

FINANCE COMMITTEE MEETING

June 16, 2022

Board Committee Members

Ann Ogoreuc, Chair (in-person)
Jennifer Liptak
Representative Austin Davis
Gerald Delon

Other Board Member

Stephanie Turman
Representative Lori Mizgorski
John Tague
Michelle Zmijanac
Jessica Walls-Lavelle

1. Approval of Minutes:

The minutes of the May 19, 2022 Finance Committee Meeting were approved.

2. Proposed Resolution:

At the meeting, Controller Peter Schenk presented the Final FY 2023 Operating and Capital Budgets for approval to take to the entire Board.

Mr. Schenk noted that the Final FY 2023 Operating Budget did not materially change from the preliminary FY 2023 Operating Budget presented in May.

He reported that the Final FY 2023 Operating Budget totaled \$518,974,705, which was a reduction of \$687,295 from the preliminary Operating Budget.

The changes between the May and June Operating Budgets include: Wages and Salaries decreased by \$257,620 due to lower Operator and Maintenance Wages related to using a revised average rate because of recent retirements; Employee Benefits decreased by \$66,200 predominantly due to an adjustment in retiree healthcare expense and F.I.C.A taxes; Materials & Supplies decreased by \$578,970 primarily due to an adjustment in diesel fuel expense; Purchased Services increased by \$198,500 due to an increase in work done by outside contractors and temporary help; Other Expenses increased by \$17,000; and Federal Stimulus funding used to balance budget decreased from \$96.37 million to \$95.68 million.

Mr. Schenk reported that the final FY 2023 Capital Budget did have material changes from the May preliminary Capital Budget. The FY 2023 Capital Budget has increased from \$215,246,501 to \$232,865,463.

Since the May meeting, the Authority was able to repurpose approximately \$13 million in State Capital funding and received confirmation of its Federal Capital apportionment that was \$2.1 million higher than reflected in the preliminary budget.

The repurposed and additional federal funds will be used for the following projects:

- Design phase for preventative maintenance on 23 bridges
- Restraining Rail Replacement
- Automatic Trip Stop Functionality on the Library Line
- South Hills Junction Building #1 CO System
- South Hills Village Rail Center Improvements
- Specification phase for the Light Rail Vehicle Replacement Program

This resolution would adopt balanced FY 2023 Operating and Capital Budgets as required by law. In addition, Local Match certifications are included to assure the required County match will be provided for both the Operating and Capital budgets. These Local Match certifications are a requirement of the Pennsylvania Department of Transportation.

The Finance Committee agreed to recommend the resolution for approval.

3. Review of May 2022 2022 Financial Statements

Also at the meeting, Mr. Schenk reported on the May financial results.

He reported that Total Operating Income for the month of May was \$5.1 million and was under budget by \$3.4 million. Total Operating Income was \$1.45 million higher than April.

Total Operating Income for FY 2022 is \$42.4 million under budget for the fiscal year due to lower Passenger Revenue and ACCESS Shared Ride Revenue.

Mr. Schenk noted that Federal ARPA funding will be utilized to make up for this revenue shortfall.

Total Operating Expenses in May were \$2.8 million below budget with Purchases Services being the largest contributor to this variance.

Total Operating Expenses fiscal year-to-date continues to trend below budget by \$41.3 million.

Total Subsidy for the month and fiscal year was \$7.1 million and \$22.8 million below budget respectively due to lower ARPA invoicing. The Authority did submit an invoice to FTA in early June to eliminate the current operating budget deficit.

Finally, it was reported that the Authority ended the month of May with approximately \$162.6 million in cash reserves.

With no further business, the Finance Committee meeting was adjourned.