Port Authority
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TO: Finance Committee
Jennifer M. Liptak
Representative Austin A. Davis
Gerald Delon

FROM: Ann M. Ogoreuc, Chair

DATE: February 12, 2021

SUBJECT: Finance Committee Meeting – February 18, 2021

The next meeting of the Finance Committee is scheduled for Thursday, February 18, 2021, being held virtually via WebEx and conference call-in, immediately following the 8:30 a.m. Planning and Stakeholder Relations Committee meeting. The agenda is as follows:

1. Roll Call

2. Approval of Minutes

    a. Approval of Minutes of the January 21, 2021 Finance Committee Meeting

3. Proposed Resolutions

    a. Authorization to Enter into Agreements with a Pool of Firms to Provide Financial Advisory Services (Pete Schenk)
    b. Authorization to Enter into an Agreement with Maher Duessel to Provide Financial Audit and Pension Plan Audit Services (Pete Schenk)
    c. Authorization to Adopt Amended FY 2021 Capital Budget (Pete Schenk)

4. Financial Statements

    a. Review of January 2021 Financial Statements

5. Adjourn

cc: Other Port Authority Board Members

FINANCE COMMITTEE MEETING
January 21, 2021

DRAFT

Board Committee Members
(all by WebEx)
Ann Ogoreuc, Chair
Jennifer Liptak
Representative Austin Davis
Jeff Letwin

Other Board Member
(all by WebEx)
John Tague
Michelle Zmijanac
Stephanie Turman
Rep. Lori Mizgorski
Jessica Walls-Lavelle

1. Approval of Minutes:

   The minutes of the November 12, 2020 Finance Committee Meeting were approved.

2. Proposed Resolution:

   Chief Financial Officer, Peter Schenk, presented a resolution that would permit the Chief Executive Officer, Chief Financial Officer, Director of Grants and Capital Programs and Chief Development Officer to apply for and enter into grant agreements.

   This resolution would apply to various Federal, State and Local grants the Authority regularly applies for as well as discretionary grants that the Authority may become eligible for in CY 2021.

   Mr. Schenk noted that he would report the status of grant applications in his monthly staff reports to the Board.

   The Finance Committee agreed to present the resolution to the entire Board for approval.

3. November and December 2020 Financial Statements

   Mr. Schenk then reported on the November and December 2020 Financial Statements. He reported that Total Operating Income through November was $28 million under budget. Every Operating Income category was below budget through the first five months of the fiscal year. Lower Passenger Revenues and ACCESS Program Service Revenues constitute the majority of this shortfall.

   Total Expenses for the month of November were $2.9 million under budget and $20.5 million under budget for the fiscal year. Total Subsidy through November was $7.7 million above budget.

   Next Mr. Schenk reported that Total Operating Income for December was $5.6 million under budget. Passenger Revenue for the month of December was $5.1 million under budget due to continued low ridership because of the pandemic.

At the midpoint of FY 2021, Total Operating Income is $33.6 million below plan with every revenue category below plan. The Operating Income shortfall for both November and December is indirectly eligible for CARES Act reimbursement.

Total Expenses for December were $626,054 under budget. Employee Benefits were $1.22 million over budget primarily due to a required, retroactive payment of $1.82 million to the ATU Pension Plan.

At the mid-point of the fiscal year, Total Expenses are $21.1 million below budget with every category other than Salary & Wages below budget. Total Subsidy at the mid-point of the fiscal year is $3.06 million above budget due to a timing issue in CARES receipts versus budget in offsetting subsidy categories.

From a year over year perspective, it was reported that Total Operating Income is $33.6 million below last fiscal year due to the pandemic. Total Expenses are $6.59 million higher than last fiscal year due to higher Wages & Salaries and Benefits. Total Subsidy through the mid-point of the fiscal year is $14.8 million higher than last fiscal year due to CARES funding.

Mr. Schenk concluded his report by stating that the Authority ended December with approximately $128.9 in Operating Reserves.

4. Miscellaneous:

Mr. Schenk updated the Committee on CARES ACT funding. He reported that the Authority has invoiced $55.8 million from the first round of CARES Act funding through September with $85.9 million remaining.

With no further business, the meeting was adjourned.

PROPOSED RESOLUTIONS

SUMMARY OF RESOLUTION

Authorization to Enter into Agreements with
a Pool of Firms to Provide Financial Advisory Services

Description

Port Authority of Allegheny County (Authority) requires a pool of firms to provide Financial Advisory Services. The pool will consist of up to two firms for each category which includes: 1) Financial Planning Services; and 2) Debt and Investment Management Advisory Services (Services). Work tasks would be assigned to the contractors via task-specific work orders on an as-needed basis as they are approved to proceed by the Authority. The term of the agreements will be for a three-year period with the option to extend the term of Agreements up to an additional two years at the sole discretion of the Authority.

Evaluation Committee

Consistent with the Authority's Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, an Evaluation Committee (Committee) was convened to evaluate proposals and recommend the top-rated proposers to perform Services. Committee was comprised of six members and represented the Finance and Operations Divisions.

Schedule

Request for Proposal No. 20-10 for Services was publicly advertised and an informational meeting was held on October 13, 2020. Two proposals were received on October 30, 2020 and were distributed to Committee.

Evaluation Process

Committee met to discuss and evaluate the proposals and determined that interviews were not needed. However, supplemental information was requested from both proposers.

As a result of the review of the proposals and the supplemental information, Committee identified the following proposals to perform the identified category of Services.

A. Financial Planning Services

1) PFM Financial Advisors LLC
2) NW Financial Group, LLC

B. Debt and Investment Management Services

1) PFM Financial Advisors LLC

Summations of Committee for each of the top-rated proposers follows.

PFM Financial Advisors LLC for the following services (PFM):
Financial Planning Services and Debt and Investment Management Services

PFM is one of the top ranked financial advisory firms in the transportation finance sector and has performed work as the Authority's financial advisor since 2000. PFM's proposed team is strongest and most versatile compared to the other proposer. The project manager has 20 years of experience and has shown proficiency in the field with clients of the transit industry, including the Authority, as well as implementing the Tactical Plan of 2019 and 2020, and the Bond Refinancing of 2021. PFM's proposed key personnel have displayed excellent experience and have already proven to be adept at performing Financial & Strategic Planning Services and Debt and Investment Management Advisory Services. PFM submitted detailed project work plans tailored for both categories, which highlighted the firm's understanding of the Authority's anticipated needs. PFM plans to subcontract 15-20 percent of meaningful work to MFR Consulting, Inc., certified MBE firm. PFM's proposed costs were considered fair and reasonable and within the range of the Independent Cost Estimate.

NW Financial Group, LLC for the following services (NW):
Financial Planning Services

NW is a New Jersey based financial advisor with 24 years of experience working in the field of public finance. They have ample experience working with public sector and government agencies, including both the New Jersey Turnpike Authority and the Pennsylvania Turnpike Commission. NW's project manager has solid experience in finance generally and some public sector experience. This experience is considered to be adequate, although not as strong as the experience of PFM's proposed project manager. Other key personnel collectively make up a reasonably well-rounded team that could respond to the Authority's assignments effectively. NW demonstrated relevant work towards bonding issues with school districts and other smaller government municipalities. The proposer would not subcontract; therefore, DB utilization was not included in NW's proposal. NW's proposed costs were considered fair and reasonable and within the range of the Independent Cost Estimate.

Negotiations

Negotiations with PFM Financial Advisors LLC and NW Financial Group, LLC have been initiated and are progressing on a proposed agreement to perform Services. A total not-to-exceed amount of up to $400,000.00 is recommended for approval. The agreements will be for a three-year period with the option to extend the term of the agreements up to an additional two years at the sole discretion of the Authority.

2/26/21
A. Orgoreuc

RESOLUTION

WHEREAS, Port Authority of Allegheny County (Authority) requires a pool of firms to provide Financial Advisory Services in two categories: (1) Financial Planning Services and (2) Debt and Investment Management Advisory Services (collectively Services); and

WHEREAS, in order to obtain qualified firms to perform Services, Request for Proposals No. 20-10 detailing the required scope of services was prepared and publicly advertised; and

WHEREAS, two proposals were received on October 30, 2020 and were reviewed and evaluated by the Authority's previously appointed Evaluation Committee; and

WHEREAS, the proposal submitted by PFM Financial Advisors LLC, has been determined to be the highest rated proposal for the performance of Services in both categories and the proposal submitted by NW Financial Group, LLC, has been determined to be the second highest rated proposal for the performance of Services in category two; and

WHEREAS, negotiations with PFM Financial Advisors LLC and NW Financial Group, LLC have been initiated and are progressing on a proposed agreement to perform the respective categories of Services; and

WHEREAS, a total not-to-exceed amount of up to $400,000.00, to be allocated on an as-needed basis through task specific work orders, is recommended for approval for the agreements for Services.

NOW, THEREFORE, BE IT RESOLVED that the chief executive officer and/or chief financial officer be, and hereby are, authorized to enter into agreements with PFM Financial Advisors LLC and NW Financial Group, LLC, in a form approved by counsel, to provide Services in the identified categories for a total not-to-exceed $400,000.00, to be allocated on an as-needed basis through task specific work orders, for the initial three-year period of the agreements with the option to extend the term of the agreements up to an additional two years at the sole discretion of the Authority, and also to take all such other actions necessary and proper to carry out the purpose and intent of this resolution.

SUMMARY OF RESOLUTION

Authorization to Enter into an Agreement with Maher Duessel to Provide Financial Audit and Pension Plan Audit Services

Description

Port Authority of Allegheny County (Authority) desires to engage a contractor to perform annual single audits and financial audits in accordance with OMB's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) for fiscal years 2021, 2022 and 2023, and to perform annual audits in accordance with generally accepted auditing standards of each of the Authority's three pension plans for calendar years 2020, 2021 and 2022 (Services). The agreement for Services will be for a three-year period with the option of extending the term of the agreement up to an additional two years at the sole discretion of the Authority (Agreement).

Evaluation Committee

Consistent with the Authority's Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, an Evaluation Committee (Committee) was convened to evaluate proposals and recommend the top-rated proposer to perform Services. Committee was comprised of six members and represented the Engineering & Technical Support Department and Executive and Finance Divisions.

Schedule

Request for Proposals No. 20-11 for Services was publicly advertised and an informational meeting was held on November 17, 2020. Four proposals were received on December 2, 2020 and were distributed to Committee.

Evaluation Process

Committee met to discuss and evaluate the proposals and determined that interviews were not needed. As a result of the review of the proposals, Committee identified Maher Duessel as the proposer with the highest rated proposal to perform Services.

Summations of Committee for each of the proposers follows:

Maher Duessel (Maher): Proposed a concise project work plan indicating a thorough understanding of Services. The proposed team of subcontractor and prime contractor make up a complete and versatile team. The project manager has excellent experience and understands the complexity of Services and needs of the Authority. Maher's proposed costs for both financial and pension plan audit services combined are the lowest amongst the other firms.

Crowe LLP (Crowe): Proposed a practical project work plan, has good depth of resources and possesses the core disciplines necessary to perform multiple functions of the scope of Services. The proposed project manager and staff has relevant experience in financial audit services, but the staff did not appear as strong in experience with pension plan audits as other firms. Crowe's proposed costs were the second highest amongst the other firms.

CliftonLarsonAllen LLP (CLA): Proposed project manager and staff has relevant experience. CLA presented a detailed project work plan that placed an emphasis on the use of technology to provide audit services. The organizational and management plan is adequate for Services to be provided. The proposed rates were the highest of all submitted proposals.

Zelenkofske Axelrod, LLC (ZA): Proposed project manager has relevant experience and transit experience with SEPTA. The staff has relevant experience in financial audit services but did not appear as strong in experience with pension plan audits as other firms. ZA provided a detailed project work plan demonstrating its understanding of Services. ZA's organizational and management plan was adequate for Services to be provided. ZA's proposed costs are the second lowest amongst the other proposed firms.

Negotiations

Negotiations with Maher Duessel have been initiated and are progressing on a proposed agreement to perform Services. A total not-to-exceed amount of up to $313,500.00 is recommended for approval. Agreement will be for a three-year period with the option to extend the term of Agreement up to an additional two years at the sole discretion of the Authority.

2/26/21
A. Ogoreuc

RESOLUTION

WHEREAS, Port Authority of Allegheny County (Authority) requires the services of a contractor to perform annual single audits and financial audits in accordance with OMB's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) for fiscal years 2021, 2022 and 2023, and to perform annual audits in accordance with generally accepted auditing standards of each of the Authority's three pension plans for calendar years 2020, 2021 and 2022 (Services); and

WHEREAS, in order to obtain a qualified firm to perform Services, a Request for Proposals No. 20-11 detailing the required scope of services was prepared and publicly advertised; and

WHEREAS, four proposals were received on December 2, 2020 and were reviewed by the Authority's previously appointed Evaluation Committee; and

WHEREAS, the proposal submitted by Maher Duessel has been determined to be the highest rated proposal for the performance of Services; and

WHEREAS, an agreement to perform Services with Maher Duessel for a total not-to-exceed amount of up to $313,500.00, is recommended for approval.

NOW, THEREFORE, BE IT RESOLVED that the chief executive officer and/or chief financial officer be, and hereby are, authorized to enter into an agreement with Maher Duessel, in a form approved by counsel, to provide Services for a total not-to-exceed amount of $313,500.00 for the initial three-year period of the agreement with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority, and also to take all such other actions necessary and proper to carry out the purpose and intent of this resolution.

SUMMARY OF RESOLUTION

Authorization to Adopt Amended FY 2021 Capital Budget

Port Authority of Allegheny County (Authority) was organized and exists pursuant to the Second Class County Port Authority Act (Act). Pursuant to Act, the Authority is required to adopt a balanced operating and balanced capital budget on a fiscal year (FY) basis.

The Authority's Board passed a resolution on June 26, 2020 that adopted a balanced capital budget for the Authority for FY 2021 beginning on July 1, 2020 and ending on June 30, 2021. Since adoption of the budget, the Pennsylvania Department of Transportation has advised the Authority of certain decreases to its originally anticipated Section 1514 state capital funding allocation for FY 2021, Allegheny County has advised the Authority of certain increases to its originally anticipated county capital funding allocation for FY 2021, and the Federal Transit Administration (FTA) has advised the Authority of certain increases to its originally anticipated federal capital funding allocation for FY 2021.

As a result of the Section 1514 state capital funding allocation decrease, county allocation increase and FTA allocation increase, the Authority must revise its FY 2021 capital budget to reflect the updated funding levels and balance the budget.

This resolution authorizes passage of the amended FY 2021 capital budget as set forth on Exhibit "A" to the resolution (Amended Capital Budget). Amended Capital Budget totals $145,275,460.

2/26/21
A. Ogoreuc

RESOLUTION

WHEREAS, Port Authority of Allegheny County (Authority) was organized and exists pursuant to the Second Class County Port Authority Act (Act); and

WHEREAS, pursuant to Act, the Authority is required to adopt a balanced capital budget on a fiscal year (FY) basis; and

WHEREAS, the Authority's Board passed a resolution on June 26, 2020 that adopted a balanced capital budget for the Authority for FY 2021 beginning on July 1, 2020 and ending on June 30, 2021; and

WHEREAS, since adoption of the FY 2021 capital budget, the Authority has been advised of certain decreases to its originally anticipated Section 1514 state capital funding allocation, certain increases to its originally anticipated county capital funding allocation and certain increases to its originally anticipated federal capital funding allocation; and

WHEREAS, as a result of these funding allocation changes, the Authority must revise its FY 2021 capital budget to balance the budget.

NOW, THEREFORE BE IT RESOLVED, that the amended FY 2021 capital budget as set forth on Exhibit "A" (Amended Capital Budget) to this resolution is hereby adopted for the Authority.

FURTHER RESOLVED, that the chief executive officer be, and hereby is, directed to take such actions and/or make such recommendations as are necessary and proper to continue to assure that the total capital expenditures incurred by the Authority in FY 2021 do not exceed the amended approved budget or the grants and capital funding for the period.

FURTHER RESOLVED, that the Board reserves to itself to, at any time, make further revisions and amendments to Amended Capital Budget for any lawful purpose or reason whatsoever.

EXHIBIT A - Amended FY 2021 Capital Improvement Program	Approved 6/26/2020 Amount	Amended 2/26/2021 Amount
I. Federal		
FFY 2021 Net Section 5307 Urbanized Area	$ 7,345,682	$ 7,485,671
FFY 2021 Section 5307 CMAQ Flex	6,172,200	8,058,450
FFY 2021 Section 5339 Bus and Bus Facilities	3,454,918	3,290,769
Subtotal	$ 16,972,800	$ 18,834,890
II. State		
FY 2021 Net ACT 89 Section 1514 Discretionary	$ 105,073,921	$ 104,253,921
Previously Appropriated ACT 89 Section 1514 Discretionary	599,657	3,334,818
Subtotal	$ 105,673,578	$ 107,588,739
III. County Capital Funds		
2021 County Capital - Bus Rapid Transit Construction	$ 5,000,000	$ 15,000,000
2021 County Capital Net - State of Good Repair	3,525,527	3,810,747
Previously Appropriated County Capital - State of Good Repair	19,983	41,084
Subtotal	$ 8,545,510	$ 18,851,831
Total Funding Sources	**$ 131,191,888**	**$ 145,275,460**
Capital Programs		
I. Debt Service		
2011 Series Bond Debt Service	$ 22,085,888	$ 22,085,888
Subtotal	$ 22,085,888	$ 22,085,888
II. Revenue Vehicle Replacement		
40 - 40' Low Floor Clean Diesel Buses	$ 21,216,000	$ 21,185,800
Subtotal	$ 21,216,000	$ 21,185,800
III. Fixed Guideway Improvements		
Bridge and Tunnel Improvements	$ 2,750,000	$ 6,066,936
Fixed Guideway Rail and Bus Improvements	28,800,000	27,624,336
Bus Rapid Transit - Construction	32,000,000	43,000,000
Subtotal	$ 63,550,000	$ 76,691,272
IV. Facility Improvements		
Rail, Bus and PNR Facility Improvements	$ 18,530,000	$ 18,772,500
Subtotal	$ 18,530,000	$ 18,772,500
V. Support Programs		
Non-Revenue Support Vehicles and Shop Equipment	$ 1,325,000	$ 2,055,000
Information Technology Hardware/Software & ITS Programs	4,485,000	4,485,000
Subtotal	$ 5,810,000	$ 6,540,000
Total Capital Programs	**$ 131,191,888**	**$ 145,275,460**
Surplus / (Deficit)	$ -	$ -

JANUARY 2021 FINANCIAL STATEMENTS

Port Authority of Allegheny County

CONSOLIDATED STATEMENT OF NET POSITION

For the Current Period

As of January 31, 2021

	OPERN	CAPTL	TOTAL
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 109,720,983.20	$ 19,328,132.51	129,049,115.71
Capital grants receivable	-	15,560,748.69	15,560,748.69
Other receivables	3,702,975.63	0.00	3,702,975.63
Prepaid expenses	1,889,921.85	-	1,889,921.85
Materials & supplies	19,103,820.01	-	19,103,820.01
Total Current Assets	134,417,700.69	34,888,881.20	169,306,581.89
NONCURRENT ASSETS			
Restricted assets for capital additions and related debt	-	17,961,225.87	17,961,225.87
Designated for reserve fund	40,471,824.00		40,471,824.00
Capital assets, net of accumulated depreciation	-	1,239,485,022.68	1,239,485,022.68
Total Non-Current Assets	40,471,824.00	1,257,446,248.55	1,297,918,072.55
TOTAL ASSETS	**$ 174,889,524.69**	**$ 1,292,335,129.75**	**$ 1,467,224,654.44**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	6,385,502.19	6,385,502.19
Related to pensions	106,098,500.00	-	106,098,500.00
Related to OPEB	115,177,734.00	-	115,177,734.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 221,276,234.00**	**$ 6,385,502.19**	**$ 227,661,736.19**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	6,435,581.24	748,117.14	7,183,698.38
Accrued compensation, benefits & witholdings	15,658,547.58	-	15,658,547.58
Unearned revenue	135,509,567.56	29,546,824.99	165,056,392.55
Reserves for claims & settlements	6,456,215.00	-	6,456,215.00
Current portion of bond payable	-	13,830,000.00	13,830,000.00
Other current liabilities	-	3,439,953.18	3,439,953.18
Total Current Liabilities	164,059,911.38	47,564,895.31	211,624,806.69
NONCURRENT LIABILITIES			
Bond payable, net	-	144,754,274.15	144,754,274.15
Reserves for claims & settlements	4,843,711.00	-	4,843,711.00
Accrued OPEB liability	672,396,227.00	-	672,396,227.00
Net pension liability	358,065,922.00	-	358,065,922.00
Total Non-Current Liabilities	1,035,305,860.00	144,754,274.15	1,180,060,134.15
TOTAL LIABILITIES	**$ 1,199,365,771.38**	**$ 192,319,169.46**	**$ 1,391,684,940.84**
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	94,333,985.00	-	94,333,985.00
Related to OPEB	16,732,378.00	-	16,732,378.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 111,066,363.00**	**$ -**	**$ 111,066,363.00**
NET ASSETS			
TOTAL NET POSITION	**$ (969,285,943.69)**	**$ 1,106,401,462.48**	**$ 137,115,518.79**

PORT AUTHORITY OF ALLEGHENY COUNTY

COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Month of January 2021			7 Month Year-to-Date			
	Budget	Actual	Variance	Budget	Actual	Variance	Notes
REVENUE :							
Passenger revenue -							
Bus, Light Rail & Incline Plane	$7,156,207	$2,305,444	($4,850,763)	$52,504,057	$17,302,915	($35,201,142)	
ACCESS program service	815,774	442,431	($373,343)	6,201,179	4,295,315	($1,905,864)	
Advertising	205,326	79,561	($125,765)	1,708,313	961,584	($746,729)	
Interest income	188,165	4,749	($183,416)	1,401,004	127,047	($1,273,957)	
Other income	97,065	54,381	($42,684)	560,847	491,040	($69,807)	
Total Operating Income	**$8,462,537**	**$2,886,566**	**($5,575,971)**	**$62,375,400**	**$23,177,901**	**($39,197,499)**	**Total Operating Income was $5.5 million below budget for the month of January and $39.1 million below fiscal year-to-date due to continued weakness in all revenue categories. The pandemic continues to impact Fixed Route and ACCESS revenue.**
EXPENSE :							
Wages & salaries	$13,897,790	$12,652,373	$1,245,417	$97,177,975	$96,589,988	$587,987	
Employee benefits	16,199,053	14,375,247	$1,823,806	103,714,378	97,282,077	$6,432,301	
Materials & supplies	3,838,490	2,982,418	$856,072	28,070,766	22,152,507	$5,918,259	
Provision for injuries & damages	362,415	174,015	$188,400	2,846,905	1,520,907	$1,325,998	
Purchased services	1,694,417	1,156,081	$538,336	11,896,988	7,184,080	$4,712,908	
Utilities	687,339	490,015	$197,324	4,811,573	3,504,074	$1,307,499	
Other expense	1,041,137	(333,578)	$1,374,715	8,915,774	3,379,320	$5,536,454	
Interest	0	0	$0	0	0	$0	
ACCESS program service	2,435,235	2,084,031	$351,204	17,046,645	15,118,351	$1,928,294	
Total Expense	**$40,155,876**	**$33,580,602**	**$6,575,274**	**$274,481,004**	**$246,731,304**	**$27,749,700**	**Total Expense for the month of January was $6.5 million below budget primarily due to lower expense in Wages & Salaries, Employee Benefits and Other Expense. From a fiscal-year-to-date perspective, Total Expense is $27.7 million below budget. If this trend continues it will result in not having to utilize deferred revenue and possibly not having to use all the remaining CARES Act I funding in FY21.**
Deficit before Subsidy	**($31,693,339)**	**($30,694,036)**	**$999,303**	**($212,105,604)**	**($223,553,403)**	**($11,447,799)**	
Operating Subsidy:							
County Drink Tax Revenue	$ 4,818,217		($4,818,217)	$ 9,636,434		($9,636,434)	
RAD Assistance - Local	225,000	213,750	($11,250)	2,010,715	1,906,607	($104,108)	
Gen Operating Assist - State	18,498,839	19,564,991	$1,066,152	146,705,715	142,527,969	($4,177,747)	
Gen Op Assist - State Match 5310		-	$0			$0	
Defer State Operating Assist	7,118,048		($7,118,048)	7,118,048		($7,118,048)	
Cost of Contracting	1,707,681	1,707,681	$0	5,641,649	5,641,649	$0	
Redistribute to Vehicle Overhaul	550,000		($550,000)	3,290,000	411,181	($2,878,819)	
Redistribute to Capital Accounts	168,383	163,340	($5,043)	1,182,681	1,319,776	$137,095	
Fringe Benefits Redistrib Cap Accts	85,000	93,614	$8,614	595,000	617,108	$22,108	
Preventive Maintenance	3,175,666	3,175,666	$0	23,339,976	23,339,976	$0	
Third Party Reimbursements	5,000	5,728	$728	197,000	271,334	$74,334	
ACCESS-5310 revenue	420,750		($420,750)	420,750		($420,750)	
ACCESS-PWD	51,600	31,258	($20,342)	361,200	261,575	($99,625)	
CARES - Port Authority	8,333	19,484,323	$19,475,990	58,331	24,333,371	$24,275,040	
CARES - County		2,123,140	$2,123,140		12,724,843	$12,724,843	
Total Subsidy	**$36,832,517**	**$46,563,491**	**$9,730,975**	**$200,557,499**	**$213,355,388**	**$12,797,889**	**Total subsidy for the fiscal year is $12.7 million ahead of plan primarily due to utilization of CARES funding that is a offset due to lower Passenger Revenues.**
Surplus/Deficit	$5,139,178	$15,869,455	$10,730,278	($11,548,105)	($10,198,015)	$1,350,090	

PORT AUTHORITY OF ALLEGHENY COUNTY

COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Monthly Actuals			Year to Date Actuals			
	January 2020	January 2021	Variance	FY2020	FY2021	Variance	Notes
REVENUE :							
Passenger revenue -							
Bus, Light Rail & Incline Plane	$7,156,209	$2,305,444	($4,850,765)	$52,504,161	$17,302,915	($35,201,246)	
ACCESS program service	815,774	442,431	($373,343)	6,201,180	4,295,315	($1,905,865)	
Advertising	205,347	79,561	($125,786)	1,688,312	961,584	($726,728)	
Interest income	188,165	4,749	($183,416)	1,401,005	127,047	($1,273,958)	
Other income	137,067	54,381	($82,686)	600,948	491,040	($109,908)	
Total Operating Income	**$8,502,562**	**$2,886,566**	**($5,615,996)**	**$62,395,606**	**$23,177,901**	**($39,217,705)**	**Total Operating Income is $39.2 million below last fiscal year due to the pandemic impacting every income category.**
EXPENSE :							
Wages & salaries	$12,343,297	$12,652,373	($309,076)	$92,720,047	$96,589,988	($3,869,941)	
Employee benefits	14,467,382	14,375,247	$92,135	94,368,601	97,282,077	($2,913,476)	
Materials & supplies	3,610,957	2,982,418	$628,539	24,465,207	22,152,507	$2,312,700	
Provision for injuries & damages	568,896	174,015	$394,881	2,211,042	1,520,907	$690,135	
Purchased services	1,119,366	1,156,081	($36,715)	6,077,796	7,184,080	($1,106,284)	
Utilities	877,402	490,015	$387,387	3,959,836	3,504,074	$455,762	
Other expense	880,038	(333,578)	$1,213,616	2,584,973	3,379,320	($794,347)	
Interest	0	0	$0	0	0	$0	
ACCESS program service	2,192,581	2,084,031	$108,550	16,232,434	15,118,351	$1,114,083	
Total Expense	**$36,059,919**	**$33,580,602**	**$2,479,317**	**$242,619,936**	**$246,731,304**	**($4,111,368)**	**Total Expense for the fiscal year is $4.1 million higher than last fiscal year with higher expense levels in Wages & Salaries, Employee Benefits, and Purchased Services**
Deficit before Subsidy	**($27,557,357)**	**($30,694,036)**	**($3,136,679)**	**($180,224,330)**	**($223,553,403)**	**($43,329,073)**	
Operating Subsidy:							
County Drink Tax Revenue			-				
RAD Assistance - Local	225,000	213,750	(11,250)	1,875,000	1,906,607	31,607	
Gen Operating Assist - State	18,498,839	19,564,991	1,066,152	140,124,930	142,527,969	2,403,039	
Gen Op Assist - State Match 5310		-	-				
Defer State Operating Assist			-			-	
Cost of Contracting	2,241,549	1,707,681	(533,868)	6,169,776	5,641,649	(528,127)	
Redistribute to Vehicle Overhaul	244,248	-	(244,248)	3,543,074	411,181	(3,131,893)	
Redistribute to Capital Accounts	149,508	163,340	13,832	1,476,098	1,319,776	(156,322)	
Fringe Benefits Redistrib Cap Accts	78,149	93,614	15,466	573,309	617,108	43,799	
Preventive Maintenance	3,079,480	3,175,666	96,186	22,001,308	23,339,976	1,338,668	
Third Party Reimbursements	12,913	5,728	(7,185)	443,778	271,334	(172,444)	
ACCESS-5310 revenue			-				
ACCESS-PWD	49,795	31,258	(18,537)	358,737	261,575	(97,162)	
CARES - Port Authority		19,484,323	19,484,323		24,333,371	24,333,371	
CARES - County		2,123,140	2,123,140		12,724,843	12,724,843	
Total Subsidy	**$24,579,480**	**$46,563,491**	**$ 21,984,011**	**$176,566,010**	**$213,355,388**	**$ 36,789,378**	**Total subsidy is $36.7 million higher than last fiscal year. This is due to CARES Receipts in FY2021 that were used to offset declining Operating Income due to the pandemic.**
Surplus/Deficit	($2,977,877)	$15,869,455	$ 18,847,332	($3,658,320)	($10,198,015)	($6,539,695)	

PORT AUTHORITY OF ALLEGHENY COUNTY

FY 2021 PROJECTED OPERATING RESERVE

(As of January 31, 2021)

(Dollars in Thousands)

Actual/Estimate

	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	TOTAL
Begin Cash & Investments	*147,001*	117,785	96,433	131,616	141,117	139,605	138,723	128,946	138,773	136,872	134,971	133,070	131,169	
Oper Grants:														
. County/ Additional County Assistance	*0*	0	9,456	2,534	0	0	6,634	2,123	2,811	2,811	2,811	2,811	2,811	34,802
. Regional Asset District	*182*	182	182	182	182	782	182	214	225	225	225	225	225	3,031
. State	*1,705*	16,672	27,120	20,141	17,309	23,072	19,770	19,564	22,259	22,259	22,259	22,259	22,260	254,944
. Additional State Operating Assistance/Rebase														0
. CARES/Port Authority	*0*	0	27,483	4,000	0	4,849	0	19,484	0	0	0	0	0	55,816
Revenues:														
. ACM/Grants Management/T&L	*221*	257	0	446	354	0	0	0	276	276	276	276	273	2,434
. ACCESS/Shared Ride	*623*	0	642	0	990	0	530	1,148	882	882	882	882	884	7,722
. ACCESS/Capital Cost of Contracting	*0*	0	0	1,863	0	591	1,479	1,708	1,376	1,376	1,376	1,376	1,375	12,520
. ACCESS/Connections and Works	*0*	0	0	0	0	0	0	0	35	35	35	35	36	176
. Passenger Revenues	*2,003*	1,953	2,379	3,000	2,817	2,742	2,459	1,723	7,388	7,388	7,388	7,388	7,388	54,013
. VOH	*873*	0	0	19	0	0	0	0	542	542	542	542	538	2,725
. PREVENTIVE MAINTENANCE	*1,508*	0	0	7,056	7,280	2,289	2,396	3,176	2,441	2,441	2,441	2,441	2,448	34,409
. Investment Income	*63*	44	28	18	20	16	7	5	130	130	130	130	133	791
. Advertising Income	*0*	352	116	132	129	174	68	80	229	229	229	229	231	2,198
. OTHER	*691*	290	3,126	2,907	456	2,013	1,723	1,347	69	69	69	69	66	12,204
Cash Available	*154,870*	137,535	166,965	173,914	170,654	176,133	173,971	179,518	177,436	175,535	173,634	171,733	169,837	477,785
Payments:														
. Pay/Withold/Fringe	*13,741*	20,610	14,082	13,326	10,366	13,787	20,422	13,723	16,433	16,433	16,433	16,433	16,437	188,485
. Healthcare	*11,925*	6,580	6,562	4,057	2,481	6,523	871	12,614	7,414	7,414	7,414	7,414	7,416	76,760
. Pension Payment	*5,038*	5,050	5,603	5,047	5,069	5,294	7,096	5,856	3,831	3,831	3,831	3,831	3,828	58,167
. All Other	*6,371*	8,832	9,082	10,307	13,113	11,786	16,616	8,522	12,794	12,794	12,794	12,794	12,790	142,224
. Treasury Service Expense	*10*	30	20	60	20	20	20	30	92	92	92	92	98	666
Total Payments	*37,085*	41,102	35,349	32,797	31,049	37,410	45,025	40,745	40,564	40,564	40,564	40,564	40,569	466,302
Ending Cash & Investments	117,785	96,433	131,616	141,117	139,605	138,723	128,946	138,773	136,872	134,971	133,070	131,169	129,268	