

FINANCE COMMITTEE MEETING

July 18, 2024

Board Committee Members

Rep. Nick Pisciotano, Interim Chair
Jennifer Liptak
Joe Totten (in-person)
Emma Shoucair

Other Board Member

Bobbie Fan (in-person)
Tia McClenney (in-person)
Stephanie Turman (in-person)
Tom Burgunder (in-person)
Lori Mizgorski
Ali Doyle

1. Approval of Minutes:

The minutes of the June 20, 2024 Finance Committee Meeting were approved.

2. Proposed Resolutions

The first resolution discussed at the meeting was seeking authorization to enter into a contribution agreement with the City of Pittsburgh.

In July 2023, PRT staff presented the Wilkinsburg-Brushton Station Area Plan to the Planning and Stakeholder Relations Committee. The overall purpose of the plan was to improve access, safety and comfort at the Wilkinsburg Station on the East Busway.

The City of Pittsburgh, subject to approval by City Council, has expressed interest in contributing up to \$100,000 to support the equitable transit oriented development project towards the final design and construction of a new Brushton Station between North Braddock Avenue and Brushton Avenue along the Busway.

The Finance Committee agreed to recommend PRT complete negotiations and enter into a contribution or other appropriate agreement with the City.

The next resolution was seeking authorization to extend and amend an agreement for Utility Consulting and Administrative Support Services.

In June 2021, PRT's Board authorized the award of Agreement to Eric Ryan Corporation to provide these services for an initial term of three years for a total not-to-exceed amount of \$187,200, to be allocated on an as-needed basis through task specific work orders. The agreement also contains two one-year option years to be exercised by PRT in its sole discretion.

The Finance Committee agreed to recommend extending the agreement one additional year through August 31, 2025 and to increase the total authorized not-to-exceed amount of the agreement by \$68,000.

The next resolution seeks authorization to proceed to public comment period for FY 2025 proposed fare policy change.

PRT received a small grant from the Heinz Endowments to conduct a limited scope and time universal pass pilot study with a group of four employers, with a total of 113 participant employees.

The initial results from the pilot showed that the passes were highly valued, increased transit use and influenced job choice, with the participating employers eager to continue the program beyond the pilot.

PRT is now considering implementation of a permanent Universal Pass Program (called PRTner Pass) which would be made available to employers, secondary and post-secondary schools not eligible to participate in PRT's University Pass Program, residential apartment and other multi-unit housing unit owners and operators or similar eligible entities where riders commute with regular frequency with over 10 eligible riders.

The Finance Committee agreed to recommend the Board approves proceeding with the proposed public comment period, including a formal public hearing.

The final resolution was seeking authorization to issue a letter of interest to the U.S. Department of Treasury for a Transportation Infrastructure Finance and Innovation Act loan, or "TIFIA" loan, for the planned new light rail vehicle procurement.

It was reported that PRT's current LRVs range in age from 20 to almost 40 years old.

An analysis was performed to determine the pros and cons of seeking to further extend the life of its current fleet versus engaging in a process to procure a new fleet of LRVs to replace them. Based upon the analysis, PRT determined that it would be more cost effective and beneficial to procure a new fleet.

To help finance the procurement of a new fleet of LRVs, PRT engaged its financial advisor to assess PRT's options. Based upon this assessment, the financing plan most advantageous to PRT to limit its incurred interest expense is pursuing a TIFIA loan.

PRT intends to seek a total amount not-to-exceed \$390 million for the TIFIA loan.

The Finance Committee agreed to recommend authorizing PRT to issue the TIFIA Letter of Interest to secure the loan.

3. Finance Statements

A review of the June 2024 financial results were presented at the meeting.

It was reported that Total Operating Income for the month of June was under budget by \$1.4 million due to lower Passenger and Access revenue. Total Expenses for the month of June were below budget by \$11 million due to lower Wages and Benefits and Purchased Services expense.

Total Operating Income is \$2.3 million below budget through June due to lower Passenger Revenue, Access and Advertising Income.

Total Expenses through June are \$44 million lower than budgeted due primarily to vacancies; however, every expense category was lower than budgeted.

Total Subsidy is \$13.1 million higher than last fiscal year due to increased assistance from the Commonwealth and Preventative Maintenance invoicing.

As of June 2024, the total remaining federal stimulus balance is \$10.2 million of CRRSAA funds and those are expected to be invoiced once year-end accruals are recorded.

Finally, it was reported that PRT ended the month of June with approximately \$404.8 million in cash reserves.

With no further business, the meeting was adjourned.

Approved