

**MINUTES OF REGULAR BOARD MEETING
OF
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
NOVEMBER 15, 2018**

The Regular Meeting of the Board of the Southeastern Pennsylvania Transportation Authority was held on Thursday, November 15, 2018 at 3:02 PM, in the Board Room of the Authority, with the Chairman in the Chair.

Attending the meeting were the following Board Members:

Pasquale T. Deon, Sr., Chairman
Thomas E. Babcock, Vice Chairman
Joseph E. Brion, Esquire (via telephone)
Michael A. Carroll, P.E.
Honorable Stewart J. Greenleaf (via telephone)
Kevin L. Johnson, P.E.
John I. Kane
Obra S. Kernodle, IV (via telephone)
Daniel J. Kubik (via telephone)
Honorable Kenneth Lawrence (via telephone)
William J. Leonard, Esquire
Honorable Charles H. Martin (via telephone)
Honorable Marcy Toepel (via telephone)

Present from the staff:

Jeffrey D. Knueppel - General Manager
Richard G. Burnfield - Deputy General Manager/Treasurer
Gino Benedetti, Esquire - General Counsel
Stephen A. Jobs - Controller
Carol R. Looby - Secretary
Stephanie Deiger - AGM, Employee Development Relations
Kim Scott Heinle - AGM, Customer Service
Francis E. Kelly - AGM, Government & Public Affairs
Robert L. Lund - AGM, Engineering, Maintenance & Construction
Scott A. Sauer - AGM, Operations

Mr. Deon called the Regular Meeting of the Board to order.

Pledge of Allegiance was observed.

Mr. Deon announced that Skip Brion, Senator Greenleaf, Obra Kernodle, Danny Kubik, Commissioner Lawrence, Commissioner Martin and Representative Toepel would be participating by phone and they all acknowledged their presence. He stated that if there were speakers who wished to address agenda items they would be called before the Board voted on the item and asked that they limit their remarks to two minutes. He said speakers wishing to address items not on the agenda would be called after the regular business of the Board was completed.

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Approval of Minutes

Mr. Deon entertained a Motion regarding the Minutes of the October 25th Regular Board meeting, which had been circulated. Mr. Kane moved, Mr. Leonard seconded, and the Minutes were unanimously approved.

Financial Report

Mr. Burnfield reported that for the month of October revenue was below budget by \$100,000. He said expenses were under budget with labor and fringe benefits less than budget. He reported that year-to-date there was a surplus of \$5.7 million.

Mr. Deon entertained a Motion to adopt the Financial Report. Mr. Leonard moved, Mr. Kane seconded and it was unanimously adopted.

The October Financial Report is received and filed and is attached to these Minutes as Exhibit "A."

Consent Calendar

Mr. Deon then presented the Consent Calendar, which consisted of:

"Award of a Contract Pursuant to a Request for Proposals;"

"Lease by SEPTA to Azhar Khan of Space No. 609 in 69th Street Terminal;"

"Supplemental Reimbursement Agreement Between SEPTA and Pennsylvania Department of Transportation Relating to the Rehabilitation of the Route 1 Bridge Crossing Over SEPTA's Wayne Junction Railroad Yard in the City of Philadelphia;"

"Authorization to Award Contracts for Various Procurements;"

"Award of Contracts for Sole Source Procurements;"

and

"Authorization to Execute Change Orders and Amendments;"

Mr. Deon stated that all of the items on the Consent Calendar were reviewed by the appropriate Board Committees in public session. He then entertained a Motion to adopt the Resolutions. Mr. Babcock moved, Mr. Kane seconded and the following Resolutions were unanimously adopted.

Lance Haver stood and requested to speak to the Motion before the Board voted. Chairman Deon asked if it pertained to

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the agenda, with Mr. Haver stating that he wished to speak on the consent agenda and the contracts the Board was approving. In response to Mr. Deon, Mr. Haver then approached the podium.

Mr. Haver introduced himself and said he was speaking pursuant to all of the contracts that were on the agenda, both the non-bid and the bid contracts. He commented that there was no place in the contracts that stated whether the companies were or were not located in the Delaware Valley. He added that there was also no place in the contracts that the companies follow SEPTA's own diversity reports and guidelines. Mr. Haver said it was inappropriate for the Board to pass the contracts without having that information available to the public. He said he would much rather have money spent here and have local people be hired.

Mr. Haver closed by stating that he wanted SEPTA's own guidelines for minority hiring be followed by the people that SEPTA contracts with.

Chairman Deon then stated that he would add to that Motion to adopt the Resolutions. Mr. Babcock moved, Mr. Kane seconded and the following Resolutions were unanimously adopted.

**I.A. AWARD OF A CONTRACT
PURSUANT TO A REQUEST FOR PROPOSALS**

"WHEREAS, SEPTA, which has need for the services as described below, has advertised and solicited proposals from firm wishing to propose; and

WHEREAS, SEPTA staff has requested that the General Manager recommend that the Board authorize the award of the contract to the firm listed below because said firm was the successful proposer in the area for which the request for proposals was issued; and

WHEREAS, the General Manager recommended that the Board authorize the award of the contracts.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award subject to the following conditions and the General Manager to execute the following contract, in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and contingent upon and subject to the proposers satisfactorily meeting all requirements of the terms and conditions of the relevant request for proposals, including the provision of any required insurance certificates and full compliance with any applicable Disadvantaged Business Enterprise (DBE) requirements:

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1. To GDI Services, Inc., for the provision of janitorial and cleaning services at Jefferson and Suburban Regional Rail Division Stations, with services to be performed on an "as required" basis over a period of five years scheduled to commence in December 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$15,778,036, Request for Proposals No. 18-00163-ADLD - Janitorial Services at Jefferson and Suburban Stations."

II.A.1. LEASE BY SEPTA TO AZHAR KHAN
OF SPACE NO. 609 IN 69TH STREET TERMINAL

"WHEREAS, SEPTA owns the 69th Street Terminal ("Terminal"), which is located in Upper Darby, Delaware County, and within the Terminal are various spaces that SEPTA leases to commercial tenants; and

WHEREAS, SEPTA invited sealed bids for Space No. 609 in the Terminal, comprised of 707+/- square feet of space, with the intent to recommend that the Board award a lease ("Lease") to the highest responsive and responsible bidder; and

WHEREAS, Azhar Khan ("Tenant") submitted the highest responsive and responsible bid for Space No. 609 in the Terminal, to use the demised premises as a restaurant; and

WHEREAS, the initial term of the proposed Lease is for a period of five years commencing upon full execution thereof by the parties, with two consecutive five-year renewal options, at an initial annual rental of \$56,000 (\$4,666.67 per month) during year one of the base five-year term, with annual increases of three percent (3%) starting the third year of the base terms and each year thereafter; and

WHEREAS, SEPTA will waive the rent for the first six months of the initial term of the Lease as consideration for Tenant's securing necessary approvals and completion of fit-out work; and

WHEREAS, Tenant will be responsible for all interior improvements, maintenance and repairs, including the heating, ventilation and air conditioning systems, as well as separately metered utilities and trash removal; and

WHEREAS, the proposed Lease will generate \$262,283.11 in rental revenue to SEPTA over the five-year initial term, and will total \$984,834.15 with the exercise of the two five-year option periods; and

WHEREAS, if required, SEPTA will obtain any necessary Federal Transit Administration (FTA) concurrence of the transaction contemplated hereunder; and

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WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the proposed Lease with Tenant under the terms and conditions set forth above and more fully described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to enter into the proposed Lease by which SEPTA will lease Space No. 609 in the 69th Street Terminal to Azhar Khan, under the terms and conditions set forth within the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution."

II.A.2. SUPPLEMENTAL REIMBURSEMENT AGREEMENT BETWEEN SEPTA AND PENNSYLVANIA DEPARTMENT OF TRANSPORTATION RELATING TO THE REHABILITATION OF THE ROUTE 1 BRIDGE CROSSING OVER SEPTA'S WAYNE JUNCTION RAILROAD YARD IN THE CITY OF PHILADELPHIA

"WHEREAS, by authorization of the Board on June 28, 2016, SEPTA and the Department of Transportation of the Commonwealth of Pennsylvania ("PennDOT") entered into a fourth master cooperation agreement ("Cooperation Agreement") which, among other things, defined each party's respective share of the costs associated with projects of PennDOT that require support by SEPTA; and

WHEREAS, the Cooperation Agreement requires PennDOT and SEPTA to enter into a project agreement for any project that is within the purview of the Cooperation Agreement; and

WHEREAS, PennDOT commenced a project by which PennDOT will replace the Route 1 Bridge (S.R. 0001, Section WAV) which crosses over SEPTA's railroad yard at Wayne Junction (at Mile Post 4.90) in the City of Philadelphia ("Project"); and

WHEREAS, on May 18, 2010, a reimbursement agreement between SEPTA and PennDOT was executed to cover SEPTA's costs associated with the preliminary engineering phase of the Project; and

WHEREAS, PennDOT is now in the construction phase of the Project and SEPTA is supporting construction activity by providing the required level of protective services and engineering support during the rehabilitation of the Route 1 Bridge, the cost of which is currently estimated in the amount of \$1,549,215; and

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WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into a supplemental project agreement with PennDOT with respect to reimbursement of additional costs that SEPTA will incur in connection with the Project under such terms and conditions as set forth above and more fully described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to enter into the proposed supplemental reimbursement agreement with the Department of Transportation of the Commonwealth of Pennsylvania with respect to the reimbursement of SEPTA's costs in support of the rehabilitation of the Route 1 Bridge over SEPTA's Wayne Junction railroad yard under the terms and conditions set forth within the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be necessary and proper in order to effectuate the purpose of this Resolution."

II. B. AUTHORIZATION TO AWARD CONTRACTS FOR VARIOUS PROCUREMENTS

"WHEREAS, SEPTA advertised and invited bids for the supplies identified below; and

WHEREAS, the firms listed below was the lowest responsive and responsible bidders to the invitations for bids; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to award the contracts identified below; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby Authorizes SEPTA to award and for the General Manager or his designee to execute the contracts identified below in form approved by the Office of General Counsel, subject to and contingent upon the concurrence of the funding agencies, if required, and contingent upon and subject to the vendors satisfactorily meeting all requirements of the bid terms and specifications, including full compliance with any applicable Disadvantaged Business Enterprise requirements:

1. To Herc Rentals, Inc., for a total contract amount not to exceed \$3,000,000; to Danella Rental Systems, Inc., for a

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total contract amount not to exceed \$4,250,000; to Delaware Valley Lift Truck, Inc., for a total contract amount not to exceed \$400,000; to NESCO, L.L.C., for a total contract amount not to exceed \$1,000,000; and to Maxim Crane Works, L.P., for a total contract amount not to exceed \$1,250,000, for the leasing of vehicles and equipment required to support SEPTA's "Building the Future" Capital Program initiative, with the leases being on an "as required" basis over a period of three years commencing upon issuance of Notice-to-Proceed, as described in the staff summary on this subject, Sealed Bid No. 18-00244-AMUD - Lease of Vehicles & Equipment.

2. To TK Keystone Construction Company, Inc., for Regions 1, 3, 4, 5 and 6, for a total contract amount not to exceed \$7,126,136.60; to Industrial Commercial Cleaning Group, Inc., for Region 2, for a total contract amount not to exceed \$1,264,952.80; and to Clear Solutions Property Maintenance, LLC, for Region 7, for a total contract amount not to exceed \$3,889,000, for the provision of routine and emergency janitorial and recycling services at outlying Regional Rail Division Stations throughout the Authority, with services to be performed over a period of five years scheduled to commence on January 1, 2019, as described in the staff summary on this subject, Sealed Bid No. 18-00043-APES - Janitorial & Recycling Services for the Regional Rail Division, Outlying Locations.

3. To Edens Corporation, for the provision of ticket sales for revenue operations of the Regional Rail Division (RRD) and support of the transition/launch of all fare products for both transit and RRD customers, with services to be performed over a base period of one year commencing in November 2018 along with an additional one-year option term, as described in the staff summary on this subject, for a total contract amount not to exceed \$17,831,506.04, Sealed Bid No. 18-00270-ACKR - Railroad Division Ticket Sales.

4. To Southwire Company, L.L.C., for Item Nos. 2-7, for the purchase of wire and cable for various catenary projects and general maintenance throughout the Authority, at unit prices of \$6.54, \$3.67, \$6.85, \$13.16, \$25.47 and \$29.82, respectively, with delivery of material on an "as required" basis over a period of three years commencing on December 1, 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$4,672,601.28, Sealed Bid No. 18-00198-ALSP - Wire and Cable.

5. To Altec Industries, Inc., for the purchase of 16 light duty bucket trucks to replace the existing obsolete fleet of International 4400 trucks used for utility requirements throughout SEPTA's five-county service area, at a unit price of \$118,450, with delivery of vehicles expected on a monthly basis commencing on January 31, 2019, as described in the staff summary

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on this subject, for a total contract amount not to exceed \$1,895,200, Sealed Bid No. 18-00262-AMUD - Light Duty Bucket Trucks."

II.C. AWARD OF CONTRACTS FOR SOLE SOURCE PROCUREMENTS

"WHEREAS, SEPTA has need for the supplies and services described below and those supplies and services are available only from the firms listed below; and

WHEREAS, staff reviewed the cost of the supplies and services and the General Manager recommended that the Board authorize SEPTA to award the contracts.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or his designee to execute the contracts identified below, in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and contingent upon and subject to the vendor/contractor satisfactorily providing any required bonds, insurance certificates and/or other documents, and complying with any applicable Disadvantaged Business Enterprise requirements:

1. To Conduent Transport Solutions, Inc., for the repair of IVU and Orbstar Modules which are part of the Radio, Automatic Vehicle Announcement and GPS Systems of SEPTA's CCT fleet, with services to be performed on an "as required" basis commencing in December 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$300,000, Sole Source No. 18-00213-ACZC - CCT Radio System Repair for SEPTA."

II.D. AUTHORIZATION TO EXECUTE CHANGE ORDERS AND AMENDMENTS

"WHEREAS, additional work is required to complete the projects identified below; and

WHEREAS, staff reviewed the cost of the additional work and the General Manager recommended that the Board authorize SEPTA to order the additional work.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or his designee to execute the change orders and amendments identified below in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and to any applicable Disadvantaged Business Enterprise requirements:

1. To Road-Con, Inc., for Change Order No. 8, which provides for additional general construction work and an unused unit cost credit on the Villanova Station Improvements - Phase 1 Project, at a net decrease in cost not to exceed \$147,718,

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bringing the total contract price, included all changes orders to date, to an amended contract amount not to exceed \$12,994,546, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount to zero dollars (\$0) and the establishment of a new cumulative change order threshold of 10% or \$500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments."

2. To D.A. Nolt, Inc., for Change Order No. 4, which provides for additional general construction work and a credit under the contract for the Frontier Bus Depot Improvement Project, at a net increase in cost not to exceed \$203,070, bringing the total contract price, including all change orders to date, to an amended contract amount not to exceed \$10,247,033.94, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount to zero dollars (\$0) and the establishment of a new cumulative change order threshold of 10% or \$500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments."

3. To AECOM (formerly URS), for Amendment No. 10, which provides for additional Phase A-2 architectural/engineering design work on of the Elwyn to Wawa Restoration of Service Project, at an increase in cost not to exceed \$745,801.58, bringing the total contract price, including all amendments to date, to an amended contract amount not to exceed \$19,478,918.58.

4. To Gannett Fleming, Inc., for Amendment No. 2, which provides for additional Phase B architectural/engineering design work on the 30th to K Interlocking Overhead Catenary System (OCS) and Structures Replacement Project, at an increase in cost not to exceed \$738,546, bringing the total contact price, including all amendments to date, to an amended contract amount not to exceed \$5,938,682.

5. To NORESKO, LLC, for Change Order No.1, which provides for additional construction work, upgraded LED lighting and storm water management under the Guaranteed Energy Savings Agreement (GESA) contract, at an increase in cost not to exceed \$799,782.05, bringing the total contact price, including this change order, to an amended contract amount not to exceed \$36,654,712.05."

Report of General Manager

Mr. Knueppel stated that one of the principles of SEPTA's Building the Future program was cultivating a diverse workforce and attracting highly motivated employees who would bring their

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professionalism and vision to serve our customers, the organization, and the region. He stated that when members of the SEPTA team do extraordinary work it was important that we acknowledge their contributions, something we do through our many internal employee recognition programs and at SEPTA Board Meetings.

Mr. Knueppel reported that he was very pleased to announce that two members of staff were also being recognized outside the SEPTA family with awards of excellence. He mentioned that Liz Smith, Director of Strategic Planning and Partnerships, would be one of the recipients of the Philadelphia Business Journal's 2018 Women of Distinction Awards. Mr. Knueppel explained that the award honors women making a difference in the community and as project manager and driving force behind the King of Prussia Rail project this was a very deserving honor for Ms. Smith.

Mr. Knueppel announced that on November 29th, Kate O'Connor, Chief Engineer for Bridges and Building, would receive the Woman of the Year Award from WTS at their annual gala. He said the Bridges and Buildings group was pivotal to maintaining the infrastructure, stations, and critical systems for all modes of service, so we were proud that WTS was recognizing her contributions to keeping our customers moving and the region growing.

Mr. Knueppel concluded his report by wishing everyone a happy holiday, with a reminder that the annual Santa Express festivities would be held on Friday, November 30th.

Mr. Deon then called for speakers.

Speakers

Rosalyn Harrington

Ms. Harrington introduced herself and said she was present on behalf of the disabled riders. She referenced a letter that she recently sent to SEPTA. She stated that she uses a cane, has a defibrillator and that she was a heart patient who suffers from sarcoidosis. She mentioned that some of her disabilities may not seem visible to others.

Ms. Harrington stated that a problem that she has was running out of money on her reduced-fare card. She said the SEPTA machines do not always work for everyone and that they only take a certain bills. She added that the machines are often out of cash or not working, causing riders to walk. Ms. Harrington spoke about the acceptance of tokens as fares and requested that the machines accept the \$1.25 that cashiers accept.

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Mr. Deon thanked Ms. Harrington for speaking and stated that staff was aware of these issues. He then asked Mr. Burnfield to meet with Ms. Harrington following the meeting.

Mr. Deon then called upon the next speaker.

Kelvin Carrington

Mr. Carrington introduced himself and asked about SEPTA's pet policy aboard vehicles. He remarked that people's pets were taking up seats on the train during rush hour. He also spoke about bus operators having the ability to call 911 if there was a problem or issue on the bus.

Mr. Deon thanked Mr. Carrington and asked Mr. Heinle to meet with Mr. Carrington following the meeting.

Adjournment

There being no further business to come before the Board at this Regular Meeting, it was moved by Mr. Babcock seconded by Mr. Leonard, and unanimously adopted that the meeting be adjourned at 3:17 PM.

Carol R. Looby
Secretary

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

FINANCIAL REPORT

OCTOBER 2018

For Period Ended October 27, 2018

November 12, 2018

EXHIBIT "A"

FINANCIAL REPORT - OCTOBER 2018

COMMENTARY

Summary of Financial Results and Commentary

GROUP 1 - CONSOLIDATED OPERATIONS

- (1.1) Consolidating Statement of Income - (YTD)
- (1.2) Consolidating Statement of Revenue and Expense - (YTD)
- (1.3) Consolidating Statement of Income - (One Month)
- (1.4) Consolidating Statement of Revenue and Expense - (One Month)

GROUP 2 - CITY TRANSIT DIVISION

- (2.1) Comparative Statement of Income
- (2.2) Detail Income Statement - (One Month)
- (2.3) Detail Income Statement - (YTD)

GROUP 3 - VICTORY DIVISION

- (3.1) Comparative Statement of Income
- (3.2) Detail Income Statement - (One Month)
- (3.3) Detail Income Statement - (YTD)

GROUP 4 - FRONTIER DIVISION

- (4.1) Comparative Statement of Income
- (4.2) Detail Income Statement - (One Month)
- (4.3) Detail Income Statement - (YTD)

GROUP 5 - REGIONAL RAIL DIVISION

- (5.1) Comparative Statement of Income
- (5.2) Detail Income Statement - (One Month)
- (5.3) Detail Income Statement - (YTD)

FINANCIAL REPORT - OCTOBER 2018

COMMENTARY

Summary of Financial Results and Commentary

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
OCTOBER AND YEAR-TO-DATE RESULTS OF OPERATIONS

SUMMARY

The following is a summary of Divisional operating results (i.e. deficit before operating subsidies) and consolidated results after subsidies for October and the four-month period then ended. The results are compared to the Fiscal Year 2019 budget and to the prior year results in the accompanying financial statements.

<u>DIVISION</u>	(IN THOUSANDS)			
	<u>MONTH OF OCTOBER</u>		<u>FOUR MONTHS ENDED OCTOBER</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
City Transit	\$ (40,571)	\$ (42,458)	\$ (185,982)	\$ (189,245)
Victory	(5,124)	(5,975)	(22,859)	(23,393)
Frontier	(2,154)	(2,065)	(9,044)	(8,751)
Regional Rail	<u>(14,923)</u>	<u>(13,838)</u>	<u>(64,481)</u>	<u>(65,001)</u>
Total Deficit Before Subsidies	(62,772)	(64,336)	(282,366)	(286,390)
Operating Subsidies	<u>65,544</u>	<u>65,533</u>	<u>288,088</u>	<u>289,348</u>
Surplus/(Deficit) After Subsidies	<u>2,772</u>	<u>1,197</u>	<u>5,722</u>	<u>2,958</u>
Unrealized Investment Gain/(Loss)	<u>(121)</u>	<u>(70)</u>	<u>(495)</u>	<u>(19)</u>
Surplus/(Deficit) after Investment Gain/(Loss)	<u>\$ 2,651</u>	<u>\$ 1,127</u>	<u>\$ 5,227</u>	<u>\$ 2,939</u>

The surplus after subsidies for the month of October was \$2.8 million and the cumulative surplus for the four months was \$5.7 million. Passenger revenue for the month was \$540 thousand (or 1.4%) lower than budget. Passenger revenue for the four months of Fiscal 2019 was \$2.0 million (or 1.3%) lower than budget. Shared Ride Program revenue equaled budget for the month of October and was \$245 thousand (or 4.5%) lower than budget for October year-to-date. Operating expenses for the month of October were \$2.9 million lower than budget. For the four-month period, operating expenses were \$7.1 million (or 1.5%) lower than budget.

**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
OCTOBER AND YEAR-TO-DATE RESULTS OF OPERATIONS**

DIVISIONAL COMMENTARY ON OCTOBER AND YEAR-TO-DATE RESULTS

CITY TRANSIT DIVISION

The Division's operations for October resulted in a deficit before subsidies of \$40.6 million for the month and a year-to-date deficit before subsidies of \$186.0 million, which is 4.7% lower than budget.

Passenger revenue for the month of October was \$232 thousand (or 1.0%) higher than budget. For the four months of Fiscal 2019 total passenger revenue was \$30 thousand (or 0.3%) higher than budget. Shared Ride Program revenue for October year-to-date was \$245 thousand (or 4.5%) lower than budget. Operating expenses for the four-month period were lower than budget.

For the four months of the fiscal year, the operating surplus after subsidies was \$4.0 million.

VICTORY DIVISION

The Division's operations for October resulted in a deficit before subsidies of \$5.1 million bringing the cumulative deficit before subsidies for the four months of the fiscal year to \$22.9 million, which is 0.9% lower than budget.

Passenger revenue for October was \$99 thousand (or 5.0%) higher than budget, and for the four months of Fiscal 2019 was \$249 thousand (or 3.1%) higher than budget. Operating expenses for the four-month period were higher than budget.

For the four months of the fiscal year, the operating surplus after subsidies was \$516 thousand.

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
OCTOBER AND YEAR-TO-DATE RESULTS OF OPERATIONS

FRONTIER DIVISION

Operations for the month of October resulted in a deficit before subsidies of \$2.2 million bringing the cumulative deficit before subsidies for the four months of the fiscal year to \$9.0 million, which is 2.6% higher than budget.

Passenger revenue for October was \$4 thousand (or 0.7%) higher than budget, and for the four months of Fiscal 2019 was \$6 thousand (or 0.3%) higher than budget. Operating expenses for the four-month period were higher than budget.

For the four months of the fiscal year, the operating surplus after subsidies was \$199 thousand.

REGIONAL RAIL DIVISION

Operations for the month of October resulted in a deficit before subsidies of \$14.9 million bringing the cumulative deficit before subsidies for the four-month period to \$64.5 million, which is 5.5% higher than budget.

Passenger revenue for October was \$875 thousand (or 6.9%) lower than budget, and for the four months of Fiscal 2019 passenger revenue was \$2.3 million (or 4.7%) lower than budget. Operating expenses for the four-month period were higher than budget.

For the four months of the fiscal year, the operating surplus after subsidies was \$1.0 million.

FINANCIAL REPORT - OCTOBER 2018

GROUP 1 - CONSOLIDATED OPERATIONS

- (1.1) Consolidating Statement of Income - (YTD)
- (1.2) Consolidating Statement of Revenue and Expense - (YTD)
- (1.3) Consolidating Statement of Income - (One Month)
- (1.4) Consolidating Statement of Revenue and Expense - (One Month)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CONSOLIDATING STATEMENT OF INCOME
FOUR MONTHS ENDED OCTOBER 27, 2018

(THOUSANDS)

	CITY TRANSIT DIVISION	VICTORY DIVISION	FRONTIER DIVISION	REGIONAL RAIL DIVISION	TOTAL SEPTA	BUDGET AMOUNT	BUDGET VARIANCE	
							AMOUNT	PERCENT
<u>OPERATING REVENUES</u>								
Passenger Revenue	\$ 91,583	\$ 8,282	\$ 2,197	\$ 46,077	\$ 148,139	\$ 150,144	\$ (2,005)	(1.34)
Other Operating Revenue	<u>8,434</u>	<u>964</u>	<u>244</u>	<u>4,674</u>	<u>14,316</u>	<u>13,418</u>	<u>898</u>	6.69
Sub-Total - Operating Revenue	100,017	9,246	2,441	50,751	162,455	163,562	(1,107)	(0.68)
Shared Ride Program	<u>5,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,208</u>	<u>5,453</u>	<u>(245)</u>	(4.49)
TOTAL REVENUE AVAILABLE FOR OPERATIONS	105,225	9,246	2,441	50,751	167,663	169,015	(1,352)	(0.80)
<u>OPERATING EXPENSES</u>								
	<u>291,207</u>	<u>32,105</u>	<u>11,485</u>	<u>115,232</u>	<u>450,029</u>	<u>457,090</u>	<u>7,061</u>	1.54
DEFICIT BEFORE SUBSIDIES	(185,982)	(22,859)	(9,044)	(64,481)	(282,366)	(288,075)	5,709	1.98
OPERATING SUBSIDIES	<u>189,974</u>	<u>23,375</u>	<u>9,243</u>	<u>65,496</u>	<u>288,088</u>	<u>288,075</u>	<u>13</u>	0.00
SURPLUS AFTER SUBSIDIES	\$ <u>3,992</u>	\$ <u>516</u>	\$ <u>199</u>	\$ <u>1,015</u>	\$ <u>5,722</u>	\$ <u>-</u>	\$ <u>5,722</u>	
Unrealized Investment Gain/(Loss)	<u>(310)</u>	<u>(19)</u>	<u>(5)</u>	<u>(161)</u>	<u>(495)</u>	<u>-</u>	<u>(495)</u>	
<u>SURPLUS AFTER INVESTMENT GAIN/(LOSS)</u>	<u>\$ 3,682</u>	<u>\$ 497</u>	<u>\$ 194</u>	<u>\$ 854</u>	<u>\$ 5,227</u>	<u>\$ -</u>	<u>\$ 5,227</u>	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CONSOLIDATING STATEMENT OF REVENUES AND EXPENSES
FOUR MONTH ENDED OCTOBER 27, 2018

(THOUSANDS)

	CITY TRANSIT DIVISION		VICTORY DIVISION		FRONTIER DIVISION		REGIONAL RAIL DIVISION		TOTAL SEPTA	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
OPERATING REVENUES										
Passenger Revenue	\$ 91,553	\$ 91,583	\$ 8,033	\$ 8,282	\$ 2,191	\$ 2,197	\$ 48,367	\$ 46,077	\$ 150,144	\$ 148,139
Shared Ride Program	5,453	5,208	-	-	-	-	-	-	5,453	5,208
Investment Income	431	533	21	25	5	8	448	538	905	1,104
Other Income	7,259	7,901	796	939	247	236	4,211	4,136	12,513	13,212
TOTAL OPERATING REVENUE	104,696	105,225	8,850	9,246	2,443	2,441	53,026	50,751	169,015	167,663
OPERATING EXPENSES										
Labor, including Paid Absences	138,941	134,815	15,151	15,630	6,098	5,948	45,741	46,129	205,931	202,522
Fringe Benefits	89,449	84,765	8,246	8,179	2,760	3,166	23,744	23,489	124,199	119,599
Material & Services	47,375	47,788	6,499	6,232	1,426	1,387	34,549	35,435	89,849	90,842
Injuries & Damages	7,135	7,134	349	349	136	137	1,725	1,725	9,345	9,345
Propulsion Power	3,641	3,549	363	362	-	-	6,199	5,873	10,203	9,784
Fixed Rent	1,174	1,138	58	59	20	19	395	429	1,647	1,645
Fuel	7,133	7,295	1,164	1,222	799	811	208	157	9,304	9,485
Depreciation	4,910	4,723	74	72	16	17	1,612	1,995	6,612	6,807
TOTAL OPERATING EXPENSES	299,758	291,207	31,904	32,105	11,255	11,485	114,173	115,232	457,090	450,029
DEFICIT BEFORE SUBSIDIES	(195,062)	(185,982)	(23,054)	(22,859)	(8,812)	(9,044)	(61,147)	(64,481)	(288,075)	(282,366)
OPERATING SUBSIDIES										
Federal	8,280	8,058	1,002	1,016	374	393	1,810	1,999	11,466	11,466
State	154,476	150,233	19,139	19,406	7,143	7,500	34,584	38,203	215,342	215,342
Local	23,171	22,535	2,871	2,911	1,071	1,125	5,188	5,730	32,301	32,301
Lease Cost/Debt Service	8,727	8,727	42	42	12	12	18,997	18,997	27,778	27,778
Other-Route Guarantees	408	421	-	-	212	213	568	567	1,188	1,201
TOTAL SUBSIDIES	195,062	189,974	23,054	23,375	8,812	9,243	61,147	65,496	288,075	288,088
SURPLUS AFTER SUBSIDIES	\$ -	\$ 3,992	\$ -	\$ 516	\$ -	\$ 199	\$ -	\$ 1,015	\$ -	\$ 5,722
Unrealized Investment Gain/(Loss)	-	(310)	-	(19)	-	(5)	-	(161)	-	(495)
SURPLUS AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 3,682	\$ -	\$ 497	\$ -	\$ 194	\$ -	\$ 854	\$ -	\$ 5,227

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CONSOLIDATING STATEMENT OF INCOME
ONE MONTH ENDED OCTOBER 27, 2018

(THOUSANDS)

	CITY TRANSIT DIVISION	VICTORY DIVISION	FRONTIER DIVISION	REGIONAL RAIL DIVISION	TOTAL SEPTA	BUDGET AMOUNT	BUDGET VARIANCE	
							AMOUNT	PERCENT
<u>OPERATING REVENUES</u>								
Passenger Revenue	\$ 24,133	\$ 2,084	\$ 546	\$ 11,831	\$ 38,594	\$ 39,134	\$ (540)	(1.38)
Other Operating Revenue	<u>2,311</u>	<u>248</u>	<u>64</u>	<u>1,170</u>	<u>3,793</u>	<u>3,354</u>	<u>439</u>	13.09
Sub-Total - Operating Revenue	26,444	2,332	610	13,001	42,387	42,488	(101)	(0.24)
Shared Ride Program	<u>1,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283</u>	<u>1,283</u>	<u>-</u>	-
TOTAL REVENUE AVAILABLE FOR OPERATIONS	27,727	2,332	610	13,001	43,670	43,771	(101)	(0.23)
<u>OPERATING EXPENSES</u>	<u>68,298</u>	<u>7,456</u>	<u>2,764</u>	<u>27,924</u>	<u>106,442</u>	<u>109,305</u>	<u>2,863</u>	2.62
DEFICIT BEFORE SUBSIDIES	(40,571)	(5,124)	(2,154)	(14,923)	(62,772)	(65,534)	2,762	4.21
OPERATING SUBSIDIES	<u>42,494</u>	<u>5,376</u>	<u>2,252</u>	<u>15,422</u>	<u>65,544</u>	<u>65,534</u>	<u>10</u>	0.02
SURPLUS AFTER SUBSIDIES	\$ <u>1,923</u>	\$ <u>252</u>	\$ <u>98</u>	\$ <u>499</u>	\$ <u>2,772</u>	\$ -	\$ <u>2,772</u>	
Unrealized Investment Gain/(Loss)	<u>(78)</u>	<u>(5)</u>	<u>(2)</u>	<u>(36)</u>	<u>(121)</u>	<u>-</u>	<u>(121)</u>	
<u>SURPLUS AFTER INVESTMENT GAIN/(LOSS)</u>	\$ <u>1,845</u>	\$ <u>247</u>	\$ <u>96</u>	\$ <u>463</u>	\$ <u>2,651</u>	\$ -	\$ <u>2,651</u>	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CONSOLIDATING STATEMENT OF REVENUES AND EXPENSES
ONE MONTH ENDED OCTOBER 27, 2018

(THOUSANDS)

	CITY TRANSIT DIVISION		VICTORY DIVISION		FRONTIER DIVISION		REGIONAL RAIL DIVISION		TOTAL SEPTA	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
OPERATING REVENUES										
Passenger Revenue	\$ 23,901	\$ 24,133	\$ 1,985	2,084	542	\$ 546	\$ 12,706	\$ 11,831	\$ 39,134	\$ 38,594
Shared Ride Program	1,283	1,283	-	-	-	-	-	-	1,283	1,283
Investment Income	102	171	5	7	1	3	106	138	214	319
Other Income	1,846	2,140	199	241	63	61	1,032	1,032	3,140	3,474
TOTAL OPERATING REVENUE	27,132	27,727	2,189	2,332	606	610	13,844	13,001	43,771	43,670
OPERATING EXPENSES										
Labor, including Paid Absences	32,348	31,371	3,464	3,605	1,426	1,377	10,681	10,840	47,919	47,193
Fringe Benefits	21,070	19,480	1,944	1,868	648	761	5,667	5,496	29,329	27,605
Material & Services	12,127	11,729	1,617	1,489	346	385	8,911	9,111	23,001	22,714
Injuries & Damages	1,679	1,678	82	82	32	33	422	422	2,215	2,215
Propulsion Power	912	900	90	90	-	-	1,527	1,379	2,529	2,369
Fixed Rent	265	256	14	18	5	7	98	110	382	391
Fuel	1,749	1,707	282	287	196	197	49	50	2,276	2,241
Depreciation	1,226	1,177	19	17	4	4	405	516	1,654	1,714
TOTAL OPERATING EXPENSES	71,376	68,298	7,512	7,456	2,657	2,764	27,760	27,924	109,305	106,442
DEFICIT BEFORE SUBSIDIES	(44,244)	(40,571)	(5,323)	(5,124)	(2,051)	(2,154)	(13,916)	(14,923)	(65,534)	(62,772)
OPERATING SUBSIDIES										
Federal	1,879	1,802	232	234	86	96	412	477	2,609	2,609
State	35,023	33,559	4,419	4,463	1,660	1,826	7,862	9,116	48,964	48,964
Local	5,253	5,034	663	670	249	274	1,180	1,367	7,345	7,345
Lease Cost/Debt Service	1,987	1,987	9	9	3	3	4,320	4,320	6,319	6,319
Other-Route Guarantees	102	112	-	-	53	53	142	142	297	307
TOTAL SUBSIDIES	44,244	42,494	5,323	5,376	2,051	2,252	13,916	15,422	65,534	65,544
SURPLUS AFTER SUBSIDIES	\$ -	\$ 1,923	\$ -	\$ 252	\$ -	\$ 98	\$ -	\$ 499	\$ -	\$ 2,772
Unrealized Investment Gain/(Loss)	-	(78)	-	(5)	-	(2)	-	(36)	-	(121)
SURPLUS AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 1,845	\$ -	\$ 247	\$ -	\$ 96	\$ -	\$ 463	\$ -	\$ 2,651

FINANCIAL REPORT - OCTOBER 2018

GROUP 2 - CITY TRANSIT DIVISION

- (2.1) Comparative Statement of Income
- (2.2) Detail Income Statement - (One Month)
- (2.3) Detail Income Statement - (YTD)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CITY TRANSIT DIVISION
COMPARATIVE STATEMENT OF INCOME
PERIOD ENDED OCTOBER 27, 2018

(THOUSANDS)

ONE MONTH ENDED OCTOBER 27, 2018					FOUR MONTHS ENDED OCTOBER 27, 2018				
THIS YEAR			LAST YEAR		THIS YEAR			LAST YEAR	
BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %	BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %
					<u>OPERATING REVENUES</u>				
\$ 23,901	\$ 24,133	0.97	\$ 23,787	1.45	\$ 91,553	\$ 91,583	0.03	\$ 89,719	2.08
1,948	2,311	18.63	1,922	20.24	7,690	8,434	9.67	7,374	14.37
<u>25,849</u>	<u>26,444</u>	2.30	<u>25,709</u>	2.86	<u>99,243</u>	<u>100,017</u>	0.78	<u>97,093</u>	3.01
1,283	1,283	0.00	1,360	(5.66)	5,453	5,208	(4.49)	5,737	(9.22)
<u>27,132</u>	<u>27,727</u>	2.19	<u>27,069</u>	2.43	<u>104,696</u>	<u>105,225</u>	0.51	<u>102,830</u>	2.33
71,376	68,298	4.31	69,527	1.77	299,758	291,207	2.85	292,075	0.30
<u>(44,244)</u>	<u>(40,571)</u>	8.30	<u>(42,458)</u>	4.44	<u>(195,062)</u>	<u>(185,982)</u>	4.65	<u>(189,245)</u>	1.72
<u>44,244</u>	<u>42,494</u>	(3.96)	<u>43,298</u>	(1.86)	<u>195,062</u>	<u>189,974</u>	(2.61)	<u>191,322</u>	(0.70)
<u>-</u>	<u>1,923</u>		<u>840</u>		<u>-</u>	<u>3,992</u>		<u>2,077</u>	
<u>-</u>	<u>(78)</u>		<u>(54)</u>		<u>-</u>	<u>(310)</u>		<u>(64)</u>	
<u>\$ -</u>	<u>\$ 1,845</u>		<u>\$ 786</u>		<u>\$ -</u>	<u>\$ 3,682</u>		<u>\$ 2,013</u>	
5,026	4,965	(1.21)	4,929	0.73	20,514	20,606	0.45	20,376	1.13
410	375	(8.54)	388	(3.35)	1,613	1,545	(4.22)	1,639	(5.74)
13,534	13,406	(0.95)	12,676	5.76	51,952	50,569	(2.66)	51,247	(1.32)
52	47	(9.62)	51	(7.84)	217	194	(10.60)	213	(8.92)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CITY TRANSIT DIVISION
DETAIL INCOME STATEMENT
ONE MONTH ENDED OCTOBER 27, 2018

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR BUDGET ACTUAL		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		AMOUNT	AMOUNT	AMOUNT	%
			<u>OPERATING REVENUES</u>				
\$ 23,787	\$ 346	1.45	Passenger Revenue	\$ 23,901	\$ 24,133	\$ 232	0.97
110	61	55.45	Investment Income	102	171	69	67.65
1,812	328	18.10	Other Income	1,846	2,140	294	15.93
25,709	735	2.86	SUB-TOTAL	25,849	26,444	595	2.30
1,360	(77)	(5.66)	Shared Ride Program	1,283	1,283	-	-
27,069	658	2.43	TOTAL REVENUE AVAILABLE FOR OPERATIONS	27,132	27,727	595	2.19
			<u>OPERATING EXPENSES</u>				
52,430	1,579	3.01	Labor & Fringe Benefits	53,418	50,851	2,567	4.81
11,517	(212)	(1.84)	Material & Services	12,127	11,729	398	3.28
1,742	64	3.67	Injuries & Damages	1,679	1,678	1	0.06
886	(14)	(1.58)	Propulsion Power	912	900	12	1.32
279	23	8.24	Fixed Rent	265	256	9	3.40
1,512	(195)	(12.90)	Fuel	1,749	1,707	42	2.40
1,161	(16)	(1.38)	Depreciation	1,226	1,177	49	4.00
69,527	1,229	1.77	TOTAL OPERATING EXPENSES	71,376	68,298	3,078	4.31
(42,458)	1,887	4.44	DEFICIT BEFORE SUBSIDIES	(44,244)	(40,571)	3,673	8.30
			<u>OPERATING SUBSIDIES</u>				
1,859	(57)	(3.07)	Federal	1,879	1,802	(77)	(4.10)
34,130	(571)	(1.67)	State	35,023	33,559	(1,464)	(4.18)
5,119	(85)	(1.66)	Local	5,253	5,034	(219)	(4.17)
2,084	(97)	(4.65)	Lease Cost/Debt Service	1,987	1,987	-	-
106	6	5.66	Other - Route Guarantees	102	112	10	9.80
43,298	(804)	(1.86)	TOTAL OPERATING SUBSIDIES	44,244	42,494	(1,750)	(3.96)
840	1,083	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	1,923	1,923	-
(54)	(24)		Unrealized Investment Gain/(Loss)	-	(78)	(78)	
\$ 786	\$ 1,059		SURPLUS/(DEFICIT) After Investment Gain/(Loss)	\$ -	\$ 1,845	\$ 1,845	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CITY TRANSIT DIVISION
DETAIL INCOME STATEMENT
FOUR MONTHS ENDED OCTOBER 27, 2018

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL			THIS YEAR		THIS YEAR ACTUAL	
	BETTER (WORSE) LAST YEAR AMOUNT	%		BUDGET AMOUNT	ACTUAL AMOUNT	BETTER (WORSE) BUDGET AMOUNT	%
			<u>OPERATING REVENUES</u>				
\$ 89,719	\$ 1,864	2.08	Passenger Revenue	\$ 91,553	\$ 91,583	\$ 30	0.03
421	112	26.60	Investment Income	431	533	102	23.67
6,953	948	13.63	Other Income	7,259	7,901	642	8.84
97,093	2,924	3.01	SUB-TOTAL	99,243	100,017	774	0.78
5,737	(529)	(9.22)	Shared Ride Program	5,453	5,208	(245)	(4.49)
102,830	2,395	2.33	TOTAL REVENUE AVAILABLE FOR OPERATIONS	104,696	105,225	529	0.51
			<u>OPERATING EXPENSES</u>				
223,210	3,630	1.63	Labor & Fringe Benefits	228,390	219,580	8,810	3.86
45,841	(1,947)	(4.25)	Material & Services	47,375	47,788	(413)	(0.87)
7,526	392	5.21	Injuries & Damages	7,135	7,134	1	0.01
3,587	38	1.06	Propulsion Power	3,641	3,549	92	2.53
1,107	(31)	(2.80)	Fixed Rent	1,174	1,138	36	3.07
6,184	(1,111)	(17.97)	Fuel	7,133	7,295	(162)	(2.27)
4,620	(103)	(2.23)	Depreciation	4,910	4,723	187	3.81
292,075	868	0.30	TOTAL OPERATING EXPENSES	299,758	291,207	8,551	2.85
(189,245)	3,263	1.72	DEFICIT BEFORE SUBSIDIES	(195,062)	(185,982)	9,080	4.65
			<u>OPERATING SUBSIDIES</u>				
8,819	(761)	(8.63)	Federal	8,280	8,058	(222)	(2.68)
150,368	(135)	(0.09)	State	154,476	150,233	(4,243)	(2.75)
22,555	(20)	(0.09)	Local	23,171	22,535	(636)	(2.74)
9,154	(427)	(4.66)	Lease Cost/Debt Service	8,727	8,727	-	-
426	(5)	(1.17)	Other - Route Guarantees	408	421	13	3.19
191,322	(1,348)	(0.70)	TOTAL OPERATING SUBSIDIES	195,062	189,974	(5,088)	(2.61)
2,077	1,915	(92.20)	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	3,992	3,992	-
(64)	(246)		Unrealized Investment Gain/(Loss)	-	(310)	(310)	
\$ 2,013	\$ 1,669		SURPLUS/(DEFICIT) After Investment Gain/(Loss)	\$ -	\$ 3,682	\$ 3,682	

FINANCIAL REPORT - OCTOBER 2018

GROUP 3 - VICTORY DIVISION

- (3.1) Comparative Statement of Income
- (3.2) Detail Income Statement - (One Month)
- (3.3) Detail Income Statement - (YTD)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
VICTORY DIVISION
COMPARATIVE STATEMENT OF INCOME
PERIOD ENDED OCTOBER 27, 2018

(THOUSANDS)

ONE MONTH ENDED OCTOBER 27, 2018					FOUR MONTHS ENDED OCTOBER 27, 2018					
THIS YEAR			LAST YEAR			THIS YEAR		LAST YEAR		
BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %		BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %
					<u>OPERATING REVENUES</u>					
\$ 1,985	\$ 2,084	4.99	\$ 2,009	3.73	Passenger Revenue	\$ 8,033	\$ 8,282	3.10	\$ 8,099	2.26
204	248	21.57	186	33.33	Other Operating Revenue	817	964	17.99	708	36.16
<u>2,189</u>	<u>2,332</u>	6.53	<u>2,195</u>	6.24	TOTAL REVENUE AVAILABLE FOR OPERATIONS	<u>8,850</u>	<u>9,246</u>	4.47	<u>8,807</u>	4.98
<u>7,512</u>	<u>7,456</u>	0.75	<u>8,170</u>	8.74	OPERATING EXPENSES	<u>31,904</u>	<u>32,105</u>	(0.63)	<u>32,200</u>	0.30
(5,323)	(5,124)	3.74	(5,975)	14.24	DEFICIT BEFORE SUBSIDIES	(23,054)	(22,859)	0.85	(23,393)	2.28
<u>5,323</u>	<u>5,376</u>	1.00	<u>6,091</u>	(11.74)	OPERATING SUBSIDIES	<u>23,054</u>	<u>23,375</u>	1.39	<u>23,664</u>	(1.22)
<u>-</u>	<u>252</u>		<u>116</u>		SURPLUS/(DEFICIT) AFTER SUBSIDIES	<u>-</u>	<u>516</u>		<u>271</u>	
<u>-</u>	<u>(5)</u>		<u>(3)</u>		Unrealized Investment Gain/(Loss)	<u>-</u>	<u>(19)</u>		<u>(5)</u>	
<u>\$ -</u>	<u>\$ 247</u>		<u>\$ 113</u>		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	<u>\$ -</u>	<u>\$ 497</u>		<u>\$ 266</u>	
921	904	(1.85)	906	(0.22)	TOTAL VEHICLE MILES	3,757	3,722	(0.93)	3,786	(1.69)
1,049	1,071	2.10	1,062	0.85	REVENUE PASSENGER JOURNEYS	4,268	4,275	0.16	4,354	(1.81)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
VICTORY DIVISION
DETAIL INCOME STATEMENT
ONE MONTH ENDED OCTOBER 27, 2018

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR		THIS YEAR BUDGET AMOUNT		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		ACTUAL AMOUNT	AMOUNT	%
			<u>OPERATING REVENUES</u>			
\$ 2,009	\$ 75	3.73	Passenger Revenue	\$ 1,985	\$ 2,084	\$ 99 4.99
6	1	16.67	Investment Income	5	7	2 40.00
180	61	33.89	Other Income	199	241	42 21.11
2,195	137	6.24	TOTAL REVENUE AVAILABLE FOR OPERATIONS	2,189	2,332	143 6.53
			<u>OPERATING EXPENSES</u>			
6,267	794	12.67	Labor & Fringe Benefits	5,408	5,473	(65) (1.20)
1,451	(38)	(2.62)	Material & Services	1,617	1,489	128 7.92
82	-	-	Injuries & Damages	82	82	- -
90	-	-	Propulsion Power	90	90	- -
13	(5)	(38.46)	Fixed Rent	14	18	(4) (28.57)
250	(37)	(14.80)	Fuel	282	287	(5) (1.77)
17	1	5.88	Depreciation	19	17	2 10.53
8,170	714	8.74	TOTAL OPERATING EXPENSES	7,512	7,456	56 0.75
(5,975)	851	14.24	DEFICIT BEFORE SUBSIDIES	(5,323)	(5,124)	199 3.74
			<u>OPERATING SUBSIDIES</u>			
268	(34)	(12.69)	Federal	232	234	2 0.86
5,054	(591)	(11.69)	State	4,419	4,463	44 1.00
758	(88)	(11.61)	Local	663	670	7 1.06
11	(2)	(18.18)	Lease Cost/Debt Service	9	9	- -
-	-	-	Other - Route Guarantees	-	-	- -
6,091	(715)	(11.74)	TOTAL OPERATING SUBSIDIES	5,323	5,376	53 1.00
116	136	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	252	252 -
(3)	(2)		Unrealized Investment Gain/(Loss)	-	(5)	(5)
\$ 113	\$ 134		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS) \$	-	\$ 247	\$ 247

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
VICTORY DIVISION
DETAIL INCOME STATEMENT
FOUR MONTHS ENDED OCTOBER 27, 2018

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR BUDGET ACTUAL		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		AMOUNT	AMOUNT	AMOUNT	%
			<u>OPERATING REVENUES</u>				
\$ 8,099	\$ 183	2.26	Passenger Revenue	\$ 8,033	\$ 8,282	\$ 249	3.10
21	4	19.05	Investment Income	21	25	4	19.05
687	252	36.68	Other Income	796	939	143	17.96
8,807	439	4.98	TOTAL REVENUE AVAILABLE FOR OPERATIONS	8,850	9,246	396	4.47
			<u>OPERATING EXPENSES</u>				
24,170	361	1.49	Labor & Fringe Benefits	23,397	23,809	(412)	(1.76)
6,162	(70)	(1.14)	Material & Services	6,499	6,232	267	4.11
354	5	1.41	Injuries & Damages	349	349	-	-
343	(19)	(5.54)	Propulsion Power	363	362	1	0.28
50	(9)	(18.00)	Fixed Rent	58	59	(1)	(1.72)
1,052	(170)	(16.16)	Fuel	1,164	1,222	(58)	(4.98)
69	(3)	(4.35)	Depreciation	74	72	2	2.70
32,200	95	0.30	TOTAL OPERATING EXPENSES	31,904	32,105	(201)	(0.63)
(23,393)	534	2.28	DEFICIT BEFORE SUBSIDIES	(23,054)	(22,859)	195	0.85
			<u>OPERATING SUBSIDIES</u>				
1,037	(21)	(2.03)	Federal	1,002	1,016	14	1.40
19,633	(227)	(1.16)	State	19,139	19,406	267	1.40
2,945	(34)	(1.15)	Local	2,871	2,911	40	1.39
49	(7)	(14.29)	Lease Cost/Debt Service	42	42	-	-
-	-	0.00	Other - Route Guarantees	-	-	-	0.00
23,664	(289)	(1.22)	TOTAL OPERATING SUBSIDIES	23,054	23,375	321	1.39
271	245	(90.41)	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	516	516	-
(5)	(14)		Unrealized Investment Gain/(Loss)	-	(19)	(19)	
\$ 266	\$ 231		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 497	\$ 497	

FINANCIAL REPORT - OCTOBER 2018

GROUP 4 - FRONTIER DIVISION

- (4.1) Comparative Statement of Income
- (4.2) Detail Income Statement - (One Month)
- (4.3) Detail Income Statement - (YTD)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
FRONTIER DIVISION
DETAIL INCOME STATEMENT
ONE MONTH ENDED OCTOBER 27, 2018

(THOUSANDS)

<u>LAST YEAR</u> <u>AMOUNT</u>	<u>THIS YEAR ACTUAL</u> <u>BETTER (WORSE) LAST YEAR</u>				<u>THIS YEAR</u>		<u>THIS YEAR ACTUAL</u> <u>BETTER (WORSE) BUDGET</u>	
	<u>AMOUNT</u>	<u>%</u>			<u>BUDGET</u> <u>AMOUNT</u>	<u>ACTUAL</u> <u>AMOUNT</u>	<u>AMOUNT</u>	<u>%</u>
\$ 519	\$ 27	5.20	<u>OPERATING REVENUES</u>		\$ 542	\$ 546	\$ 4	0.74
2	1	50.00	Passenger Revenue		1	3	2	-
63	(2)	(3.17)	Investment Income		63	61	(2)	(3.17)
<u>584</u>	<u>26</u>	<u>4.45</u>	Other Income		<u>606</u>	<u>610</u>	<u>4</u>	<u>0.66</u>
			TOTAL REVENUE AVAILABLE FOR OPERATIONS					
			<u>OPERATING EXPENSES</u>					
2,112	(26)	(1.23)	Labor & Fringe Benefits		2,074	2,138	(64)	(3.09)
327	(58)	(17.74)	Material & Services		346	385	(39)	(11.27)
40	7	17.50	Injuries & Damages		32	33	(1)	(3.13)
4	(3)	(75.00)	Fixed Rent		5	7	(2)	(40.00)
162	(35)	(21.60)	Fuel		196	197	(1)	(0.51)
4	-	-	Depreciation		4	4	-	-
<u>2,649</u>	<u>(115)</u>	<u>(4.34)</u>	TOTAL OPERATING EXPENSES		<u>2,657</u>	<u>2,764</u>	<u>(107)</u>	<u>(4.03)</u>
			DEFICIT BEFORE SUBSIDIES		<u>(2,051)</u>	<u>(2,154)</u>	<u>(103)</u>	<u>(5.02)</u>
<u>(2,065)</u>	<u>(89)</u>	<u>(4.31)</u>	<u>OPERATING SUBSIDIES</u>					
91	5	5.49	Federal		86	96	10	11.63
1,704	122	7.16	State		1,660	1,826	166	10.00
255	19	7.45	Local		249	274	25	10.04
3	-	-	Lease Cost/Debt Service		3	3	-	-
52	1	1.92	Other - Route Guarantees		53	53	-	-
<u>2,105</u>	<u>147</u>	<u>6.98</u>	TOTAL OPERATING SUBSIDIES		<u>2,051</u>	<u>2,252</u>	<u>201</u>	<u>9.80</u>
			SURPLUS/(DEFICIT) AFTER SUBSIDIES		<u>-</u>	<u>98</u>	<u>98</u>	<u>-</u>
40	58	-	Unrealized Investment Gain/(Loss)		<u>-</u>	<u>(2)</u>	<u>(2)</u>	<u>-</u>
<u>(1)</u>	<u>(1)</u>		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS) \$		<u>-</u>	<u>\$ 96</u>	<u>\$ 96</u>	
\$ <u>39</u>	\$ <u>57</u>							

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
FRONTIER DIVISION
DETAIL INCOME STATEMENT
FOUR MONTHS ENDED OCTOBER 27, 2018

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR		THIS YEAR BUDGET ACTUAL		THIS YEAR ACTUAL BETTER (WORSE) BUDGET		
	AMOUNT	%	AMOUNT	AMOUNT	AMOUNT	%	
<u>OPERATING REVENUES</u>							
\$ 2,069	\$ 128	6.19	Passenger Revenue	\$ 2,191	\$ 2,197	\$ 6	0.27
6	2	33.33	Investment Income	5	8	3	60.00
230	6	2.61	Other Income	247	236	(11)	(4.45)
2,305	136	5.90	TOTAL REVENUE AVAILABLE FOR OPERATIONS	2,443	2,441	(2)	(0.08)
 <u>OPERATING EXPENSES</u>							
8,864	(250)	(2.82)	Labor & Fringe Benefits	8,858	9,114	(256)	(2.89)
1,326	(61)	(4.60)	Material & Services	1,426	1,387	39	2.73
173	36	20.81	Injuries & Damages	136	137	(1)	(0.74)
17	(2)	(11.76)	Fixed Rent	20	19	1	5.00
660	(151)	(22.88)	Fuel	799	811	(12)	(1.50)
16	(1)	(6.25)	Depreciation	16	17	(1)	(6.25)
11,056	(429)	(3.88)	TOTAL OPERATING EXPENSES	11,255	11,485	(230)	(2.04)
(8,751)	(293)	(3.35)	DEFICIT BEFORE SUBSIDIES	(8,812)	(9,044)	(232)	(2.63)
 <u>OPERATING SUBSIDIES</u>							
389	4	1.03	Federal	374	393	19	5.08
7,163	337	4.70	State	7,143	7,500	357	5.00
1,074	51	4.75	Local	1,071	1,125	54	5.04
13	(1)	(7.69)	Lease Cost/Debt Service	12	12	-	-
210	3	1.43	Other - Route Guarantees	212	213	1	0.47
8,849	394	4.45	TOTAL OPERATING SUBSIDIES	8,812	9,243	431	4.89
98	101	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	199	199	-
(2)	(3)		Unrealized Investment Gain/(Loss)	-	(5)	(5)	
\$ 96	\$ 98		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS) \$	-	194	194	

FINANCIAL REPORT - OCTOBER 2018

GROUP 5 - REGIONAL RAIL DIVISION

- (5.1) Comparative Statement of Income
- (5.2) Detail Income Statement - (One Month)
- (5.3) Detail Income Statement - (YTD)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
REGIONAL RAIL DIVISION
COMPARATIVE STATEMENT OF INCOME
PERIOD ENDED OCTOBER 27, 2018

(THOUSANDS)

ONE MONTH ENDED OCTOBER 27, 2018					FOUR MONTHS ENDED OCTOBER 27, 2018				
THIS YEAR			LAST YEAR		THIS YEAR			LAST YEAR	
BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %	BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %
					<u>OPERATING REVENUES</u>				
\$ 12,706	\$ 11,831	(6.89)	\$ 12,356	(4.25)	\$ 48,367	\$ 46,077	(4.73)	\$ 46,927	(1.81)
1,138	1,170	2.81	1,125	4.00	4,659	4,674	0.32	4,345	7.57
<u>13,844</u>	<u>13,001</u>	(6.09)	<u>13,481</u>	(3.56)	<u>53,026</u>	<u>50,751</u>	(4.29)	<u>51,272</u>	(1.02)
					TOTAL REVENUE AVAILABLE FOR OPERATIONS				
<u>27,760</u>	<u>27,924</u>	(0.59)	<u>27,319</u>	(2.21)	<u>114,173</u>	<u>115,232</u>	(0.93)	<u>116,273</u>	0.90
(13,916)	(14,923)	(7.24)	(13,838)	(7.84)	(61,147)	(64,481)	(5.45)	(65,001)	0.80
					OPERATING EXPENSES				
<u>13,916</u>	<u>15,422</u>	10.82	<u>14,039</u>	9.85	<u>61,147</u>	<u>65,496</u>	7.11	<u>65,513</u>	(0.03)
					DEFICIT BEFORE SUBSIDIES				
<u>-</u>	<u>499</u>		<u>201</u>		<u>-</u>	<u>1,015</u>		<u>512</u>	
					OPERATING SUBSIDIES				
<u>-</u>	<u>(36)</u>		<u>(12)</u>		<u>-</u>	<u>(161)</u>		<u>52</u>	
					SURPLUS/(DEFICIT) AFTER SUBSIDIES				
<u>\$ -</u>	<u>\$ 463</u>		<u>\$ 189</u>		<u>\$ -</u>	<u>\$ 854</u>		<u>\$ 564</u>	
					Unrealized Investment Gain/(Loss)				
					SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)				
1,677	1,645	(1.91)	1,642	0.18	7,082	6,885	(2.78)	6,956	(1.02)
					TOTAL VEHICLE MILES				
2,938	2,792	(4.97)	2,888	(3.32)	11,324	10,902	(3.73)	11,049	(1.33)
					REVENUE PASSENGER JOURNEYS				

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
REGIONAL RAIL DIVISION
DETAIL INCOME STATEMENT
FOUR MONTHS ENDED OCTOBER 27, 2018

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR		THIS YEAR BUDGET ACTUAL		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%	AMOUNT	AMOUNT	AMOUNT	%
<u>OPERATING REVENUES</u>						
\$ 46,927	\$ (850)	(1.81)	\$ 48,367	\$ 46,077	\$ (2,290)	(4.73)
448	90	20.09	448	538	90	20.09
3,897	239	6.13	4,211	4,136	(75)	(1.78)
51,272	(521)	(1.02)	53,026	50,751	(2,275)	(4.29)
<u>OPERATING EXPENSES</u>						
71,892	2,274	3.16	69,485	69,618	(133)	(0.19)
33,705	(1,730)	(5.13)	34,549	35,435	(886)	(2.56)
1,855	130	7.01	1,725	1,725	-	-
5,896	23	0.39	6,199	5,873	326	5.26
424	(5)	(1.18)	395	429	(34)	(8.61)
143	(14)	(9.79)	208	157	51	24.52
2,358	363	15.39	1,612	1,995	(383)	(23.76)
116,273	1,041	0.90	114,173	115,232	(1,059)	(0.93)
(65,001)	520	0.80	(61,147)	(64,481)	(3,334)	(5.45)
<u>OPERATING SUBSIDIES</u>						
2,855	(856)	(29.98)	1,810	1,999	189	10.44
36,997	1,206	3.26	34,584	38,203	3,619	10.46
5,550	180	3.24	5,188	5,730	542	10.45
19,697	(700)	(3.55)	18,997	18,997	-	-
414	153	36.96	568	567	(1)	(0.18)
65,513	(17)	(0.03)	61,147	65,496	4,349	7.11
512	503	(98.24)	-	1,015	1,015	-
52	(213)		-	(161)	(161)	
\$ 564	\$ 290		\$ -	\$ 854	\$ 854	