

## FINANCE COMMITTEE MEETING

May 21, 2020

### Board Committee Members

*(all by WebEx)*

Ann Ogoreuc, Chair

Jennifer Liptak

Rep. Austin Davis

Jeff Letwin

### Other Board Member

*(all by WebEx)*

John Tague

Rep. Lori Mizgorski

Michelle Zmijanac

Stephanie Turman

#### 1. Approval of Minutes:

The minutes of the April 16, 2020 Finance Committee Meeting were approved.

#### 2. Preliminary FY 2021 Operating and Capital Budgets Presentation

Chief Executive Officer, Katharine Kelleman and Chief Financial Officer, Peter Schenk presented the Preliminary Operating and Capital Budgets.

CEO Kelleman stressed that despite COVID 19, the Authority will continue to provide a safe environment for passengers and employees alike. She emphasized that the pandemic has caused great financial uncertainty on both the Operating and Capital Budgets.

Next Mr. Schenk explained that in order to simplify CARES ACT invoicing, the preliminary FY 2021 Operating Budget is at pre-COVID 19 levels. Invoices will be the differential between budget and the actual results on a monthly basis. He stated that the Authority has been in consultation with both FTA and SEPTA regarding structuring the FY 2021 Operating Budget in order to simplify CARES ACT invoicing.

Mr. Schenk reported that due to the impact of COVID 19 on operations and ridership the Authority is projecting a deficit of approximately \$29 million that can be addressed through CARES ACT funding.

He also reported that the preliminary FY 2021 Operating Budget contains minimal CARES ACT funding as a placeholder to eventually offset reduced passenger fares and subsidies. It was reported that the preliminary FY 2021 Operating Budget is balanced with \$42.4 million in Deferred Revenue.

It was also reported that the preliminary FY 2021 Capital Budget is based on receiving \$114.5 million in State Funding which would assume a continuation of Turnpike Funding to PennDOT.

Finally, it was emphasized by both Ms. Kelleman and Mr. Schenk that the Operating and Capital Budgets may need to be re-opened as further financial information becomes available.

### 3. Financial Report:

Mr. Schenk then reported on the April Financial Statements.

Mr. Schenk reported that for the month of April, Total Operating Income was \$6.09 million under budget. This result was directly due to lower ridership related to COVID-19. For Fiscal Year 2020, Total Operating Income is \$6.9 million below budget.

Mr. Schenk reported that Total Expenses for the month were \$4 million under budget despite increased payroll and materials and supplies expenses for vehicle cleanings.

Total Expenses from a fiscal-year-to-date perspective was \$27 million below budget which will assist in preserving CARES Act funding.

Total Subsidy for the month of April was \$2.03 million under budget due to lower Local Operating Subsidy. The Authority is working closely with Allegheny County on possible ways to mitigate a possible COVID-19 related shortfall in Local Operating Subsidy.

Total Subsidy for the fiscal year is \$8.4 million under budget. Most likely, subsidies will end the fiscal year below budget due to COVID-19. CARES Act funding will be utilized to mitigate the net shortfall of revenues plus subsidies less expenses.

With no further business, the meeting was adjourned.