

FINANCE COMMITTEE MEETING

November 14, 2019

Board Committee Members

Ann Ogoreuc, Chair
Jeff Letwin

Other Board Members

John Tague
Rep. Lori Mizgorski
Michelle Zmijanac

1. Review of Operating Reserve Fund Policy:

Mr. Schenk reported on the recent finalization of an administrative policy associated with the maintenance of the Operating Reserve Fund originally established by Board resolution in 2017. The administrative policy details the various asset types that can be utilized as funding sources for the Operating Reserve Fund. In addition, the policy defines the schedule for adjusting the Operating Reserve Fund based upon annual budgetary changes.

2. Proposed Resolutions:

Mr. Schenk presented a resolution seeking authorization to increase the Operating Reserve Fund Amount. He reported that based upon a recommendation from the Pennsylvania Department of Transportation, the Authority's Board passed a resolution on June 30, 2017 to implement and maintain a restricted Operating Reserve Fund. The Reserve Fund was initially established in the amount of \$34,982,415, the equivalent of one month of the Authority's gross operating expenses in FY 2018.

To account for growth in the Authority's annual operating budget and gross operating expenses, the Finance Committee recommends that the Authority increase the Reserve Fund to \$38,488,582.

The Finance Committee agreed to take it to the full Board for consideration.

3. Financial Report:

Mr. Schenk reported that for the month of October, Total Operating Income was \$350,704 below budget primarily due to lower Passenger Revenues. However, Total Operating Income for the fiscal year was \$107,319 above budget.

He also reported that Total Expenses for the month of October were \$1.49 million under budget with all categories, except Utilities and Other Expense, reporting under plan. Year-to-date expenses are \$11.75 million under budget with all expense categories, except ACCESS Expense, reporting under plan through October.

Total Subsidies for the month were \$2.9 million under budget, but \$9.13 million over budget year-to-date. Mr. Schenk noted that this is a timing issue and the variance will normalize by fiscal year-end.

With no further business, the meeting was adjourned.