

FINANCE COMMITTEE MEETING

May 15, 2025

Board Committee Members

Ali Doyle, Chair
Jennifer Liptak

Other Board Member

Tom Burgunder (in-person)
Stephanie Turman (in-person)
Bobbie Fan

1. Approval of Minutes

The minutes of the April 17, 2025 Finance Committee Meeting were approved.

2. Preliminary FY 2026 Operating and Capital Budgets Presentation

There was a review of the status quo budget assumptions and preliminary operating budget.

There was also a review of the proposed fare increase of \$.25 cents to the current base fare, from \$2.75 to \$3.00. This increase will result in about a 9% increase for all fare products.

It was reported that the FY 2026 Preliminary Operating Budget totals \$538,872,695 which is a .64% decrease versus the FY 2025 Operating Budget. This decrease is a result of a planned service reduction in February of 2026 to ensure PRT's sustainability for the next 10 years under current funding levels.

It was also reported that Passenger Revenues in the current fiscal year are steady at FY 2024 rates. Preliminarily, the agency projects the proposed service reduction and fare increase for FY 2026 will have a negative impact of a 20% reduction on revenue with a reduction of 6% compared to FY 2024 Passenger Revenues.

The Preliminary FY 2026 Operating Budget Subsidy stakeholder totals \$291.4 million from the Commonwealth, \$40.7 million from Allegheny County and \$3 million from the Regional Asset District. There is no increase in budgeted Commonwealth funding versus FY 2025 levels. If legislation is passed to increase Commonwealth funding for transit after PRT's final budget is approved, PRT will amend the budget.

The Preliminary Operating Budget includes a reduction of 38% of wage and salary costs as well as reductions in operating expenses due to the reduced service. There is also an assumed increase in unemployment compensation costs in the amount of \$25.4 million during FY 2026. The preliminary budget assumes an increase in pension expense after a one-year reduction during FY 2025 related to satisfying increased contributions to the plan due to 2008 Stock Market losses. The preliminary budget also includes health benefit increases due to contractual increases with providers and diesel fuel expense increases due to market volatility.

It was reported that the current 10-year financial plan indicates that PRT's deferred reserves balance will reach the minimum reasonable amount of three-months operating costs by FY 2027 given the reviewed assumptions.

It was noted at the meeting that the preliminary FY 2026 Capital Budget is currently set at \$189,282,037 which is an increase of 16.9% from the FY 2025 Capital Budget. The increase is due to budgeting dollars previously saved for bus purchases and increases of some federal and state funding. The Preliminary FY 2026 Capital Budget primarily consists of debt service, revenue vehicle purchases, Information technology and transit enhancements, and funding for various Fixed Guideway and Facility Improvement programs.

3. April 2025 Financial Statements

Next, PRT's Chief Financial Officer, Donminika Brown reviewed the April 2025 financial results.

It was reported that Total Operating Income for the month of April was under budget by \$400,000 due to lower Passenger Revenue and ACCESS. Total Expenses for the month of April were below budget by \$5.3 million due to every expense category being under budget.

Total Operating Income is \$1.2 million higher than last fiscal year through April due to higher Passenger Revenue and Interest Income. Total Expenses through April are \$8.4 million higher than last fiscal year due to higher expenses in every category except ACCESS.

Total Subsidy is \$96.1 million lower than last fiscal year due to federal stimulus funding having been fully expended at the beginning of this fiscal year.

Finally, it was reported that PRT ended the month of April with \$408.4 million in cash reserves. Unless there are any questions, that concludes my report.

There being no further business, the meeting was adjourned.