

## FINANCE COMMITTEE MEETING

February 18, 2021

### Board Committee Members

*(all by WebEx)*

Ann Ogoreuc, Chair

Jennifer Liptak

Representative Austin Davis

Gerald Delon

Jeff Letwin

Eric Zagrocki, General Counsel

### Other Board Member

*(all by WebEx)*

John Tague

Michelle Zmijanac

Jessica Walls-Lavelle

#### 1. Approval of Minutes:

The minutes of the January 21, 2021 Finance Committee Meeting were approved.

#### 2. Proposed Resolution:

Chief Financial Officer, Peter Schenk, presented a resolution to enter into an agreement with a pool of firms for Financial Advisory Services. The pool of up to two firms is for the categories of Financial Planning Services and Debt and Investment Management Advisory Services.

Request for Proposals were sent out and an Evaluation Committee, made up of six employees from Finance and Operations, convened and selected PFM Financial Advisors LLC to perform Debt and Investment Management Services.

Under the Financial Planning Services category, the Committee selected two firms, PFM Financial Advisors LLC and NW Financial Group LLC.

The term of the agreements will be for a three-year period with the option to extend up to two additional years at the sole discretion of the Authority. Work tasks will be assigned to the contractor via work orders on an as-needed basis, and a total not-to-exceed amount of up to \$400,000 if being recommended for approval.

The Finance Committee agreed to recommend the resolution to the entire Board for approval.

The second resolution presented was seeking authorization to enter into an Agreement for Financial Audit and Pension Plan Audit Services. It was reported that the Authority requires an outside contractor to conduct Single Financial Audits for Fiscal Years 2021, 2022 and 2023. The contractor will also perform annual pension plan audits for calendar years 2020, 2021 and 2022.

A request for proposals was publicly advertised and a selection committee formed consisting of six members from the Engineering, Finance, and Executive Divisions. Four proposals were received and Maher Duessel was selected by the committee based on its experience, proposal and price.

The agreement with Maher Duessel would be for three years, with an Authority option for two additional years. The three-year agreement would be for a not-to-exceed amount of \$313,500.

The Finance Committee agreed to recommend the resolution to the entire Board for approval.

The final resolution presented to the Committee was seeking authorization to amend the FY 2021 Capital Budget.

It was reported that the Authority Board passed a resolution on June 26, 2020 that adopted a balanced FY 2021 Capital Budget beginning July 1, 2020 and ending on June 30, 2021.

Since adoption, the Pennsylvania Department of Transportation has advised the Authority of a \$820,000 decrease to its originally anticipated Section 1514 state capital funding allocation due to COVID-19 impacts. Allegheny County has advised the Authority of an increase to its originally anticipated county capital funding allocation for FY 2021 related to the BRT project. In addition, the Authority has been notified by the Federal Transit Administration of certain increases to its originally anticipated federal capital funding allocation for FY 2021.

This resolution authorizes passage of the amended FY 2021 capital budget as set forth in Exhibit "A" to the resolution. The amended capital budget totals \$145,275,460.

The Finance Committee agreed to recommend the resolution to the entire Board for approval.

### 3. January 2021 Financial Statements

Chief Financial Officer Peter Schenk then reported on the January 2021 Financial Statements.

He reported that Total Operating Income for the month of January was \$5.5 million under budget. Through January, Total Operating Income is \$39.1 million below budget. Every Operating Income category was below budget for the month and on a fiscal year-to-date perspective due to the pandemic. Lower Passenger Revenues and ACCESS Program Service Revenues constitute the majority of this shortfall.

Total Expenses for the month of January were \$6.5 million under budget and \$27.7 million under budget for the fiscal year. Mr. Schenk reported if these trends continue, the Authority wouldn't have to use any Deferred Revenues for operating purposes and may even have limited CARES ACT funds remaining to be utilized next fiscal year.

Total Subsidy for the month of January was \$9.7 million above budget due to a timing issue in CARES receipts versus budget in offsetting subsidy categories. Total Subsidy for the fiscal year was \$12.8 million over budget and should continue to be over budget as CARES ACT funds are recognized to offset lower Passenger Revenues.

Mr. Schenk reported that the Authority ended January with approximately \$138.8 million in Operating Reserves.

With no further business, the meeting was adjourned.

Approved