



Pittsburgh Regional Transit

TO: Finance Committee
Jennifer M. Liptak
Gerald Delon
Representative Nick Pisciotano

FROM: Ann M. Ogoreuc, Chair

DATE: May 16, 2023

SUBJECT: Finance Committee Meeting – May 18, 2023

The next in-person (also virtually and conference call-in) meeting of the Finance Committee is scheduled for Thursday, May 18, 2023, beginning immediately after the 8:30 a.m. Planning and Stakeholder Relations Committee meeting. The agenda is as follows:

1. Roll Call
2. Approval of Minutes of the April 20, 2023 Finance Committee Meeting
3. Preliminary FY 2024 Operating and Capital Budgets Presentation (Pete Schenk)
4. Financial Statements:
 - a. Review of April 2023 Financial Statements (Pete Schenk)
5. Adjourn

cc: Other PRT Board Members

FINANCE COMMITTEE MEETING
April 20, 2023

DRAFT

Board Committee Members

Ann Ogoreuc, Chair (in-person)
Rep. Nick Pisciotano
Jen Liptak
Jeff Letwin

Other Board Member

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

1. Approval of Minutes

The minutes of the March 16, 2023 Finance Committee Meeting were approved.

2. Financial Statements

The March 2023 financial results were presented at the meeting.

It was reported that Total Operating Income for the month was below budget by \$649,460 primarily due to lower Passenger Revenue. For the fiscal year, Total Operating Income is \$2.2 million below budget due to lower Passenger Revenue and ACCESS Shared Ride Revenue which is partially offset by higher Interest Income. It was noted that Passenger Revenues are 12.3% above last fiscal year.

Total Expenses for March were below budget for the month by \$4.9 million due to lower Salary & Wages and Employee Benefits. It was noted that Employee Benefits were below budget due to a \$2.06 million pension credit adjustment related to the 2022 Pension valuations. Total Expenses for the fiscal year continue to trend significantly below budget by \$39.1 million.

Total Subsidy through March is \$4.7 million below budget due to lower State Operating Assistance and ARPA invoicing.

It was noted at the meeting that Finance Department staff invoiced over \$27 million against the ARPA Program in April which will eliminate the deficit.

Finally, it was reported that PRT ended the month of March with approximately \$168.8 million in cash reserves.

With no further business, the meeting was adjourned.

APRIL 2023 FINANCIAL STATEMENTS



Pittsburgh Regional Transit
CONSOLIDATED STATEMENT OF NET POSITION
For the Current Period
As of April 30, 2023

	OPERN	CAPTL	TOTAL
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 180,023,800.78	\$ 43,576,288.93	223,600,089.71
Capital grants receivable	-	17,923,183.44	17,923,183.44
Other receivables	5,134,040.36	0.00	5,134,040.36
Prepaid expenses	1,730,339.23	-	1,730,339.23
Materials & supplies	21,424,837.54	-	21,424,837.54
Total Current Assets	208,313,017.91	61,499,472.37	269,812,490.28
NONCURRENT ASSETS			
Restricted assets for capital additions and related debt	-	8,382,515.77	8,382,515.77
Designated for reserve fund	43,247,892.00	-	43,247,892.00
Capital assets, net of accumulated depreciation	10,086,832.00	1,189,666,420.08	1,199,753,252.08
Total Non-Current Assets	53,334,724.00	1,198,048,935.85	1,251,383,659.85
TOTAL ASSETS	\$ 261,647,741.91	\$ 1,259,548,408.22	\$ 1,521,196,150.13
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refunding	-	3,956,491.56	3,956,491.56
Related to pensions	26,222,547.00	-	26,222,547.00
Related to OPEB	128,379,939.00	-	128,379,939.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 154,602,486.00	\$ 3,956,491.56	\$ 158,558,977.56
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Accounts payable	7,812,498.32	2,642,604.00	10,455,102.32
Accrued compensation, benefits & withholdings	15,595,248.44	-	15,595,248.44
Unearned revenue	162,067,524.29	59,842,718.11	221,910,242.40
Reserves for claims & settlements	5,208,602.00	-	5,208,602.00
Other current liabilities	-	786,583.37	786,583.37
Total Current Liabilities	190,683,873.05	63,271,905.48	253,955,778.53
NONCURRENT LIABILITIES			
Bond payable, net	-	111,830,699.48	111,830,699.48
Lease Payable	10,741,365.00	-	10,741,365.00
Reserves for claims & settlements	4,182,634.00	-	4,182,634.00
Accrued OPEB liability	593,890,229.00	-	593,890,229.00
Net pension liability	213,438,022.00	-	213,438,022.00
Total Non-Current Liabilities	811,510,885.00	111,830,699.48	934,082,949.48
TOTAL LIABILITIES	\$ 1,002,194,758.05	\$ 175,102,604.96	\$ 1,188,038,728.01
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Related to pensions	97,334,551.00	-	97,334,551.00
Related to OPEB	142,556,142.00	-	142,556,142.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 239,890,693.00	\$ -	\$ 239,890,693.00
<u>NET ASSETS</u>			
TOTAL NET POSITION	\$ (836,576,588.14)	\$ 1,088,402,294.82	\$ 251,825,706.68



PITTSBURGH REGIONAL TRANSIT
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Month of April 2023			10 Month Year-to-Date		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUE:						
Passenger revenue -						
Bus, Light Rail & Incline Plane	\$4,685,659	\$4,676,719	(\$8,940)	\$46,297,581	\$43,016,698	(\$3,280,883)
ACCESS program service	792,601	845,928	\$53,327	7,689,313	7,154,878	(\$534,435)
Advertising	200,000	104,528	(\$95,472)	2,000,000	1,872,812	(\$127,188)
Interest income	8,000	385,089	\$377,089	80,000	2,346,343	\$2,266,343
Other income	45,337	26,414	(\$18,923)	730,962	500,194	(\$230,768)
Total Operating Income	\$5,731,597	\$6,038,678	\$307,081	\$56,797,856	\$54,890,925	(\$1,906,931)
EXPENSE:						
Wages & salaries	\$19,256,933	\$20,170,764	(\$913,831)	\$157,944,577	\$147,713,668	\$1,230,909
Employee benefits	14,075,383	14,103,086	(\$27,703)	146,329,983	136,084,230	\$10,245,753
Materials & supplies	5,577,599	4,024,907	\$1,552,692	46,378,845	41,593,867	\$4,784,978
Provision for injuries & damages	358,331	260,749	\$97,582	3,583,314	2,825,864	\$757,450
Purchased services	1,934,953	1,915,466	\$19,487	19,714,448	12,658,059	\$7,056,389
Utilities	712,565	593,087	\$119,478	7,686,150	6,282,569	\$1,403,581
Other expense	1,147,138	994,147	\$152,991	16,334,904	11,147,552	\$5,187,352
Interest	0	0	\$0	0	0	\$0
ACCESS program service	2,588,850	2,230,202	\$358,648	25,888,500	25,055,151	\$833,349
Total Expense	\$45,651,752	\$44,292,408	\$1,359,344	\$423,860,721	\$383,360,960	\$40,499,761
Deficit before Subsidy	(\$39,920,155)	(\$38,253,730)	\$1,666,425	(\$367,062,865)	(\$328,470,035)	\$38,592,830
Operating Subsidy:						
County Drink Tax Revenue	\$ 7,000,000	\$ 7,000,000	\$0	\$ 28,000,000	\$ 28,000,000	\$0
RAD Assistance - Local	225,000	225,000	\$0	2,550,000	2,550,000	\$0
Gen Operating Assist - State	18,221,210	18,221,210	\$0	219,391,867	221,293,776	\$1,901,909
Gen Op Assist - State Match 5310	46,594		(\$46,594)	465,940		(\$465,940)
Gen Op Assist - State Match ACCESS	389,654		(\$389,654)	3,896,540		(\$3,896,540)
CCOC Match			\$0			\$0
Cost of Contracting	1,437,153	1,437,153	\$0	13,356,384	13,356,384	\$0
Redistribute to Vehicle Overhaul	477,916	448,137	(\$29,779)	4,301,250	4,228,257	(\$72,993)
Redistribute to Capital Accounts	288,666	473,063	\$184,397	2,598,001	3,288,325	\$690,324
Fringe Benefits Redistrib Cap Accts	123,488	129,518	\$6,030	1,111,392	1,093,214	(\$18,178)
Preventive Maintenance	1,979,369	1,979,369	\$0	16,434,609	16,434,609	\$0
Third Party Reimbursements	20,300	15,434	(\$4,866)	369,000	423,250	\$54,250
ACCESS-5310 revenue	46,594		(\$46,594)	186,376	251,941	\$65,565
ACCESS-PWD	47,833	34,284	(\$13,549)	478,330	374,358	(\$103,972)
CARES - Port Authority			\$0			\$0
ARPA - Federal			\$0			\$0
CARES - County	38,596,508	38,596,508	\$0	80,893,619	77,686,407	(\$3,207,212)
Total Subsidy	\$68,900,285	\$68,559,676	(\$340,609)	\$374,033,308	\$368,980,520	(\$5,052,788)
Surplus/Deficit	\$28,980,130	\$30,305,946	\$1,325,816	\$6,970,443	\$40,510,485	\$33,540,042

Total Operating Income for the month of April was \$307,081 over budget primarily due to higher Interest Income on cash reserves. Passenger Revenue for the month was only marginally below budget by \$8,940. For the fiscal year, Total Operating Income is \$1.9 million below budget due to lower Passenger Revenue which is partially offset by healthy returns in Interest Income.

Total Expense for the month of April was \$1.35 million under budget primarily due to lower Materials and Supplies. Lower expense levels in the Materials and Diesel Fuel Expense line items accounted for \$1.15 million of this variance. Total Expense for the fiscal year continues to trend well below budget with \$20.47 million of this variance due to lower Wages, Salaries and Employee Benefits related to vacant positions.

Total Subsidy for the month is slightly below budget by \$340,609 primarily due to lower State Operating Assistance related to ACCESS match. Subsidy for the fiscal year is \$5,052,788 below due to lower ARPA Invoicing and State Operating Assistance receipts. Both items should normalize by fiscal year-end.



Pittsburgh Regional Transit

PITTSBURGH REGIONAL TRANSIT
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Monthly Actuals		Year to Date Actuals		Notes	
	April 2022	April 2023	FY2022	FY2023		
			Variance	Variance		
REVENUE:						
Passenger revenue - Bus, Light Rail & Incline Plane	\$2,835,445	\$4,676,719	\$1,841,274	\$36,969,668	\$43,016,698	\$6,047,030
ACCESS program service	696,162	845,928	\$149,766	6,753,724	7,154,878	\$401,154
Advertising	141,948	104,528	(\$37,420)	1,907,340	1,872,812	(\$34,528)
Interest income	7,701	385,089	\$377,388	14,990	2,346,343	\$2,331,353
Other income	17,222	26,414	\$9,192	484,745	500,194	\$15,449
Total Operating Income	\$3,698,478	\$6,038,678	\$2,340,200	\$46,130,467	\$54,890,925	\$8,760,458
EXPENSE:						
Wages & salaries	\$15,095,082	\$20,170,764	(\$5,075,682)	\$143,968,473	\$147,713,668	(\$3,745,195)
Employee benefits	12,975,151	14,103,086	(\$1,127,935)	133,635,704	136,084,230	(\$2,448,526)
Materials & supplies	3,588,253	4,024,907	(\$436,654)	32,045,638	41,593,867	(\$9,548,229)
Provision for injuries & damages	310,094	260,749	\$49,345	3,107,112	2,825,864	\$281,248
Purchased services	735,104	1,915,466	(\$1,180,362)	11,449,582	12,658,059	(\$1,208,477)
Utilities	592,478	593,087	(\$609)	5,486,717	6,282,569	(\$795,852)
Other expense	863,863	994,147	(\$130,284)	8,402,570	11,147,552	(\$2,744,982)
Interest	0	0	\$0	0	0	\$0
ACCESS program service	1,977,725	2,230,202	(\$252,477)	22,749,931	25,055,151	(\$2,305,220)
Total Expense	\$36,137,750	\$44,292,408	(\$8,154,658)	\$360,845,727	\$383,360,940	(\$22,515,233)
Deficit before Subsidy	(\$32,439,272)	(\$38,253,730)	(\$5,814,458)	#####	#####	(\$13,754,775)
Operating Subsidy:						
County Drink Tax Revenue	\$ 4,011,426	\$ 7,000,000	\$2,988,574	\$ 26,775,726	\$ 28,000,000	\$ 1,224,274
RAD Assistance - Local	225,000	225,000	\$0	2,467,500	2,550,000	\$82,500
Gen Operating Assist - State	17,338,222	18,221,210	\$882,989	204,953,875	221,293,776	\$16,339,901
Gen Op Assist - State Match 5310			\$0			\$0
Gen Op Assist - State Match ACCESS			\$0			\$0
CCOC-Match			\$0			\$0
Cost of Contracting	1,316,491	1,437,153	\$120,662	12,040,195	13,356,384	\$1,316,189
Redistribute to Vehicle Overhaul	563,316	448,137	(\$115,178)	3,709,906	4,228,257	\$518,351
Redistribute to Capital Accounts	314,060	473,063	\$159,002	2,304,461	3,288,325	\$983,864
Fringe Benefits Redistrib Cap Accts	114,597	129,518	\$14,921	885,009	1,093,214	\$208,205
Preventive Maintenance		1,979,369	\$1,979,369	20,839,922	16,434,609	(\$4,405,313)
Third Party Reimbursements	84,950	15,434	(\$69,516)	683,153	423,250	(\$259,904)
ACCESS-5310 revenue	233,235	34,284	(\$198,951)	233,235	251,941	\$18,706
ACCESS-PWD	35,596		(\$1,311)	418,418	374,358	(\$44,060)
CARES - Port Authority			\$0			\$0
ARPA - Federal	6,499,448	38,596,508	\$32,097,060	34,717,492	77,686,407	\$42,968,915
CARES - County			\$0			\$0
Total Subsidy	\$30,736,340	\$68,559,676	\$37,823,336	\$310,028,894	\$368,980,520	\$58,951,626
Surplus/Deficit	(\$1,702,932)	\$30,305,946	\$32,008,878	(\$4,686,366)	\$40,510,485	\$45,196,851

Total Operating Income versus last fiscal year is \$8.76 million or 18.9% higher. In particular, Passenger Revenue is \$6.04 million or 16.3% above last fiscal year's level with higher Interest Income contributing another \$2.33 million to this increased Total Operating Income.

Total Expense versus last fiscal year is \$22.5 million or 6.2% higher. In addition, to higher Wages, Salaries and Benefits, the category of Materials and Supplies is \$9.5 million higher than last fiscal year due to higher Diesel Fuel and Materials expense. ACCESS Expense is \$2.3 million higher than last fiscal year as well as higher General Insurance and Software Licensing within the Other Expense Category.

Total Subsidy is \$58.95 million higher than last fiscal year. State Operating Assistance is \$16.33 million higher due to an increase in State Funding from PennDOT. In addition, with the renewed focus on invoicing federal stimulus funding, PRT is \$42.96 million higher than last fiscal year in ARPA funding.

PITTSBURGH REGIONAL TRANSIT
FY 2023 PROJECTED OPERATING RESERVE
(As of April 30, 2023)

(Dollars in Thousands)
Actual/Estimate

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTAL	BUDGET
Begin Cash & Investments	162,593	162,487	135,913	126,120	151,891	136,410	135,172	141,501	167,127	169,169	168,811	183,515	186,617		
Oper Grants:															
County/ Additional County Assistance	4,011	0	0	0	0	0	0	14,000	0	7,000	7,000	6,254	3,127	37,382	37,527
Regional Asset District	225	275	275	275	275	275	275	225	225	225	225	225	225	3,000	3,000
State	20,809	2,898	11,184	54,092	18,031	26,045	21,834	20,963	29,461	18,031	18,031	22,515	22,515	265,598	270,178
Additional State Operating Assistance/Rebase															
CARES/ARPA/Port Authority	10,273	0	13,653	0	0	6,793	0	21,905	0	10,392	11,548	7,974	7,974	80,238	95,685
Revenues:															
Grants Management/T&L	378	367	564	433	0	881	506	526	411	458	603	449	449	5,647	5,388
ACCESS/Shared Ride	711	691	0	1,418	0	0	1,507	1,514	0	0	2,209	870	870	9,081	10,443
ACCESS/Capital Cost of Contracting	1,475	1,276	0	1,660	0	3,956	1,788	0	1,581	3,162	1,437	1,282	1,282	17,426	15,388
ACCESS/Connections and Works	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Passenger Revenues	3,167	3,662	4,533	3,907	3,570	5,421	4,497	3,591	4,554	4,770	4,394	4,680	4,680	52,258	56,155
VOH	983	681	979	483	0	1,368	426	368	251	284	448	478	478	6,244	5,735
PREVENTIVE MAINTENANCE	0	0	0	2,355	0	4,553	2,293	1,565	1,710	1,980	1,979	1,347	1,347	19,129	16,166
Investment Income	68	102	149	193	218	303	330	348	413	442	576	8	8	3,090	96
Advertising Income	218	282	188	212	227	161	85	133	92	79	67	200	200	1,926	2,400
OTHER	853	522	444	381	7,441	425	15,944	599	557	488	7,813	68	68	34,748	814
Cash Available	205,763	173,193	167,882	191,529	181,652	186,591	184,656	207,239	206,383	216,480	225,141	229,865	229,840	535,767	518,975
Payments:															
Pay/Withhold/Fringe	20,488	13,970	13,881	14,255	19,331	18,434	16,821	13,256	14,872	14,744	20,415	20,894	20,894	201,766	250,730
Healthcare	5,985	6,032	5,970	5,956	5,934	5,835	5,905	6,487	6,471	6,448	6,367	6,999	6,999	75,401	83,985
Pension Payment	5,258	5,798	5,226	5,219	5,225	5,213	5,806	5,189	5,103	3,059	5,105	3,663	3,663	58,270	43,960
All Other	11,565	11,451	16,655	14,179	14,721	21,932	14,593	15,145	10,768	23,388	9,709	11,658	11,658	175,857	139,900
Treasury Service Expense	30	30	30	30	30	6	30	34	0	30	30	33	33	316	400
Total Payments	43,326	37,280	41,762	39,639	45,242	51,419	43,155	40,111	37,214	47,669	41,626	43,248	43,248	511,611	518,975
Ending Cash & Investments	162,437	135,913	126,120	151,891	136,410	135,172	141,501	167,127	169,169	168,811	183,515	186,617	186,617		

Total Operating Reserves at the end of April were \$183.5 million