

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, the Authority passed a revised FY 2011 Operating Budget on November 24, 2010 that contained a total of \$299,912,741 in net expense and included a fare increase effective January 1, 2011 and service reductions totaling approximately 35 percent; and

WHEREAS, while the Authority is in receipt of approximately \$45 million in supplemental funding from Governor Rendell, it is anticipated that the Statewide Transportation Funding Crisis will persist and reduced service reductions totaling approximately 15 percent that are being considered by the Board via separate resolution will still be required to balance the Authority's FY 2011 Operating Budget and maintain the Authority's ability to balance its budget next fiscal year; and

WHEREAS, consistent with good business practice, and as required by the Authority's enabling legislation, 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 hereby adopts a second revised Operating Budget for the fiscal year beginning July 1, 2010 and ending June 30, 2011, which anticipates total operating revenues and grants of \$310,242,827 and total net operating expenses of \$310,242,827 as indicated on the attached Exhibit A.

FURTHER RESOLVED, that the chief executive officer and/or chief financial officer be, and they hereby are, 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 FY 2011 and the coming fiscal year do not exceed the operating revenues and grants available for the period.

FURTHER RESOLVED, that the service reductions approved contemporaneously with the adoption of the revised Operating Budget are intended to be temporary in nature and will be restored, upon further Board review and approval, if and when the Statewide Transportation Funding Crisis is resolved and sufficient funding becomes available to restore such service and correspondingly, the Operating Budget will then be further revised.