



TO: Finance Committee  
Jennifer M. Liptak  
Representative Austin A. Davis

FROM: Ann M. Ogoreuc, Chair

DATE: April 14, 2020

SUBJECT: Finance Committee Meeting – April 16, 2020

The next meeting of the Finance Committee is scheduled for Thursday, April 16, 2020, and is being held virtually via WebEx and conference call-in, beginning at 9:00 a.m.

The preliminary agenda is as follows:

1. Approval of Minutes of the February 20, 2020 Finance Committee Meeting
2. Proposed Resolutions:
  - a. Authorization to Appoint New Recordkeeper for Port Authority of Allegheny County's 457(b) and 401(a) Defined Contribution Program (Pete Schenk)
3. February and March 2020 Financial Statements and Cash Flow (Pete Schenk)

cc: Other Port Authority Board Members

FINANCE COMMITTEE MEETING  
February 20, 2020

**DRAFT**

Board Committee Members

Ann Ogoreuc, Chair  
Jeff Letwin

Other Board Member

John Tague  
Rep. Lori Mizgorski  
Michelle Zmijanac  
Stephanie Turman

1. Approval of Minutes:

The minutes of the January 17, 2020 Finance Committee Meeting were approved.

2. Proposed Resolutions:

There were four resolutions reviewed by Finance Committee.

Mr. Schenk presented the first resolution seeking authorization to extend and amend the Authority's agreement with Cowden Associates, Inc., to provide Pension Plan Actuarial Services.

In February 2017, the Board authorized an agreement with Cowden for the actuarial services for an initial three year term and a total not-to-exceed amount of \$814,250 with two additional option years to be exercised at the sole discretion of the Authority.

To date, Cowden's work has been satisfactory and in compliance with the agreement and the Authority has determined that it is in its best interest to exercise both option years at this time to extend the term of the Agreement to March 25, 2022 and to increase the previously authorized total not-to-exceed amount of the Agreement to \$1,627,300.

The Finance Committee agreed to present the resolution for approval by the Board.

The second resolution presented by Mr. Schenk was seeking authorization to extend and amend the Authority's agreement with Maher Duessel to provide Audit and Pension Plan Audit Services.

In February 2016, the Board authorized an agreement with Maher Duessel to provide audit services for an initial three-year term and for a total not-to-exceed amount of \$343,500. The agreement contains two additional option years to be exercised at the sole discretion of the Authority.

In January 2019, the Board authorized an amendment to exercise the first option year of the agreement and to increase the total not-to-exceed amount to \$448,000.

To date, the services performed by Maher Duessel have been satisfactory and in compliance with the agreement. Therefore, the Authority has determined that it is in its best interest to exercise the second option year extending the agreement to March 25, 2021 and increasing the total not-to-exceed amount of the agreement to \$570,840.

The Finance Committee agreed to present the resolution for approval by the Board.

Mr. Schenk presented the third resolution seeking authorization for issuance of Port Authority of Allegheny County Special Transportation Revenue Bonds, Refunding Series of 2020.

Mr. Schenk noted that the Authority has retained PFM Financial Advisors LLC to serve as its Financial Advisor.

The Authority previously issued Special Revenue Transportation Bonds, Refunding Series of 2011. Current low interest rates present the opportunity for the Authority to refinance the 2011 Bonds and reduce the debt service costs of the Authority.

As such, the Authority, after consulting with PFM, has determined that it is its best interest to refinance the 2011 Bonds through issuance of Special Revenue Transportation Bonds, Refunding Series of 2020, in one or more series, on a taxable or tax-exempt basis, and in an aggregate principal amount not-to-exceed \$160,000,000. The proceeds of the 2020 Bonds are to be used to finance the costs, including underwriting and issuance costs, of refunding the 2011 Bonds on the earliest possible redemption date.

This resolution would authorize the Authority to take all actions necessary and proper to issue the 2020 Bonds and complete the 2020 refunding project.

The Finance Committee agreed to present the resolution for approval by the Board.

The last resolution presented seeks authorization to engage the underwriting group for the 2020 Bonds.

The Authority issued a request for proposals for underwriting services and received 21 proposals to perform underwriting services, including 16 proposers that wanted to be considered as senior underwriting manager or the co-manager and five firms that wanted to be considered as the co-manager in the connection with the issuance and sale of the 2020 Bonds.

An evaluation committee was convened to evaluate the proposals. Based upon its evaluation, it was determined that the highest rated proposal was submitted by a joint venture of J.P. Morgan and certified MBE/DBE and veteran owned firm, Academy Securities. Therefore, J.P. Morgan and the Academy are recommended to serve as the book running senior managers in connection with issuance of the 2020 Bonds.

The evaluation committee further concluded that Bank of America Securities, PNC Capital Markets LLC and RBC Capital Markets should serve as co-managers in connection with the issuance and sale of the 2020 Bonds.

This resolution would authorize the Authority to engage the identified firms as the underwriting group in connection with the issuance and sale of the 2020 Bonds.

The Finance Committee agreed to present the resolution for approval by the Board.

3. Financial Report:

CFO Pete Schenk presented the Financial Reports through January 2020.

He reported that Total Operating Income for the month of January was \$61,025 below budget due to lower Passenger and ACCESS Revenue. However, for the fiscal year to date, Total Operating Income is \$424,004 over budget due to higher Interest Income and Advertising Revenue.

Total Expenses for the month were \$1.83 million below budget. Total Expenses for the fiscal year are \$18.98 million below budget predominantly due to lower Materials & Supplies, Purchased Services and Other Expense costs.

Total Subsidies for the month were \$2.2 million below budget primarily due to lower State Operating Assistance. However, for the fiscal year to date, Total Subsidies are \$9.7 million above budget due to higher State Operating Assistance which will normalize by year-end.

With no further business, the meeting was adjourned.

## **PROPOSED RESOLUTION**

## SUMMARY OF RESOLUTION

### Authorization to Appoint New Recordkeeper for Port Authority of Allegheny County's 457(b) and 401(a) Defined Contribution Program

Port Authority of Allegheny County (Authority) seeks to authorize the selection of a new recordkeeper (Recordkeeper) for certain participating Non-represented, International Brotherhood of Electrical Workers (IBEW) represented and Port Authority Transit Police Association (PATPA) represented employees (Eligible Employees). Recordkeeper will oversee contributions toward two separate plans:

- (i) Port Authority of Allegheny County Section 457(b) Program for Eligible Employees; and
- (ii) Port Authority of Allegheny County Money Purchase Pension Plan 401(a) for Eligible Employees (collectively, Defined Contribution Program).

The Authority, in conjunction with its Chief Investment Officers for the two plans under Defined Contribution Program, Marquette Associates (Marquette) and Financial Integrity Resources Management (FIRM), developed a Request for Proposals (RFP) in order to identify a qualified company to act as service provider to provide recordkeeping and administrative services and an investment platform for Defined Contribution Program. RFP, detailing the required scope of services, which included options for Roth IRAs and employee withdrawal management, was prepared and publicly distributed.

Six responsive and timely proposals were received by the stated submission deadline of November 15, 2019. The Authority convened an Evaluation Committee (Committee) made up of five members from the Human Resources and Finance Divisions, with consulting support from Marquette, FIRM, and outside benefits counsel, to review and evaluate the proposals. Committee determined that the proposals submitted by One America and ICMA-RC Retirement Services (ICMA) were initially the top rated proposals and eligible to be short-listed for interviews.

On February 3, 2020, Committee held interviews with One America and ICMA, and Committee then conducted a final evaluation and identified ICMA as the highest rated company to serve as Recordkeeper for Defined Contribution Program. ICMA is also the current recordkeeper for the defined contribution program for Amalgamated Transit Union, Local 85 represented employees.

The resolution would authorize the Authority to engage ICMA to serve as Recordkeeper for Defined Contribution Program.

## RESOLUTION

**WHEREAS**, Port Authority of Allegheny County (Authority) has previously created and maintains a retirement program for certain participating Non-represented, International Brotherhood of Electrical Workers (IBEW) represented and Port Authority Transit Police Association (PATPA) represented employees (Eligible Employees), which consists of two separate plans, a Section 457(b) Program for Eligible Employees and a Money Purchase Pension Plan 401(a) for Eligible Employees (collectively, Defined Contribution Program); and

**WHEREAS**, in order to identify a qualified company to act as service provider to provide recordkeeping and administrative services and an investment platform for Defined Contribution Program, a request for proposals detailing the required scope of services was prepared and publicly distributed; and

**WHEREAS**, six responsive and timely proposals were received by the publicly noticed and stated submission deadline for proposals of November 15, 2019; and

**WHEREAS**, the Authority convened an Evaluation Committee (Committee) made up of five members from the Human Resources and Finance Divisions, with consulting support from Marquette Associates and Financial Integrity Resources Management, and outside benefits counsel, to review and evaluate the proposals; and

**WHEREAS**, Committee evaluated the proposals, interviewed the shortlisted companies and identified ICMA-RC Retirement Services (ICMA) as the highest rated responsive proposal to serve as the recordkeeper for Defined Contribution Program; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority's chief executive officer, chief financial officer and/or chief human resources officer be, and hereby are, authorized to engage ICMA as the recordkeeper for Defined Contribution Program, and also to take all such other actions to transition the recordkeeping services to ICMA and execute any documents necessary to do so, in a form approved by counsel, and necessary and proper to carry out the purpose and intent of this resolution.

## **FEBRUARY FINANCIAL STATEMENTS**





Port Authority of Allegheny County  
**CONSOLIDATED STATEMENT OF NET POSITION**

For the Current Period

As of February 29, 2020

	OPERN	CAPTL	TOTAL
<b><u>ASSETS</u></b>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 121,309,409.01	\$ 14,232,811.08	135,542,220.09
Capital grants receivable	-	14,143,419.43	14,143,419.43
Other receivables	8,466,501.09	0.00	8,466,501.09
Prepaid expenses	1,559,861.16	-	1,559,861.16
Materials & supplies	16,097,793.37	-	16,097,793.37
<b>Total Current Assets</b>	<b>147,433,564.63</b>	<b>28,376,230.51</b>	<b>175,809,795.14</b>
NONCURRENT ASSETS			
Restricted assets for capital additions and related debt	-	22,035,100.04	22,035,100.04
Designated for reserve fund	38,488,582.00	-	38,488,582.00
Capital assets, net of accumulated depreciation	-	1,264,384,618.73	1,264,384,618.73
<b>Total Non-Current Assets</b>	<b>38,488,582.00</b>	<b>1,286,419,718.77</b>	<b>1,324,908,300.77</b>
<b>TOTAL ASSETS</b>	<b>\$ 185,922,146.63</b>	<b>\$ 1,314,795,949.28</b>	<b>\$ 1,500,718,095.91</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	-	7,109,630.32	7,109,630.32
Related to pensions	122,420,337.00	-	122,420,337.00
Related to OPEB	47,529,185.00	-	47,529,185.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 169,949,522.00</b>	<b>\$ 7,109,630.32</b>	<b>\$ 177,059,152.32</b>
<b><u>LIABILITIES</u></b>			
CURRENT LIABILITIES			
Accounts payable	8,560,486.30	1,156,095.31	9,716,581.61
Accrued compensation, benefits & withholdings	14,313,720.39	-	14,313,720.39
Unearned revenue	133,917,753.81	25,684,636.68	159,602,390.49
Reserves for claims & settlements	6,272,850.00	-	6,272,850.00
Current portion of bond payable	-	13,140,000.00	13,140,000.00
Other current liabilities	-	4,471,543.75	4,471,543.75
<b>Total Current Liabilities</b>	<b>163,064,810.50</b>	<b>44,452,275.74</b>	<b>207,517,086.24</b>
NONCURRENT LIABILITIES			
Bond payable, net	-	159,109,249.15	159,109,249.15
Reserves for claims & settlements	5,006,967.00	-	5,006,967.00
Accrued OPEB liability	624,412,121.00	-	624,412,121.00
Net pension liability	421,374,849.00	-	421,374,849.00
<b>Total Non-Current Liabilities</b>	<b>1,050,793,937.00</b>	<b>159,109,249.15</b>	<b>1,209,903,186.15</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 1,213,858,747.50</b>	<b>\$ 203,561,524.89</b>	<b>\$ 1,417,420,272.39</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Related to pensions	44,435,626.00	-	44,435,626.00
Related to OPEB	23,704,202.00	-	23,704,202.00
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 68,139,828.00</b>	<b>\$ -</b>	<b>\$ 68,139,828.00</b>
<b><u>NET ASSETS</u></b>			
<b>TOTAL NET POSITION</b>	<b>\$ (926,126,906.87)</b>	<b>\$ 1,118,344,054.71</b>	<b>\$ 192,217,147.84</b>

PORT AUTHORITY OF ALLEGHENY COUNTY

COMPARATIVE SUMMARY OF REVENUES AND EXPENSES



	Month of February 2020		8 Month Year-to-Date		Notes on Variances
	Budget	Actual	Budget	Actual	
<b>REVENUE :</b>					
Passenger revenue -					
Bus, Light Rail & Incline Plane	\$7,115,856	\$7,035,365	\$59,855,050	\$59,539,526	(\$315,524)
ACCESS program service	882,183	829,339	7,057,464	7,030,518	(\$26,946)
Advertising	208,333	511,626	1,666,754	2,199,938	\$533,184
Interest income	162,500	189,639	1,300,000	1,590,643	\$290,643
Other income	69,072	78,753	530,278	679,701	\$149,423
<b>Total Operating Income</b>	<b>\$8,437,944</b>	<b>\$8,644,722</b>	<b>\$70,409,546</b>	<b>\$71,040,326</b>	<b>\$630,780</b>
<b>EXPENSE :</b>					
Wages & salaries	\$13,757,982	\$13,833,623	\$107,424,413	\$106,553,670	\$870,743
Employee benefits	14,341,410	13,584,260	110,360,517	107,952,862	\$2,407,655
Materials & supplies	4,023,023	3,762,778	32,959,371	28,227,984	\$4,731,387
Provision for injuries & damages	341,868	294,992	3,054,964	3,548,929	\$548,929
Purchased services	1,441,766	1,013,355	12,177,797	7,091,150	\$5,086,647
Utilities	844,793	640,697	5,429,494	4,600,533	\$828,961
Other expense	1,201,911	1,258,796	9,443,427	3,843,769	\$5,599,658
Interest					\$0
ACCESS program service	2,409,422	1,864,024	19,114,376	18,096,458	\$1,017,918
<b>Total Expense</b>	<b>\$38,362,175</b>	<b>\$36,252,525</b>	<b>\$299,964,359</b>	<b>\$278,872,461</b>	<b>\$21,091,898</b>
<b>Deficit before Subsidy</b>	<b>(\$29,924,231)</b>	<b>(\$27,607,803)</b>	<b>(\$229,554,813)</b>	<b>(\$207,832,135)</b>	<b>\$21,722,678</b>
<b>Operating Subsidy:</b>					
County Drink Tax Revenue					\$0
RAD Assistance - Local	225,000	225,000	2,100,000	2,100,000	\$0
Gen Operating Assist - State	28,624,526	28,624,526	159,263,890	168,749,456	\$9,485,566
Defer State Operating Assist					\$0
Cost of Contracting	858,578	858,578	7,025,474	7,028,354	\$2,880
Redistribute to Vehicle Overhaul	494,264	463,001	3,954,112	4,006,075	\$51,963
Redistribute to Capital Accounts	153,800	112,597	1,304,400	1,588,695	\$284,295
Fringe Benefits Redistrib Cap Accts	85,000	36,197	680,000	609,506	(\$70,494)
Preventive Maintenance	2,130,303	2,130,303	24,132,963	24,131,610	(\$1,352)
ACM Capitalizations					\$0
Third Party Reimbursements	5,000	13,084	202,000	456,863	\$254,863
ACCESS-JARC/New Freedom					\$0
ACCESS-5310 revenue		419,482	405,000	419,482	\$14,482
ACCESS-PWD	51,700	49,808	413,600	408,545	(\$5,055)
<b>Total Subsidy</b>	<b>\$32,628,171</b>	<b>\$32,932,576</b>	<b>\$199,481,439</b>	<b>\$209,498,586</b>	<b>\$10,017,147</b>
Surplus/Deficit	\$2,703,940	\$5,324,773	(\$30,073,374)	\$1,666,451	\$31,739,825

Total Operating Income was \$206,778 over budget for the month of February due to higher Advertising Revenues. Fiscal year-to-date, Total Operating Income is \$630,780 over budget due to higher Advertising and Interest Income.

Total Expense for the month was \$2.1M under budget principally due to lower Employee Benefits, Purchased Services and ACCESS Expense. Fiscal year-to-date expenses are \$21.1 million under budget due to lower expenses across all categories.

Total subsidies for the month were \$304,405 over budget due to ACCESS 5310 payment that was budgeted earlier in the fiscal year. Fiscal year subsidies are \$10 million over budget due to higher State Operating Assistance that will normalize by year-end.



PORT AUTHORITY OF ALLEGHENY COUNTY  
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Monthly Actuals		Year to Date Actuals		Notes on Variances
	February 2019	February 2020	FY2019	FY2020	
<b>REVENUE :</b>					
Passenger revenue -					
Bus, Light Rail & Incline Plane	\$7,100,616	\$7,035,365	\$59,764,054	\$59,539,526	(\$224,528)
ACCESS program service	733,492	829,339	7,078,086	7,030,518	(\$47,568)
Advertising	264,077	511,626	2,026,356	2,199,938	\$173,582
Interest income	206,038	189,639	1,317,589	1,590,643	\$273,054
Other income	64,782	78,753	486,788	679,701	\$192,913
					<b>Total Operating income is \$367,453 above last fiscal-year. This variance is due to higher Advertising Revenue, Interest Income, and Other Income.</b>
<b>Total Operating Income</b>	<b>\$8,369,005</b>	<b>\$8,644,722</b>	<b>\$70,672,873</b>	<b>\$71,040,326</b>	<b>\$367,453</b>
<b>EXPENSE :</b>					
Wages & salaries	\$13,514,909	\$13,833,623	\$106,546,155	\$106,553,670	(\$7,515)
Employee benefits	12,498,171	13,584,260	102,353,377	107,952,862	(\$5,599,485)
Materials & supplies	3,319,718	3,762,778	29,421,086	28,227,984	\$1,193,102
Provision for injuries & damages	203,724	294,992	2,286,467	2,506,035	(\$219,568)
Purchased services	959,547	1,013,355	8,803,994	7,091,150	\$1,712,844
Utilities	652,735	640,697	4,613,786	4,600,533	\$13,253
Other expense	580,616	1,258,796	5,779,691	3,843,769	\$1,935,922
Interest	0	0	0	0	\$0
ACCESS program service	1,799,594	1,864,024	17,597,521	18,096,458	(\$498,937)
					<b>Total Expense is \$1.47 million higher than last fiscal year. Employee benefits are higher than last fiscal year. A portion of this is due to Vacation, Sick and Holiday for salaried employees being reported as Employee Benefits versus in Salary &amp; Wages in FY2019.</b>
<b>Total Expense</b>	<b>\$33,529,014</b>	<b>\$36,252,525</b>	<b>\$277,402,077</b>	<b>\$278,872,461</b>	<b>(\$1,470,384)</b>
<b>Deficit before Subsidy</b>	<b>(\$25,160,009)</b>	<b>(\$27,607,803)</b>	<b>(\$206,729,204)</b>	<b>(\$207,832,135)</b>	<b>(\$1,102,931)</b>
<b>Operating Subsidy:</b>					
County Drink Tax Revenue					
RAD Assistance - Local	225,000	225,000	2,100,000	2,100,000	-
Gen Operating Assist - State	28,057,666	28,624,526	166,112,685	168,749,456	2,636,771
Defer State Operating Assist					
Cost of Contracting	936,988	858,578	6,641,442	7,028,354	386,912
Redistribute to Vehicle Overhaul		463,001	463,001	4,006,075	4,006,075
Redistribute to Capital Accounts	146,813	112,897	1,300,350	1,588,695	288,345
Fringe Benefits Redistrib Cap Accts	77,451	36,197	640,345	609,506	(30,839)
Preventive Maintenance	2,207,440	2,130,303	34,706,347	24,131,610	(10,574,736)
ACM Capitalizations					
Third Party Reimbursements	87,869	13,084	347,004	456,863	109,859
ACCESS-JARC/New Freedom					
ACCESS-5310 revenue	44,975	419,482	377,929	419,482	41,553
ACCESS-PWD		49,808	400,138	408,545	8,407
					<b>Total Subsidy is \$3.1 million lower than last fiscal year due to lower Preventive Maintenance. The FY2020 Budget was balanced with less Preventive Maintenance, so this is to be expected.</b>
<b>Total Subsidy</b>	<b>\$31,784,202</b>	<b>\$32,932,576</b>	<b>\$212,626,239</b>	<b>\$209,498,586</b>	<b>(\$3,127,653)</b>
Surplus/Deficit	\$6,624,193	\$5,324,773	\$5,897,035	\$1,666,451	(\$4,230,584)

PORT AUTHORITY OF ALLEGHENY COUNTY  
**FY 2020 PROJECTED OPERATING RESERVE**  
 (As of February 29, 2020)

(Dollars in Thousands)  
**Actual/Estimate**

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	TOTAL
Begin Cash & Investments	150,321	151,313	124,028	120,699	153,749	151,488	149,716	146,565	141,296	153,694	152,216	156,206	158,719	
Oper Grants:														
. County/Additional County Assistance	8,005	4,005	4,000							2,750	8,005	8,005	8,005	34,770
. Regional Asset District	225	275	275	275	275	275	275	225	225	225	225	225	225	3,000
. State	16,243	2,373	11,959	47,976	17,198	16,463	25,531	18,482	28,611	19,592	19,592	19,592	19,592	246,959
. Additional State Operating Assistance/Rebase														
Revenues:														
. ACM/Grants Management/T&L	357	397	250	521	210	557	284	228	149	239	239	239	239	3,551
. ACCESS/Shared Ride	901	0	1,853	882	0	901	937	1,783	0	882	882	882	882	9,885
. ACCESS/Capital Cost of Contracting	1,205	0	2,237	1,757	0	2,171	0	2,242	859	1,449	1,449	1,449	1,449	15,061
. ACCESS/Connections and Works	56	0	112	52	0	50	52	103	0	52	52	52	52	577
. Fare Box	6,722	7,597	6,048	6,755	7,936	5,960	8,773	7,043	7,448	7,281	7,490	7,608	7,367	87,304
. VOH	0	0	795	592	465	907	541	244	463	494	494	494	494	5,983
. Capital Payback	0	0	43	0	423	21	1,400	220	3,070	51	5	5	51	5,288
. PREVENTIVE MAINTENANCE	0	0	4,202	5,272	5,026	2,439	1,984	3,079	2,130	2,887	2,826	1,160	0	31,004
. Investment Income	251	242	228	170	178	219	187	189	189	163	163	163	163	2,251
. Norfolk Southern Derailment Settlement						2,561								2,561
. OTHER	893	655	878	629	795	939	832	724	2,213	300	248	309	640	9,162
. OPEB Usage														0
Cash Available	185,178	162,851	156,912	189,579	186,254	184,951	190,512	181,127	186,653	190,058	193,885	196,386	197,877	457,355
Payments:														
. Pay/Withhold	12,830	16,982	14,470	12,954	12,950	12,687	18,375	15,674	17,505	15,118	14,995	14,974	19,955	186,637
. Healthcare	6,450	6,482	6,410	6,444	6,424	6,408	6,419	6,510	6,647	6,808	6,808	6,808	6,808	78,977
. Pension Payment	4,775	4,763	5,288	5,837	4,902	4,897	6,355	5,635	5,077	3,670	3,670	3,670	3,670	57,433
. All Other	9,840	10,536	9,887	10,439	10,368	11,090	11,286	10,435	3,700	12,154	12,114	12,123	13,138	127,270
. Operating Loan to Capital	0	0	0	95	0	0	1,400	1,547	0	0	0	0	0	3,042
. OPEB Payback														0
. Paybacks/Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. Treasury Service Expense	95	60	158	62	122	154	111	30	30	92	92	92	92	1,096
Total Payments	33,990	38,823	36,213	35,830	34,765	35,235	43,946	39,832	32,959	37,842	37,679	37,667	43,663	454,455
Ending Cash & Investments	151,188	124,028	120,699	153,749	151,488	149,716	146,565	141,296	153,694	152,216	156,206	158,719	154,214	

**MARCH FINANCIAL STATEMENTS**



Port Authority of Allegheny County  
**CONSOLIDATED STATEMENT OF NET POSITION**

For the Current Period

As of March 31, 2020

	OPERN	CAPTL	TOTAL
<b><u>ASSETS</u></b>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 111,481,242.68	\$ 23,233,332.69	134,714,575.37
Capital grants receivable	-	18,279,647.74	18,279,647.74
Other receivables	7,824,155.91	0.00	7,824,155.91
Prepaid expenses	1,344,637.31	-	1,344,637.31
Materials & supplies	16,035,736.54	-	16,035,736.54
<b>Total Current Assets</b>	<b>136,685,772.44</b>	<b>41,512,980.43</b>	<b>178,198,752.87</b>
NONCURRENT ASSETS			
Restricted assets for capital additions and related debt	-	2,862,180.59	2,862,180.59
Designated for reserve fund	38,488,582.00	-	38,488,582.00
Capital assets, net of accumulated depreciation	-	1,262,246,882.28	1,262,246,882.28
<b>Total Non-Current Assets</b>	<b>38,488,582.00</b>	<b>1,265,109,062.87</b>	<b>1,303,597,644.87</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 175,174,354.44</b>	 <b>\$ 1,306,622,043.30</b>	 <b>\$ 1,481,796,397.74</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	-	7,043,800.49	7,043,800.49
Related to pensions	122,420,337.00	-	122,420,337.00
Related to OPEB	47,529,185.00	-	47,529,185.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 169,949,522.00</b>	<b>\$ 7,043,800.49</b>	<b>\$ 176,993,322.49</b>
<b><u>LIABILITIES</u></b>			
CURRENT LIABILITIES			
Accounts payable	2,774,882.87	5,802,884.05	8,577,766.92
Accrued compensation, benefits & withholdings	13,837,414.72	-	13,837,414.72
Unearned revenue	133,902,828.24	31,926,678.87	165,829,507.11
Reserves for claims & settlements	6,272,850.00	-	6,272,850.00
Current portion of bond payable	-	13,140,000.00	13,140,000.00
Other current liabilities	-	(12,452,009.37)	(12,452,009.37)
<b>Total Current Liabilities</b>	<b>156,787,975.83</b>	<b>38,417,553.55</b>	<b>195,205,529.38</b>
NONCURRENT LIABILITIES			
Bond payable, net	-	159,061,524.15	159,061,524.15
Reserves for claims & settlements	5,006,967.00	-	5,006,967.00
Accrued OPEB liability	624,412,121.00	-	624,412,121.00
Net pension liability	421,374,849.00	-	421,374,849.00
<b>Total Non-Current Liabilities</b>	<b>1,050,793,937.00</b>	<b>159,061,524.15</b>	<b>1,209,855,461.15</b>
 <b>TOTAL LIABILITIES</b>	 <b>\$ 1,207,581,912.83</b>	 <b>\$ 197,479,077.70</b>	 <b>\$ 1,405,060,990.53</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Related to pensions	44,435,626.00	-	44,435,626.00
Related to OPEB	23,704,202.00	-	23,704,202.00
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 68,139,828.00</b>	<b>\$ -</b>	<b>\$ 68,139,828.00</b>
<b><u>NET ASSETS</u></b>			
 <b>TOTAL NET POSITION</b>	 <b>\$ (930,597,864.39)</b>	 <b>\$ 1,116,186,766.09</b>	 <b>\$ 185,588,901.70</b>

PORT AUTHORITY OF ALLEGHENY COUNTY  
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES



	Month of March 2020			9 Month Year-to-Date			Notes on Variances
	Budget	Actual	Variance	Budget	Actual	Variance	
<b>REVENUE :</b>							
Passenger revenue -							
Bus, Light Rail & Incline Plane	\$7,281,335	\$5,933,575	(\$1,347,760)	\$67,136,385	\$65,473,101	(\$1,663,284)	
ACCESS program service	882,183	872,450	(\$9,733)	7,939,647	7,902,968	(\$36,679)	
Advertising	208,333	132,961	(\$75,372)	1,875,087	2,332,898	\$457,811	
Interest income	162,500	161,867	(\$633)	1,462,500	1,752,511	\$290,011	
Other income	91,744	34,224	(\$57,520)	622,022	713,925	\$91,903	
							Total Operating Income for the month was \$1.49 million below budget due to lower Passenger Revenue. Revenues for April will be much weaker as March numbers can reflect purchases made in February or early March. Revenues for the last week in March were down in excess of 90%.
<b>Total Operating Income</b>	<b>\$8,626,095</b>	<b>\$7,135,077</b>	<b>(\$1,491,018)</b>	<b>\$79,035,641</b>	<b>\$78,175,403</b>	<b>(\$860,238)</b>	
<b>EXPENSE :</b>							
Wages & salaries	\$13,667,957	\$13,778,243	(\$110,286)	\$121,092,370	\$120,331,914	\$760,456	
Employee benefits	13,793,082	12,839,130	\$953,952	124,153,599	120,791,992	\$3,361,607	
Materials & supplies	4,156,547	3,777,379	\$379,168	37,115,918	32,005,364	\$5,110,554	
Provision for injuries & damages	341,868	150,772	\$191,096	3,396,832	2,656,807	\$740,025	
Purchased services	1,439,815	1,613,945	(\$174,130)	13,617,612	8,705,096	\$4,912,516	
Utilities	845,783	848,509	(\$2,726)	6,275,277	5,449,041	\$826,236	
Other expense	1,157,127	531,611	\$625,516	10,600,554	4,375,380	\$6,225,174	
Interest	0	0	\$0	0	0	\$0	
ACCESS program service	2,409,422	2,346,571	\$62,851	21,523,798	20,443,028	\$1,080,770	
							Total Expense for the month was \$1.9 million below budget primarily due to lower Employee Benefits and Other Expense
<b>Total Expense</b>	<b>\$37,811,601</b>	<b>\$35,886,160</b>	<b>\$1,925,441</b>	<b>\$337,775,960</b>	<b>\$314,758,622</b>	<b>\$23,017,338</b>	
<b>Deficit before Subsidy</b>	<b>(\$29,185,506)</b>	<b>(\$28,751,083)</b>	<b>\$434,423</b>	<b>(\$258,740,319)</b>	<b>(\$236,583,219)</b>	<b>\$22,157,100</b>	
<b>Operating Subsidy:</b>							
County Drink Tax Revenue	\$ 2,750,000.00	\$ 2,750,000.00	\$0	\$ 2,750,000.00	\$ 2,750,000.00	\$0	
RAD Assistance - Local	225,000	225,000	\$0	2,325,000	2,325,000	\$0	
Gen Operating Assist - State	16,472,354	16,472,354	(\$0)	175,736,244	185,221,810	\$9,485,566	
Defer State Operating Assist			\$0			\$0	
Cost of Contracting	1,280,479	1,280,479	\$0	8,305,953	8,308,833	\$2,880	
Redistribute to Vehicle Overhaul	494,264	793,881	\$299,617	4,448,376	4,799,956	\$351,580	
Redistribute to Capital Accounts	153,900	237,464	\$83,564	1,458,300	1,826,159	\$367,859	
Hinge Benefits Redistrib Cap Accts	85,000	109,717	\$24,717	765,000	719,222	(\$45,778)	
Preventive Maintenance	2,259,148	2,259,148	\$0	26,392,111	26,390,759	(\$1,352)	
ACM Capitalizations			\$0			\$0	
Third Party Reimbursements	51,000	99,913	\$48,913	253,000	556,775	\$303,775	
ACCESS-IARC/New Freedom			\$0	405,000	419,482	\$14,482	
ACCESS-5310 revenue			\$0	465,300	460,717	(\$4,583)	
ACCESS-PWD	51,700	52,172	\$472				Total Subsidy for the month was over budget by \$457,282 due to higher Vehicle Overhaul Invoice reimbursement. Total Subsidy for the fiscal year is \$10.4 million over budget, but this will normalize by year-end.
<b>Total Subsidy</b>	<b>\$23,822,845</b>	<b>\$24,280,127</b>	<b>\$457,282</b>	<b>\$223,304,284</b>	<b>\$233,778,713</b>	<b>\$10,474,429</b>	
Surplus/Deficit	(\$5,362,661)	(\$4,470,956)	\$891,705	(\$35,436,035)	(\$2,804,506)	\$32,631,529	



PORT AUTHORITY OF ALLEGHENY COUNTY  
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Monthly Actuals		Year to Date Actuals		Notes on Variances
	March 2019	March 2020	FY2019	FY2020	
<b>REVENUE :</b>					
Passenger revenue -					
Bus, Light Rail & Incline Plane	\$7,244,089	\$5,933,575	\$67,008,142	\$65,473,101	(\$1,535,041)
ACCESS program service	913,978	872,450	7,992,065	7,902,968	(\$89,097)
Advertising	158,031	132,961	2,184,388	2,332,898	\$148,510
Interest income	191,873	161,867	1,509,461	1,752,511	\$243,050
Other income	68,250	34,224	555,038	713,925	\$158,887
<b>Total Operating Income</b>	<b>\$8,576,221</b>	<b>\$7,135,077</b>	<b>\$79,249,094</b>	<b>\$78,175,403</b>	<b>(\$1,073,691)</b>
					<b>Total Operating Income is \$1.07 million below last fiscal year due to lower Passenger Revenues.</b>
<b>EXPENSE :</b>					
Wages & salaries	\$12,287,967	\$13,778,243	\$118,834,122	\$120,331,914	(\$1,497,792)
Employee benefits	12,390,055	12,839,130	114,743,432	120,791,992	(\$6,048,560)
Materials & supplies	3,262,105	3,777,379	32,683,191	32,005,364	\$677,827
Provision for injuries & damages	194,810	150,772	2,481,277	2,656,807	(\$175,530)
Purchased services	808,448	1,613,945	9,612,441	8,705,096	\$907,345
Utilities	736,264	848,509	5,350,050	5,449,041	(\$98,991)
Other expense	719,736	531,611	6,499,427	4,375,380	\$2,124,047
Interest	0	0	0	0	\$0
ACCESS program service	2,141,737	2,346,571	19,739,258	20,443,028	(\$703,770)
<b>Total Expense</b>	<b>\$32,541,122</b>	<b>\$35,886,160</b>	<b>\$309,943,198</b>	<b>\$314,758,622</b>	<b>(\$4,815,424)</b>
					<b>Salaries and Employee Benefits.</b>
<b>Deficit before Subsidy</b>	<b>(\$23,964,901)</b>	<b>(\$28,751,083)</b>	<b>(\$230,694,104)</b>	<b>(\$236,583,219)</b>	<b>(\$5,889,115)</b>
<b>Operating Subsidy:</b>					
County Drink Tax Revenue	\$ 8,250,000	\$ 2,750,000.00	\$ 8,250,000	\$ 2,750,000.00	(\$5,500,000)
RAD Assistance - Local	225,000	225,000	2,325,000	2,325,000	-
Gen Operating Assist - State	16,254,868	16,472,354	182,367,553	185,221,810	2,854,257
Defer State Operating Assist					
Cost of Contracting	1,180,643	1,280,479	7,822,085	8,308,833	486,748
Redistribute to Vehicle Overhaul		793,881		4,799,956	4,799,956
Redistribute to Capital Accounts	168,268	237,464	1,468,618	1,826,159	357,541
Fringe Benefits Redistrib Cap Accts	91,228	109,717	731,572	719,222	(12,350)
Preventive Maintenance	2,545,388	2,259,148	37,251,735	26,390,759	(10,860,976)
ACM Capitalizations					
Third Party Reimbursements	1,003,180	99,913	1,350,184	556,775	(793,409)
ACCESS-JARC/New Freedom					
ACCESS-5310 revenue			377,929	419,482	41,553
ACCESS-PWD	42,967	52,172	443,105	460,717	17,611
<b>Total Subsidy</b>	<b>\$29,761,542</b>	<b>\$24,280,127</b>	<b>\$242,387,781</b>	<b>\$233,778,713</b>	<b>(\$ 8,609,069)</b>
					<b>Maintenance.</b>
					<b>Total Subsidy is \$8.6 million lower than last fiscal year due to lower Preventive Maintenance.</b>
Surplus/Deficit	\$5,796,641	(\$4,470,956)	\$11,693,677	(\$2,804,506)	(\$14,498,184)



**PORT AUTHORITY OF ALLEGHENY COUNTY**  
**FY 2020 PROJECTED OPERATING RESERVE**  
**(As of March 31, 2020)**

(Dollars in Thousands)  
**Actual/Estimate**

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	TOTAL
Begin Cash & Investments	151,313	124,028	120,699	153,749	151,488	149,716	146,565	141,296	153,694	150,398	154,387	156,901	
Oper Grants:													
County/Additional County Assistance	275	4,005	4,000	275	275	275	225	225	2,750	8,005	8,005	8,005	34,770
Regional Asset District		275	275	275	275	275	225	225	225	225	225	225	3,000
State	2,373	11,959	47,976	17,198	16,463	25,531	18,482	28,611	19,317	19,592	19,592	19,592	246,684
Revenues:													
ACM/Grants Management/T&L	397	250	521	210	557	284	228	149	347	239	239	239	3,659
ACCESS/Shared Ride	0	1,853	882	0	901	937	1,783	0	1,745	882	882	882	10,748
ACCESS/Capital Cost of Contracting	0	2,237	1,757	0	2,171	0	2,242	859	1,280	1,449	1,449	1,449	14,892
ACCESS/Connections and Works	0	112	52	0	50	52	103	0	0	52	52	52	525
Fare Box	7,597	6,048	6,755	7,936	5,960	8,773	7,043	7,448	5,668	7,490	7,608	7,367	85,691
VOH	0	795	592	465	907	541	244	463	794	494	494	494	6,283
Capital Payback	0	43	0	423	21	1,400	220	3,070	0	5	5	51	5,237
PREVENTIVE MAINTENANCE	0	4,202	5,272	5,026	2,439	1,984	3,079	2,130	2,259	2,826	1,160	0	30,375
Investment Income	242	228	170	178	219	187	189	189	190	163	163	163	2,278
Norfolk Southern Derailment Settlement													
OTHER	655	878	629	795	939	832	724	2,213	639	248	309	640	9,501
OPEB Usage													0
Cash Available	162,851	156,912	189,579	186,254	184,951	190,512	181,127	186,653	188,908	192,066	194,568	196,058	456,205
Payments:													
Pay/Withhold	16,982	14,470	12,954	12,950	12,687	18,375	15,674	17,505	13,350	14,995	14,974	19,955	184,870
Healthcare	6,482	6,410	6,444	6,424	6,408	6,419	6,510	6,647	6,612	6,808	6,808	6,808	78,781
Pension Payment	4,763	5,288	5,837	4,902	4,897	6,355	5,635	5,077	5,093	3,670	3,670	3,670	58,856
All Other	10,536	9,887	10,439	10,368	11,090	11,286	10,435	3,700	11,908	12,114	12,123	13,138	127,023
Operating Loan to Capital	0	0	95	0	0	1,400	1,547	0	1,517	0	0	0	4,559
Paybacks/Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Treasury Service Expense	60	158	62	122	154	111	30	30	30	92	92	92	1,034
Total Payments	38,823	36,213	35,830	34,765	35,235	43,946	39,832	32,959	38,510	37,679	37,667	43,663	455,123
Ending Cash & Investments	124,028	120,699	153,749	151,488	149,716	146,565	141,296	153,694	150,398	154,387	156,901	152,395	