

FINANCE COMMITTEE MEETING

June 17, 2021

Board Committee Members

(all by TEAMS)

Ann Ogoreuc, Chair (in-person)

Jennifer Liptak

Representative Austin Davis

Gerald Delon

Jeff Letwin

Other Board Member

(all by TEAMS)

John Tague

Stephanie Turman (in-person)

1. Approval of Minutes:

The minutes of the May 20, 2021 Finance Committee Meeting were approved.

2. Proposed Resolutions:

Mr. Schenk presented a resolution requesting authorization to approve the Title VI Report for the Planned Fare Structure change. He gave a presentation on the Title VI Report that is a Federal Transit Administration requirement before any fare change can be adopted by the Board of Directors. The Title VI Report must measure the impact of any fare change on minority and low-income populations.

Mr. Schenk reported that the proposed FY 2022 Fare Structure changes will not have a disparate impact on minority populations or a disproportionate burden on low-income populations.

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

Ms. Kelleman then gave a summary of the various outreach steps the Authority had taken to gather public input on the fare structure changes. This outreach included three public hearings, a question-and-answer session, and public comment via website, phone, and mail.

Ms. Kelleman also emphasized that the Fare Structure change of creating a three-hour pass at \$2.75 by eliminating the \$1 transfer charge and 25 cent stored value discount and introducing seven-day and 31-day rolling passes will be the first step in a continuing process of improving fare payment through technology, improved accessibility, and long-term partnerships.

Ms. Kelleman presented the resolution to Adopt and Implement the FY 2022 Fare Structure Changes.

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

Mr. Schenk then presented a resolution to appoint a successor Trustee for the Consolidated Pension Plan. He reported that following a review of fees and services, the Consolidated Plan Trustees voted to issue a Request for Proposals in conjunction with the ATU Pension Plan.

Six responsive and timely proposals were received by the submission deadline. A subcommittee of the Trustees met and short-listed to three firms for further evaluation. Interviews were conducted of the three finalists and the committee voted to evaluate the software platforms of two final companies. Based on this final evaluation, the subcommittee identified U.S. Bank as the highest rated proposal. The ATU Pension Plan Trustees likewise selected U.S. Bank as the highest rated proposal.

Mr. Schenk reported that the annual savings to the two Pension Plans will be approximately \$500,000.

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

Next Mr. Schenk introduced a resolution to adopt the FY 2022 Operating and Capital Budgets.

Mr. Schenk reported that the final FY 2022 Operating Budget totaled \$494,355,837 which was a nominal increase of \$117,388 from the budget presented in May. He reported that the addition of three ATU positions in concert with a slight increase in Purchased Services attributed to the change.

Mr. Schenk further reported that the final proposed FY 2022 Capital Budget was unchanged from the preliminary budget presented at the May Finance Committee and totaled \$227,866,872.

This resolution would adopt balanced FY 2022 Operating and Capital Budgets as required by law.

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

The final resolution was presented by Chief Human Resources Officer, Inez Colon seeking authorization to adopt the Collective Bargaining Agreement with the International Brotherhood of Electrical Workers (IBEW), Local 29.

Ms. Colon reported that the current labor agreement expired April 30, 2021. The proposed two-year agreement includes a wage increase of 2.75 percent for each year of the two-year agreement and minimum cost benefit changes. The agreement has no changes to healthcare, the closed pension plan or defined contribution plan and has been ratified by IBEW, Local 29.

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

3. May 2021 Financial Statements:

Mr. Schenk reported on the May 2021 Financial Statements.

He reported that Total Operating Income for the month of May was \$4.9 million under budget. Through May, Total Operating Income is \$59.7 million below budget. Every Operating Income category except Other Income was below budget for the month. Lower Passenger Revenues and ACCESS Program Service Revenues constitute most of this shortfall due to the pandemic.

Total Expenses for the month of May were \$5.3 million under budget. The Authority's Total Expenses are \$41 million under budget for the fiscal year with every expense category except Salary and Wages are below budget. Mr. Schenk reported that if these trends continue, the Authority wouldn't have to use any Deferred Revenues for operating purposes.

Total Subsidy for the fiscal year is \$3.3 million above budget due to CARES Act receipts that have offset lower Passenger Revenue. Through May, the Authority has a \$5.6 million deficit that will be eliminated with CARES funding.

Mr. Schenk concluded his report by stated that the Authority ended May with approximately \$142.6 million in Operating Reserves.

With no further business, the meeting was adjourned.