknesses, no significant deficiencies, and we, we may take it for granted, but I think it's really a credit to, John, your team, everybody on the staff, because there's a significant amount of information that goes into these audit reports, and having done it all remote or most of it remotely, maybe even more difficult I'm sure. So I think it's -- you know, their comments about the fact that these are well done and well presented to them, I think is just a validation of everybody here and all the hard work, so thank you to everybody on the team.

MR. COX: Thank you. And I certainly will pass that on to staff too, let them know.

COMMISSIONER DEMAKOS: All right. If there are no other questions, Kim, your executive director's report, please.

MS. MINKEL: Thank you, Peter.
A couple of things that I wanted to highlight for the board that are in your committee reports, but I just wanted to bring them to your attention. At the end of this meeting, there will be presentations from both the operating centers, from Tom George on surface transportation and aviation, and Darren Kempner as it relates to our COVID finance and government affairs. But, in addition to that, there are other things that are in the committee report that I wanted to highlight for you.

I echo Peter’s sentiments and appreciate all the hard work from our financial department in getting this audit complete, especially during a pandemic. It was a challenge, but to meet the deadline so that we can file our financial statements in our PARIS report is certainly a testament to the hard work of our financial group and our audit group, so I have appreciation for them, and certainly our operation folks for another month of providing outstanding service throughout the agency.

Despite these challenges of operating during
a pandemic, I did want to highlight that our injuries and illnesses are down compared to last year. We have an eight-percent reduction in reportable injuries and lost time days are also slightly down. The number of lost time injuries actually remained the same. But during a pandemic where there's more opportunity for exposure I think speaks volumes about the hard work of all employees within the agency. So I certainly commend all of them. Safety is important to us, and as you heard from the auditors, our salaries line went down and it was because of the benefit piece, particularly Workers' Comp. and health insurance. And that's no accident. We spent a lot of time on that because we realized the impact both in terms of human capital but also financial capital on the Authority.

I also wanted to highlight that recruitment remains challenging during a pandemic. We have had a number of operators and mechanics retire and we expect that trend to continue. And like other agencies, we struggle to find both
operators and particularly mechanics. And we're competing for a limited pool out there among many other companies. So we continue to recruit, to do everything that we can, but I wanted to highlight to the board that this is becoming even more challenging, especially during a pandemic. So we're holding our own, but when school starts back up, certainly we have concerns.

Additionally, we're trying to schedule the police exam. We had a police exam that was scheduled to be given at the end of March that we had to postpone. We postponed it until May a couple of times, and now we're still waiting to get a date. We are fortunate that we had over thirteen hundred applicants express interest in the exam. And we hope to have a date that we can send out an announcement, and we're anticipating it will be in smaller groups, maybe no more than a hundred or two hundred at a time in a very large room, over multiple dates in order to accomplish that exam.

But in addition to the exam, the police academy has been closed, so we have a number of
officers who have not been through the academy who are working dispatch. So the number of officers we have are down in the Authority, so that is presenting a challenge, one that we know we'll get through, but it's nevertheless creating additional stress on our officers.

I also wanted to express my appreciation to former commissioners. We had two former commissioners, Ernestine Green and Eunice Lewin who were out passing out chocolate bars to our frontline staff and operators in appreciation of their service. And I can tell you that sweet thought was greatly appreciated by all. And I also wanted to express my appreciation to Conway the Machine for donating breakfast treats. He's a local rap star, and he donated breakfast treats to our frontline operators.

And then I also wanted to personally thank Kaleida Health and Commissioner Mike Hughes who's on the line for providing the coronavirus testing for all of our NFTA employees. I can tell you that was so well received and much appreciated.

Two other items for the board. I sent an
e-mail to all of you yesterday. I'm pleased to report that on July 1st at ten a.m. we will commemorate the installation of the highest beam at the west end of the Buffalo Airport. Similar to what we did on the east end, we will be doing a similar event with masks and social distancing, but a significant accomplishment nonetheless. On July 1st at ten a.m. So I hope many of you can join us for that event.

And then, finally, I wanted to mention to the board that after over thirty years of service, Darlene Jaeger will be retiring at the end of August. Darlene has helped so many of us over the years. She keeps us well fed, hydrated and happy. So we'll greatly miss her. She'll be here until the end of August, but we wanted to wish her a very long, healthy, safe and happy retirement. So congratulations, Darlene.

COMMISSIONER DEMAKOS: Congrats.

We'll need kleenex for the meeting in August.

MS. MINKEL: And that concludes my report.

COMMISSIONER DEMAKOS: Thanks, Kim.
Are there any questions for Kim on her executive director's report?

If not, I can turn it over to John Cox for the consolidated financials for -- it will be for May.

MR. COX: May, yes.

COMMISSIONER DEMAKOS: And that's the first month of our -- second month of the fiscal year. Sorry.

MR. COX: Yes. Thank you. Good afternoon, commissioners. If you can refer to page fifteen in your packet. For the month of May, 2020, we had a negative variance to budget of eight hundred and thirty-four thousand dollars. Total operating revenues and assistance were below budget by approximately two point nine million or fourteen percent for May, and that was three point two million or seven point eight percent on a year-to-date basis. And this is mainly due to, again, for this month we had zero Metro passenger fares, so that would be down a hundred percent. That is for the month, three point one million; and on a year-to-date basis, six point two million.
We have a twenty-five percent estimated reduction in STOA which is one point two million for the month of May; and on a year-to-date basis, two point four. Revenues at BNIA were below budget by thirty-four percent or one point nine million dollars. Now, for some perspective, in April they were down thirty-nine percent or two point two million below budget. So we have seen some incremental improvements month over month there. And so on a year-to-date basis, BNIA is down thirty-six percent negative variance to budget or four point one million.

Now, NFIA revenues for the month of May were forty-nine percent or approximately a hundred and seventy thousand dollars below budget. And, again, just to compare it to the last month of April for -- to have -- for comparison purposes, that was eighty-three percent below budget or a hundred and ninety thousand. So, again, we did see an incremental improvement in the month of May. And on a year-to-date basis, NFIA revenues were down fifty-three percent or three hundred and sixty thousand dollars.
Now, this was offset partially by CARES Act funding from the FTA and FAA. And for the month of May, it was approximately four point two million dollars that were applied to our books; and on a year-to-date basis, it is eleven and a quarter million dollars.

Total operating expenses were below budget by two -- approximately two million dollars or eleven percent in May; and on a year-to-date basis, three point one million dollars or eight point five percent. And I think that, you know, those lower expenses, a lot of that is due to some delays in purchases and certainly the hard work of staff here at the NFTA to control costs, and, in addition, also some favorable pricing that we're seeing in several commodities that we purchase in large quantities due to the high supply and low demand because of economic conditions such as diesel gasoline and natural gas.

Now, just to -- I'd like to emphasize, you know, the CARES Act assistance for both Metro and the two airports, what a lifeline it is. Without
it we would have recognized approximately a five point one million dollar negative variance to budget and a four point one million dollar deficit in the month of May. And on a year-to-date basis, we would have seen an eleven and a quarter million dollar deficit -- I'm sorry. Eleven and a quarter million dollar negative variance to budget and a nine point two million dollar deficit. And so that just shows you how important this CARES Act is and it really has kept our head above water for these two months, and it's just -- without it, you know, you can see how -- what -- I can't even imagine what the challenges would be that we'd be facing if we didn't have that CARES Act funding.

So unless there are any questions, that concludes the consolidated financials for me.

COMMISSIONER DEMAKOS: Are there any questions for John on the financial report?

None -- hearing none, there are four resolutions in the agenda, and I'd like Kim to present those, please.

MS. MINKEL: Thank you, Peter.
The first one is on page thirty-three of your PDF. Staff is recommending approval of the financial statements for NFTA and NFTA Metro for fiscal year ending March 31st, 2020. And a copy of the draft financial statements start on page thirty-four. They were presented earlier in the meeting by Lumsden and McCormick. And they continue on through page eighty-seven of your report.

The second corporate resolution, starting on page eighty-eight, staff is recommending a procurement with Dell Inc. This is for software and system support for firewalls. It would be a three-year agreement at a total cost of two thousand six hundred and sixteen dollars and seventy-five cents.

The third corporate resolution is an authorization for agreement with Grove Roofing. This is phase two of a roofing rehab project at our 485 Cayuga Road facility. The cost of the roof rehab is a hundred and seventy-two thousand dollars. This will replace the roof membrane and the insulation segments that have wet insulation
and where we're seeing existing leaks over at the
tenant space. Grove Roofing was approved by the
board back on December 21st, 2015 for a five-year
term agreement.

Corporate resolution number four on page
ninety is an authorization for a lease amendment
with PriorityBiz, its space at 247 Cayuga Road.
They've been a tenant for some time. They are
looking to add additional storage space to their
current lease. They're looking for an additional
fourteen hundred square feet at the same current
rental rate that they're paying now of three
dollars and sixty-nine cents for the storage
space. So this would provide an additional four
thousand seven hundred and thirty-five dollars
and fifty cents over an eleven-month term. The
reason why it's eleven months is because their
existing lease will expire at the end of March
31st, 2021, so this is to align with the term of
the initial lease.

And those are the corporate resolutions.

COMMISSIONER DEMAKOS: Okay. Thanks. I'd like to
take number one separately, and I'm sure I don't
have any objections except maybe David who I'm sure loves taking an extra roll call.

But, I'd like a motion on number one, which is the approval of the financial statements for the year ending March 31st, 2020.

COMMISSIONER PERRY: So moved.

COMMISSIONER DEMAKOS: Second?


COMMISSIONER DEMAKOS: Okay. David, if you could please do the roll?

MR. STATE: Commissioner Aul seconded?

MS. MINKEL: Yes.

MR. STATE: Roll call for a vote on item C one.

Commissioner Ansari?


Commissioner Aul?

COMMISSIONER AUL: Yes.

MR. STATE: Commissioner Baynes?

COMMISSIONER BAYNES: Yes.

MR. STATE: Commissioner Demakos?

COMMISSIONER DEMAKOS: Yes.

MR. STATE: Commissioner Durand?
COMMISSIONER DURAND: Yes.

MR. STATE: Commissioner Gurney?

COMMISSIONER GURNEY: Yes.

MR. STATE: Commissioner Hicks?

COMMISSIONER HICKS: Yes.

MR. STATE: Commissioner Hughes?

COMMISSIONER HUGHES: Yes.

MR. STATE: Commissioner Perry?

COMMISSIONER PERRY: Aye.

MR. STATE: Sister Denise?

CHAIR SISTER ROCHE: Yes.

MR. STATE: And Commissioner Wilcox?

COMMISSIONER WILCOX: Yes.

MR. STATE: Item passes.

COMMISSIONER DEMAKOS: All right. Thank you. That passes.

Now I'd like a motion for approval of corporate resolutions two, three and four, the software, the roof rehab and the lease agreement. May I have a motion to approve those as a group?

COMMISSIONER PERRY: So moved.

COMMISSIONER DEMAKOS: Second?

COMMISSIONER HUGHES: Hughes.
COMMISSIONER DEMAKOS: Okay. David?

MR. STATE: Ansari?

COMMISSIONER ANSARI: Yes.

MR. STATE: Aul?

COMMISSIONER AUL: Yes.

MR. STATE: Baynes?

COMMISSIONER BAYNES: Yes.

MR. STATE: Demakos?

COMMISSIONER DEMAKOS: Yes.

MR. STATE: Durand?

COMMISSIONER DURAND: Yes.

MR. STATE: Gurney?

COMMISSIONER GURNEY: Yes.

MR. STATE: Hicks?

COMMISSIONER HICKS: Yes.

MR. STATE: Hughes?

COMMISSIONER HUGHES: Yes.

MR. STATE: Perry?

COMMISSIONER PERRY: Aye.

MR. STATE: Sister Denise?

CHAIR SISTER ROCHE: Yes.

MR. STATE: And Commissioner Wilcox?

COMMISSIONER WILCOX: Yes.
COMMISSIONER DEMAKOS: All right. Thanks, David.

Next on the agenda is the aviation business group report. Commissioner Perry?

COMMISSIONER PERRY: Thank you, Mr. Chairman. I'm going to ask Mr. Vanecek to go through the matters in the aviation committee agenda.

MR. VANECEK: Thank you, Commissioner Perry.

COMMISSIONER PERRY: You're welcome.

MR. VANECEK: So I'm going to be fairly brief, but I wanted to point out a few highlights. I know John went over the financials, but one of the things that's really hurting us right now is the parking lot revenues at the airports. And to put it in perspective, the parking lot revenue in May relative to the budget was over one point three million or ninety percent unfavorable.

So part of the things that we've done to try to help us offset those revenue losses is to cut back on the expenses. And, therefore, what we've done is we've had all of our patrons who are coming to the airport are allowed to either use the short-term parking garage at the long-term rate, which is ten dollars an hour or at -- not
an hour. Per day. And then in the -- or else in
the preferred lot if they have a vehicle that's
over eight feet, you can't get into the garage,
you can go in there.

So we've had a peak of about seven hundred
and fifty cars in the short-term garage and --
but, right now until travel starts picking up,
it's going to be, it's going to be pretty sparse.
I'm also guessing, just based on those numbers,
that we're probably seeing more drop-offs at the
airport than we previously would. So we're
keeping an eye on it, but it's, you know, it's
not a pretty story right now with respect to
those revenues.

We did eliminate all the shuttle operations
so we can save on that expense. So when you look
at the key audit reports -- I'm not going to go
through it because John's basically already gone
through it. But, one of the things we did is we
stopped all shuttle service, so we don't have to
pay Standard Parking -- we pick up the expenses
for the parking operation. Standard Parking
manages it and they get a small percentage
basically on the revenues. So we were able to at
least cut back on those.

And then some other contracts where we had
multiple people that were really in excess of
what we needed, we've asked -- we've furloughed
some of them. And until activity comes back,
we're not going to bring those folks back. I'm
not talking about NFTA employees. I'm talking
about contractors.

And we've, you know, we've been working with
our concessionaires who are also hurting, you
know, pretty badly as well. But, we were pretty
fortunate that in each of our contracts, we have
minimum annual guarantees for food and beverage,
for advertising and for a couple of other
operations. And so we've held steady that we
have to maintain those minimum payments coming
in. So absent that would have been, you know,
pretty dire.

So, you know, we'll see when we come out.
Hopefully, things will turn around, but I -- you
know, we're kind of projecting and thinking that
right now if we can get to that -- as I said
before, that fifty-percent level by the end the
year, that will be very helpful. You know, the
impacts of the Canadian border being closed, it
hurts us dramatically. And, you know, so right
now we're still kind of in flux as to kind of
projecting where we might be at the end of the
year, but hopefully, we can get back to that
fifty percent.

The good new is, while looking at Buffalo,
is that for the past over two weeks period, every
single day we've had over a thousand people
flying out of the airport. And, again, to put it
in perspective, when this whole thing started, at
times we were having a hundred and fifty people
fly out of the airport. So that has grown pretty
substantially, but, again, we normally would be
doing about seventy-five hundred people per day.
So now we're -- our average is probably about
twelve hundred to thirteen hundred per day over
the past couple of weeks. And we'll see what
happens, you know, in the summer months. And so
that's where we are on Buffalo.

On Niagara Falls, we just quick -- well, let
me go back to -- a couple other things I want to point out for you. In your book you have our -- what we typically do is look at the concession revenue per enplanement and deplanement. And when you look at those graphs, you're going to say how in the heck has this happened that it's all of a sudden jumped from eleven dollars and fifty-eight cents to a hundred and eleven dollars and sixty cents revenue per enplanement. That's because of the minimum annual guarantees. We're still collecting those, so that's kind of skewing those results. I just wanted to point that out.

And then, again, for Niagara Falls, not a lot to point out there so not much to talk about with respect to enplanements, but -- let me see. Let me jump ahead to what would be page twenty-two in your books. If you look at the schedule, airfare and market share, I just wanted to point out that, you know, enplanements are down ninety-two percent.

If you look at the actual flights that are going out, which is in the third box down on the right-hand side, what you'll see is a dramatic
reduction in schedule by the carriers. American is sixty-six percent down year over year. Delta is the league leader at eighty-six point seven percent down in flights. You know, they were our number two carrier prior to this whole downturn behind Southwest. You know, JetBlue is eighty-six point five percent down. United is eighty. Southwest is only fifty-six percent down, so they've been from a flight standpoint the most positive thing you can say about the flight activity at the airports, that they haven't cut their schedule as dramatically.

So with Niagara Falls, you know, on page twenty-four, if you look at the top box which is enplanements, if you just do the math on how many flights they actually flew. Spirit was going -- they flew -- they were flying twenty-five people per flight over fourteen flights for the month of May. And Allegiant had twenty flights, but they were actually up at sixty-nine flights per passenger. So of course they fly to Florida. So Florida is a big question mark right now for us with what's been happening with the coronavirus
down in several of those southern states. You know, hopefully it can come under control and that we can get a little bit more confidence and send people down there and they'll be able to get back.

So those are the very uplifting points I have for the meeting today, and if there are any questions, I'd be happy to address them.

COMMISSIONER PERRY: Any questions?

Questions from the phone?

MR. DEMAKOS: Okay.

MR. PERRY: Anything -- and, Mr. Chairman, we don't have anything else other than the --

MR. DEMAKOS: One resolution.

MR. PERRY: -- one resolution.

MS. MINKEL: All right. Thank you. You can see since there's no money coming in, there's no money going out. There's only one resolution within aviation. Staff is recommending authorization for a procurement from Five Star Equipment for two articulating four-wheel-drive wheel loaders at the Buffalo Airport. The total cost is five hundred and seventy thousand four
hundred and ninety dollars. We did go out with an RFP. We received two responsive proposals. Five Star scored the highest. It was the least expensive of the two proposals. The DBE goals are exempt from FAA because there's no certified vendors for this equipment. And New York State MWBE and SDVOB goals do not apply because we are using federal funds for this procurement. And this is a hundred percent funded through our Airport Improvement Program grant to pay for this purchase. And that's the resolution.

COMMISSIONER DEMAKOS: May I have a motion to take this one aviation group resolution?

COMMISSIONER PERRY: So moved.

COMMISSIONER DEMAKOS: Second?

CHAIR SISTER ROCHE: Second. Sister Denise.

COMMISSIONER DEMAKOS: Okay. David?

MR. STATE: Commissioner Ansari?

COMMISSIONER ANSARI: Yes.

MR. STATE: Aul?

COMMISSIONER AUL: Yes.

MR. STATE: Baynes?

COMMISSIONER BAYNES: Yes.
MR. STATE: Demakos?
COMMISSIONER DEMAKOS: Yes.
MR. STATE: Durand?
COMMISSIONER DURAND: Yes.
MR. STATE: Gurney?
COMMISSIONER GURNEY: Yes.
MR. STATE: Hicks?
COMMISSIONER HICKS: Yes.
MR. STATE: Hughes?
COMMISSIONER HUGHES: Yes.
MR. STATE: Perry?
COMMISSIONER PERRY: Affirmative.
MR. STATE: Sister Denise?
CHAIR SISTER ROCHE: Yes.
MR. STATE: And Commissioner Wilcox?
COMMISSIONER WILCOX: Yes.
MR. STATE: Item passes.
COMMISSIONER DEMAKOS: All right. Thank you. Thank you, Commissioner Perry.
Next on the agenda is the surface transportation business group report. Commissioner Hughes, are you on the line?
COMMISSIONER HUGHES: I am. But, for the sake of
continuity, we'll have Tom George go over the financial and business update and then Kim can take us through the resolutions.

COMMISSIONER DEMAKOS: Thank you.

MR. GEORGE: Thank you. Couple things on the finances. We talked about earlier obviously the fare collection has been no income yet this fiscal year. On the Erie County sales tax, we did see very consistent results two months in a row. We're down thirty-five percent on that. And I think the other thing I just wanted to note is this month on the operating expenses side, we were one point one seven million favorable or eight point eight percent year to date. Efforts of both staff as well as, as John had indicated earlier, some commodity prices have been very favorable for us as well which kind of helped to stem the tide.

Year to date on the Federal Fares Act Funding relative to the Metro side, eight point three seven one million dollars which has allowed us to balance our budget so far year to date, as well as on our total operating expenses, one
point six one five million favorable year to date. So those two items keeps -- gives us a balanced budget year to date on the financials. If there's any question of those.

Otherwise, just to comment on the initiatives. The battery electric bus program has been delayed somewhat. We have been working with NYPA on doing the facility upgrades at Cold Springs station. Those have been bid. We do have the proposals in. Those, once again, are being done by NYPA. They're in the evaluation process, and looking like the scheduled completion date for those of September of '21, which will align with us procuring buses at that point in time. So the project is still ongoing, but there has been some delay with it.

I will talk a little bit about ridership in the presentation later. And I just, you know, I wanted the board to not feel like we're totally out of sync here today, so I have a report on citizens advisory committee and accessibility advisory committee because I wouldn't want to forgo that.
Just a quick comment. We did have a CAC meeting on May 28th, it was virtual, and we did a presentation on COVID-19 and our response. There was questions on the corporate pass program and would that be able to evolve as people working from home and other conditions change the environment from which we work in. So I think that was a really insightful question and comment. I think we may have to be resourceful in how we adjust and develop a new corporate pass program in the future.

We also had some questions about capacity ramping back up. And as was indicated earlier by Kim, you know, we've got a lot of challenges with resources. Not just the financial resources, but operators, mechanics. And we have done some slight reductions in service. We're going to be very challenged to continue to ramp that up until we can get some resources back in. Our last training class was three people, and the only reason we had three people in it was because they had permits in hand already. The DMV has been closed for months. So we're unable to do
testing, we're unable to get permits for operator training classes, and it even impacts our maintenance staff as well.

And then on the accessibility advisory committee -- oh, by the way the AAC, the next meeting will be in July. The accessibility advisory committee was also held via conference call, and we basically went through with that group what we were doing with our protocols and our operation. They had some questions as well requesting maybe we look at doing some videos to tell people how to be safe and looking at some different payment options. But, generally commended Metro for the response we've had for the COVID activities we've undertaken.

And that's the end of my report unless there's any questions or comments.

COMMISSIONER DEMAKOS: Are there any questions for Tom on the surface transportation report?

Hearing none, Kim, there are two resolutions in the surface transportation business group.

MS. MINKEL: Thank you, Peter.

Starting on page ninety-seven, staff is
looking for an authorization for agreement with Prevost Cars for our Nova bus K program parts purchase. The total cost of the procurement is approximately six hundred and fifty thousand dollars. This is part of our K program preventative maintenance plan, where we are using a method of predict and prevent, not fix as fails. It's a program that Tom and his staff have had in place since 2018. The procurement of these parts will provide a cost savings of approximately six percent along with a reduction in inventory of approximately two percent. So in total dollar amounts, this procurement is estimated to save us anywhere between a hundred and a hundred and twenty-five thousand dollars as part of our preventative maintenance program.

The second resolution is an authorization to rescind the temporary suspension of the fare collection of our Metro bus and rail. The fares would resume effective June 29th, on Monday, for both Metro bus and rail. In order to do this, staff has worked to make certain that we can provide as safe as possible an environment for
our customers and our employees.

And by reinstituting the fares, people will now have to board through the front of the bus, so we have placed operator barriers for our drivers. Previously, about a third of our fleet had these barriers. Tom and his group very quickly designed and put in place new barriers to prevent our frontline employees.

Additionally, PPE has been provided to all of these employees such as the masks, the gloves, and they've also been given face shields when they need to secure someone in a wheelchair, for example.

We also have continuous cleaning and disinfecting of our vehicles, both at the end of the day and midway throughout the day, using the latest best practices and products that are on the market. And we also have a requirement that all riders need to have face coverings in order to use our system. And we try to communicate and promote social distancing as best as possible when using mass transit.

The reintroduction of the fares we also
expect may reduce demand of the system slightly. That will be seen over the next following weeks. But, it will also increase the available space on our vehicles to help with social distancing on the buses.

And those are the two resolutions.

MR. DEMAKOS: Okay. Unless there's an objection, I'd like to take them both. So may I have a motion to approve the two resolutions in the surface transportation business group?

COMMISSIONER PERRY: So moved.

COMMISSIONER GURNEY: So moved.

COMMISSIONER PERRY: I'll second.

COMMISSIONER DEMAKOS: Second? Commissioner Perry, thank you.

David?

MR. STATE: Commissioner Ansari?

COMMISSIONER ANSARI: Yes.

MR. STATE: Commissioner Aul?

COMMISSIONER AUL: Yes.

MR. STATE: Commissioner Baynes?

COMMISSIONER BAYNES: Yes.

MR. STATE: Demakos?
COMMISSIONER DEMAKOS: Yes.
MR. STATE: Durand?
COMMISSIONER DURAND: Yes.
MR. STATE: Gurney?
COMMISSIONER GURNEY: Yes.
MR. STATE: Dr. Hicks?
COMMISSIONER HICKS: Yes.
MR. STATE: Hughes?
COMMISSIONER HUGHES: Yes.
MR. STATE: Perry?
COMMISSIONER PERRY: Aye.
MR. STATE: Sister Denise?
CHAIR SISTER ROCHE: Approve.
MR. STATE: And Commissioner Wilcox?
COMMISSIONER WILCOX: Yes.
MR. STATE: Items passes.
COMMISSIONER DEMAKOS: All right. Thank you, David. Let's see, a general counsel report?
MR. STATE: Thank you. I wanted just to remind the board, you have plenty of time, but the financial disclosure statements are due August 17th. So these are the ones that normally would be filed in May. They've given all of us a COVID
extension. I know some of you have already filed, but if you haven't, you have plenty of time. The good news is it lets you populate. So it's your old form. If you haven't changed much, you may be able to do this very quickly. The not so good news is they don't send you an e-mail confirmation anymore, which is weird, but that's what's happening. But, again, if you have trouble filling out the form, trouble getting into the system, let me know, let Karen know, and we can take you through it. But, again, you have until August 17th to complete the report. And that's it.

COMMISSIONER DEMAKOS: Thank you. Any questions for David?

And I understand there's no -- nothing on the agenda that requires an executive session.

MS. MINKEL: That's right.

COMMISSIONER DEMAKOS: So now I'll turn it over to Kim for her monthly report on the fiscal impacts of the COVID-19.

MS. MINKEL: Right. Thank you, Peter.

So starting on page -- I believe it's
ninety-nine of what I sent to the board as part
of your PDF. We have the slides that staff will
go through. The first one I'm going to ask
Darren Kempner to talk about the fiscal impacts
over the past two months of this fiscal year of
COVID and what he's hearing in terms of future
funding that we might expect from the federal
government through the rest of the year.

Darren?

MR. KEMPNER: Thanks, Kim. So I'll pick up where
John left off. The CARES Act has been a lifeline
for our operations, and when someone throws you a
lifeline and significantly invests in your
operations, you can hinge your communication with
them and let them know how you're doing. Right?
So we have sent -- Kim has sent a number of
communications as things have evolved updating
our federal electeds as well as our state
electeds and others about some qualitative and
quantitative data that we're seeing as we go
through the COVID impact on our operations. So
I've included some slides there that we've
communicated to you as well as, as well as to
them on how we're being impacted.

Certainly, the federal assistance has been incredibly important. The impact of COVID on the state we all know has been significant, and as you'll -- and on localities including Erie County sales tax as Tom had mentioned before.

So as you'll see when you're looking at those impacts on a year-to-date basis and trying to forecast them out, there are some significant numbers that we're dealing with. Now, of course these are forecasts. Just like the weather forecast, it's hard for them to tell you whether it's going to rain tomorrow, especially five days from now. Right? So there is some significant variability, but we feel it's important to continue to communicate as the situation evolves. And, for example, as Bill eluded to today, the announcement of the travel advisory will have additional impacts on our operations, so that isn't reflected here.

So we've not only continued to communicate with our federal electeds, but also our state electeds, and asked them to advocate on our
behalf as well as their own, which they're doing with our federal partners, to provide additional assistance to the state, which would result in the state -- the impact on the state operating assistance. So these are the operating revenues and assistance losses we've been experiencing and expect to continue to experience.

Next slide. But the heavy and kind of the long-standing impact has been on -- we think will be on our capital funding. Certainly passenger facility charges, as Bill mentioned, we've seen a significant decrease in that, and that's our primary capital funding source for aviation. State transit capital, our large state capital funding source for Metro, we don't know that impact yet. We've received appropriations, but have not yet seen that money or the applications or contracts related to the 2021 state transit capital, and we've continued to inquire.

All that said, the future outlook for federal legislation as well as state action on budget items and CARES Act funding, in talking with our federal and state lobbyists this
morning, state and local assistance from the feds is still expected, but not guaranteed. The timeline around that looks to be later in July, if that soon. So we could be back here in front of you next month without any announcement of state and local assistance.

The corresponding impact on state finances, the trigger has been met for the governor to announce cuts and present them to the legislature. They have not yet done so. As you've probably heard, they've mentioned they're waiting on federal assistance. If that does not come until July, we could see action thereafter or action before then. The next cash report from the state controller's office is mid July, and then both the feds and the state typically take an August recess, so that would put us into September and another month closer to elections and jumbling the timeline.

So there's a lot folks are dealing with, let alone racial justice legislation, other COVID legislation as you've seen at the federal level. So a lot up in the air on timing, but we'll
continue to communicate our situation as we reintroduce fares and the impacts there as well as aviation changes.

So that's the update for now. I'm happy to answer any questions.

COMMISSIONER DEMAKOS: Thanks.

MS. MINKEL: Tom, you want to take us through surface transportation?

MR. GEORGE: Yeah, I would. So we just approved bringing the fares back, so I'll let Helen bring up our presentation. So, yeah, Metro service update. Where are we today and where are we going? So as we reopen the front door, bringing the fares back is something that has a lot of ramifications. We've been letting everybody in the back door. We've been barricading off the front portion of the bus and creating -- and that eliminates anywhere from ten to twelve seats on the vehicle. So by reinstituting the fares, we're putting a gate keeper again in front of the bus, so that when people are coming into that vehicle, we have that gate keeper there who can then make sure that those individuals are wearing
a mask in accordance with our requirements as well as paying the fare, which has some impacts which I'll talk a little bit about.

We set some goals to maintain a transit environment as safe and clean as possible. As I said before, really our job is to reinstill confidence in the public in the fact that our system is safe and they can come onboard and not be concerned. And we need to continue to monitor and respond to ridership needs with supplemental service.

Just a comment. We just completed a survey on 6/22. Three hundred and twenty-three people responded. Forty-seven percent of those people are still riding transit. So fifty-three percent have stopped riding transit. A majority of those were essential workers. Too crowded is the comment we get. Being passed up is the comment that we get. So it's this tightrope that we continue to walk with the bus. You know, we try to limit the ridership and we're passing up customers. We put customers on it, it gets too crowded for those that are on there. It's really
a no-win situation.

We asked them to name the most, the most common for non-riders of why they weren't taking the bus. Most of those are working from home, so there may be an opportunity to recapture those folks. And then we asked them what the mitigation measures were most important to them in order to start riding again, and the two things that were significantly higher than anything else were wearing of masks and hand sanitizers. So those two items came through true. Forty-three percent of the folks said they'll be riding less frequently in the next three months.

And then just the last thing is the majority of -- almost seventy percent of the riders, the people that are still riding, ranked our cleaning of our bus either very good or excellent. So we're getting really good feedback, almost seventy percent of the people feel we're doing a good job of cleaning the bus, but there's still essentially more work that can be done.

So we've talked about the mandatory face
coverings. Obviously we know why we're doing that. We talked about the survey here. We've done a lot of outreach. There's signage everywhere. We're still challenged with individuals on the vehicles, who -- like in any place in society now, we're challenged with people who don't want to do that, who are maybe disregarding the rules. We've been -- some of our operators have been very good, but we're trying to keep the operators out of an enforcement or a confrontational role. And then we're leaning on the police department, but once again, they're looking to stay out of confrontational roles as well. So we're looking at how that will move forward. Talking to the police chief, so far this week we had five people who were unwilling to wear masks. We simply asked them to leave the vehicle and they complied, so we really haven't seen a lot of problems with that.

We're doing enhanced cleaning and disinfecting. We did bring in an outside party to do a review of our entire cleaning operation,
everything we do in the system from the floors to
the wipe-downs, everything. We've got the
initial report back. There will be some changes
we're making because of that. Just some of the
solutions we're using, the concentration of the
solutions, some of the way we deploy things and
then we've identified some other areas that need
improvement. And we're going to be looking at
the best practices. There's been a lot of
documentation out on those.

And then supplemental process for
sustainable environment. We're just looking at
whatever we can do to sustain this. We currently
have twenty-four paratransit operators out in the
system cleaning those vehicles. That's not
sustainable. We need to get those people back
into operating paratransit vehicles as our
ridership picks up. So we've got to come up with
alternative solutions for that.

Employee safety initiatives. Kim mentioned
the barriers. There's a photo of one there. So
there's over two hundred of those built in a very
short period of time. Tremendous work by our
employees, our ATU represented staff as well as our management team who put that together. We put in agency-wide health screening. You may have seen them in the lobby when you came in today. There's places down there to take your temperature. That's been deployed throughout the agency, so all of our operators, all of our mechanics on the Metro side are going through that on a daily basis. And we have a sustainable supply of PPE now. We've got all we could ever need relative to masks and gloves. Early on that was a challenge. We've come, we've gotten across that.

We've also moved forward with contactless payment options. So we've had Token Transit which allowed us to pay one-way, roundtrip, up to a weekly fare. We've now moved into a monthly product with them. So nearly every cash product we have, our riders will be able to use their smartphones or their devices to pay for fares so they can get out of putting money into the fare box. They have a contactless way of doing that.

Hand sanitizer. We have deployed those on
all of our vehicles and all of our stations. It's a little tough right now with the supply we're getting. We will have two hundred and eighty cases in by Friday of this week. We'll deploy those. But, as you can imagine, with a fleet of nearly three hundred buses and twenty-seven rail cars and all the stations, we're putting two hand sanitizers on every vehicle, one at the front door, one at the back door, we're running through. The supply on that is close to once a week, so it's going to be a major effort for our maintenance department to make sure these hand sanitizers are deployed and filled, but we're doing that. And we feel that that's important, as I had mentioned, by the survey that we received here internally and then other surveys we've gotten outside.

And then capacity limits. We've been at fifteen riders. We're moving to twenty to twenty-four based on whether you're riding as a group or not, in phase three, which is where we are right now. We're looking at either unlimited or no limited ridership in phase four. We may
limit that to a seated load only, which is thirty-eight people on the vehicle. So we're looking at some best practices there and haven't done that announcement as we haven't gotten into phase four yet.

And we're doing supplemental service deployment. So we've done two things. We've got chase buses that we've deployed. So we identify a week before what routes are having capacity issues and then we assign additional vehicles to those routes. We've recently moved into a staged bus program where we'll take operators and we'll put them in strategic areas within the community. And then we'll have bus control call them on a realtime basis and deploy those vehicles to pick up. As an example, last Saturday with the staged bus program, we picked up a hundred and sixty additional riders who had been left behind because of the capacity issues. The week before that it was a hundred and ninety-eight. So that's a Saturday. The other thing we're seeing is that Saturday ridership is starting to get up closer to weekday ridership.
So how are we getting the message out? Helen and her group have done a tremendous job of building a comprehensive program of TV spots and radio spots, and most of the stuff is focused on what we've done as an agency to make the system safe. The hand sanitizers, all the work that we have done internally, we want to communicate that to the public so when they come into our system, they know what to expect.

We've done website -- an interesting statistic from the survey we talked about earlier, over forty percent of our respondents get all of their information from our website. So the website is still our number one communication tool we have at Metro and that's being used. As well as social media, we do a lot of that. And then internal communications, there has been a large amount of information provided to our employees.

The last thing I wanted to talk about is ridership a little bit.

MS. MINKEL: Excuse me. Someone has not muted their phones.
MR. GEORGE: So you can see, in January we're actually up a little bit. The legend here, the gray is the rail. So on bus -- or, paratransit we're obviously always up. That's our trend. But on bus we're up a little bit, starting to slide. You can see now down into April we were down nearly seventy percent on paratransit and over fifty percent on big bus. And we stayed over fifty percent in May.

But if you look at this graph down here, on the 26th of March, we went back -- we eliminated fares. We got a big bump in ridership right when we eliminated fares. That's another reason why we're putting the fare back on. We think it will help with our social distancing. We believe and we have strong evidence from our operators that when we put fares back on, the ridership will drop. That, combined with eliminating those barriers on the vehicles, will give us additional capacity, less riders, it should give us more time with the spacing.

What you'll also see is when we got into May, we started to take up. And towards the end
of May and into June we started to take up quite a bit. Currently, today, on bus we're nearly down almost thirty percent. And we were down nearly fifty percent in April. So we're starting to see the ridership come back up. On the bus -- or, the rail side, we're down about fifty percent. So those numbers are very drastic, but once again, compared to our peers and compared to where we've been, you're starting to see some impacts. We think, again, that the fares going on will impact ridership in a negative fashion relative to numbers, but a positive fashion relative to the environment on the vehicle.

And that was all I had today unless there's any questions.

COMMISSIONER DEMAKOS: Are there any questions for Tom?

Thank you.

MR. GEORGE: Thank you.

MS. MINKEL: And now we will have Bill who will provide an update. And along with what he's going to be talking about is very visual, so if you want to look at that PDF I sent you, near the
end there is some beautiful photos of our
terminal enhancement project.

MR. VANECEK: So, first, before that, just a quick
update. With the news conference that happened
yesterday afternoon, we were immediately flooded
with calls this morning to try to get more
information, so we have posted the links to the
New York State website, Department of Health, for
the COVID issues that are out there. And we're
not going to be giving anybody any advice. They
really need to go to those websites and sort it
out from there, but we're not going to be giving
anybody any advice whatsoever. So we've got it
posted on both our Buffalo website as well our
Niagara Falls website for the airports so they
can navigate to where they need to be.

So just a little bit of update too before we
get into this. We have now multiple hand
sanitizers at the end of the checkpoints.
They're there when people come out. And they're
taking big advantage of that, which is great
news.

Again, our cleaning staff is -- you know,
there's nobody better. They have been, number one, great at doing their jobs, but even more importantly, having great attitudes and, you know, their interactions with, you know, with passengers, et cetera, et cetera, has been phenomenal. So those frontline employees have really, really stepped up their game and -- they've always been good, but I'm so proud of them right now. I can't say enough about what they're doing for the image of our community and of our airport.

But now the fun stuff. Right? We get a little fun stuff, a little break here. So as you know, the terminal enhancement project is going on, and there's some pretty significant changes from the last time I showed you. You saw a lot of white plastic coverings of things. Now let's go in and look at some fun stuff.

This is on the east end of the baggage claim areas. So now the new baggage offices on this end have been installed.

And you can go ahead to the next one there. And now this is the cool stuff. This is the
really, really cool stuff. What you're looking at here is a view of where our escalators are going to go down to the lower level. This area over here in blue, that's going to be opened up so that our visitors and our passengers can actually go from the ticket lobby right back into this area over here. There will be a set of staircases over here. The elevator shafts are in, the equipment is not yet, but that's going to be coming quickly.

And then this is what the outside looks like now. And last time you saw it, you know, we maybe had about that much of our windows and building complete. And now we're all the way over to almost the end of this. So this -- the white area here, which is taller, that's going to be -- and you'll see a better picture from the inside -- that's going to be the big meet and greet area. That's going to really change the way people can navigate the airport and actually not be jamming things up in the middle by the jetport.

But here again is another look at it and you
can see it's, it's -- it's changed dramatically from the last time around. This is almost my view from my office which I see, so it's phenomenal. They're still doing a lot of the fireproofing of the steel in there right now. They're still working hard to get that completed.

Go ahead. But now you get a kind of even better look at what's happening because this is now the removal of the white capping and they're starting to do some of the glass now on this end over here on the east side, so we're -- you know, it's exciting.

Go ahead. This is another view here. You can see the white was up before. Now they've pulled that back. So they're really starting to attack this area here with respect to starting to button up the outside and then they can really make some headway doing the interior finishes.

So glass going in. Scares the heck out of me every time I see those suction cups on those pieces of glass going up, but they know what they're doing. They've been doing a great job. Pike and Company has been -- just been fantastic
in overseeing the construction project here, keeping people not just doing their jobs and the construction correctly, but also making sure they're wearing all the protective equipment that they need to be doing, including when they're in areas with masks, et cetera. So big kudos to Pike for getting that going.

So this is now -- this is the west side. And so there's -- they've done a lot of -- the groundwork is all pretty much out there now, it's all level and it's waiting for the structural steel to start going up. But, this is the elevator shaft on the west side. It's actually more complete now even than it was a week ago. And of course they're going to be start filtering in the structural steel. And the crane was delivered today for the structural steel. It looks like Friday -- or, tomorrow that the structural steel will actually arrive and then of course it will be going up. And we'll have the beam signing and all that going on next week.

And then over here, this is a pretty good view of looking from the roadway into the meet
and greet area. So if you were standing with your back at the wall along the elevated roadway, you're looking here. So this is where you'd be exiting -- where our passengers will be exiting from the east end and coming around and coming into this expansive area where now they'll be able to gather -- you know, people -- and not have to fight people coming through. And it's really -- walking through it, it amazes me how big that space is. Back in this corner back here is where our new offices will be -- are being built. They've actual framed all the offices now, so now they're going to start doing some of the drywall, getting some of those things in. And then once our offices are complete then they'll shut down our existing offices and they'll continue to push out to the concourse and continue then to the, to the east end of the terminal.

And now this is kind of a really cool thing. So Delaware North has been -- you know, they were -- they came to us about a year ago and said we want to upgrade some of our offerings. And so
this is where used to be the Which Wich Sandwich and the BUF Bar that we had down over here. They have dramatically changed this. This is really, really cool. So it's now called The Market on Elmwood. And if you take a look here, some of the things we have -- it's not completely done yet, but this is the inside of the bar. Right? And you're going to see basically three or four more shots of the same thing, and you'll see why in a minute. Go ahead. Go ahead. Go ahead. All different colors. It's going to be, you know, rotating lighting in the area. You almost -- brings me back to my disco days, so yeah. But, it's very, very cool. So this is a big, long bar. It's great. The woodwork is great. And then there's different sections. If you go ahead and go to the next slide here.

Another angle of the bar looking on this end. Again, the big wine rack here, the woodwork is just -- looks fantastic. The next slide.

And then, again, just another -- a different angle. This is the window that will look out over gate nineteen. And so people can actually
see in, which is nice. So if they're sitting there and say, hey, there's a restaurant, people in there, drinks, beers, let's go. Next.

And so that's just from the outside now. They've got the sign up, so this is all in one gate. It's still gated, so you can't really see from the front in, but it's -- you know, it gives people at least an idea that something new is coming. That's another shot here.

So this is -- the concept here is the bar. And in here -- and the tables have been delivered, but they were just delivered so we couldn't get pictures of that. They haven't set them up yet. So this is all going to be a seating area over here where you can actually have people bring you your food at your table, which is nice. You can order -- you go up and you order it and then they'll bring it to your table. This is the grab and go area over here, the cold drinks are over here. And then they have also, besides that -- you can go ahead.

This is a whole area where they're going to be preparing hot, fresh food being prepared. So
this is a really big upgrade to what we have --
what we had there before. And the workmanship is
just fantastic. It's really a very appealing,
inviting, open concept when you walk into it so
it's going to be great.

And I think -- is that the last one? And
that's the last one so -- but so they should be
within about -- probably by mid next month ready
to open. But the big question is will they open
or will they not open. Because we're still at
levels where we've got the Queen City Kitchen
open. Now, the next step is trying to get the
Queen City to start serving beer and wine. We've
been getting a lot of requests for that at the
airport. And with the -- you know, the way the
employee structures work for them, people coming
in with the lack of tips for bartenders, they're
really hesitant to come back because they're
making more money now at home. So they're
sorting through those types of issues and -- but
pretty soon we'll have this up and operating.
Southwest continues to grow, so I don't think it
will be too long before this will be open.
And that's my update for the project.

COMMISSIONER DEMAKOS: Thanks. Any questions for Bill?

I know the pictures, especially the PDF, don't do it justice, but I'm sure if any of you are looking for something to do, Bill would gladly give you a tour.

MR. VANECEK: Absolutely. Come on out.

COMMISSIONER DEMAKOS: No. It really looks -- it's amazing. Just from the pictures. It looks --

MR. VANECEK: And we can take you through the construction. I've already gone through the safety training, so I'm a qualified person who can bring you along and get you into the construction areas as well so --

COMMISSIONER DEMAKOS: Great.

MS. MINKEL: And if you want to see Bill and his disco dancing, I'm sure he'd be happy to do that for you as well.

COMMISSIONER DEMAKOS: Let's see. Are there any other items on the agenda, Kim?

This is my fourth and probably last month as acting chair. And unlike Darlene's announcement,
there are no tissues being passed around.

But, I'd like to really again thank everybody at the NFTA. I mean, no matter what the role, what you're doing, the organization, professionalism and everybody worrying about our community. Obviously it starts at the top. I mean, Kim and David and John and Bill and Tom and everybody on the staff are doing such a great jobs. And, you know, you've managed all the challenges so far, but I think as we get into whatever normal becomes, we're going to have even more challenges. Put up stuff, take it down, move it over here, put it -- I mean, it's just -- it will never -- well, hopefully it will end soon.

But, if there are no other comments or questions, I'd like for a motion to adjourn.

COMMISSIONER PERRY: So moved.

COMMISSIONER DEMAKOS: Second?

CHAIR SISTER ROCHE: I second. Sister Denise.

CHAIRMAN DEMAKOS: Thank you everyone. And hopefully next month we see more of you in person.

MS. MINKEL: Thank you all.
COMMISSIONER DEMAKOS: Be safe everybody.

* * * * *
STATE OF NEW YORK)

SS:

COUNTY OF NIAGARA)

I, Valerie A. Rosati, a Notary Public in and for the State of New York, County of Niagara, DO HEREBY CERTIFY that the above transcript of a video recording was taken down by me in a verbatim manner by means of Machine Shorthand, and that the transcript was then reduced into writing under my direction.

I further CERTIFY that the above-described transcript constitutes a true and accurate and complete transcript of the video recording.

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VALERIE A. ROSATI,
Notary Public.