

SUMMARY OF RESOLUTION

Authorization to Adopt Revised FY 2011 Operating Budget

This resolution authorizes passage of the revised FY 2011 (July 1, 2010 - June 30, 2011) Operating Budget of Port Authority of Allegheny County as directed by the Pennsylvania Department of Transportation. Separate resolutions will be presented to the Board to approve a fare increase effective January 1, 2011 and service reductions beginning March 13, 2011.

The Operating Budget totals \$299,912,741 in net expense. This budget resolution includes the proposed fare increase, effective January 1, 2011, and the proposed service reduction beginning March 13, 2011.

11/24/10
G. Mattola

RESOLUTION

WHEREAS, the Board of Port Authority of Allegheny County (Authority) wishes to adopt and maintain a fiscally responsible operating budget covering the Authority for the fiscal year, July 1, 2010 through June 30, 2011; and

WHEREAS, the Authority passed an FY 2011 Operating Budget on June 25, 2010 that included a funding shortfall of \$47.1 million to be addressed with additional Commonwealth funding or a fare increase effective January 1, 2011 and service reductions if additional funding were not made available; and

WHEREAS, additional operating assistance has not been approved by the Commonwealth; and

WHEREAS, the Authority wishes to comply with a Pennsylvania Department of Transportation request and other obligations to maintain a balanced budget, which reflects the necessary fare increases and potential service reductions to eliminate the operating budget deficit without additional Commonwealth funding; and

WHEREAS, consistent with good business practice, an operating budget should contain estimates of anticipated revenues and expenses that are in balance with one another.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Authority hereby adopts a revised Operating Budget for the fiscal year beginning July 1, 2010 and ending June 30, 2011, which anticipates total operating revenues and grants of \$299,912,741 and total net operating expenses of \$299,912,741 (Exhibit A).

FURTHER RESOLVED, that the chief executive officer be, and hereby is, authorized and directed to take such actions and/or make such recommendations as are necessary and proper to assure that the total operating expenditures to be incurred by the Authority in the coming fiscal year do not exceed the operating revenues and grants available for the period.

Exhibit A
Port Authority of Allegheny County
FY2010 Budget, FY2010 Projection, FY2011 Budget

(OOO's)	FY2010	FY2010	FY2011	(Revised)	\$ change	% change
	Budget	Audited	Budget	FY2011 Budget	Revised v. Current FY11 Budget	Revised v. Current FY11 Budget
REVENUES:						
PASSENGER REVENUE						
BUS, LRT AND INCLINE	\$75,463	\$72,373	\$76,805	\$74,763	(\$2,042)	-3%
ACCESS PROGRAM SERVICE	\$12,571	\$11,811	\$12,028	\$12,028	\$0	0%
CONTRACT SERVICES	\$6,305	\$6,599	\$7,399	\$7,399	\$0	0%
ADVERTISING	\$1,000	\$1,244	\$1,201	\$1,201	\$0	0%
INTEREST INCOME	\$300	\$33	\$50	\$50	\$0	1%
OTHER INCOME	\$818	\$1,194	\$582	\$582	\$0	0%
TOTAL REVENUE	\$96,456	\$93,253	\$98,065	\$96,023	(\$2,042)	-2%
EXPENSES:						
WAGES AND SALARIES	\$141,600	\$143,611	\$146,745	\$137,272	-\$9,473	-6%
PENSIONS AND EMPLOYEE BENEFITS	\$128,797	\$126,165	\$130,777	\$121,139	-\$9,638	-7%
MATERIALS AND SUPPLIES	\$38,019	\$41,005	\$42,819	\$39,845	-\$2,974	-7%
PROVISION FOR INJURIES AND DAMAGES	\$3,587	\$608	\$2,793	\$2,793	\$0	0%
PURCHASED SERVICES	\$9,200	\$6,604	\$8,631	\$8,550	-\$81	-1%
UTILITIES	\$10,200	\$8,411	\$9,502	\$9,176	-\$326	-3%
OTHER EXPENSE	\$4,847	\$4,639	\$5,859	\$5,821	-\$38	-1%
INTEREST	\$1,000	\$123	\$478	\$478	\$0	0%
ACCESS	\$25,646	\$23,956	\$25,211	\$25,211	\$0	0%
AMOUNTS CAPITALIZED	(\$45,489)	(\$42,067)	(\$42,851)	(\$50,373)	(\$7,521)	18%
TOTAL EXPENSE	\$317,408	\$313,056	\$329,964	\$299,913	(\$30,052)	-9%
OPERATING GRANTS:						
STATE	\$184,458	\$184,458	\$184,458	\$184,458	\$0	0%
STATE OPERATING ASSISTANCE REDUCTION	\$0	\$0	\$0	-\$6,834	\$0	0%
STATE OPERATING ASSISTANCE-PRIOR YEAR	\$8,825	\$0	\$0	\$0	\$0	0%
ADD'L STATE OP ASST/ DEFICIT REDUCTION	\$0	\$0	\$47,076	\$0	(\$47,076)	-100%
IMPACT OF FAILURE TO TOLL I-80		\$0	(\$27,304)	(\$27,304)	\$0	0%
USE OF NET ASSETS/OPEB FUNDS	\$0	\$0	\$0	\$17,500	\$17,500	100%
BASIC SUPPLEMENT GRANT FUNDS	\$0	\$0	\$0	\$8,401	\$8,401	100%
COUNTY	\$27,669	\$27,669	\$27,669	\$27,669	\$0	0%
TOTAL OPERATING GRANTS	\$220,952	\$212,127	\$231,899	\$203,890	(\$28,009)	-12%
OPERATING SURPLUS / (DEFICIT)	\$0	(\$7,676)	\$0	\$0	\$0	0%
OTHER POST EMPLOYMENT BENEFIT EXPENSE	\$0	\$33,789	\$0	\$0	\$0	0%
TOTAL SURPLUS / (DEFICIT) INCLUDING						
FAILURE TO TOLL I-80/OPEB EXPENSE		(\$41,465)	\$0	\$0	\$0	0%