

## FINANCE COMMITTEE MEETING

May 20, 2021

### Board Committee Members

(all by TEAMS)

Ann Ogoreuc, Chair

Jennifer Liptak

Jeff Letwin

### Other Board Member

(all by TEAMS)

John Tague

Michelle Zmijanac

Rep. Lori Mizgorski

Senator Brewster

Jessica Walls-Lavelle

#### 1. Approval of Minutes:

The minutes of the April 15, 2021 Finance Committee Meeting were approved.

#### 2. FY 2022 Proposed Fare Policy Changes Status Update

CEO Katharine Kelleman gave an update on the Fare Policy Change process. She reported that the public hearings are complete, and the Title VI Report is being finalized. A resolution to adopt the proposed changes will be presented at the June Board meeting.

#### 3. Preliminary FY 2022 Operating and Capital Budgets Presentation

CEO Katharine Kelleman and CFO Peter Schenk presented the preliminary FY 2022 Operating and Capital Budgets.

Ms. Kelleman presented the preliminary FY 2022 Operating Budget. She stressed that the transit industry continues to experience significant ridership loss and overall uncertainty on future ridership levels. She went on to emphasize that the Authority will continue to focus on maintaining current service levels while taking great care of both employee and rider safety.

Ms. Kelleman also stated that the Authority will be transitioning from a COVID-19 focus, to instead re-focusing on pre-pandemic organizational initiatives.

Mr. Schenk reported that the preliminary FY 2022 Operating Budget would set revenues at pre-pandemic levels to simplify invoicing of federal stimulus funding. The preliminary Operating Budget is set at \$494,238,449 which is an increase of \$8.57 million or 1.76 percent over the FY 2021 Budget.

Mr. Schenk also reported on the preliminary FY 2022 Capital Budget. The preliminary Capital Budget totals \$227.8 million with \$18.6 million for Debt Service, \$147.5 million for Fixed Guideway Improvements, \$54.9 million for Facility Improvements and \$6.7 million for Support Programs.

4. Proposed Resolutions:

Mr. Schenk then presented a resolution for authorization of Port Authority staff to file grants and submit invoices and status reports with the Pennsylvania Department of Transportation. PennDOT requires the Authority to identify, and the Board of Directors to approve positions that will have access to PENNDOT's electronic system (DOTGRANTS). The identified positions are included in Exhibit A attached to the resolution.

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

5. April 2021 Financial Statements:

Chief Financial Officer, Peter Schenk, then reported on the April 2021 Financial Statements. He reported that Total Operating Income for the month of April was \$5.1 million under budget. Through April, Total Operating Income is \$54.8 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 most of this shortfall due to the pandemic.

Total Expenses for the month of April were \$963,802 under budget due to lower Fringe Benefit expense and despite a \$2.8 million charge for retroactive wage payment related to the ATU Local 85 contract. The Authority's Total Expenses are \$35.6 million under budget for the fiscal year. Mr. Schenk reported that if these trends continue, the Authority will not have to use any Deferred Revenues for operating purposes.

Total Subsidy for the fiscal year is \$5.87 million above budget due to CARES Act receipts that have offset lower Passenger Revenue.

Mr. Schenk reported that the Authority ended April with approximately \$143.4 million in Operating Reserves.

With no further business, the meeting was adjourned.