

FINANCE COMMITTEE MEETING

July 20, 2023

Board Committee Members

Ann Ogoreuc, Chair (in-person)
Representative Nick Pisciotano

Other Board Member

John Tague (in-person)
Stephanie Turman (in-person)
Michelle Zmijanac
Lori Mizgorski

1. Approval of Minutes

The minutes of the June 15, 2023 Finance Committee Meeting were approved.

2. June 2023 Financial Statements

There was only one item of business at the July 2023 meeting. The June 2023 financial results were presented to the Committee by Mr. David Huffaker.

Mr. Huffaker reported that he had a report on our financial results this month with a focus on the entirety of FY 2023, highlighting longer term trends.

He reported that it was reported at the meeting that Total Revenues of \$67.7M were 1.1M under budget, or about 1.6 percent. However, he noted, we have seen growth of about \$11M or 19 percent compared to last year.

The lion's share of revenues relate to passenger fare revenues, which were at \$52.7M, about five percent under budget. However, this is an increase of \$7.1 million over FY 2022, which represents an increase of just over 15 percent, which is tracking with what we are seeing in ridership increases for the fiscal year. A trend chart of fare revenues over the past 13 months was shown to the Committee, which clearly illustrated the strong growth.

ACCESS revenues were at about 95 percent of the annual budget, and up about 10 percent from where we were last year. This is also in line with what we have seen for ACCESS, which recovered a little bit more quickly than our other mode but has now matured to a lower level of growth.

Other income is well over budget, highlighted by increases in interest income, reflecting higher cash balances on hand.

Moving to the expense side of the ledger, on an unaudited basis, every expense category is under budget for the fiscal year.

Total Expenses for the year of approximately \$469M was \$56.8 million, or about 10.8 percent, below budget for the year. This is principally due to lower wages and benefits

related to vacant positions. However, this is in part a timing issue, as the preliminary numbers do not reflect the last pay period of the year, which was not paid until July. Mr. Huffaker noted that this will be captured in the final year-end numbers.

Materials & supplies are primarily below budget due to diesel fuel savings, which were lower than budgeted as the impacts of the war in Ukraine on fuel prices have moderated.

We ended the year with an estimated balance of \$257.1M in Reserves, which is higher than the reserves balance of \$162M at the start of the year. This reflects a change in strategy with respect to the drawdown of federal support.

Mr. Huffaker also reported that after consultation with both FTA and PennDOT officials, PRT adopted an approach that many other Commonwealth transit agencies have been utilizing, which is to increase the invoiced expenses eligible to be reimbursed by federal stimulus funding. This will benefit PRT by increasing cash balances and lead to an increase in Interest Income on deferred state operating assistance for the next few years.

It was noted at the meeting that later this year, staff intends to provide more detail on our operating reserves and recommended strategies once these federal support packages have been exhausted.

With no further business, the meeting was adjourned.