OPERATING AND CAPITAL IMPROVEMENT BUDGET

Fiscal Year 2026

July 1, 2025 – June 30, 2026

PRT

Pittsburgh Regional Transit

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GFOA Award

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Port Authority of Allegheny County, for its Annual Budget for the fiscal year beginning July 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

Port Authority of Allegheny County Pennsylvania

For the Fiscal Year Beginning

July 01, 2024

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Executive Director

Pittsburgh Regional Transit

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Emma Shoucair, Vice Chairperson of the Board of Directors

Joseph Totten, Secretary of the Board of Directors

Senator Lindsey Williams, Treasurer of the Board of Directors

Directors

Representative Aerion Abney

Chris W. Brussalis

Thomas Burgunder

Bobbie Fan

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Stephanie Turman

Senator Lindsey Williams

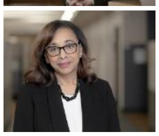
Chief Executive Officer

Katharine Kelleman

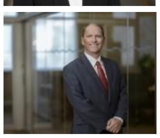
Senior Staff

Donminika Brown, Chief Financial Officer

Michael Cetra, Chief Legal Officer

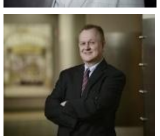


Inez Colon, Chief Human Resources Officer

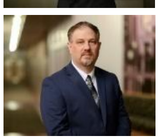


Jeffrey Devlin, Chief Information Officer

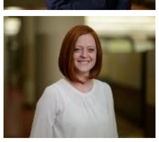
Charles Reeves, Chief Transportation Officer



James Ritchie, Chief Communications Officer



Donald A. Rivetti, Jr., Chief Maintenance Officer



Amy Silbermann, Chief Development Officer

Heinz 57 Center
345 Sixth Avenue Floor 3
Pittsburgh, PA 15222-2327
(412) 566-5500
www.rideprt.org

Message from the CEO

Introduction

I am pleased to present Pittsburgh Regional Transit's (PRT) Fiscal Year 2026 Operating and Capital Budgets for the year ending June 30, 2026. This document outlines a financial plan that will guide day-to-day decision-making at PRT, while also providing a strategic foundation for our long-term vision. Like many transit agencies across the nation, PRT faces slow ridership growth and reduced reserves to support future operations. The FY 2026 budget serves as a financial roadmap not only for PRT but also for our community stakeholders and policymakers at the federal, state, and local levels who play a crucial role in ensuring that PRT has the resources necessary to continue serving our riders.

This budget season was unique from the perspective PRT passed two Operating and Capital Budgets during the budget season. Absent additional State and County Operating Assistance, PRT's Board of Directors passed an initial FY2026 Operating Budget that contained significant service reductions coupled with a fare increase in the second half of the fiscal year. Subsequent to passage of the initial budget, the Commonwealth developed a short-term, temporary solution whereby one-year's worth of capital funding can be repurposed over two fiscal years specifically for Operating Budget purposes. This funding change permitted PRT to cancel the planned service reductions and fare increase for the time being until a more permanent funding solution is passed.

Background

FY 2025 marked the third full fiscal year since FY 2019 that PRT was not operating under a COVID-19 national emergency. During the three-year period from March 2020 to April 2023, we implemented numerous initiatives to enhance safety for our riders and employees. In FY 2025, we maintained our focus on safety while addressing staffing shortages that affected service reliability. To attract new talent, we increased our community outreach and doubled the capacity of our training classes from 25 to 50 new hires which has drastically reduced the number of Operator vacancies and out-of-service levels.

PRT received over $502.5 million in federal stimulus funding to mitigate the impact of the pandemic. During FY 2025, PRT invoiced the remaining $10.2 million of federal pandemic funding available to offset reduced passenger revenues. The $502.5 million in federal stimulus has resulted in PRT accumulating approximately $411 million in deferred State Operating Revenue Reserves to address future structural Operating Budget deficits including the $11.2 million operating deficit in FY2025. PRT enters FY2026 with approximately $399.9 million in deferred revenue.

State Capital Funding increased slightly in FY 2026 to $139.9 million from $135.9 million in FY 2025. The Commonwealth permitted use of capital funding for operating purposes will re-direct $106.7 million of the $139.9 million total towards the FY2026 and FY2027 Operating Budgets. This change reflects adjustments to public transportation funding mechanisms under ACT 89. Previously, $450 million in bond financing from the Pennsylvania Turnpike funded public transportation capital projects. Since FY 2023, $400 million in Statewide transportation funding now comes from the Motor Vehicle Fund. This shift will benefit PRT as a source of debt service funding towards the purchase of new Light Rail Vehicles. Current plans are for a bid document to be made public in the fourth quarter of FY2026 with the final vehicle being delivered in 2032.

Opportunities

PRT's Strategic Plan and PRT's long-range plan, NEXTransit, both acknowledge that the Pittsburgh region's public transportation model has changed since the pandemic's inception. One major initiative is Bus Line Redesign, our first complete network redesign in over a decade. This effort, launched in FY 2023, aims to rethink our bus network to improve service quality and reliability, expand connections, attract new riders, and better serve communities with the greatest transit needs. Our approach is data-driven and includes extensive public engagement. The redesign focuses on increasing bus frequencies, enhancing geographic access to frequent transit, and simplifying the network for riders.

Additionally, PRT continues to emphasize and market two new fare programs. In partnership with Allegheny County's Department of Human Services, half-price fares are available to eligible SNAP recipients. In FY 2026, we will full-scale market our Ready2Ride PRTner Pass Program, allowing employers, multi-unit residential owners, and schools not currently participating in the U-PASS program to purchase heavily discounted passes in exchange for committing to provide passes for all eligible individuals. Participation levels will be monitored and product offerings could be adjusted based customer feedback and fiscal constraints.

Future Challenges

While PRT is seeing gradual increases in passenger revenue, the long-term impacts of the pandemic remain uncertain. Some major Downtown employers are contemplating reverting to 5 day a week in-office schedules in FY2026 which could jumpstart ridership, but these announcements are only rumors at this point. We must remain adaptable as we address evolving rider needs, including the growing convenience of grocery and food delivery and the continuation of remote work. PRT is actively collaborating with transit agencies across the Commonwealth and with state and local leaders to secure permanent, growing State funding that will maintain service and keep public transit economical for its customers.

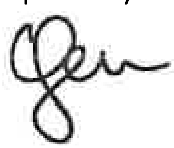
Despite these challenges, we continue to invest in critical infrastructure, including the $291 million Bus Rapid Transit (BRT) project between Oakland and Downtown. Construction on the first phase, focusing on station and design improvements in downtown Pittsburgh is complete. Construction on the second phase of the project is underway.

Looking ahead, PRT remains committed to projects outlined in the NEXTransit Long-Range Plan, including the replacement of the Main Bus Repair Shop with a state-of-the-art facility and the construction of a fifth bus garage to alleviate overcrowding. However, without dependable capital funding it will be challenging to initiate any work on these projects beyond project design.

Acknowledgement

I would like to thank PRT's Board for their leadership and support during these dynamic and often tumultuous times. I also want to extend my gratitude to our dedicated employees for their commitment to providing excellent service. Most importantly, I want to express my appreciation to our loyal riders. It is an honor to serve you, and we look forward to continuing to meet your transportation needs.

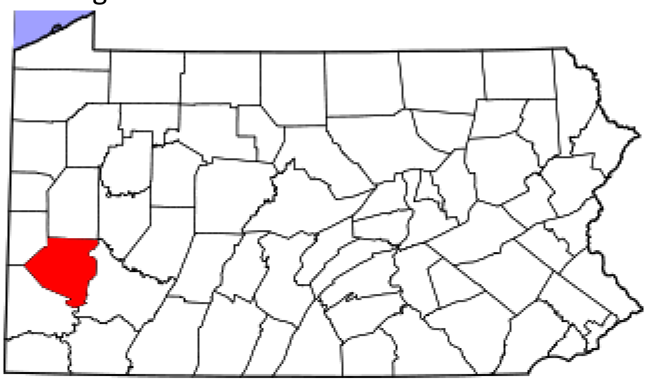
Respectfully submitted,



Katharine Kelleman
Chief Executive Officer
Pittsburgh Regional Transit

Allegheny County

Allegheny County is located in the Southwestern corner of Pennsylvania. It was founded on September 24, 1788, by General John Forbes, who combined portions of Westmoreland and Washington Counties. At the center of the County, the Allegheny and the Monongahela rivers converge to create the headwaters of the Ohio River. The population, per the 2020 Decennial Census, stands at 1,250,578 which makes it the second most populous county in Pennsylvania. The City of Pittsburgh, located in the heart of the three rivers, is the county seat. The County is 745-square miles; 730 square miles of land and 15 square miles of water. Much of Allegheny County is covered with forests and farmland. Temperatures are highest in July with an average of 83 degrees and January is the coldest with an average low of 21 degrees. Average precipitation is 3.1 inches per month with approximately 142 days per year with some level of precipitation.



According to the most recent census, there were 612,446 households and 2.89 persons per household residing in Allegheny County. Population density was 1,713 per square mile of land. The racial makeup was 79.1% White, 13.5% Black or African American, 0.2% American Indian, 4.5% Asian, and 3% Hispanic or Latino. About 2.7% of the population were two or more races. 51.2% of the population was female. 18.5% of the population were 18 years of age or younger while 20.8% where 65 years of age or older.

The County is home to several Fortune 500 companies including PPG Industries, PNC Financial Services, United States Steel, Dicks Sporting Goods, Alcoa, and WESCO International. In addition to corporate headquarters, Allegheny County has world renowned cultural attractions. The Carnegie Museums, the Andy Warhol Museum of Art, the Pittsburgh Zoo, the National Aviary, and the Heinz History Center are all located in the region. These major employers and cultural attractions helped Pittsburgh and Allegheny County to be ranked No. 3 on the *2019 National Geographic Traveller Cool List,* and help Pittsburgh get ranked in the top 10 cities to live and travel to by various organizations including *WalletHub* and the *Economic Intelligence Unit*.

The County is governed under a Home Rule Charter. This structure was implemented in 2000 and abolished a three-commissioner system. Under the Home Rule Charter, the County residents elect a County Chief Executive Officer and a 15-member Council.

Port Authority of Allegheny County, DBA Pittsburgh Regional Transit (PRT)

The Port Authority of Allegheny County was established in January of 1958 and operates pursuant to the Commonwealth of Pennsylvania's Second-Class County Port Authority Act. The transit operations for the modern-day Port Authority began on March 1, 1964, with the formal consolidation of 33 private transportation carriers, including Pittsburgh Railways Company. The Authority was created for the purpose of planning, acquiring, and holding, constructing, improving, maintaining, and operating a comprehensive public transportation system within Allegheny County by utilizing the full powers of the Second-Class County Port Authority Act. The powers of the Authority also include the ability to borrow money for costs of projects related to the Authority and to issue negotiable, interest-bearing debt obligations. Any debt issuance by the Authority is the obligation of the Authority and shall not become indebted or an obligation to the Commonwealth or Allegheny County.

As of FY 2023 the organization is referred to as Pittsburgh Regional Transit. The name change is part of a re-branding campaign to be completed over the next few years. Pittsburgh Regional Transit operates within the 745-sq miles of the County, serving a population base of 1.251 million people. The transit network includes fixed route bus service, the light rail system, and the Monongahela Incline. The Agency also provides ACCESS service, a coordinated, shared-ride paratransit system offering door-to-door, advanced reservation transportation for elderly and handicapped persons. ACCESS has been recognized as one of the nation's premier paratransit systems.

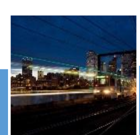
Pittsburgh Regional Transit directly operates approximately 700 buses that vary in size from 35 to 60 feet, 80 light rail vehicles, and the Monongahela Incline. PRT assets include 7 maintenance and storage garages, 3 exclusive busways (the 4.3-mile South Busway, the 9.2-mile Martin Luther King Jr. Busway, and the 5-mile West Busway), the Wabash Tunnel and the 26.2 mile "T" light rail system.

In 2013 the Commonwealth of Pennsylvania passed legislation that altered the composition of the Port Authority of Allegheny County's Board of Directors. Under the new legislation the board increased to 11 members that are appointed by the Governor, two caucuses of the General Assembly, the County Executive, and County Council. The board structure provides representation from the funding stakeholders.

FY 2025

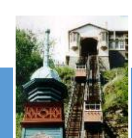
Bus

- Vehicles - 698
- Ridership - 32,983,553
- Stations - 15
- Stops - 6,716



Light Rail

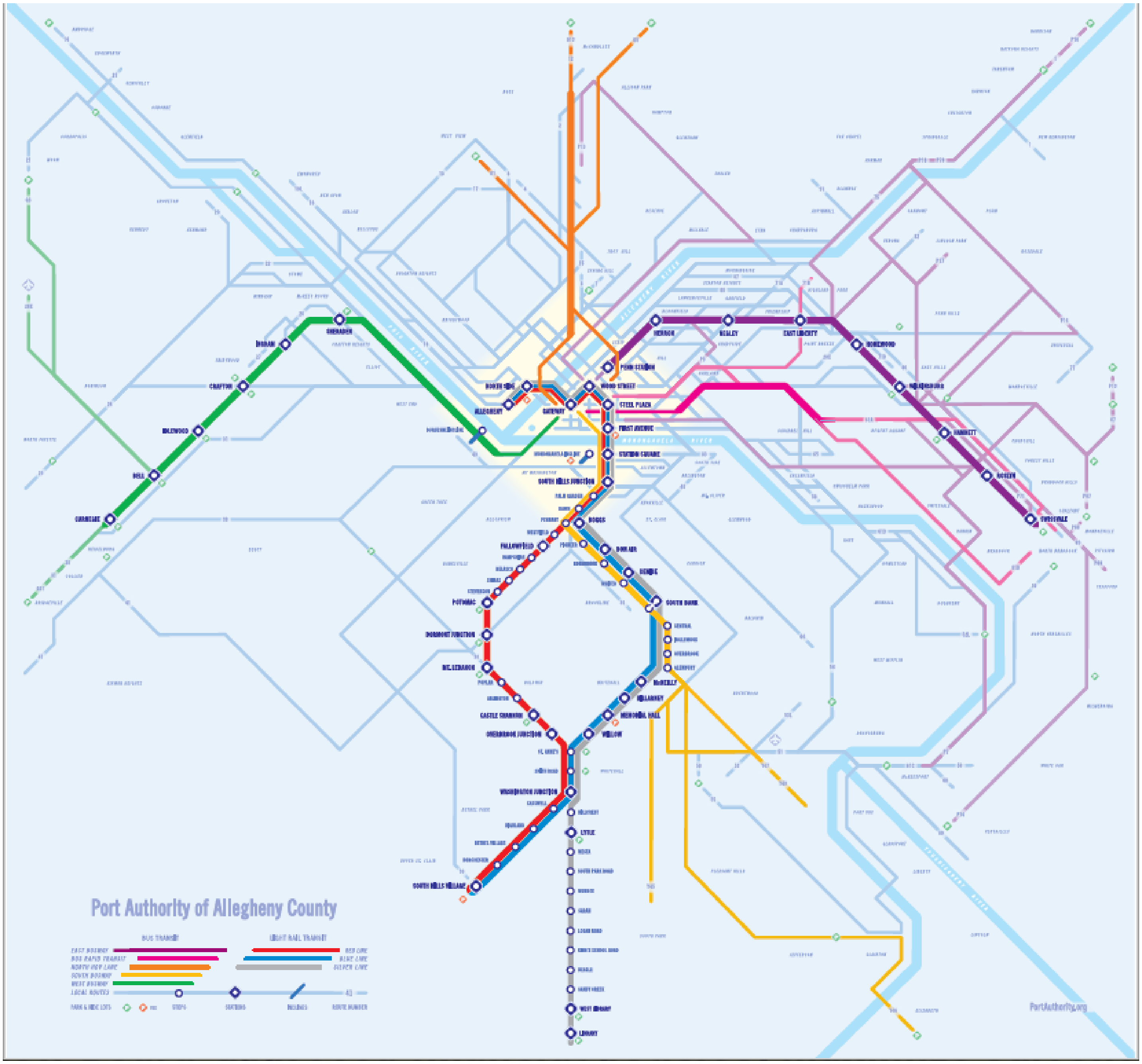
- Vehicles - 80
- Ridership - 3,109,483
- Stations - 27
- Stops - 102



Incline

- Vehicles - 2
- Ridership - 283,167
- Stations - 2
- Stops - 2

Pittsburgh Regional Transit System Map



NTD 2024 Agency Profile Link

2024 Annual Agency Profile - Pittsburgh Regional Transit (NTD ID 30022)

Mailing Address: 345 6TH AVE FL 3
Pittsburgh, PA

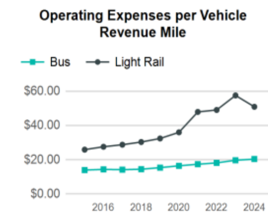
Website: https://www.rideprt.org/

Geographic Coverage

Primary Urbanized Area	Pittsburgh, PA
Square Miles	907
Population	1,745,039
Other Areas Served:	
Service Area Population	1,238,090
Service Area Sq. Miles	775

Service Consumed

Annual Passenger Miles Traveled (PMT)	166,448,293
Annual Unlinked Trips (UPT)	37,876,514
Average Weekday UPT	122,352
Average Saturday UPT	73,670
Average Sunday UPT	50,248

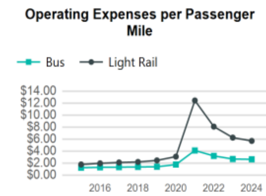


Assets

Revenue Vehicles	1,029
Service Vehicles	405
Facilities	130
Lane Miles	56.5
Track Miles	114.2

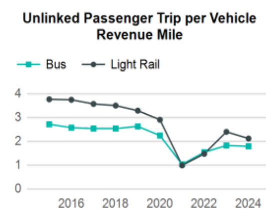
Service Supplied

Annual Vehicle/Passenger Car Revenue Miles (VRM)	1,622,331
Annual Vehicle/Passenger Car Revenue Hours (VRH)	127,790
Vehicles Operated in Maximum Service (VOMS)	766
Vehicles Available for Maximum Service (VAMS)	1,029



Modal Characteristics

Mode	Directly Operated VOMS	Purchased Transportation VOMS	Annual Passenger Miles Traveled	Annual Unlinked Passenger Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles
Demand Response	0	213	7,563,118	945,351	6,707,872	496,560	0.00
Inclined Plane	2	0	30,819	263,736	17,747	7,594	0.20
Light Rail	47	0	14,408,316	3,397,749	1,604,584	120,196	49.60
Bus	504	0	144,446,040	33,269,678	18,577,977	1,445,846	43.10
Bus Rapid Transit	0	0	0	0	0	0	0.00
Total	553	213	166,448,293	37,876,514	26,908,180	2,070,196	92.90



Metrics

Mode	Service Efficiency: OE per VRM	OE per VRH	Service Effectiveness: UPT per VRM	UPT per VRH	OE per PMT	OE per UPT
Demand Response	$5.76	$77.84	0.1	1.9	$5.11	$40.88
Inclined Plane	$91.93	$214.85	14.9	34.7	$52.94	$6.19
Light Rail	$51.32	$685.13	2.1	28.3	$5.72	$24.24
Bus	$20.55	$264.06	1.8	23.0	$2.64	$11.48
Bus Rapid Transit	$0.00	$0.00	0.0	0.0	$0.00	$0.00

2024 Funding Breakdown

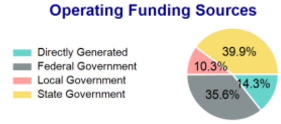
Summary of Operating Expenses (OE)

Labor	$373,128,485	74.0%
Materials and Supplies	$53,065,088	10.5%
Purchased Transportation	$38,602,832	7.7%
Other Operating Expenses	$39,622,676	7.9%
Total Operating Expenses	**$504,419,081**	**100.0%**
Reconciling OE Cash Expenditures	*$21,775,788*	

Sources of Operating Funds Expended

Directly Generated	$73,423,213
Federal Government	$183,118,722
Local Government	$52,776,014
State Government	$205,179,033
Total Operating Funds Expended	**$514,496,982**

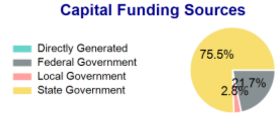
Operating Funding Sources



Sources of Capital Funds Expended

Directly Generated	$0
Federal Government	$36,689,745
Local Government	$4,777,680
State Government	$127,769,412
Total Capital Funds Expended	**$169,236,837**

Capital Funding Sources



Operating Expense Detail / Uses of Capital

Mode	Operating Expenses	Fare Revenues	Revenue Vehicles	Systems and Guideway	Facilities and Stations	Other
Demand Response	$38,650,630	$9,672,981	$0	$0	$0	$0
Inclined Plane	$1,631,544	$308,251	$0	$0	$447,072	$0
Light Rail	$82,349,566	$2,838,529	$534,307	$51,932,637	$22,486,118	$229,838
Bus	$381,787,341	$51,502,364	$36,333,554	$17,312,962	$26,224,864	$3,284,505
Bus Rapid Transit	$0	$0	$0	$10,450,981	$0	$0
Total	$504,419,081	$64,322,125	$36,867,861	$79,696,580	$49,158,054	$3,514,343

2024 Asset Management

Transit Asset Management (TAM) Tier Tier I (Rail) **TAM Sponsor NTD ID**

Metrics

Mode	Vehicles Operated in Max. Service	Vehicles Available for Max. Service	%Spare Vehicles	Avg. Fleet Age (yrs)
Demand Response	213	250	17.4%	6.1
Inclined Plane	2	2	0.0%	154.0
Light Rail	47	80	70.2%	32.4
Bus	504	697	38.3%	7.5
Bus Rapid Transit	0	0	0.0%	0.0

Pittsburgh Regional Transit Ridership Profile

The following charts provide a representation of typical adult passengers utilizing Pittsburgh Regional Transit as a means of transportation and were derived from the data recorded as part of the FY 2023 Title VI Fare Survey. This analysis was conducted by Campos, who was contracted by the Agency, to analyze the degree to which various subgroups of the population riders would be impacted by various fare programs. Among other information, the analysis provides details relating to the demographic composition of public transit riders within Allegheny County. The overall margin of error for the survey data is approximately 1%.

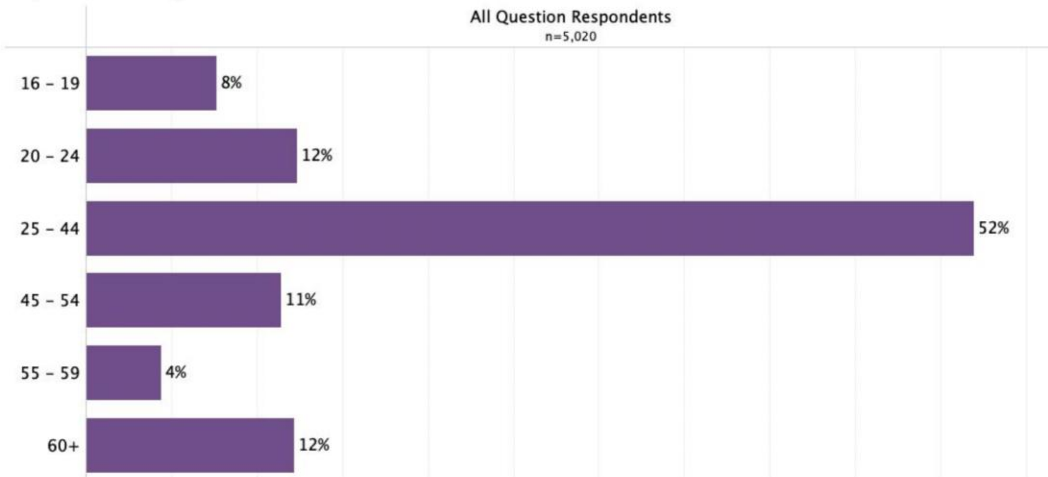
Rider Profile at a Glance

Characteristics	% Breakdown
Age	8% 16 - 19 / 12% 20 - 24 / **52% 25 - 44** / 11% 45 - 54 / 4% 55 - 59 / 12% 60+
Gender	**51% Female** / 49% Male / 1% Other
Race/Ethnicity	**55% White** / 33% Black or African American / 8% Hispanic or Latino / 7% Asian / 1% American Indian or Alaska Native / 1% Native Hawaiian or Pacific Islander
Primary Language	**99% English** / 1% Spanish
Household Income	**51% $24.9k to less** / 17% 25k - 34.9k / 15% 35 - 49.9k / 10% 50k - 74.9k / 7% 75k+
Household Size	29% 1 person / **34% 2 people** / 18% 3 people / 12% 4 people / 7% 5+ people

*PNTA = Prefer Not To Answer

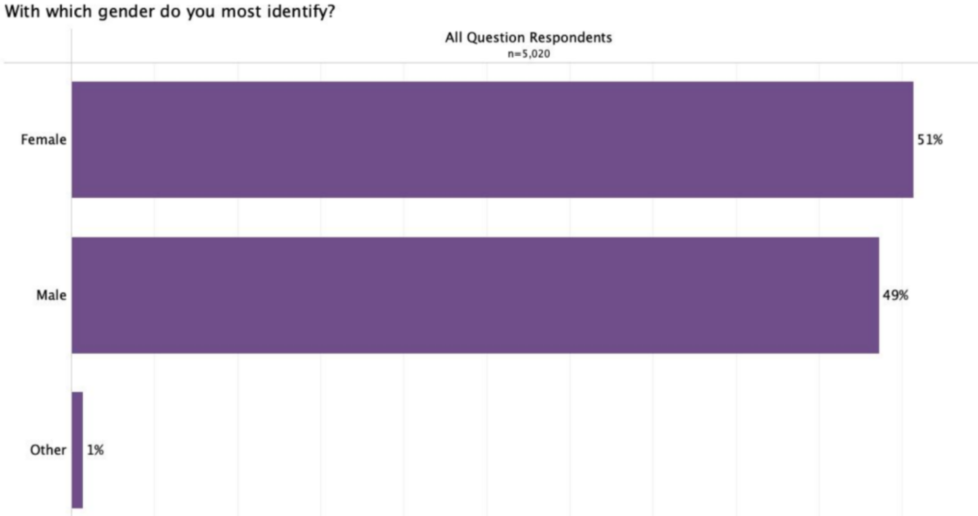
Age

What is your age?
Respondents under age 16 were terminated.



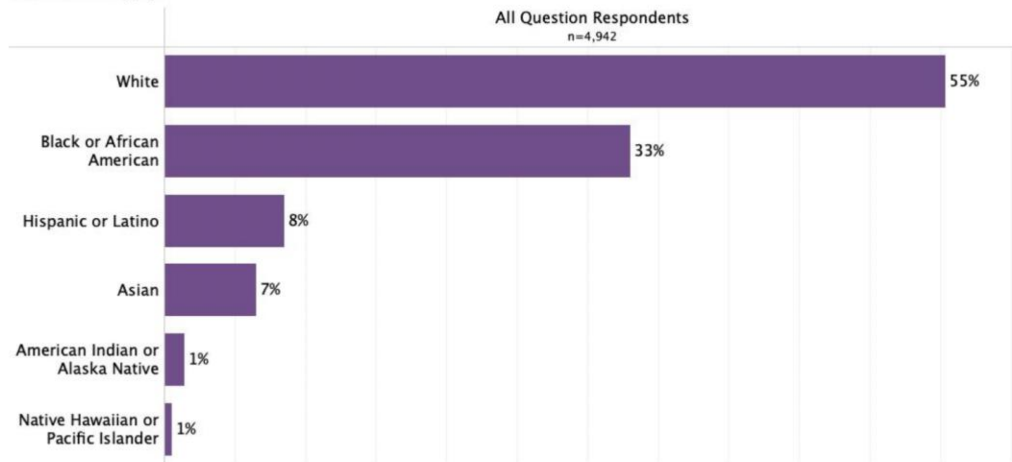
Gender

With which gender do you most identify?



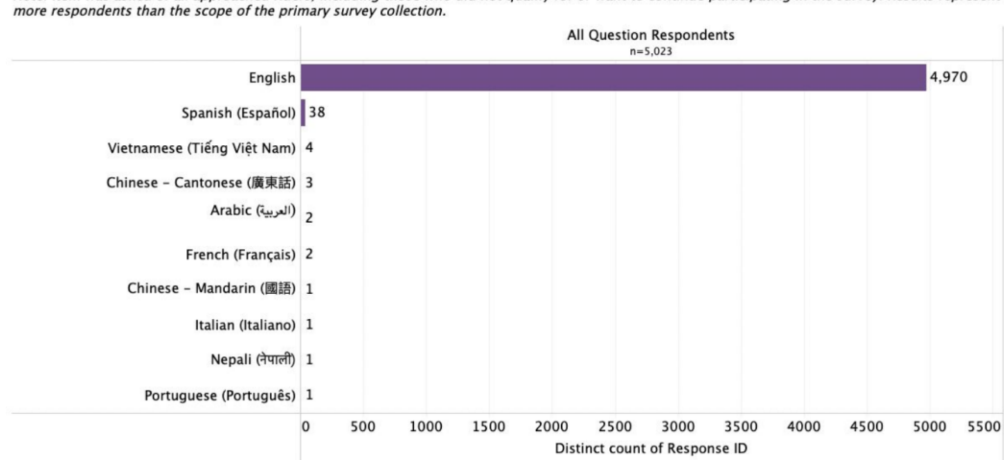
Race/Ethnicity

How do you identify yourself?
Select all that apply.

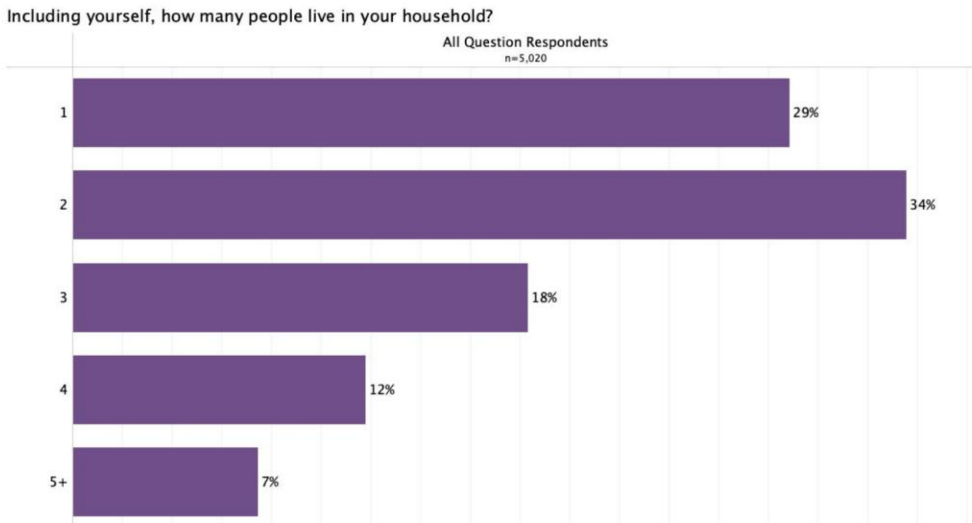


Primary Language

What is your primary language?
Note: item was asked of all approached riders, including those who did not qualify for or want to continue participating in the survey. Results represent more respondents than the scope of the primary survey collection.



Household Size



Rider Characteristics

Characteristics	% Breakdown
Rider Frequency	28% 6+ Days per Week / **42% 4-5 Days per Week** / 21% 2-3 Days per Week / 10% >1 per week
Vehicle Access	33% Yes / **67% No**
Smartphone Access	**51% Yes iPhone** / 36% Yes Android / 5% Yes Other Smartphone / 8% No
Vehicle Access	**67% No** / 33% Yes
Banking Access	29% 1 person / **34% 2 people** / 18% 3 people / 12% 4 people / 7% 5+ people
Benefits Received	15% Yes / 79% No / 4% PNTA / 2% Unsure

*PNTA = Prefer Not To Answer

Strategic Plan

PRT's FY2026 – FY 2031 strategic plan with a strong focus on inclusiveness, guided by input from employees at all levels—particularly those on the front lines who have direct insight into day-to-day operations, customer needs, and operational challenges. While the process was time-intensive and complex, it successfully combined the strengths of both bottom-up and top-down approaches. This hybrid model fostered meaningful collaboration between senior leadership and staff, involving all levels in developing objectives, conducting Strength, Weaknesses, Opportunities and Threats (SWOT) and situational analyses, setting goals, and identifying key performance indicators. Employees began by assessing their own goals, challenges, and opportunities, then shared their insights with senior management. Leadership synthesized this input and aligned it with PRT's mission, vision, and core values. The outcome is a strategic plan that is practical, well-informed, and grounded in the real conditions of the agency. This collaborative approach not only ensured an effective strategy but also fostered a strong sense of ownership, motivation, and engagement among employees, as their voices were integral to shaping the plan. PRT's FY2026 – FY 2031 strategic plan represents a shared vision and unified direction—one that will drive greater efficiency and accountability, grow ridership, improve service quality, ensure equitable transit access, and support a strong, resilient workforce.

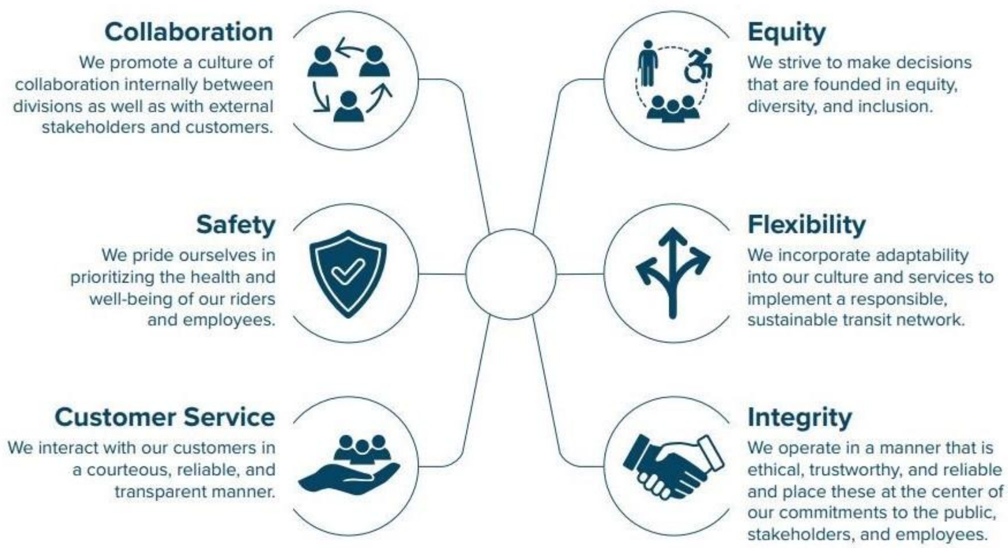
MISSION

“Advance our region by investing in our communities and connecting people in a safe, equitable, and reliable manner.”

VISION

“Be our region’s transportation mode of choice by delivering an innovative network that is clean, sustainable, and equitable; a network that enables individuals, businesses, and economies to thrive.”

VALUES



Key Performance Indicators – KPIs

Key Performance Indicators (KPIs) are vital to tracking the success of PRT’s five-year strategic plan. They offer a data-driven way to measure progress, enabling year-over-year comparisons and analytics that highlight areas of success as well as opportunities for improvement. KPIs serve as a performance barometer, helping PRT stay accountable and transparent while communicating strategic progress to stakeholders through measurable results

KPIs will be monitored on a quarterly and annual basis through internal dashboards and regular performance reviews. This approach ensures timely feedback, strategic adaptability, and clear reporting of outcomes. The KPIs presented here are intended for external audiences and represent a subset of a broader set of internal metrics that PRT has identified for each key focus area. It is anticipated that the list of KPIs and targets will evolve as PRT moves through completion of the Strategic Plan.

Key Performance Indicators Include (but not limited to)

- On-Time Performance (OTP)
- Ridership
- Fare revenue
- Customer satisfaction and public satisfaction
- Mean Distance Between Failures
- Management of maintenance costs
- Missed Trip Percentage
- Number of Stops with Enhanced Amenities
- Net Promotor Score
- Employee Satisfaction
-

ACT 44 Performance Determinations:

- Single-year and five-year trend for Operating Cost /Revenue Vehicle Hour
- Single-year and five-year trend for Operating Cost/Passenger
- Single-year and five-year trend for Passengers/Revenue Vehicle Hour
- Single-year and five-year trend for Operating Revenue/Revenue Vehicle Hour

Strategic planning is not just a best practice for transit agencies, it is essential for growth and improvement, particularly in times of uncertainty. PRT's strategic plan provides a clear, unified vision and an actionable roadmap, ensuring that we remain a vital pillar in the region.

PRT's FY2026-31 Strategic Plan incorporates invaluable first-hand knowledge from across the agency and illustrates what we believe public transportation can and should be for Allegheny County. Aligned with our mission, vision, and values, the plan outlines five Key Focus Areas designed to be our guiding principles over the next five years, regardless of what comes our way.

PRT's Five Key Focus Areas:

Create Efficiency & Accountability

- Priortize financial stability
- Implement operational efficiencies

Grow Ridership

- Evaluate and expand passes and marketing
- Expand access to service
- Develop and build on existing partnerships in the region

Improve Service Quality

- Improve bus on-time performance
- Improve information sharing with and from riders
- Improve transit infrastructure and amenities

Be A Good Neighbor

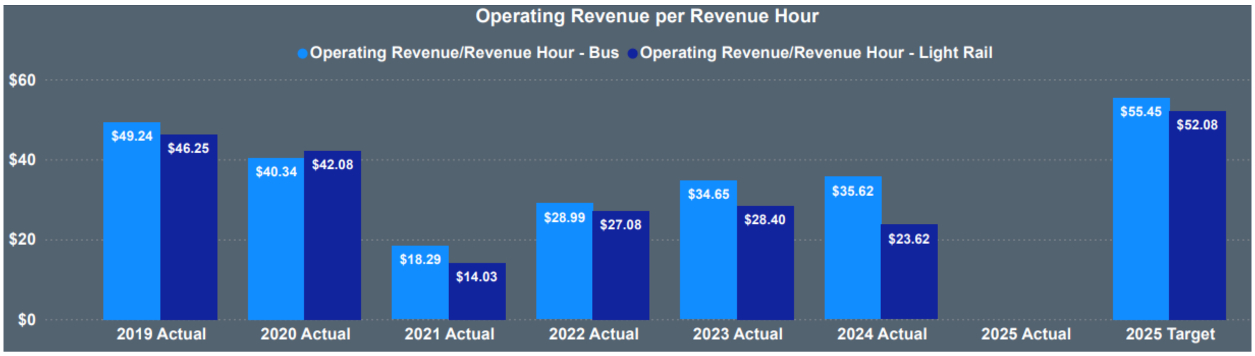
- Evaluate and expand passes and marketing
- Expand access to service
- Develop and build on existing partnerships in the region

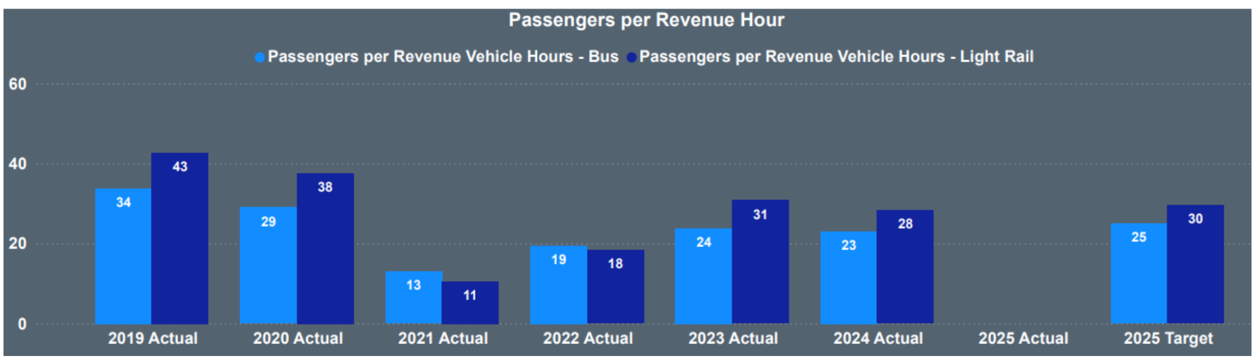
Support Our Workforce

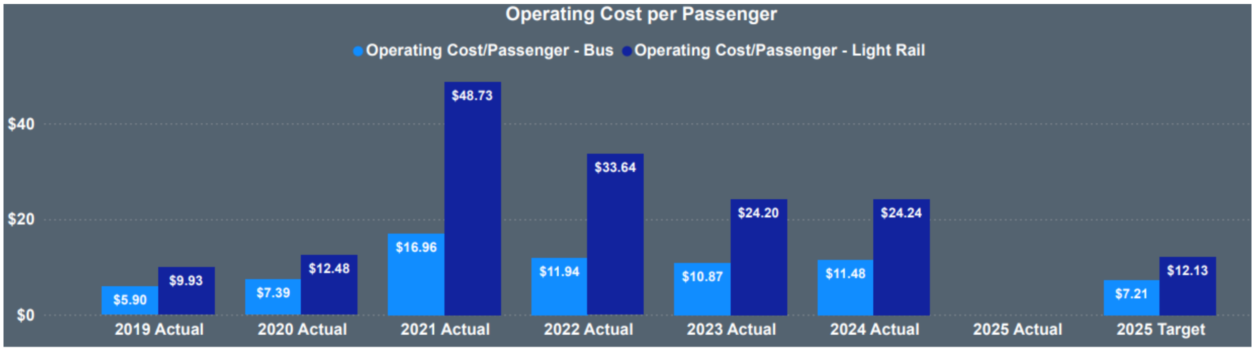
- Improve employee satisfaction and wellbeing
- Enhance workforce skills and adaptability

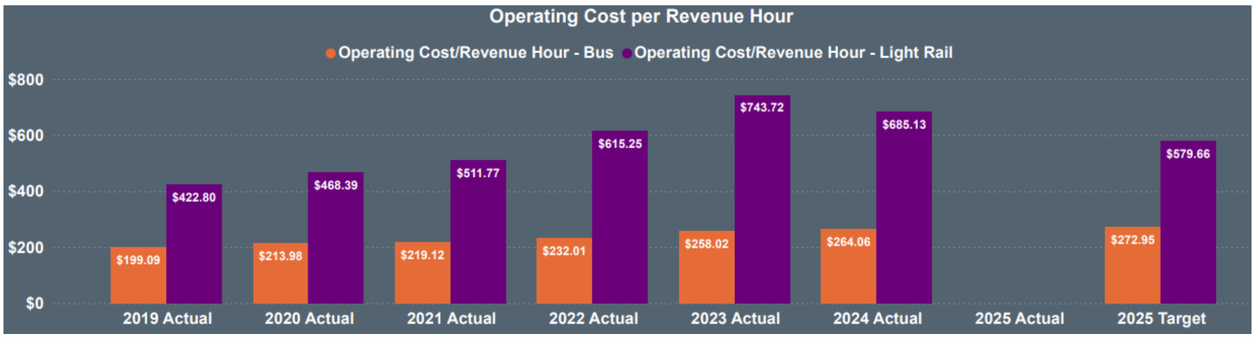
These Five Key Focus Areas show PRT's commitment to building a vibrant, connected region - not just for today's riders, but for generations to come. Each key focus area has a list of objectives to help guide progress towards completion, and each objective then has strategies which provide details and action items as to how each objective will be completed and measured.

Below are the Act 44 Performance metrics.









The strategic plan provides insight into PRT's mission, vision, values, and key focus areas on which the agency will rely upon to guide policy and programs needed to deliver a premier transit experience to the region. Further details including PRT's strategic plan road map which outlines how PRT will implement its strategic plan. The roadmap provides clear direction and establishes annual priorities to ensure the successful execution of the plan's goals and initiatives. The plan itself can be found on the Agency's website at www.RidePRT.org or by clicking the following link: PRT Strategic Plan

NEXTransit

NEXTransit is the 25-year plan for Pittsburgh Regional Transit. It is designed to be a comprehensive, long-term plan to guide investments and decision-making for the agency to plan, design, build, operate, and manage a regional transportation network over the next 25 years (through 2045). NEXTransit provides a roadmap for the policies, programs, and projects that are needed to guide the agency into a future that is accessible, efficient, environmentally sustainable, and equitable. It details how PRT can achieve and maintain excellence in its system and service while operating as a premier transit system for Allegheny County that supports and integrates the region's complementary planning efforts. While updates will likely be made over the years, the guiding principles of NEXTransit will guide the region into the future.

What types of things does NEXTransit plan for?

Further, NEXTransit is a community-driven long-range plan for a transit-oriented Pittsburgh area that values equity, accessibility, economic and social mobility, safety, resiliency, and accountability. Throughout implementation of this plan, PRT will utilize The Strategic Plan as an organizational tool to balance and prioritize the integration of new services, while preserving a State of Good Repair on existing infrastructure. As previously mentioned, The Plan is community driven. Its development was a culmination of an 18-month public process that resulted in several themes based on public input. Each theme of public engagement throughout the project was designed to request and gather critical data and answer questions from stakeholders, elected officials, and the public to ensure a plan was developed that could be widely supported for implementation. It identifies values, programs, and policies that are important to the communities PRT serves. Below is a table that illustrates a high-level cost projection of these Policies and Programs.

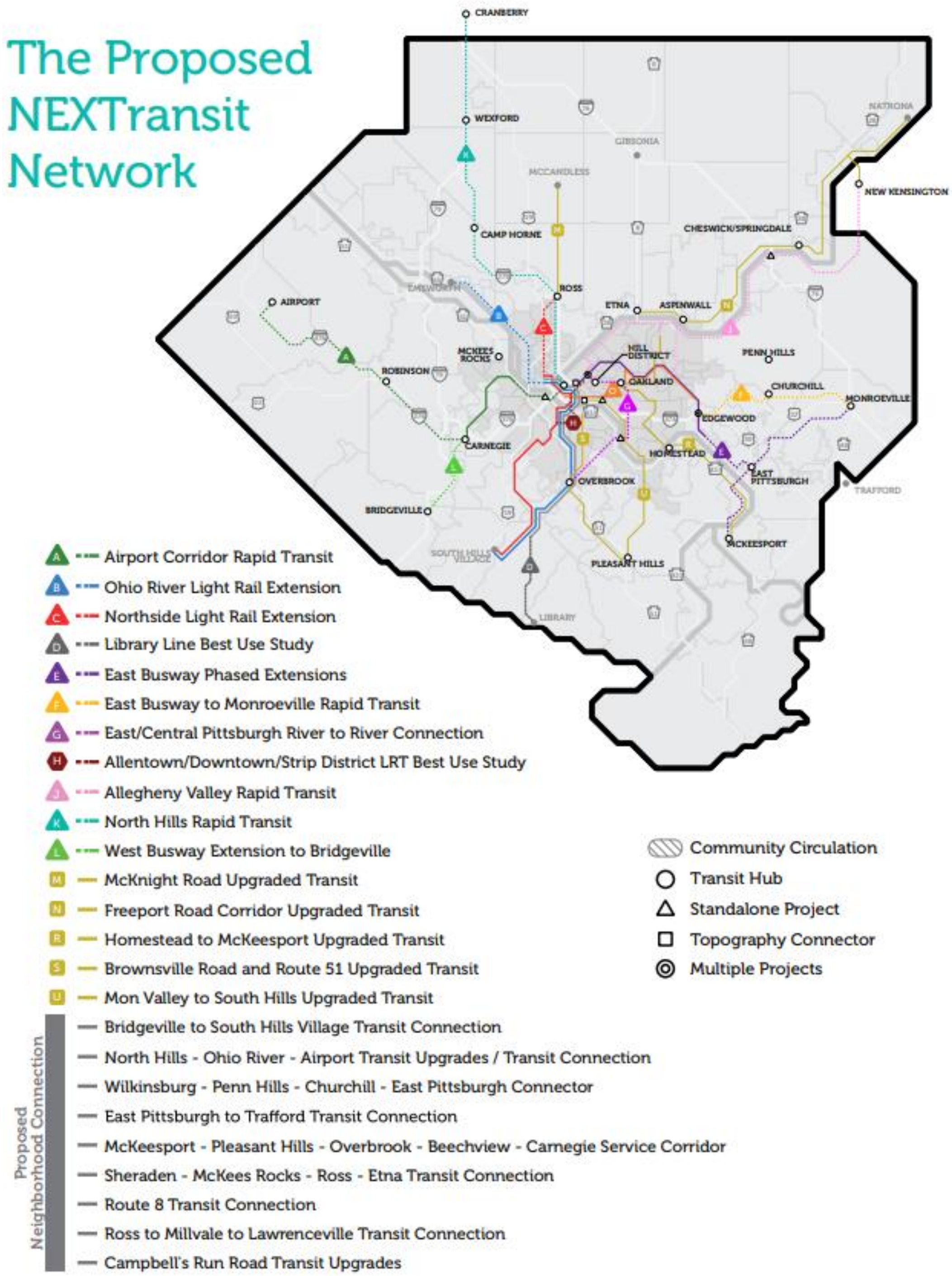
Policies and Programs	Proposed New Full-time Staff	Annual Operating Costs	One-time Capital Costs	Annual Capital Costs
Sidewalk Quality & Access	1	$120,000	N/A	$1,000,000
Affordable Fare Policy	-	$0	$50,000	$1,000,000
ADA System Access Program	1	$120,000	N/A	$2,000,000
System-Wide Signage & Wayfinding	1	$120,000	N/A	$100,000
Bus Network Redesign	-	$0	$1,000,000	N/A
Community Circulators	1	$5,000,000	$2,500,000	Needs further study
Affordable Housing	1	$120,000	N/A	N/A
Agency-Wide Sustainability Program	2	$300,000	N/A	$880,000
Transit Signal Priority	3	$360,000	N/A	N/A
Pilot Projects (Tactical Urbanism)	1	$120,000	N/A	$1,000,000
Bottleneck Bypass Lanes	1	$120,000	N/A	N/A
Vehicle Electrification / Fuel Diversification	1	$120,000	$80,000,000	$11,250,000 (years 1-5)
HR Staffing Program	3	$360,000	N/A	$500,000
Mobility Technology Innovation	1	$120,000	N/A	Needs further study
Vehicle Design and Amenities	1	$120,000	N/A	N/A
Parking Management	1	$120,000	N/A	N/A
Bus Stop Balancing	1	$120,000	N/A	Supported with Sidewalk Program
TOTAL	**20**	**$7,340,000**	**$83,550,000**	**$17,730,000**

While these are estimates that will likely change and become more detailed as the programs advance in their development, it's important for PRT to recognize the budgetary needs. It helps to identify the potential resource requirements necessary for implementation of the actions to improve transit within Allegheny County.

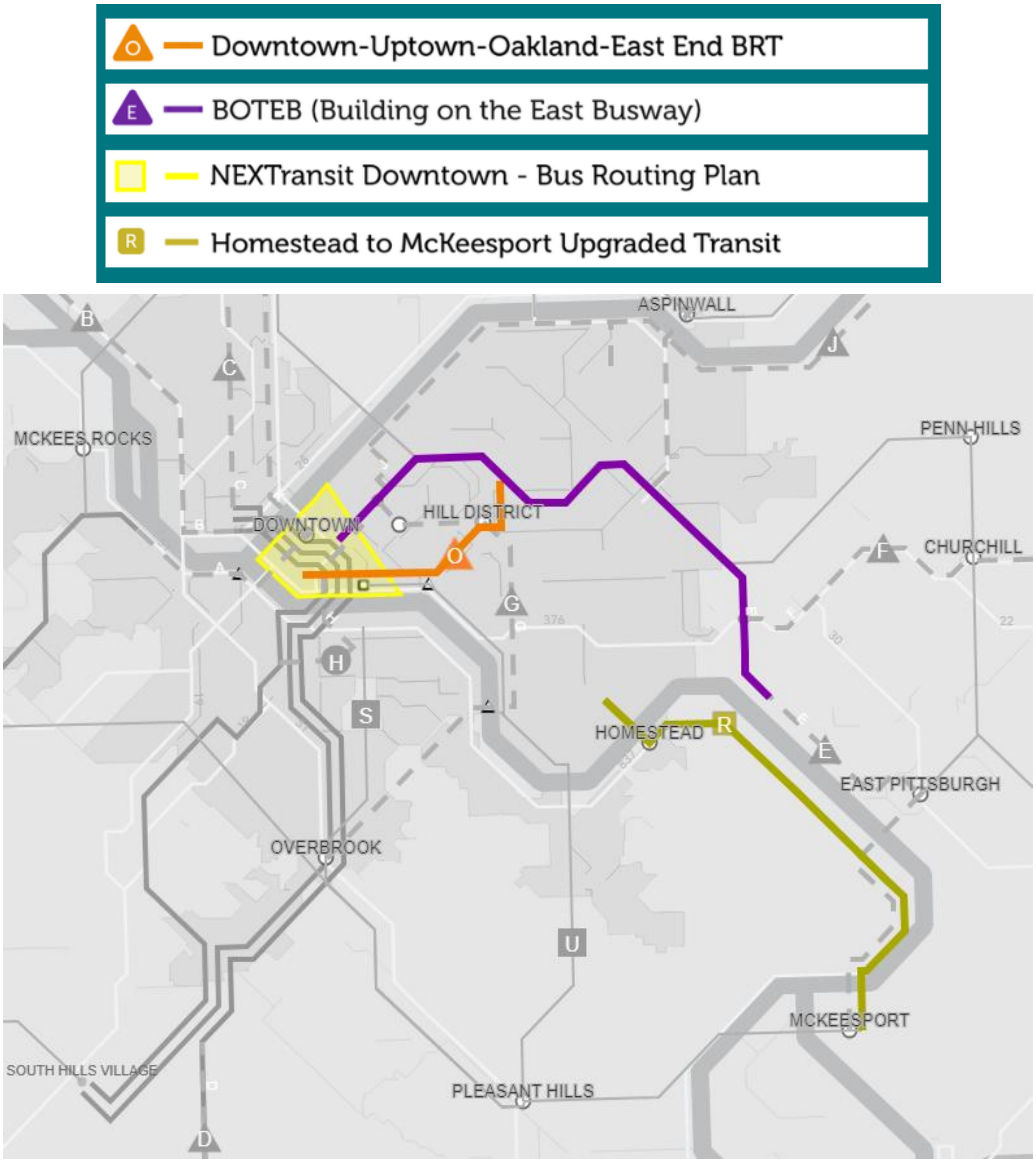
NEXTransit then identifies potential projects to enhance system efficiency or provide opportunities for further expansion and groups them into one of four project phases along the path of the 25-year period. These phases include the NEXT phase, 1-5 Year Phase, 6-15 Year Phase, and 16-25 Year Phase. In order to grow and achieve the transit future the region wants, the system must grow to meet tomorrow's needs. Below is a table that provides and illustration of what total project costs might look like if completed throughout various phases according to the plan.

Map Code	Project Name	Top 10 Project?	Low Capital Cost Estimate	High Capital Cost Estimate	Estimated Local Capital Contribution*
	Facilities Master Plan and Expansion of Bus Facilities	Y	$177M	$234M	$41M
	Downtown Transit Center	Y	$60M	$118M	$18M
A	Airport Corridor Rapid Transit	Y	$274M	$325M	$60M
B	Ohio River LRT Extension		$688M	$826M	$151M
C	Northside LRT Extension (C)		$710M	$852M	$156M
D	Library Line Best Use Study		TBD	TBD	TBD
E	East Busway Phased Extensions	Y	$121M	$151M	$27M
F	East Busway to Monroeville Rapid Transit	Y	$117M	$141M	$26M
G	East/Central Pittsburgh River to River Connection	Y	$168M	$218M	$39M
H	Allentown Line Best Use Study	Y	$8M	$10M	$2M
J	Allegheny Valley Rapid Transit	Y	$231M	$298M	$53M
K	North Hills Rapid Transit		$45M	$54M	$10M
L	West Busway Extension to Bridgeville		$176M	$210M	$39M
M	McKnight Road Upgraded Transit	Y	$57M	$68M	$12M
N	Freeport Road Upgraded Transit		$44M	$54M	$10M
R	Homestead to McKeesport Upgraded Transit	Y	$47M	$58M	$11M
S	Brownsville Rd and Route 51 Upgraded Transit		$39M	$49M	$9M
U	Mon Valley to South Hills Upgraded Transit		$35M	$44M	$8M
	TOTAL		**$3.0B**	**$3.7B**	**$671M**

These estimates are built around knowledge of similar projects that have been constructed around North America in recent years and should be seen as a guideline for investment. The plan provides Pittsburgh Regional Transit a framework for advancing future projects, policies and programs. It aids the agency in providing a vision into the future and looking beyond the day-to-day considerations of budgetary constraints.



Current NEXTransit Projects:

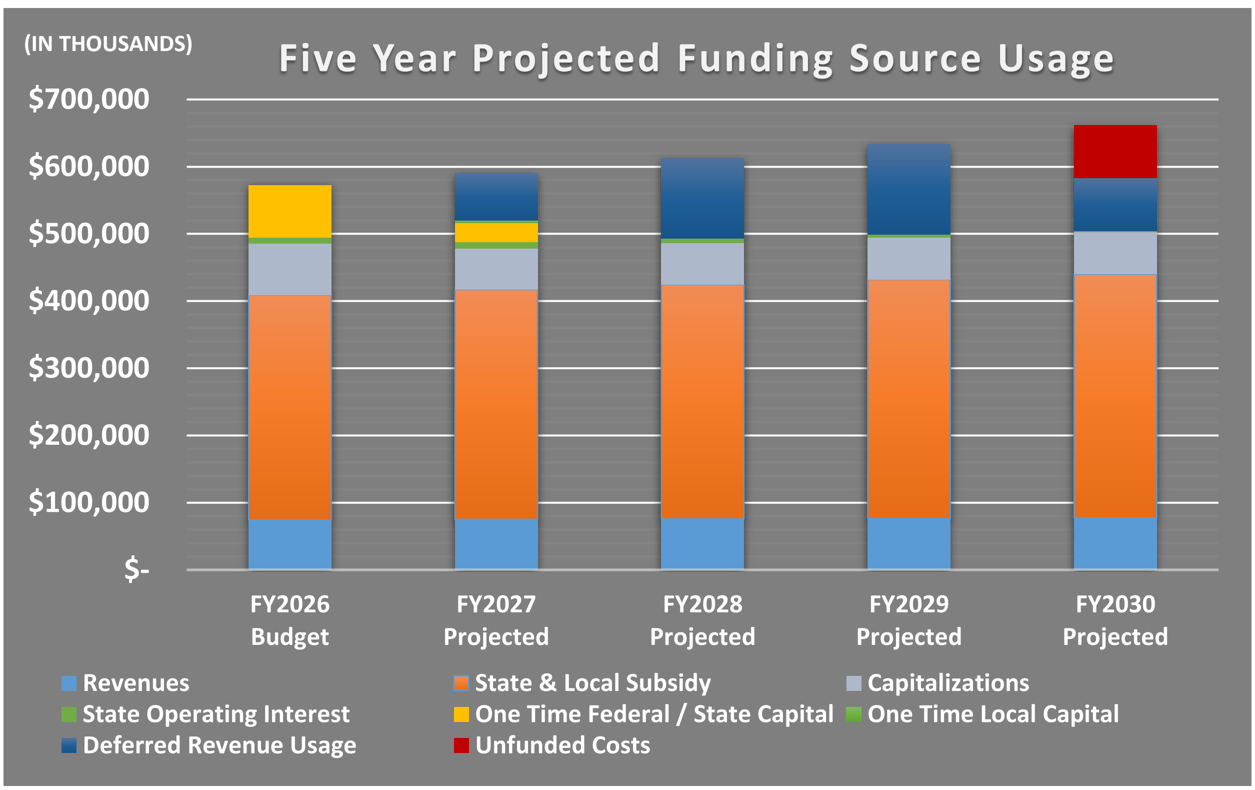


For a more in-depth review of the NEXTransit 25-year Plan and current projects, please visit https://nextransit.network/.

Long Range Financial Plan

Funding Categories Amount in Thousands ('000)	FY2026 Budget	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected
Revenues	$74,076	$75,167	$75,920	$76,572	$77,138
State & Local Subsidy	$335,148	$341,851	$348,688	$355,661	$362,775
Capitalizations	$76,568	$61,577	$61,990	$62,411	$62,840
State Operating Interest	$8,386	$9,059	$6,921	$4,437	$1,639
One Time State Capital	$78,039	$28,647	$0	$0	$0
One Time Local Capital	$0	$3,555	$0	$0	$0
Deferred Revenue Usage	$0	$70,132	$118,902	$133,890	$78,468
Unfunded Costs	$0	$0	$0	$0	$78,775
Total	**$572,216**	**$589,988**	**$612,421**	**$632,970**	**$661,635**

Chart 1



Expense Categories **Amount in Thousands ('000)**	**FY2026 Budget**	**FY2027 Projected**	**FY2028 Projected**	**FY2029 Projected**	**FY2030 Projected**
Wages and Salaries	$219,185	$227,952	$237,070	$246,553	$256,415
Pension and Employee Benefits	$200,322	$205,786	$214,466	$220,730	$234,555
Materials and Supplies	$55,546	$58,102	$60,182	$62,344	$64,590
Provision for Injuries and Damages	$9,628	$10,013	$10,417	$10,839	$11,283
Purchased Services	$26,080	$26,601	$27,133	$27,676	$28,229
Utilities	$10,624	$11,009	$11,410	$11,828	$12,264
Other Expenses	$16,278	$15,206	$15,406	$15,610	$15,817
Leases & Rentals	$2,885	$2,943	$3,002	$3,062	$3,123
ACCESS (Share Ride) Services	$31,669	$32,601	$33,567	$34,568	$35,605
Total	**$572,216**	**$590,213**	**$612,652**	**$633,209**	**$661,881**

As shown in chart 1 on the previous page, PRT has been granted authorization to shift capital funding to use against operating expenses. The funds will be used in FY2026 to completely offset operating deficits with the remainder being used in FY2027 along with deferred revenue to offset the deficits. As is the case with transit agencies across the country, PRT continues to face a "fiscal cliff" in the future if ridership doesn't rebound to pre-pandemic levels or other sources of subsidy are identified to continue current service levels. While ridership has recovered to around 60% of pre-pandemic levels, operating costs have increased substantially since 2019, widening the gap further. With this in mind, there will be an emphasis placed on funding strategies to help ensure longevity and the success of Pittsburgh Regional Transit.

Fiscal Year 2026 Budget Development

A budget represents a financial plan based on the best available information at a point in time. The Pittsburgh Regional Transit's (PRT) annual operating budget, along with the performance against it, is the most visible element of fiscal responsibility. This fiscal responsibility is necessary to assure the long-term success of the PRT and stable service for customers and the region.

Operating Budget Process

Pittsburgh Regional Transit begins its budget preparation cycle each January. Kickoff of the budget process begins with the Finance department providing the Budget Request Forms to each department. The forms are completed by all divisions and reviewed by the Financial Planning & Budgets Department. From February until mid-March, Finance meets with each department and division to review and finalize the budget submissions. Between mid-March and April, all divisional budgets are compiled into one preliminary Operating Budget and presented to Senior Staff and the Board's Planning and Stakeholder Relations Committee. Any changes deemed necessary are made and at the end of May, the final budget is presented to the Board of Directors and approved at the June Board Meeting. Near the end of June, the new fiscal year budget data is uploaded into the PeopleSoft Database.

See Operating Budget Development Timeline on Page 33.

Capital Budget Process

The development of the Capital Improvement Program (CIP) originates with the review of the Pittsburgh Regional Transit's Capital Needs Study. The objective of this review is to evaluate assets, assess risk, prioritize needs, and forecast necessary capital expenditures to enhance transit service while maintaining the integrity of our current infrastructure. A large portion of capital projects span more than one fiscal year because of the necessary scope of work to complete the project. As with the Operating Budget, the Capital Budget process begins in January when the Budget Request Forms are made available for completion by all department Directors and management personnel. During this time, on-site visits are performed by Technical Support personnel to review and discuss current and future projects. In March, the request forms are reviewed and compiled by the Finance department and in April the requests are ranked by the Capital Planning Committee along with company-wide capital revenue projections. The initial Capital Budget is complete in April and presented to Senior Staff with adjustments being made as needed through early May. The final budget is presented to the Board of Directors at the end of May and approved at the June Board

Meeting. Near the end of June, the new fiscal year Project Budgets data is uploaded into the PeopleSoft Database.

See Capital Budget Development Timeline on Page 34.

The Operating and Capital Budgets at Pittsburgh Regional Transit must be considered and submitted for approval together, as they have become increasingly interdependent as certain sources of funds can be used interchangeably. Balancing this usage of Capital funding for operating purposes with expansion and state of good repair projects is the only way to address the daily requirements of the organization, assess future Capital needs, and achieve the company vision and organizational goals established by the Agency.

Fiscal Year 2026 Operating Budget Timeline

Completed By:	Activity
Department Managers Department Directors Division AGMs	Budget Request forms provided by Financial Planning & Budgets department and completed by all Divisions.
Financial Planning & Budgets Personnel	Initial budget request are reviewed and compiled along with company-wide revenue projections.
Department Managers Department Directors Division AGMs Financial Planning & Budgets Personnel	Financial Planning & Budgets personnel meet with each department and division to review and finalize budget submissions
Financial Planning & Budgets Personnel	Compilation of initial FY2026 Operating Budget. Additional department budget meetings if changes are deemed necessary.
Financial Planning & Budgets Personnel Senior Staff	Preliminary FY2026 Operating Budget presented to the Chief Executive Officer and Senior Staff. Preliminary Budget preseneted to the Board's Planning and Stakeholder Relations Committee and ACTC during this period.
Financial Planning & Budgets Personnel Senior Staff	Final FY2026 Budget presented to the Board of Directors. Approval of Final FY2026 Budget at the June Board Meeting.
Financial Planning & Budgets Personnel	Final FY2026 Budget data uploaded to the PeopleSoft Database.

Fiscal Year 2026 Capital Budget Timeline

January: 12, 17, 22, 27 | February: 1, 6, 11, 16, 21, 26 | March: 3, 8, 13, 18, 23, 28 | April: 2, 7, 12, 17, 22, 27 | May: 2, 7, 12, 17, 22, 27 | June: 1, 6, 11, 16, 21, 26 | July: 1

Completed By:	
Technical Support Personnel Department Directors Division AGMs	Facility On-Site visits performed by Technical Support personnel. FY2026 Capital budget request forms made available and completed by all department Directors and Division AGMs.
Grants & Capital Programs Personnel Technical Support Personnel	Capital budget request are reviewed and compiled by department.
Grants & Capital Programs Personnel Capital Planning Committee	Budget requests discussed and ranked by the Capital Planning Committee. Highest ranked requests are compiled along with company-wide capital revenue projections.
Grants & Capital Programs Personnel	Compilation of initial FY2026 Capital Budget.
Grants & Capital Programs Personnel Senior Staff	Preliminary FY2026 Capital Budget presented to the Chief Executive Officer and Senior Staff. Preliminary Budget preseneted to the Board's Planning and Stakeholder Relations Committee and ACTC during this period.
Grants & Capital Programs Personnel Senior Staff	Final FY2026 Budget presented to the Board of Directors. Approval of Final FY2026 Budget at the June Board Meeting.
Grants & Capital Programs Personnel	Final FY2026 Budget data uploaded to the PeopleSoft Database.

Summary of Assumptions

Nationally, transit providers are coping with higher costs related to training, reduced ridership, and growing labor costs. PRT has experienced similar challenges to its fiscal resources and continues to explore funding opportunities. The long-term impacts to the agency's business model remain unclear, but to project expenses and revenues for FY 2026, it was necessary to make several key assumptions. These are briefly outlined below under the following categories: Fare and Service Levels, Ridership, Passenger Revenues, Expenses and Operating Grants.

Fare and Service Levels

- Pittsburgh Regional Transit implemented fare structure changes in FY 2022. The fare structure can be found under the Revenue Structure of the Financial Planning Policies section. PRT will continue to develop model scenarios showing the effects of fare changes against the subsequent change in ridership.
- Minor service adjustments with the aim to continue to improve the overall performance of the system due to changing utilization patterns and address issues with maintaining full staffing levels.

Ridership

- Ridership in FY 2025 had rebounded by approximately 60% from the pandemic lows of FY 2021. The FY 2026 budget forecasts ridership to remain relatively flat in relation to FY 2025 levels.

Passenger Revenues

- Passenger revenues are budgeted at levels consistent with FY 2025 actual revenues.

Expenses

- FY2026 budgeted operating expenses total $572.216 million, an increase of 14.1%, or approximately $70.6 million over the FY 2025 actuals. Most of the additional expenses are attributable to a $15.1 million increase over FY 2025 actuals in Salaries and Wages, $35.7 million increase in Pensions and Employee Benefits, $6.3 million increase in Purchased Services, and $5 million increase in the Other Expense category. These four expense accounts make up 80% of the total expenses.

Operating Subsidy

- Pittsburgh Regional Transit receives operating assistance from multiple sources which include federal, state, and county government. For FY 2026, these funds are budgeted at a total of $498.14 million, which is an increase of $83.85 million compared to FY 2025 actuals. The increase from year to year is primarily due to approval of the capital waiver to use capital funds for operating purposes.

FY 2026 Operating Budget Summary

The FY 2026 budget presented unique challenges and tough decisions related to the agency's future as the state worked towards its own budget adoption for the year. Due to timing and delays at the state level, PRT's future funding was unclear, but the Board voted to approve a preliminary budget, which included service and staff reductions as well as fare increases to be effective in February 2026. By law, a balanced budget had to be established by July 1 to prevent loss of federal grants and other critical funding streams.

In September 2025 the PRT Board unanimously adopted amended operating and capital budgets for Fiscal Year 2026. This is a major step that ensures we can continue serving our riders and communities without service cuts or fare increases for Fiscal Year 2026. The Agency did not receive the new state funding it had been advocating for since February. Instead, PennDOT allowed PRT to move up to $106.7 million from the capital program into the operating budget to help cover expenses during FY2026 and FY2027. This approval can only be granted **once**, and the amount is still less than what the Agency originally sought. This short-term solution requires some, non safety-critical capital projects to be delayed, but allows the Agency to move forward without service and staff reductions or raising fares.

Approved Budget

Amounts in Thousands ('000)	FY 2026 Operating Budget	
Revenues:		
Passenger Revenue	$	42,113
ACCESS (Shared Ride) Service		10,089
Contract Services		11,787
Advertising		1,667
Interest Income		3,747
Other Income		657
Total Operating Revenues	**$**	**70,060**
Expenses:		
Wages and Salaries	$	188,927
Pensions and Employee Benefits		206,163
Materials and Supplies		48,948
Provision for Injuries and Damages		9,628
Purchased Services		25,979
Utilities		9,713
Other Expense		15,840
Leases and Rentals		2,884
ACCESS (Shared Ride) Service		31,174
Total Gross Operating Expenses	**$**	**539,257**
Deficit Before Subsidy	**$**	**(469,197)**
Subsidy Source		
Federal	$	36,238
State		310,520
Local		46,714
Regional Asset District		3,000
State Operating Interest		7,101
Other		2
Deferred State Operating Assistance		65,622
Total Subsidy	**$**	**469,197**
Operating Surplus/(Deficit)	**$**	**-**

Amended Final Budget

Amounts in Thousands ('000)		FY 2026 Operating Budget
Revenues:		
Passenger Revenue	$	44,953
ACCESS (Shared Ride) Service		9,963
Contract Services		12,847
Advertising		2,000
Interest Income		3,656
Other Income		657
Total Operating Revenues		**74,076**
Expenses:		
Wages and Salaries	$	219,185
Pensions and Employee Benefits		200,322
Materials and Supplies		55,546
Provision for Injuries and Damages		9,628
Purchased Services		26,080
Utilities		10,624
Other Expense		16,278
Leases and Rentals		2,885
ACCESS (Shared Ride) Service		31,669
Total Gross Operating Expenses	**$**	**572,216**
Deficit Before Subsidy	**$**	**(498,140)**
Subsidy Source		
Federal	$	48,472
State		310,448
Local		49,793
Regional Asset District		3,000
State Operating Interest		8,386
Other		2
One Time Capital Usage		78,039
Total Subsidy	**$**	**498,140**
Operating Surplus/(Deficit)	**$**	**-**

Financial and Budgetary Policies

The purposes of the financial and budgetary policies at Pittsburgh Regional Transit are to ensure and support sound fiscal management consistent with good business practices.

Financial Planning Policies

Fiscal Year

Pittsburgh Regional Transit's budget is prepared, and adopted by the Board of Directors, on a fiscal year basis, which begins July 1 and ends on June 30.

Balanced Budget

The Agency is required to adopt balanced Operating and Capital budgets each fiscal year based on anticipated operating requirements. A balanced budget is defined as a budget where revenues are equal to expenses. It is a policy of the Pittsburgh Regional Transit that the balanced budgets are presented to the PRT Board of Directors to be adopted at the June board meeting, prior to the start of the fiscal year on July 1st. If a variance from the balanced budget occurs, this is reported as an Operating Surplus or Deficit.

Reserve Funds

Board adopted, it is a policy that PRT maintains a Reserve Fund for operating budget deficits. The amount of the Reserve Fund is equivalent to one month of the Agency's operating expenses and may be adjusted from time to time by the Board based on the recommendations of the Chief Financial Officer.

Basis of Accounting

As Pittsburgh Regional Transit is a governmental entity, the basis of accounting conforms to the Governmental Accounting Standards Board (GASB) Statement No. 11. Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is used in measuring financial position and operating results in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. Under accrual basis of accounting, revenues are recognized in the accounting period in which they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

For accounting purposes, the budget for each department is broken down into various account categories and classified as the one of the following:

- Salaries & Wages
- Fringe Benefits
- Purchased Services
- Materials & Supplies
- Utilities
- Casualty & Liability Costs
- Taxes
- Purchased Services
- Miscellaneous Expense
- Other Expenses
- Interest Expense
- Leases & Rentals
- Depreciation Expense

Basis of Budgeting

The basis of budgeting refers to the methodology used to include revenues and expenditures in the budget. The budget is prepared on the same basis of accounting as the financial statements, except that depreciation and other post-employment benefits are not budgeted. The revenues and expenditures are assumed to be collected or spent during the period appropriated. Knowing this, the current year revenues are compared to expenditures to ensure that each fund has sufficient revenues to cover expenditures during the budget year or that there are sufficient cash reserves to cover any revenue shortfalls. At the end of each fiscal year, outstanding encumbrances are, by approval, re-appropriated in the subsequent fiscal year. All transactions are accounted for in a single enterprise fund that combines both operating budget and capital budget activities into a consolidated financial statement.

Fund Balances

Pittsburgh Regional Transit currently utilizes a single enterprise fund for operating purposes. The General Fund is specifically established for the appropriation of revenues and expenses associated with transit operations. The Agency does not utilize fund accounting in the traditional sense. Consequently, Pittsburgh Regional Transit reports total equity rather than fund balance.

Revenue Policies

Pittsburgh Regional Transit has both Operating and Non-Operating Revenue sources. Operating revenues consist of those revenues that result directly from the ongoing principal operations of the company. These consist primarily of user charges. Non-Operating revenues are related to grants and subsidies received as well as other financing and investing activities. All revenues are recorded when they are earned.

Fare Structure

Pittsburgh Regional Transit currently operates under a Single Zone fare structure. This replaced the former two zone, distance-based structure in FY 2017. It is the intent of the Agency to develop and implement a Fare Structure that is efficient, user friendly, and equitable to attract increased ridership. Act 89 legislation requires Pittsburgh Regional Transit to adopt a fare policy that allows for the periodic review of fares. This policy was adopted by the agency in FY 2016 and most recently enacted through the adoption of the FY 2022 Fare Structure Changes.

FY 2022 Fare Structure:

Stored Value Full Fare	$	2.75
Stored Value Half Fare	$	1.35
3 Hour Pass Full Fare	$	2.75
3 Hour Pass Half Fare	$	1.35
Day Pass	$	7.00
Calendar Weekly Full Fare	$	25.00 (Corporate Web Portal Only)
Calendar Weekly Half Fare	$	12.50 (Via Corporate Web Portal Only)
7 Day Pass Full Fare	$	25.00
7 Day Pass Half Fare	$	12.50
Calendar Monthly Full Fare	$	97.50 (Via Corporate Web Portal Only)
Calendar Monthly Half Fare	$	48.75 (Via Corporate Web Portal Only)
31 Day Pass Full Fare	$	97.50
31 Day Pass Half Fare	$	48.75
Annual Pass	$	1,072.50
Connect Card Fee	$	1.00
Incline – 3 Hour Round Trip Full Fare	$	2.75
Incline – 3 Hour Round Trip Kids Pass	$	1.35

All fares are applicable to all Pittsburgh Regional Transit transportation modes excluding U-Pass participants and other contractual fare agreements, and ACCESS.

Diversification of Revenues

Pittsburgh Regional Transit will continue to explore areas for revenue diversification that can supplement passenger revenue and subsidies. Some of these areas include growing the footprint of our advertising program, expanding and improving our current Park and Ride system and developing new business and community partnerships.

Budget Control and Monitoring

Budgetary controls are established at various levels to have effective control over expenditures within PRT. The budget is prepared after analyzing both current and historical information. This analysis is used to project both revenues and expenses at the departmental level. Each fiscal year the Operating and Capital budgets go through many levels of review prior to final board adoption. This budget approval process provides control over expenditures and ensures that the budget reflects the strategies and goals that are adopted by Pittsburgh Regional Transit's Board of Directors.

All divisions within the Agency are expected to adhere to budgeted guidelines. Each division manager is held accountable to operate within their respective budget.

During the fiscal year, Financial Planning & Budgets staff will provide each department with monthly budget reports reflecting actual expenditures and obligations. Along with these monthly reports, each department in the organization must review monthly and quarterly variance reports and answer for any variance that exceeds a predetermined amount. Also, bi-monthly meetings are held with each division head to review their respective division's year-to-date expenses and budget availability by account. All department and division managers can access their budget performance on a monthly or quarterly basis electronically as needed.

Expenditures

Numerous financial safeguards and controls are prevalent throughout the agency to reduce and eliminate unnecessary spending. Most disbursements being made from Pittsburgh Regional Transit are handled through purchase orders which allow for tracking of actual costs compared to budget. Final payment by our Accounts Payable department will not be made unless the disbursement passes budget check.

Debt Policy

A Debt Issuance Policy has been developed by the Department of Finance and adopted by the Board of Directors to serve as a guideline for the issuance of Obligations, mitigate risk, and facilitate the compliance of federal, state, and local securities law. The issuance of bonds, notes, certificates of participation and other securities (Obligations) by PRT can have a significant impact upon the customers of PRT, the taxpayers of Allegheny County, and the Commonwealth. The Chief Executive Officer in consultation with PRT's Finance Department team determine which type of financing will be issued after considering the following principles:

- Equity – Ensure customer and taxpayer equity.
- Effectiveness – once the transaction is completed, it accomplishes its intent and the identified revenue source for repayment is adequate to meet debt service.
- Efficiency – the relative cost of obtaining funds; including the costs of the financing and the cost of collecting pledged revenues, is better than competing alternatives.

Policy Statement

Under the governance and guidance of its various indentures and loan documents, PRT may periodically enter into debt obligations to finance the construction of infrastructure and purchase of capital assets, to refinance existing debt, and for the purpose of meeting its responsibilities. It is PRT's desire and direction to assure that such debt obligations are issued and administered in such fashion as to obtain the best long-term financial advantage to PRT.

PRT will limit long-term borrowing to fund primarily capital improvements, projects, or equipment that cannot be financed from current financial resources. In an effort to maximize capital funding availability, PRT shall utilize a reasonable mix of borrowing and pay-as-you-go funding. PRT will not fund current operations or normal maintenance of PRT from the proceeds of long-term financing.

PRT shall seek to maintain investment grade bond ratings so borrowing costs are minimized and access to credit is preserved. It is imperative that PRT demonstrates to rating agencies, investors, creditors and users of the transit system that PRT officials are following a prescribed financial plan and adhering to a sound financial policy. PRT will follow a practice of full disclosure by regularly communicating with bond rating agencies and Electronic Municipal Market Access (EMMA) operated by the Municipal Securities Rulemaking Board (MSRB) to inform them of PRT's current financial condition and future financial outlook. PRT will strive to conduct a periodic review of this Debt Management Policy and update it on a timely basis as necessary.

Constraints, Ratios and Measures

The following constraints, ratios and measures shall govern the issuance and administration of debt obligations.

- **Purposes of Issuance -** PRT will issue debt obligations for acquiring, constructing, reconstructing or renovating Capital Improvements or for refinancing existing debt obligations for any other permitted purpose.

- **Maximum Maturity -** All debt obligations shall have a maximum maturity of the earlier of: (i) the estimated useful life of the Capital Improvements being financed; or, (ii) forty years (unless a longer term is recommended by external advisors): or, (iii), in the event they are being issued to refinance outstanding debt obligations, the final maturity of the existing debt obligations being refinanced, or the latest estimate of the useful life of the capital improvements originally financed with the refunded bonds.

- **Annual Debt Service -** PRT will strive to structure debt issues to maintain a level or declining overall annual debt service structure.

- **Variable Rate Debt –**PRT will strive to maintain unhedged variable rate debt levels no greater than 10% of its total outstanding debt. On a periodic basis PRT will reassess its acceptable level of variable rate debt assets in order to maintain a relative balance that mitigates potential long-term interest rate risk exposure under conditions of either rising or declining market interest rates.

- **Present Value Savings –** PRT shall continually monitor its outstanding debt for the purpose of determining if existing financial marketplace conditions afford PRT the opportunity to refund existing issues and lessen debt service costs. In order to consider and favorably recommend the possible refunding of an issue, PRT will generally look to attain at least a minimum acceptable threshold level of net Present Value (PV) savings over the life of the respective issue.

- **Bond Covenants and Laws -** PRT shall comply with all covenants and requirements of existing and future bond documents and state and federal laws authorizing and governing the issuance and administration of debt obligations. Further, PRT shall consult with bond counsel regarding any such legal issue.

- **Debt Service Coverage Ratio (DSCR) -** PRT shall continually monitor its outstanding debt for the purpose of determining the DSCRs are at or above those required in outstanding debt obligations.

Four Year Comparison: Fiscal Years 2023 - 2026

Amounts in Thousands ('000)	FY 2023 Audited	FY 2024 Audited	FY 2025 Unaudited	FY 2026 Budget	FY 2026 vs. FY 2025
Revenues:					
Passenger Revenue	$42,838	$45,915	$45,656	$44,953	($704)
ACCESS (Shared Ride) Service	8,660	9,265	9,141	9,963	822
Contract Services	10,409	11,195	11,977	12,847	870
Advertising	2,230	1,635	1,835	2,000	165
Interest Income	3,346	6,200	7,982	3,656	(4,326)
Other Income	647	657	741	657	(84)
Total Operating Revenues	**$68,130**	**$74,868**	**$77,333**	**$74,076**	**($3,257)**
Expenses:					
Wages and Salaries	$189,905	$194,248	$204,078	$219,185	$15,106
Pensions and Employee Benefits	168,326	178,881	164,657	200,322	35,664
Materials and Supplies	50,382	53,061	53,437	55,546	2,109
Provision for Injuries and Damages	4,861	5,873	6,238	9,628	3,391
Purchased Services	16,699	17,560	19,705	26,080	6,375
Utilities	7,772	8,054	9,422	10,624	1,202
Other Expense	9,270	10,165	11,231	16,278	5,047
Leases and Rentals	1,899	2,032	1,935	2,885	950
ACCESS (Shared Ride) Service	30,227	31,574	30,907	31,669	761
Total Gross Operating Expenses	**$479,342**	**$501,447**	**$501,610**	**$572,216**	**$70,607**
Deficit Before Subsidy	**($411,212)**	**($426,579)**	**($424,277)**	**($498,140)**	**($73,863)**
Subsidy Source					
Federal	$29,478	$46,113	$36,800	$48,472	$11,602
State	285,989	297,942	307,640	310,449	1578
Local	37,995	47,350	46,463	49,793	3330
Regional Asset District	3,000	3,000	3,000	3,000	0
State Operating Interest	-	9,262	9,617	8,386	(1,228)
Other	244	248	559	2	(488)
Stimulus Funding	191,909	136,329	10,207	0	(10,207)
One Time State/Local Capital	0	0	0	78,039	78,039
Total Subsidy	**$548,615**	**$540,244**	**$414,285**	**$498,140**	**$83,855**
Operating Surplus/(Deficit)	**$137,404**	**$113,664**	**($9,992)**	**$0**	**($9,992)**

Operating Revenues

FY 2026, revenues for operations are approximately $572.21 million and include passenger revenues, federal, state, local operating assistance, capitalization grants, and a one-time transfer of capital funds to operating. Passenger revenues to support operations are expected to represent 10.10% of the Agency's operating revenue. Passenger Revenue includes the sale of fare products, cash fare payments, and contracted services through the U-Pass program which currently involves student and faculty at the University of Pittsburgh, Carnegie Mellon University, Chatham University, Duquesne University, Carlow University, and Point Park University.

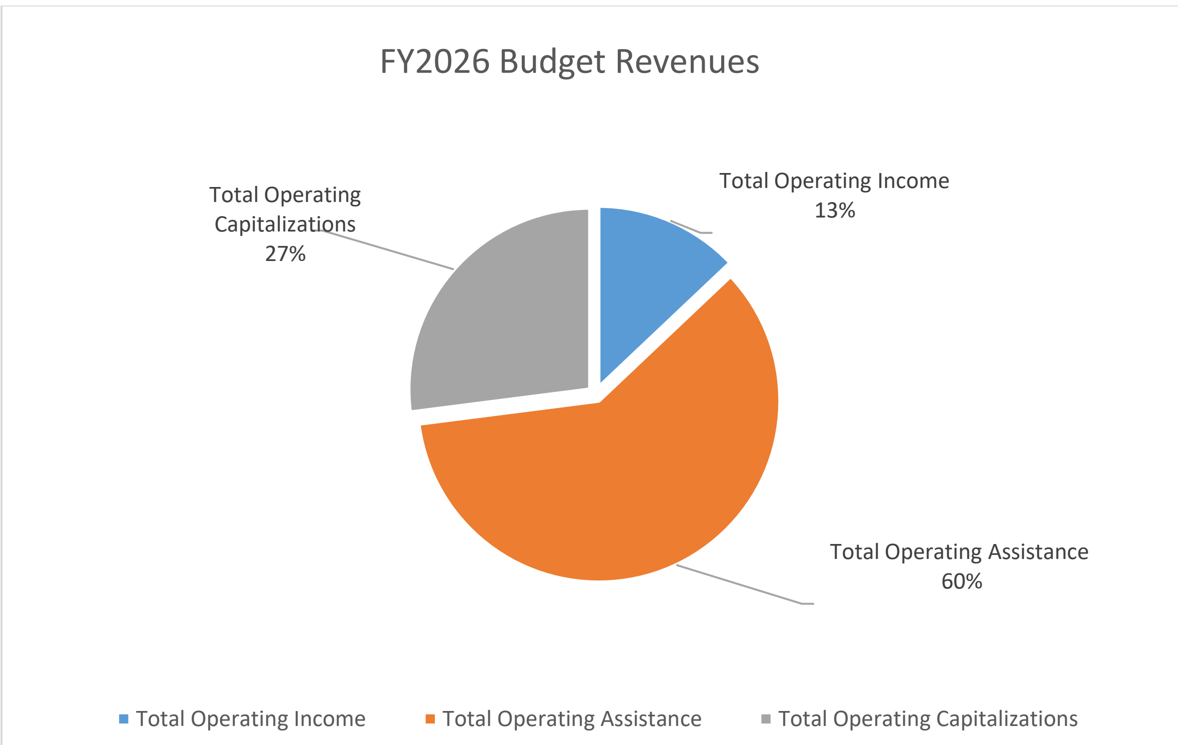
Total Revenue for Operations

Amount in Thousands ('000)	FY 2023 Audited	FY 2024 Audited	FY 2025 Unaudited	FY 2026 Budget	% change FY2026 vs. FY2025
Passenger Revenue					
Farebox Revenue	$42,838	$45,915	$45,656	$44,953	-1.5%
Access Program Service	8,660	9,265	9,141	9,963	9.0%
Contract Services	10,409	11,195	11,977	12,847	7.3%
Advertising	2,230	1,635	1,835	2,000	9.0%
Interest Income	3,346	6,200	7,982	3,656	-54.2%
Other Income	647	657	741	657	-11.3%
Total Operating Income	**$68,130**	**$74,868**	**$77,333**	**$74,076**	**-4.21%**
Operating Assistance					
State Operating Assistance	$271,473	$289,648	$301,052	$299,819	-0.41%
County Operating Assistance	37,527	39,057	40,715	40,715	0.00%
Regional Asset District	3,000	3,000	3,000	3,000	0.00%
State Operating Interest	-	9,262	9,617	8,386	-12.81%
Total Operating Assistance	**$312,000**	**$331,705**	**$344,767**	**$343,533**	**-0.36%**
Operating Capitalizations					
Federal Grants	$29,502	$46,113	$36,800	$48,403	31.53%
State Grants	14,516	17,557	16,204	19,016	17.35%
County Grants	469	8,293	5,748	9,078	57.94%
Other	219	248	559	71	-87.29%
Stimulus Grants	$191,909	136,329	10,207	-	-100.00%
One Time State/Local Capital	-	-	-	78,039	100.00%
Total Operating Capitalizations	**$236,615**	**$208,539**	**$69,518**	**$154,607**	**122.4%**
Total Revenue	**$616,746**	**$615,111**	**$491,618**	**$572,216**	**16.39%**

Overall, FY 2026 total operating revenue is projected to increase by approximately $80.6 million, or 16.39%, compared to FY 2025 actuals and the Agency will utilize $78 million of the one-time capital fund transfer to operating for use to offset expenses and maintain a balanced budget.

Operating Assistance from state and local sources provide roughly 60.04% of budgeted revenue as shown in chart 2 below. State Operating Assistance for FY 2026 is $291.4 million. As was the case under Act 44, State Operating funding requires a 15% local match. Allegheny County will contribute $40.7 million with the remaining $3 million matched by the Allegheny Regional Asset District (RAD). RAD is a special purpose County-wide district that administers grants to "regional assets," such as museums, parks, and transportation. Grants are made possible by a portion of the proceeds of a 1% County Sales and Use Tax.

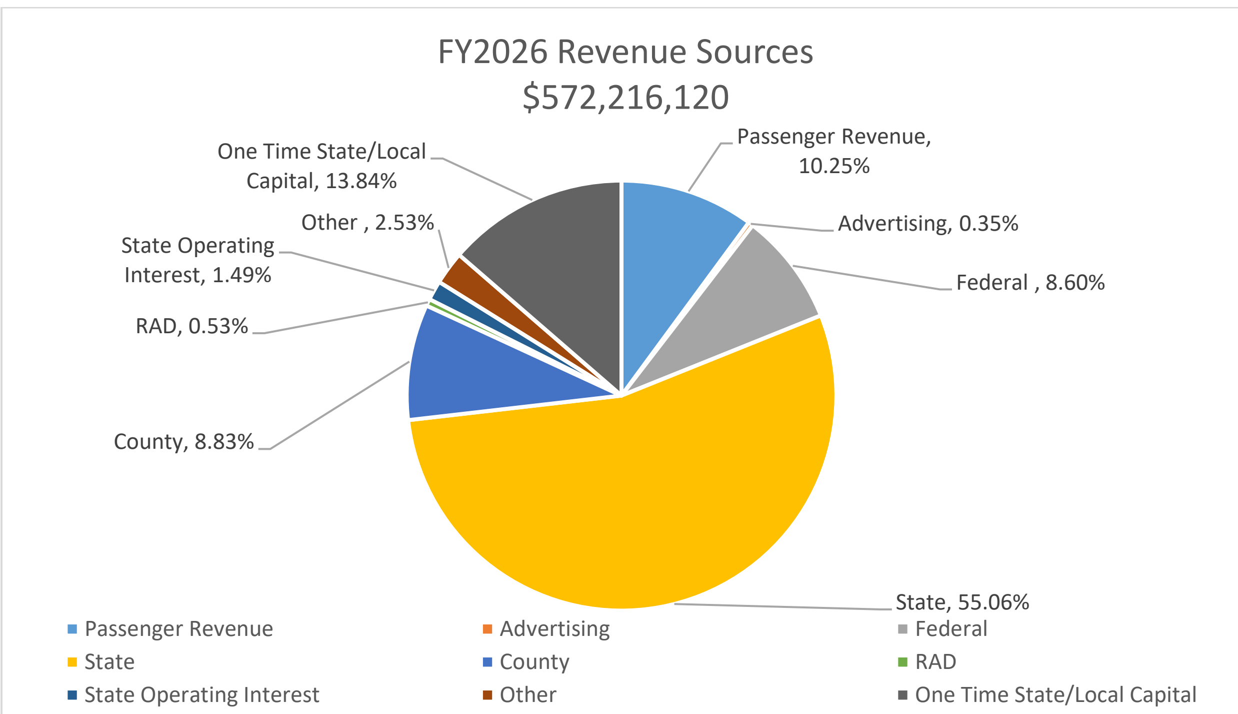
Chart 2



Federal, State, and County Operating Capitalizations supplement operating expenses and represent 13% of FY 2026 revenue and the one-time transfer of capital funds to operating represents an additional 13.6%. Capitalizations underwrite expenses in the Agency's operating budget that are, by definition, eligible expenses under State and Federal capital assistance grants. Examples include eligible preventive maintenance activities to sustain federally funded capital assets, "State of Good Repair" projects of Pittsburgh Regional Transit, and State Capital Bond funds used to support the Vehicle Overhaul Program (VOH), which extend the useful life of its fleet. Also included in this category are expenses associated with the Agency's staff who work on engineering design and management of the PRT capital projects. In FY 2022, Coronavirus related stimulus grants came from the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT) and made up roughly 13% of total revenue. In FY 2023, the funding came from both CARES ACT and ARPA (American Rescue Plan Act) due to time limitations for usage of ARPA. These funding sources combined to make up 31% of total revenue in FY 2023. FY 2024 funding utilized ARPA and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), which amounted to about 22%, or $136.3 million, of total revenue for FY 2024 and left remaining stimulus funding balance of $10.2 million used in FY 2025. Chart 3 below provides a visual representation of the various revenue sources for the Agency while Chart 4 provides the dollar amount by category.

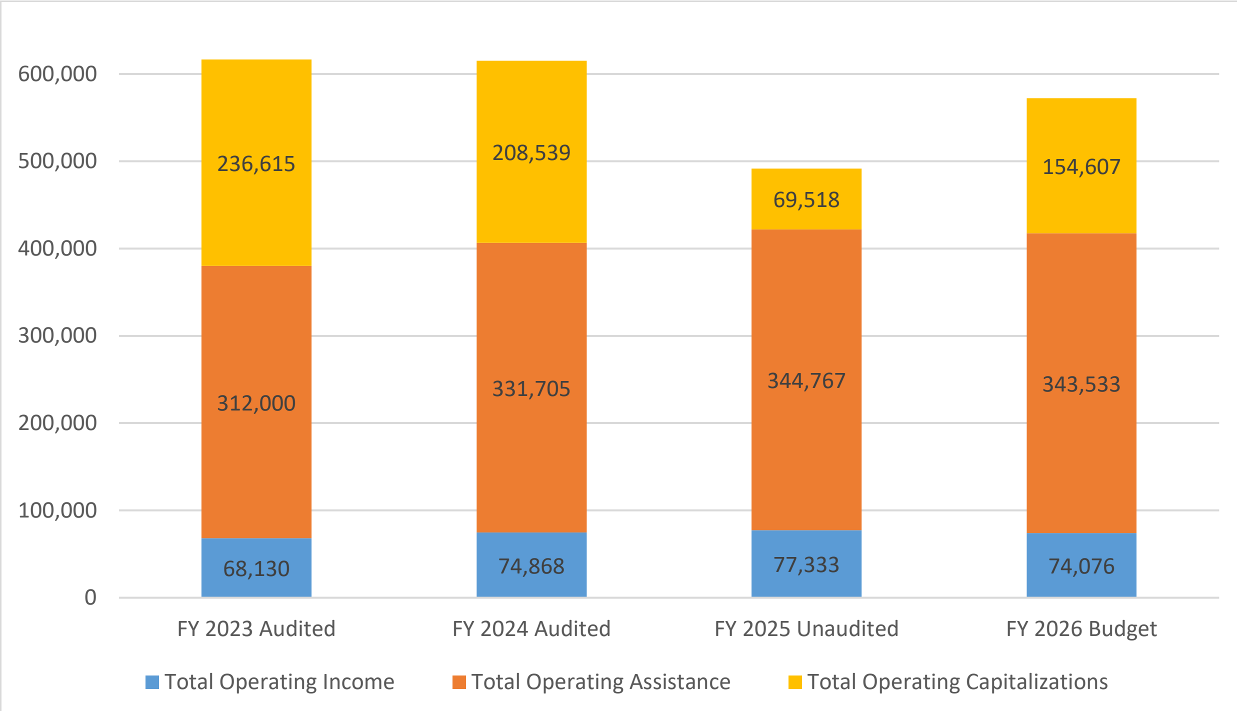
Total Revenue Sources

Chart 3



Total Revenues – FY 2023 to FY 2026

Chart 4



Operating Expenses

Pittsburgh Regional Transit Operating expenses are categorized according to the Uniform System of Accounts required by the National Transit Database. These categories include salaries and wages, pension and employee benefits (fringe benefits), materials and supplies, provision for injuries and damages, purchased services, utilities, other expenses, and ACCESS contracted services.

Expenses in the salaries and wages category include pay and allowances owed to the employees in exchange for services provided to the transit agency.

Fringe benefits are payments to the employee for things other than performance of work, which includes sick leave, vacation, and holiday wages. Also included in this category are payments to other companies or entities (insurance companies, retirement plans, governments etc.) on behalf of the employees. Materials and supplies are products purchased and obtained from outside suppliers for immediate use. Provisions for injuries and damages are the costs associated with the protection of the agency from loss through insurance programs and compensation of others for the losses due to incidents for which the transit agency is liable. Purchased services are the labor and other work provided by outside organizations for fees and related expenses as a substitute for in-house employee labor. This substitution is typically made because the skills offered by the outside organizations are needed only for a short period of time or are more specialized than that of what is available internally. Utilities are payments made to companies for the use of their resources and Other Expenses are those that cannot be attributed to any of the other major categories previously defined.

FY 2026 budgeted labor costs (salaries, wages, and benefits) represent 73.3% of operating expenses. Salary and Wage expenses are budgeted at a total of $219.19 million and increased due to contractual wage increases, wage progressions and increased staffing to better support agency operations. Benefit expenses include healthcare for active employees and retirees, pension obligations, unemployment compensation, as well as vacation, sick, holiday pay and payroll taxes, which are projected to total $200.32 million for FY 2026.

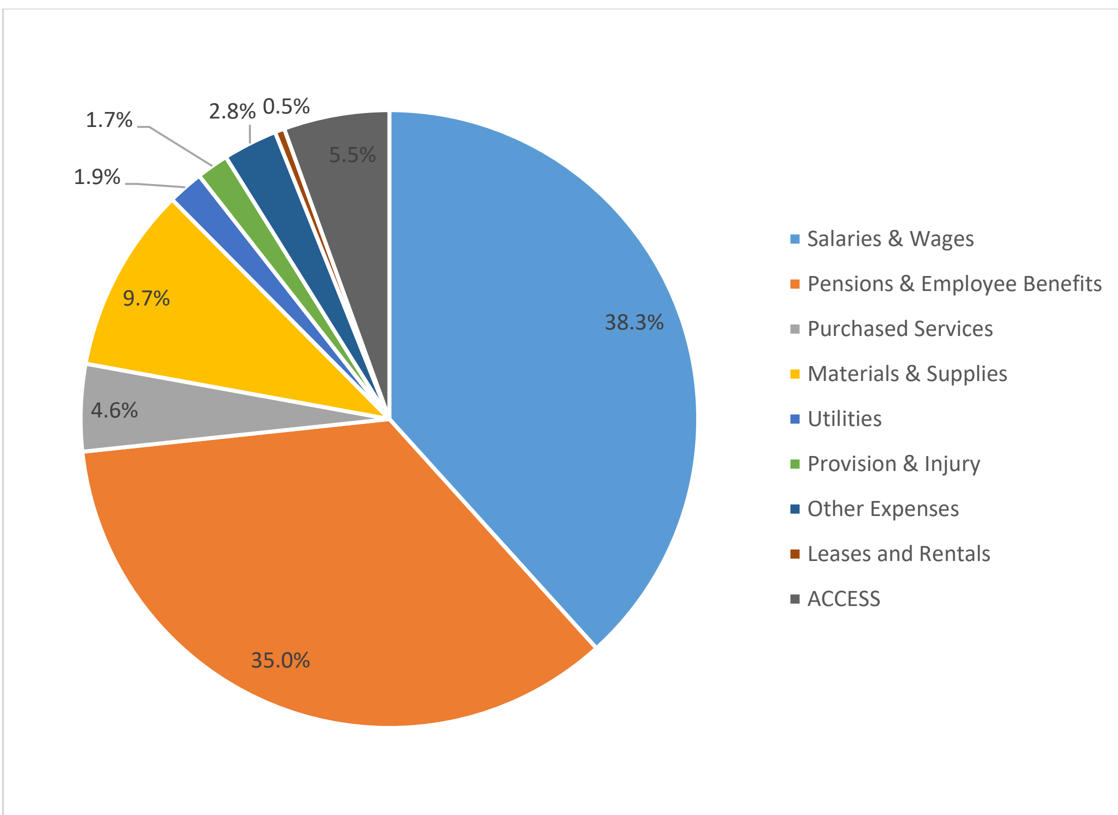
Operating Expenses by Account

Expense Accounts $000	FY 2023 Audited	FY 2024 Audited	FY 2025 Actuals	FY 2026 Budget	% change FY26 vs. FY25
Salaries & Wages	$189,905	$194,248	$204,078	$219,185	7.40%
Pensions & Employee Benefits	168,326	178,881	164,657	200,322	21.66%
Purchased Services	16,699	17,560	19,705	26,080	32.35%
Materials & Supplies	50,382	53,061	53,437	55,546	3.95%
Utilities	7,772	8,054	9,422	10,624	12.76%
Provision & Injury	4,861	5,873	6,238	9,628	54.36%
Other Expenses	9,270	10,165	11,231	16,278	44.94%
Leases and Rentals	1,899	2,032	1,935	2,885	49.12%
ACCESS	30,227	31,574	30,907	31,669	2.46%
Total Gross	**$479,342**	**$501,447**	**$501,610**	**$572,216**	**14.08%**

Material and Supplies expenditures are expected to increase by about $2.11 million over FY 2025 actuals due to enhanced services, additional part requirements for our light rail vehicles, electric bus replacement components, and rehabilitation of the LRT System infrastructure. Fuel and Lubricants are budgeted to decrease 14.89% over FY 2025 actuals due, in part, to a portion of the bus fleet converting to electric battery buses in addition to lower costs per gallon for diesel fuel. Purchased services include work done by outside contractors, equipment purchases, marketing and communications, and general engineering expenses related to capital infrastructure expenditures. It is expected to increase by 32.35%, or $6.37 million over the prior year actuals due to not reaching the expense levels anticipated in FY 2025. The increase is also due to the continued development of our mobile payment application, increased monthly service costs, and additional work provided by outside contractors. Utilities include data communication, electricity, propulsion power, natural gas, water & sewage for Pittsburgh Regional Transit locations. Utility usage and costs at our facilities is projected to increase by 12.76% over FY 2025 due to increased costs associated with providing Wi-Fi on all revenue vehicles, the increase in transmission for our propulsion power, stormwater fees that the agency is responsible for, as well as the electric costs associated with our electric bus fleet. The Other expense line items include insurance, rental equipment and buildings, banking services, employee development and software support. These expense items are expected to increase by approximately $5 million over FY 2025. This increase is due to employee development programs, new marketing and customer outreach initiatives, technology training, and the continued increase in Software License expense. The ACCESS expense is projected to increase by 2.45%. The increase is a direct result of projecting usage to increase as well as general operating cost increases for FY 2026.

FY 2026 Operating Expenses by Use (%)

Chart 5



Operating Expenses – FY 2023 to FY 2026

Chart 6

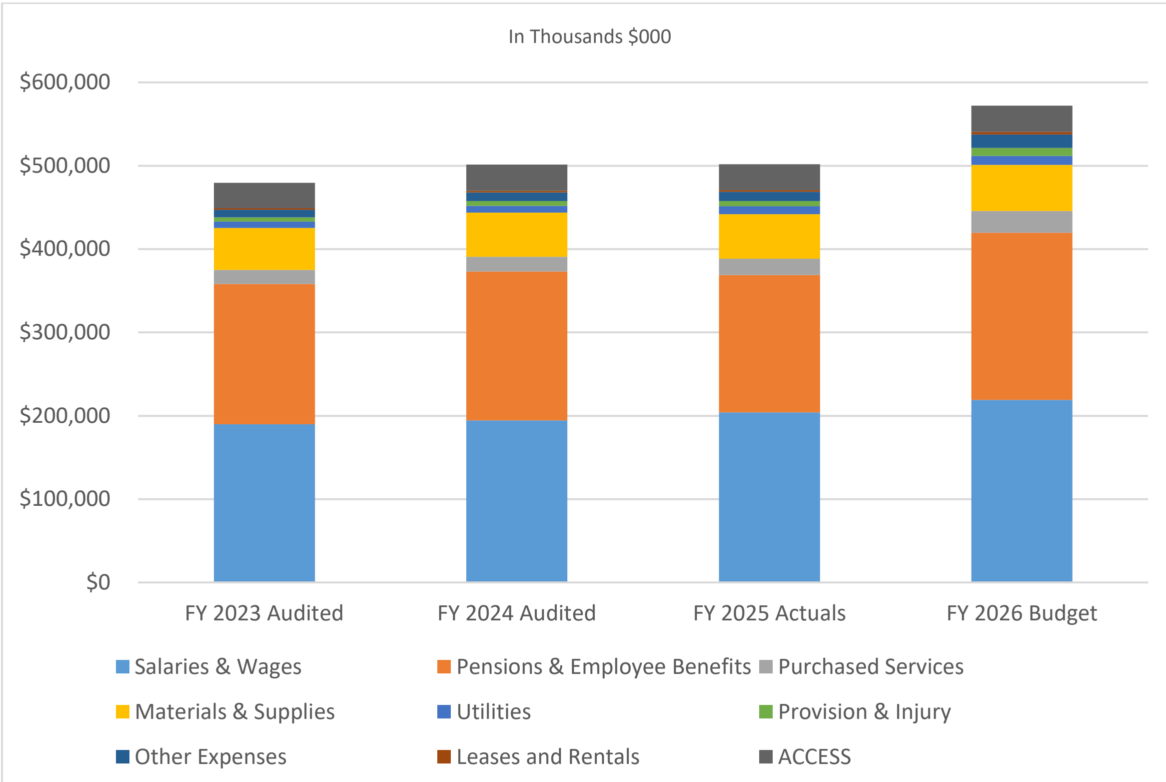
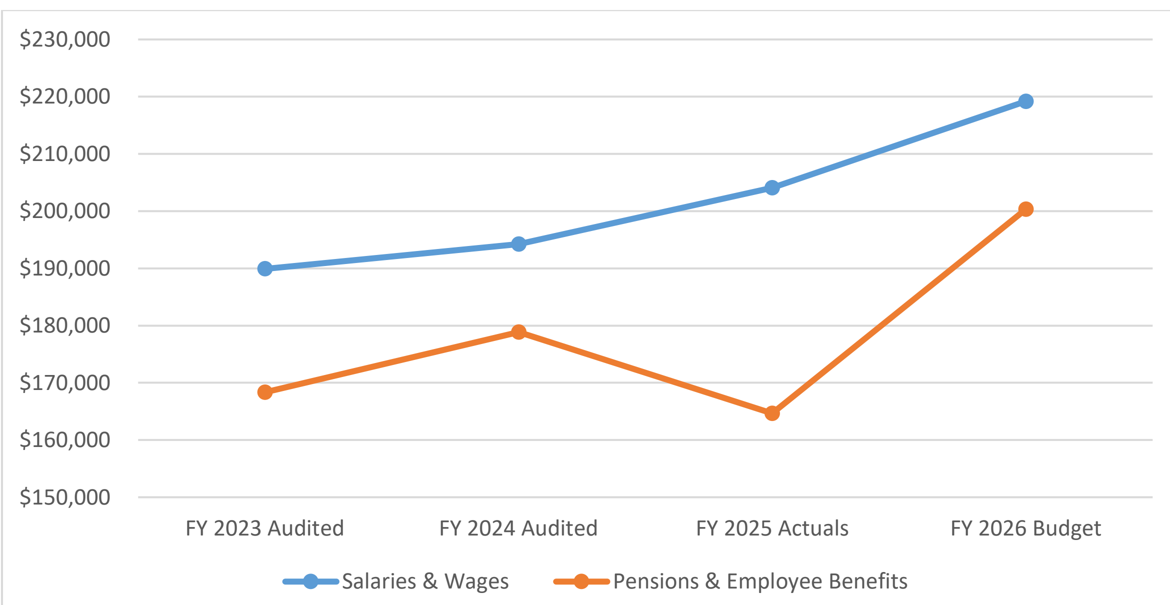
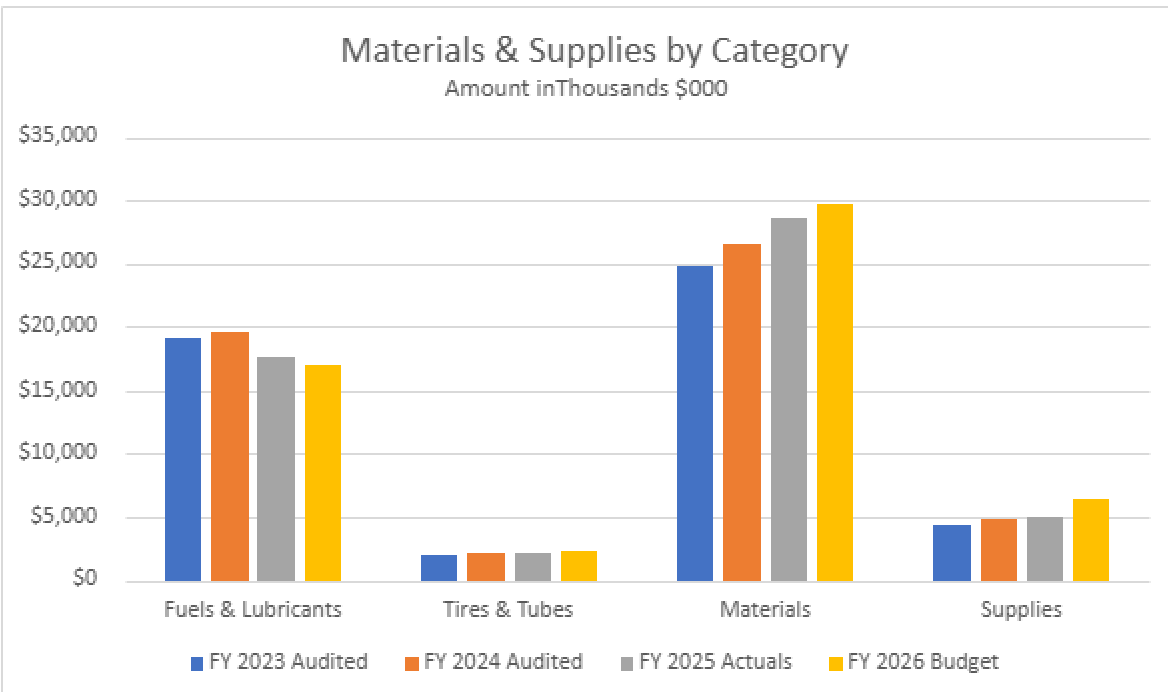


Chart 7



Expense Accounts $000	FY 2023 Audited	FY 2024 Audited	FY 2025 Actuals	FY 2026 Budget	% change FY26 vs. FY25
Fuels & Lubricants	**$19,141**	**$19,551**	**$17,655**	**$17,017**	**-3.61%**
Tires & Tubes	**2,063**	**2,082**	**2,125**	**2,313**	**8.83%**
Materials	**24,766**	**26,572**	**28,584**	**29,745**	**4.06%**
Supplies	**4,412**	**4,856**	**5,072**	**6,471**	**27.60%**
Total Gross	**$50,382**	**$53,061**	**$53,437**	**$55,546**	**3.95%**

Chart 8

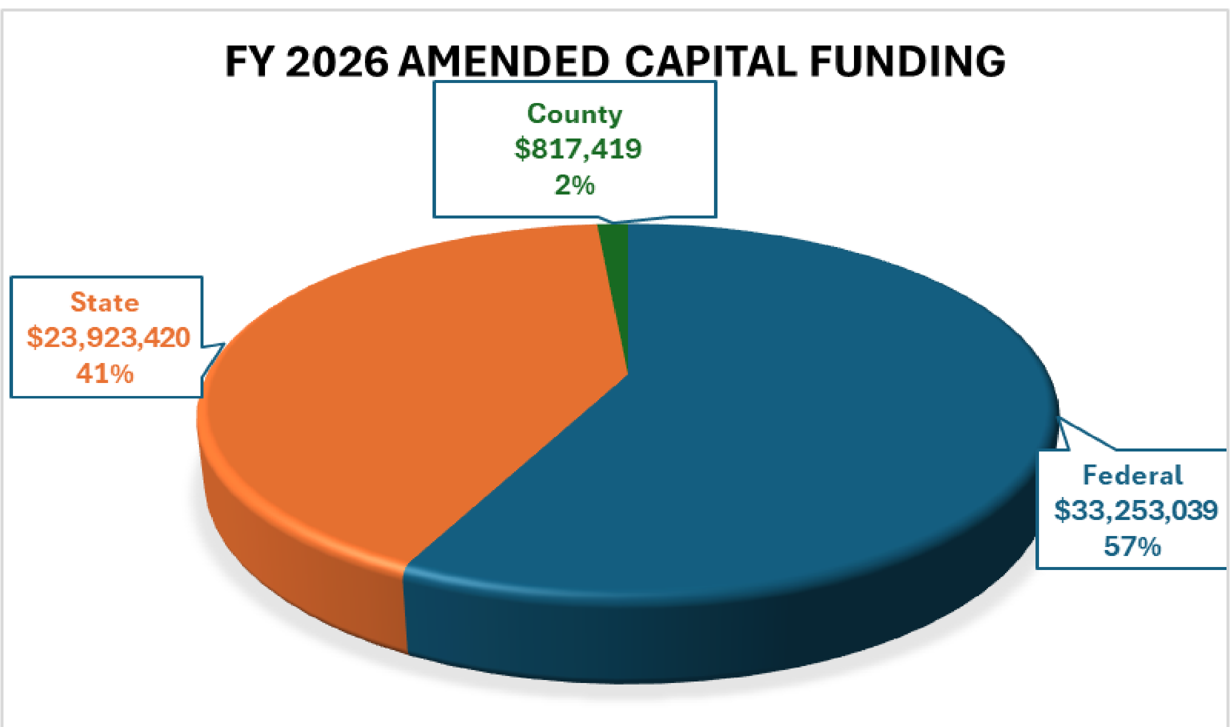


Fiscal Year 2026 Capital Budget

FY 2026 Capital Budget by Anticipated Funding Source

FY 2026 Amended Capital Improvement Program Anticipated Funding Sources	9/26/2025 Amount
I. Federal	
FFY 2025 Section 5307, 5337 SOGR, EPA	$ 33,253,039
Subtotal	$ 33,253,039
II. State	
FY 2026 Net State Section 1514 Discretionary	$ 23,923,420
Previously Appropriated Section 1514 Discretionary	$ -
Subtotal	$ 23,923,420
III. County/Other Capital Funds	
2026 County Capital Net - State of Good Repair	$ 817,419
Previously Appropriated County State of Good Repair	$ -
Subtotal	$ 817,419
Total Funding Sources	**$ 57,993,878**

Chart 9



On November 25, 2013, Governor Corbett signed into law Act 89, a comprehensive transportation funding bill for the Commonwealth of Pennsylvania. This historic legislation provided long-term, dedicated funding for public transit as well as roads, bridges and multimodal transportation. Act 89, along with federal FAST Act funds and Allegheny County local matching funds, provided PRT a predictable, growing source of funds to make critical infrastructure repairs and improvements for years to come.

Act 89 expired on June 30, 2022. As a result, PRT's capital funding shifted to the Commonwealth's Motor Vehicle Fund. PRT's capital funding has decreased by 64.2% as compared to the FY 2025 funding due to a one-time funding shift of $106.7 million of capital funds to operating funds for the next two years as approved by PennDOT. PRT's FY 2026 Capital Improvement Budget (CIP) will continue to be focused on currently held infrastructure assets and state of good repair. The CIP will continue to build upon prior year Act 89 investments and continue capital programs to repair and/or replace assets that have long exceeded their useful life. PRT's FY 2026 CIP totaling $57.9 million, includes $23.9 million in state funds, $33.2 million in federal funds, and $817,000 in local funds.

With the anticipated FY 2026 funds, PRT has allocated projects that will bring assets to a state of good repair, enhance system safety, and various improvements to transit service. FY 2026 capital improvement programs are focused on the following categories:

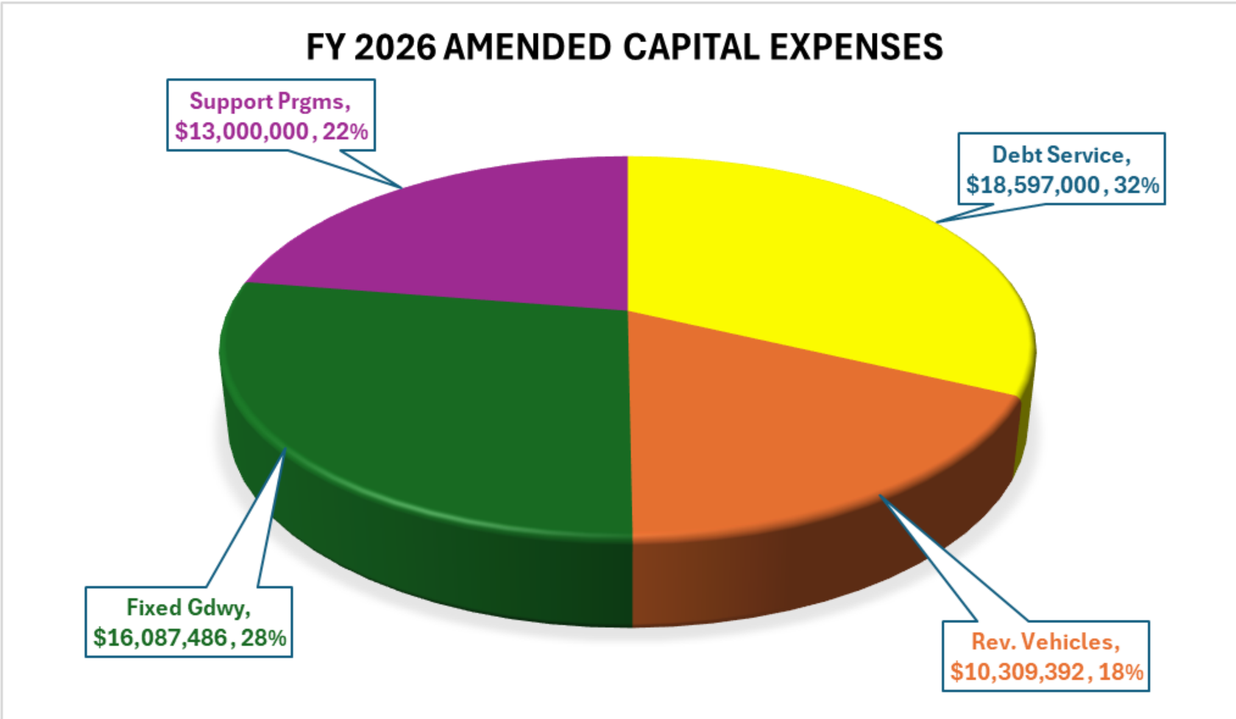
- **Debt Service** – Bond debt incurred for the construction of the LRT Stage II Line and construction costs for the expansion of the Martin Luther King East Busway.

- **Revenue Vehicle Replacement** - Supporting the acquisition of 6 60' Battery Electric Buses

- **Fixed Guideway Improvements** – PRT's guideway assets include 3 busways, 2 LRT Lines, 79 Transit Bridges, 8 Tunnels, and 1 Incline. The FY 2026 fixed guideway project is the construction funding for the Panhandle Bridge Restoration.

- **Transit Support Program** – The 2026 support program CIP project is a refresh of our existing Automated Fare Collection System.

Chart 10


FY 2026 AMENDED CAPITAL EXPENSES
Support Prgms, $13,000,000, 22%
Debt Service, $18,597,000, 32%
Fixed Gdwy, $16,087,486, 28%
Rev. Vehicles, $10,309,392, 18%

Capital Programs by Designation

Debt Service $18,597,000

- $18,597,000 - 2020 Series Bond Debt Service

Revenue Vehicle Replacement $10,309,392

- $10,309,392 - 6 60' Battery Electric Buses

Fixed Guideway Improvements $16,087,486

- $16,087,486 - Bridge Improvements

Facility Improvements $0

Support Programs $13,000,000

- $13,000,000 - IT Hardware/Software & ITS Support Programs

Debt Service

PRT's Debt Service includes payments on Series 2020 Special Revenue Transportation Bonds. These bonds were used to refund the Special Revenue Bonds, Series 2011, which provided funds for the construction of the Stage II LRV Line and for construction on the East Busway Extension. The final year of debt servicing of the Series 2020 bonds is FY 2029.

Annual Debt Service Payments

Fiscal Year Ending June 30	Principal	Interest	Debt Service
2026	$15,300,000	$3,297,000	$18,597,000
2027	$16,065,000	$2,532,000	$18,597,000
2028	$16,870,000	$1,728,750	$18,598,750
2029	$17,705,000	$885,250	$18,590,250
Total	**$80,515,000**	**$12,468,750**	**$92,983,750**

Revenue Vehicle Replacements

- 6 60' Battery Electric Buses - $10,309,392
  - PRT plans to acquire 6 60' Battery Electric Buses.

Fixed Guideway Improvements

- Panhandle Bridge Rehab - $16,087,486
  - The Panhandle Bridge was originally constructed by the Pennsylvania Railroad (PRR) in 1903. In 1980, PRT purchased the bridge from a PRR successor, Conrail. Subsequently, PRT renovated and reconfigured the bridge as part of its Stage I LRT Project. The bridge work was completed when the Downtown subway opened for revenue service in 1985. As to be expected for a 119-year-old bridge, some structural elements have deteriorated. The bridge requires repair of structural members and a paint system overhaul due to environmental corrosion and wear. The proposed work would include steel repairs to its superstructure, structural steel painting, concrete repairs, substructure masonry repairs, direct rail fixation replacement, and new bridge lighting.

Agency Innovation

- Automated Fare Collection System Refresh - $13,000,000
  - The purpose of the Fare System Refresh project is to replace aging and outdated ticket vending machines with seamless, electronic, automated Fare Vending Machines (FVM) that will administer multiple fare media types including mobile fares.

Impact of Capital Projects on the Operating Budget

The decisions made regarding PRT's Capital Improvement Plan advance the strategic vision of the company and maintain its core assets. These decisions can both positively and negatively impact the PRT Operating budget depending on the project. This supports the need for the Operating and Capital Budgets to work together for the good of the company and the community. The following paragraphs provide some detail into how the major projects budgeted for FY2026 will impact the Operating side of the company:

Revenue Vehicle Replacement

The replacement of PRT's revenue vehicles helps keep operating costs stable. New Buses require fewer replacement parts, which translates to less budget needed for materials, supplies, and maintenance wages.

Fixed Guideway Improvements

FY 2026 funding invests in improvements to a Port Authority's bridge. This project addresses the replacement of aging and deteriorating infrastructure, which will have a positive impact on the Authority's operations budget as it will reduce the maintenance cost required to maintain revenue service.

Transit Support Programs

Port Authority's Transit Support Program includes enhancements and upgrades to information technology (IT) hardware/software. To support operations and maintenance needs in FY 2026, PRT will replace equipment that has exceeded its useful life and will have a positive impact on the operations budget by directly reducing maintenance costs.

Pittsburgh Regional Transit Structure

In FY 2025 Pittsburgh Regional Transit elected to refine its structure over the prior year's reorganization, and converted Finance back to a standalone division, which is now made up of the follow departments: Executive & General, Accounting, Cash Management, Financial Planning & Budgets, the General Administrative Expense department, and Grants /Capital Programs & Accounts Payable. With this change there are again 8 divisions. The budget is developed based on these eight divisions and those departments reporting within each division. Pittsburgh Regional Transit has over 70 departments at 15 locations reporting to the eight various divisions.

The Chief Executive Officer works closely with the Board of Directors and provides leadership to the entire PRT organization. The executive leadership team takes direction from the Chief Executive Officer and is responsible for managing the daily operations of their respective division. Together, divisions and departments work to provide quality transportation services to the Allegheny County region. The organizational structure found on the next page (chart 11) is a high-level organizational leadership chart.

Pittsburgh Regional Transit has approximately 2,600 active employees. There are three separate collective bargaining units within the Agency. Roughly 85% of the total workforce are Amalgamated Transit Union (ATU) employees, a small fraction is International Brotherhood of Electrical Workers (IBEW) union members, and the Transit Police are a separate bargaining unit. The remaining employees are non-represented employees. Chart 12 provides a visual of the budgeted employee count over the past ten years.

Organizational Structure

Chart 11

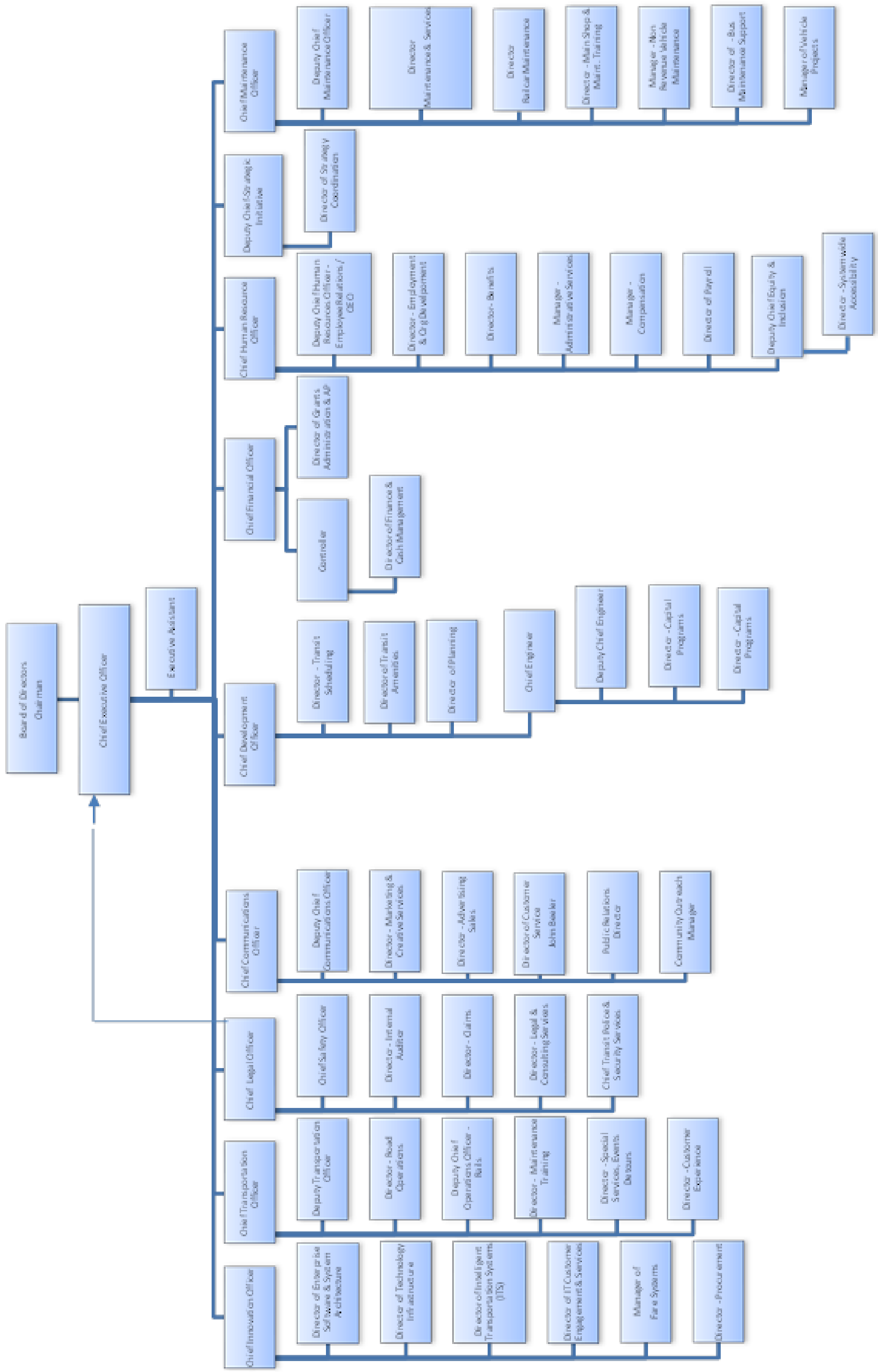
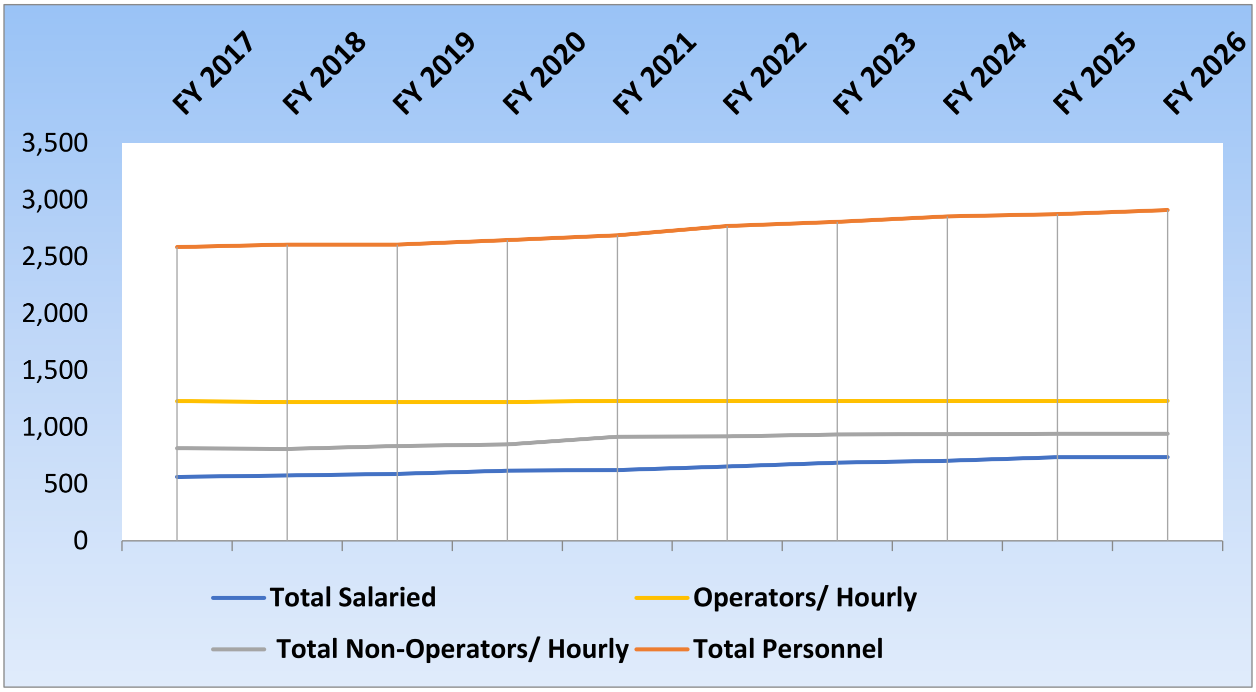
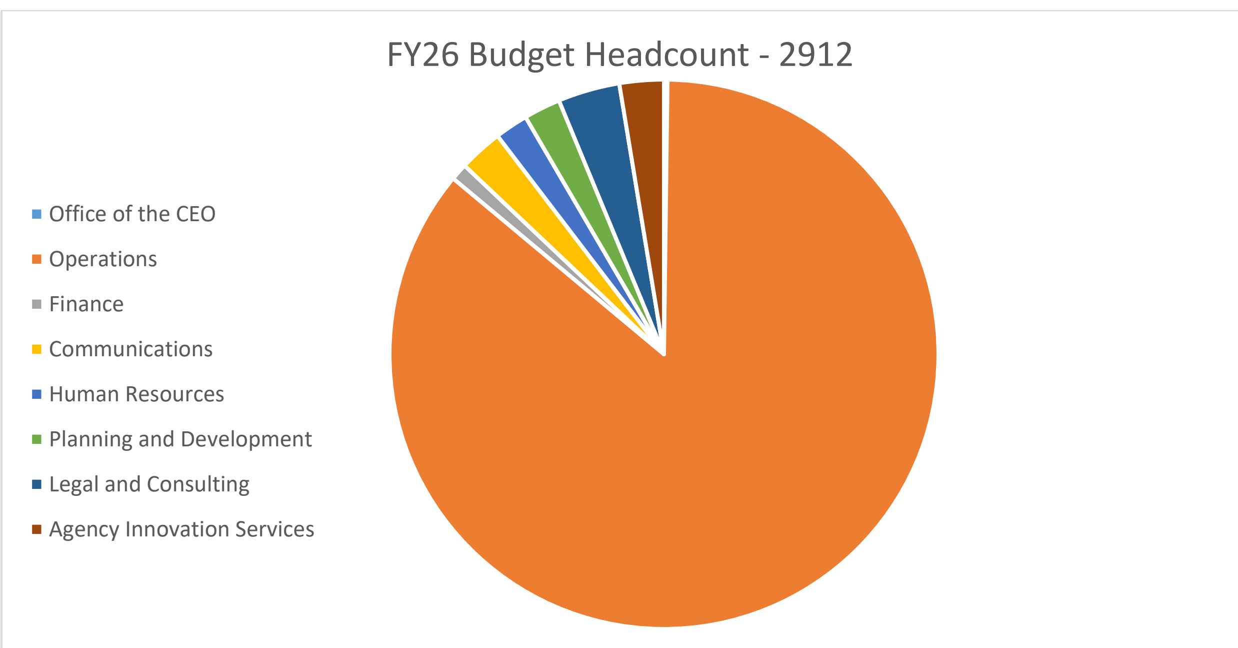


Chart 12



FY 2026 Headcount

Chart 13



The Office of the Chief Executive

The Chief Executive Officer is responsible for all aspects of managing and overseeing the planning, financing, administration, operations, safety, and security of PRT's services. The Chief Executive Officer serves as the Agency's representative with governmental units, agencies, and transit organizations at the federal, state, and local levels. The CEO works closely with Pittsburgh Regional Transit's County Board of Directors. The Board of Directors develops the strategic direction of the organization through governance oversight. This division contains the expenses for the Board of Directors. The Board is not compensated, but expenses may be incurred for travel, printing, and legal counsel. In FY 2023, a Strategy department was implemented under the Finance division and then reorganized to the Office of the CEO for FY 2024. This reorganization helped to better align the objectives of the department with that of the agency as well as with the management of the Strategic Plan. The historical financial data from FY 2023 for the Strategy department can be found within the Finance Divisions section.

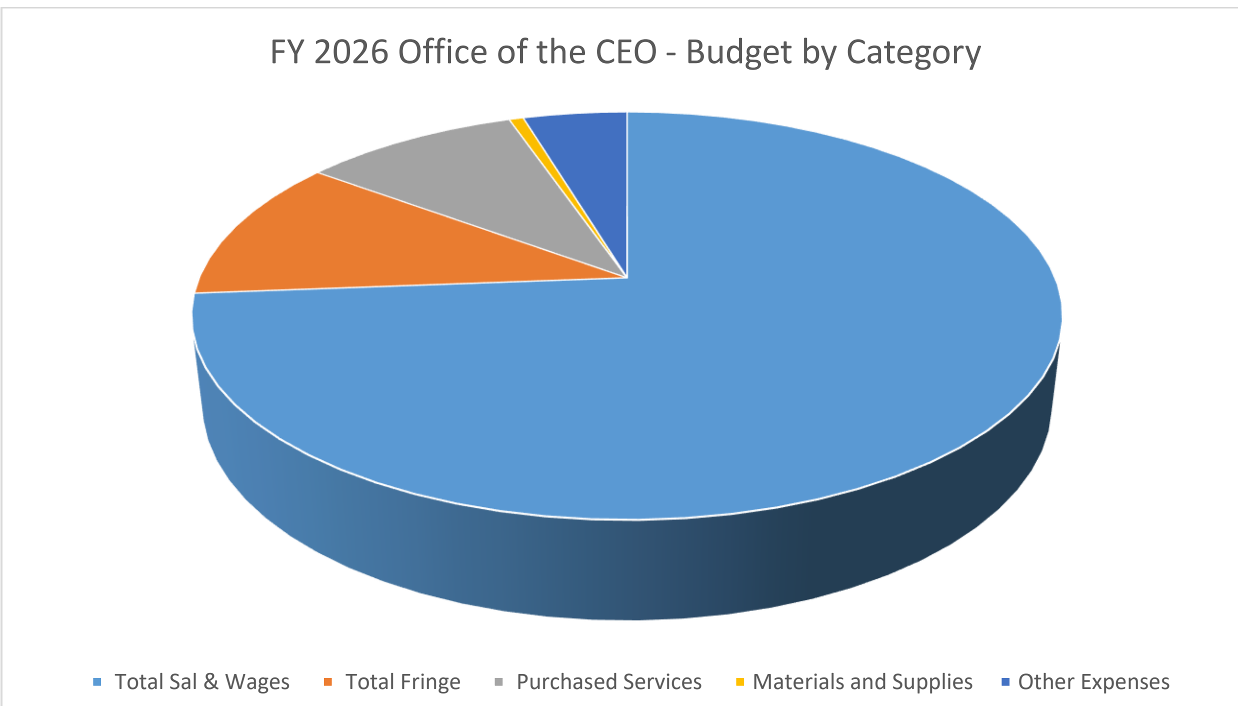
Office of the CEO – Personnel (No. of Employees)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Office of the CEO	3	2	2	2
Strategy	0	3	4	4
Total Personnel	**3**	**5**	**6**	**6**

Office of the CEO - Expenses by Category

Office of the CEO	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Total Sal & Wages	$ 525,012	$ 530,760	$ 734,423	$ 860,022	17.10%
Total Fringe	$ 59,143	$ 77,371	$ 92,947	$ 132,604	42.67%
Purchased Services	$ -	$ 433,128	$ 82,376	$ 112,000	35.96%
Materials and Supplies	$ 954	$ 2,081	$ 1,152	$ 7,400	542.52%
Other Expenses	$ 3,704	$ 26,758	$ 22,617	$ 53,800	137.88%
TOTAL NET EXPENSE	$ 588,813	$ 1,070,098	$ 933,515	$ 1,165,826	24.89%

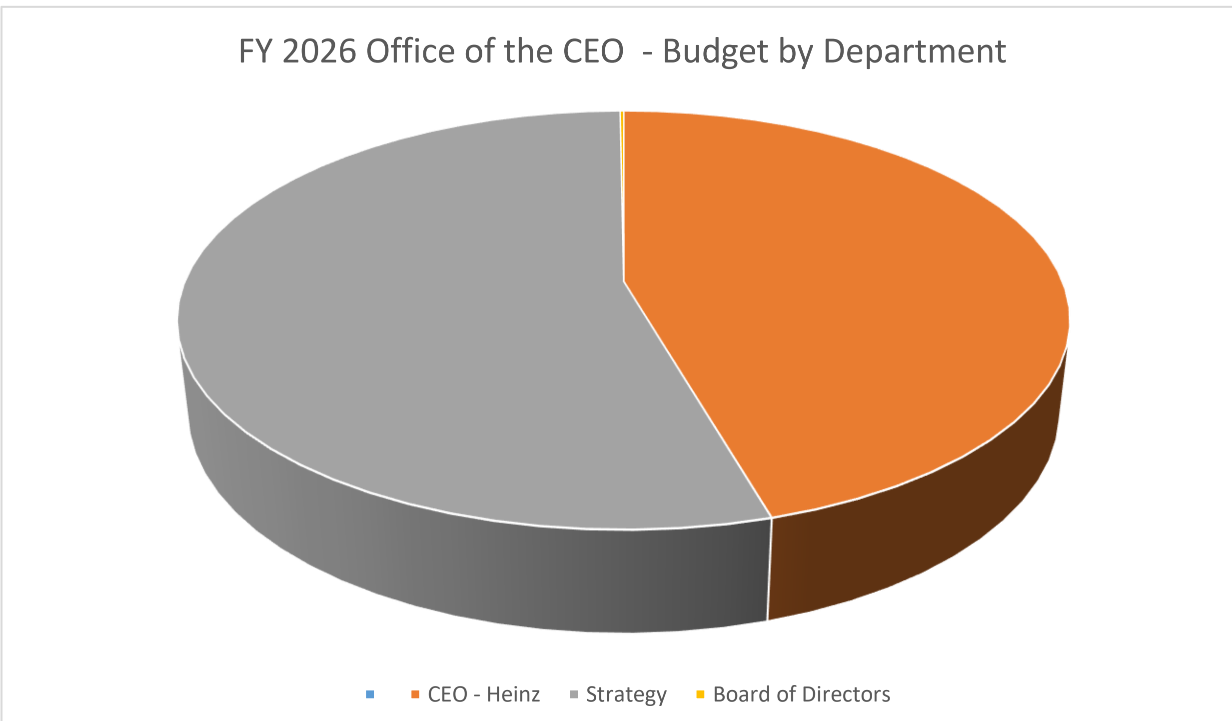
Chart 14



Office of the CEO - Expenses by Department

Office of the CEO 10	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
CEO - Heinz	527,347	457,568	477,243	530,864	11.24%
Strategy	232,691	612,305	454,687	633,162	39.25%
Board of Directors	557	225	1,585	1,800	13.56%
Total Expense	**$ 760,595**	**$ 1,070,098**	**$ 933,515**	**$ 1,165,826**	**24.89%**

Chart 15



Office of the CEO – FY 2025 Accomplishments

- ✓ Published an updated strategic plan to better reflect the key focus areas for PRT for the next five years; create efficiency and accountability, grow ridership, improve service quality, be a good neighbor, and support our workforce.
- ✓ Led sustainability committee coordinating efforts across the agency to reach the goals of PRT's CAP. Compiled research and created plans for increasing efficiency through sustainability.
- ✓ Hired a Partnership Development Coordinator and launched the PRTner Pass™ program.

Office of the CEO – FY 2026 Objectives

- ❖ Assist with the Strategic Plan's implementation and track the key performance indicators of the Plan.
- ❖ Develop and implement a standardized Knowledge Management SOP process that will capture, organize, and share institutional knowledge across PRT.
- ❖ Audit and track energy use and pollutants.
- ❖ Prepare for a renewable diesel pilot.
- ❖ Increase regional stakeholder engagement through existing pass programs and explore opportunities for new partnerships.

Transit Operations

The Transit Operations division is responsible for the safe and timely delivery of transit services. It is comprised of Bus and Rail Operations, the maintenance of PRT's bus and rail vehicles and the maintenance of the Agency's facilities and rail administration. Transit Operations is the largest division at the Pittsburgh Regional Transit and oversees service delivery, maintenance, major overhauls and ensures a safe and secure working and riding environment for employees and customers. There are four bus garages (Ross, East Liberty, West Mifflin, and Collier) that provide daily service and maintenance, and one major overhaul bus garage (Manchester). Rail Service delivery has one garage for daily and overhaul maintenance (South Hills Village). South Hills Junction is a support service garage for rail and facilities administration. South Hills Junction contains the following departments: Non-Revenue Vehicles, Way, Facilities, Light Rail Transit System and Power. In FY 2021, a new department was created called Special Events and was added to the Transit Operations Division. As part of a FY 2024 reorganization, the Materials department shifted out of Finance and into the Operations division under maintenance and its leadership. The department is responsible for receiving, storage and distribution of materials and supplies. Reorganization of this department has helped to align the work and focus of the department to better meet goals and objectives of the division. The historical financial data for this department can be found within the Finance Division's section.

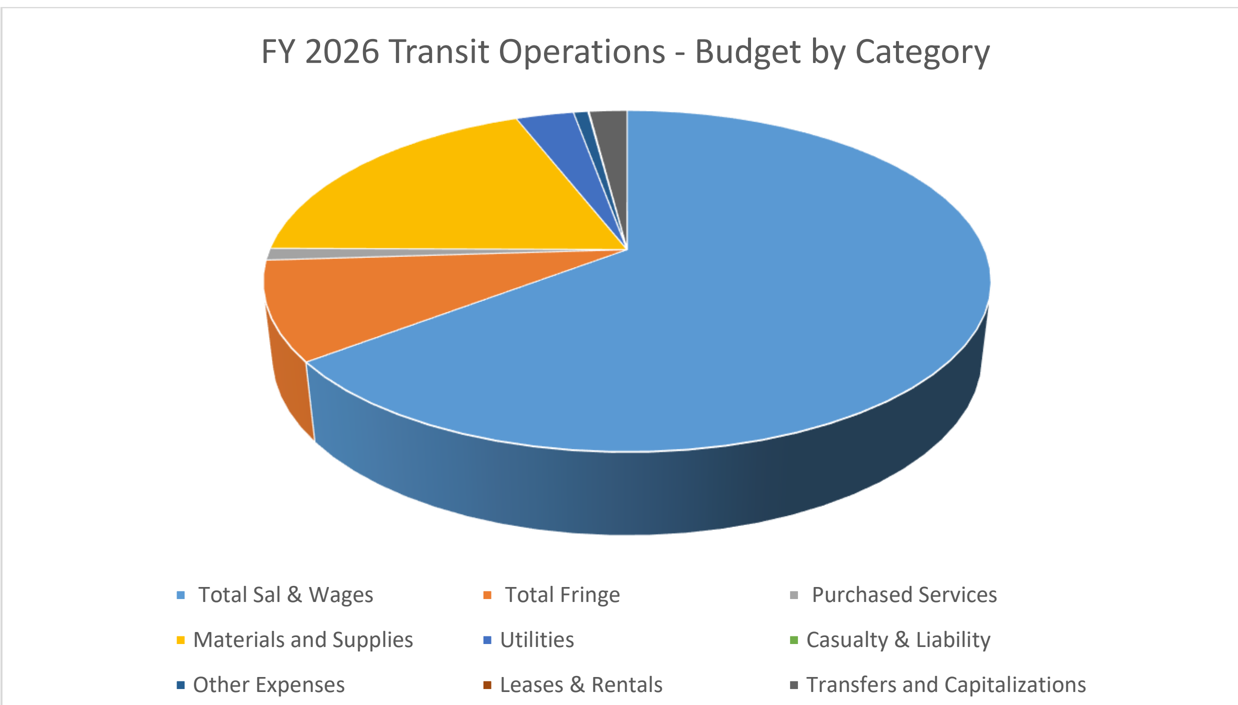
Transit Operations – Personnel (No. of Employees)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Office of Chief Operations Officer	3	3	3	3
Bus & Rail Operations	1,155	1,185	1,251	1,384
Bus & Rail Maintenance	665	706	680	755
Facilities & Rail Administration	306	321	330	354
Special Events	3	4	3	4
Total Personnel	**2,132**	**2,219**	**2,267**	**2,500**

Transit Operations - Expenses by Category

Transit Operations	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Total Sal & Wages	$ 160,720,772	$ 166,980,195	$ 172,237,649	$ 183,574,020	6.58%
Total Fringe	$ 24,394,350	$ 24,863,270	$ 24,257,763	$ 26,513,249	9.30%
Purchased Services	$ 2,054,914	$ 1,844,208	$ 1,667,638	$ 3,197,167	91.72%
Materials and Supplies	$ 49,425,983	$ 51,877,614	$ 52,480,331	$ 53,817,699	2.55%
Utilities	$ 6,259,421	$ 6,538,375	$ 7,741,845	$ 8,728,800	12.75%
Casualty & Liability	$ (322,163)	$ (199,469)	$ (654,365)	$ -	-100.00%
Other Expenses	$ 503,379	$ 958,686	$ 624,027	$ 2,189,502	250.87%
Leases & Rentals	$ 124,239	$ 124,173	$ 206,678	$ 158,000	-23.55%
Transfers and Capitalizations	$ (8,081,568)	$ (10,560,743)	$ (7,484,803)	$ (5,735,000)	-23.38%
TOTAL NET EXPENSE	$ 235,079,327	$ 242,426,310	$ 251,076,762	$ 272,443,437	8.51%

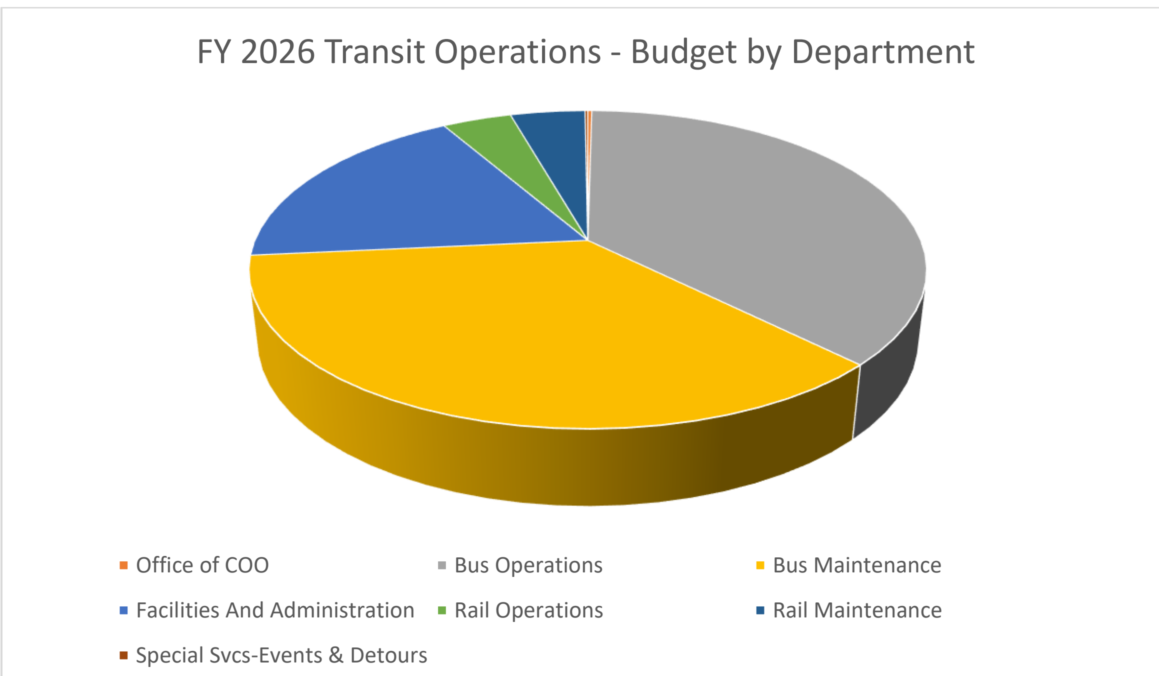
Chart 16



Transit Operations - Expenses by Department

Operations 20	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Office of COO	461,240	525,576	528,376	608,362	15.14%
Bus Operations	89,450,650	88,760,458	90,314,974	101,347,223	12.22%
Bus Maintenance	84,727,198	91,108,626	90,320,186	98,250,537	8.78%
Facilities And Administration	38,058,778	38,730,692	42,952,824	49,468,251	15.17%
Rail Operations	10,126,628	10,498,652	10,823,884	10,738,146	-0.79%
Rail Maintenance	11,958,601	12,483,146	15,790,329	11,603,246	-26.52%
Special Svcs-Events & Detours	296,232	319,160	346,189	427,672	23.54%
Total Expense	**$ 235,079,327**	**$ 242,426,310**	**$ 251,076,762**	**$ 272,443,437**	**8.51%**

Chart 17



Transit Operations – FY 2025 Accomplishments

- ✓ Feet Maintained a wheelchair reliability rate of 99.9% for the fiscal year, maintaining passenger accessibility and reliability.
- ✓ Warranty costs captured and reimbursed through parts value or a monetary credit was $2,998,762.
- ✓ Completed 105 various maintenance training classes, providing training to 580 attendees, enhancing workplace skills to develop maintenance talents.
- ✓ Instruction and Customer Experience teams successfully completed the first round of operator de-escalation, empathy, and customer experience training.
- ✓ Improved on-boarding and certification of new road operations supervisors.
- ✓ An improved employee awareness program was implemented, through active use of the DiMM screen system.
- ✓ Created the 1st Transportation division-specific strategic plan that aligns work with the greater organizational strategic plan.
- ✓ Posted 92% of available detours into Clever Disruption Management system.

Transit Operations – FY 2026 Objectives

- Increase vehicle reliability to meet and exceed Miles Between Road Failures target of 9,800 BMRF.
- Stay on schedule with 5-year rail maintenance plan ensuring state of good repair of assets.
- Improve maintenance training programs, enhance classroom information, continue to work on qualification programs for skilled positions, and enhance current technician skill level.
- Improve system OTP by 5% year over year
- Develop innovative training methods to improve operator troubleshooting skills. Including the use of internal video development and virtual reality.
- Purchase a real time operations solution.
- Expand VOC real-time customer satisfaction data collection to effectively monitor system performance and to target areas needing improvement.
- Develop a dynamic Customer Experience dashboard that will be displayed internally by FY27 and externally alter in the same fiscal year.

Finance Division

The Finance Division is comprised of the Executive and General department, Accounting, Cash Management, Financial Planning & Budgets, General Administration, and Grants & Capital Programs and Accounts Payable. The Strategy department was developed and implemented for FY 2023 and then reorganized to Office of the CEO in FY 2024. Additionally, for FY 2024 the Finance Division merged with Planning and Development, however, with the hiring of a CFO during the year, the agency again pivoted and made Finance a standalone division for FY 2025. Responsibilities of the Finance Division include preparing and monitoring annual operating and capital budgets; all accounting and financial documentation; Federal, State, and County government reporting and grant applications; revenue collection and processing; financial projections and analyses; purchasing, receiving, storage and distribution of materials and supplies and the administration and maintenance of our ConnectCard fare system (AFCS). The Finance division also provides oversight of the General Administrative Expenses of Pittsburgh Regional Transit. These include corporate and general insurance expense and the federal, state & local capitalizations used to offset operating expenses. The FY 2024 financial data for the various finance departments that were reorganized to Planning for that year can be found within the Planning and Development section.

The Finance Division's goals are focused on strengthening the organization's financial sustainability and long-term impact. Key priorities include driving cost savings through disciplined budgeting and continuous review of expenditures to ensure resources are used effectively. The division also aims to improve operational efficiency by streamlining processes, leveraging data and technology, and enhancing financial controls and reporting, one example is the implementation of a new budgeting software. In addition, increasing funding remains a core objective in which the finance division is actively engaged in legislative conversations regarding funding and improving partnerships with key regional leaders. This involves clearer value demonstration, and consistent alignment with organizational priorities.

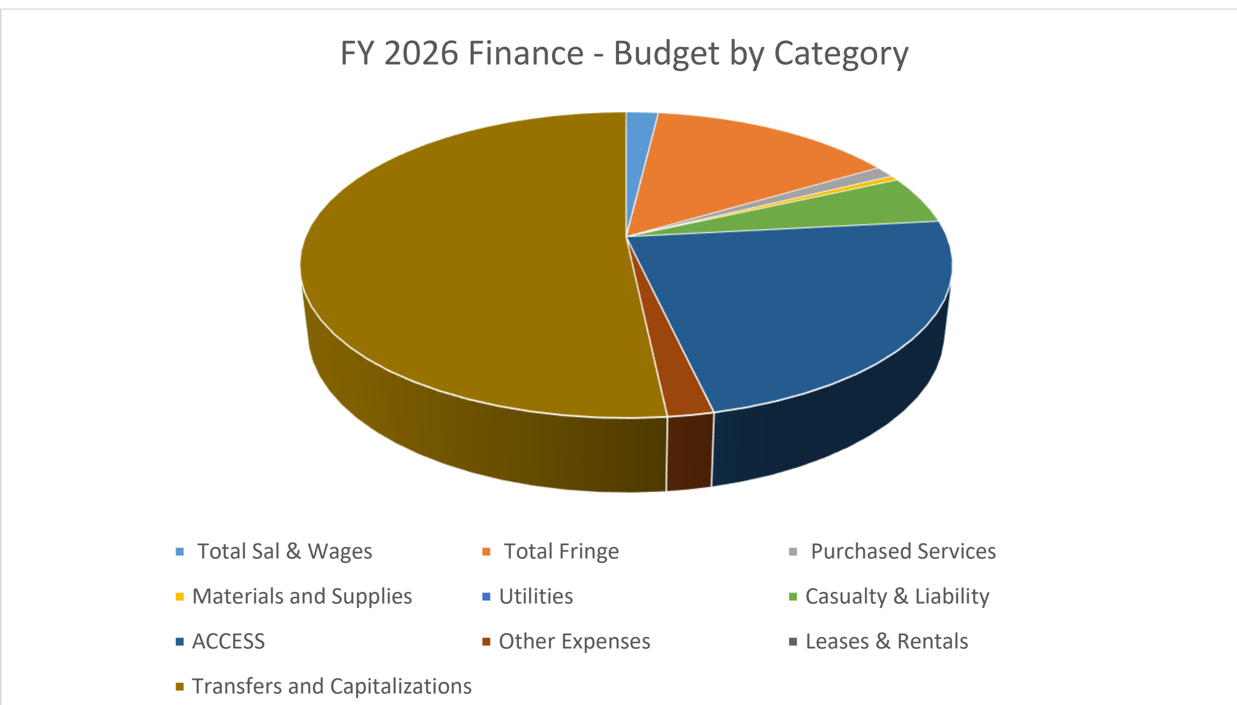
Finance – Personnel (No. of Employees)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Office of the Controller	1	0	0	0
Executive & General - Finance	0	0	3	3
Materials	44	0	0	0
Operating Accounting	6	0	4	4
Payroll	4	0	0	0
Cash Management	5	0	7	8
Financial Planning & Budgets	5	0	4	4
Procurement	25	0	0	0
DBE Program Manager	3	0	0	0
Grants and Capital Programs	7	0	9	10
Administrative Services & Technical Specs	7	0	0	0
Total Personnel	**107**	**0**	**27**	**29**

Finance - Expenses by Category

Finance	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Total Sal & Wages	$ 8,176,992	$ -	$ 2,266,096	$ 2,608,014	15.09%
Total Fringe	$ 17,276,625	$ -	$ 17,709,511	$ 19,989,323	12.87%
Purchased Services	$ 1,085,072	$ -	$ 618,168	$ 1,661,000	168.70%
Materials and Supplies	$ 145,043	$ -	$ 141,239	$ 702,000	397.03%
Utilities	$ 1,992	$ -	$ 11	$ 500	4255.40%
Casualty & Liability	$ 4,052,425	$ -	$ 5,270,895	$ 6,973,438	32.30%
ACCESS	$ 30,227,185	$ -	$ 30,907,210	$ 31,668,700	2.46%
Other Expenses	$ 1,672,027	$ -	$ 2,297,166	$ 2,641,810	15.00%
Leases & Rentals	$ 1,705,998	$ -	$ -	$ -	0.00%
Transfers and Capitalizations	$(224,724,705)	$ -	$ (56,310,074)	$(70,832,923)	25.79%
TOTAL NET EXPENSE	$(158,606,266)	$ -	$ 2,900,222	$ (4,588,138)	-258.20%

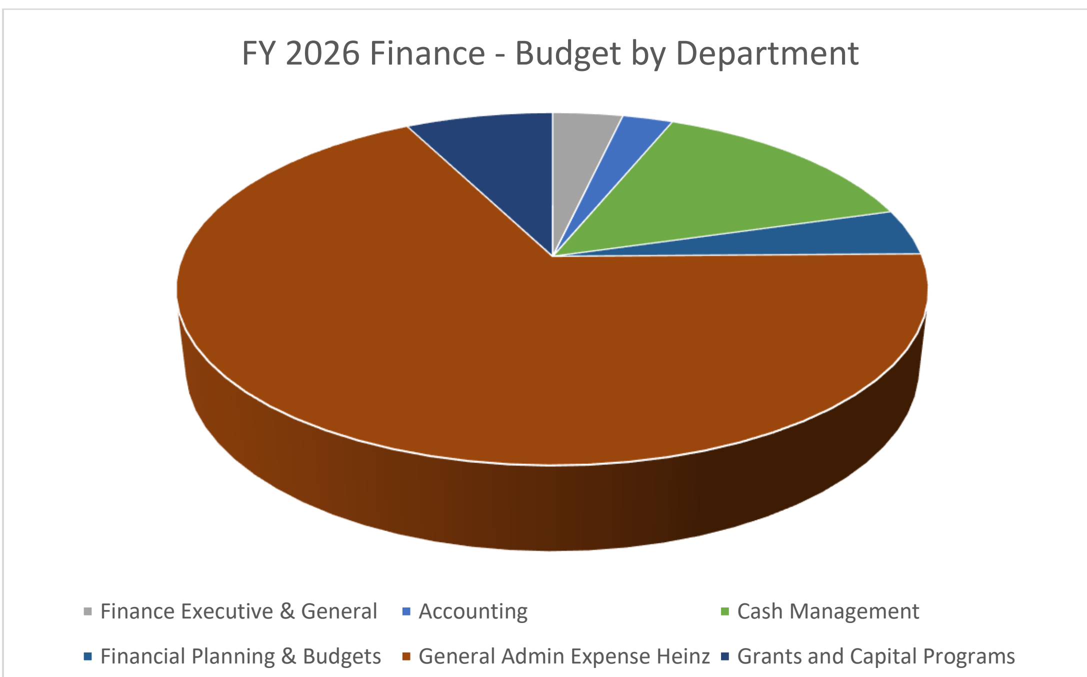
Chart 18



Finance - Expenses by Department

Finance 40	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Office of the Controller	170,912	-	125	-	-100.00%
Materials	4,119,725	-	-	-	0.00%
Finance Executive & General	345,791	-	455,134	467,336.00	2.68%
Payroll	336,858	-	-	-	0.00%
Accounting	359,607	-	314,013	335,830.00	6.95%
Cash Management	846,225	-	1,112,968	1,866,326.00	67.69%
Financial Planning & Budgets	559,319	-	473,090	546,332.00	15.48%
General Admin Expense Heinz	(170,897,095)	-	(287,159)	(8,786,836.00)	2959.92%
Procurement	2,030,830	-	-	-	0.00%
DBE Program	216,433	-	-	-	0.00%
Grants and Capital Programs	670,304	-	832,051	982,874.00	18.13%
Strategy	232,691	-	-	-	0.00%
Admin services & Tech Specs	2,402,133	-	-	-	0.00%
Total Expense	**$ (158,606,266)**	**$ -**	**$ 2,900,222**	**$ (4,588,138)**	**-258.20%**

Chart 19



Finance – FY 2025 Accomplishments

- ✓ Recipient of the GFOA Budget Award.
- ✓ Successfully closed the FY2024 National Transit Database (NTD) Report.
- ✓ Facilitated the planning and launch of a new fare program, the PRTner pass.

Finance – FY 2026 Objectives

- ❖ Continue to review processes and procedures for cost savings and efficiency.
- ❖ Continue to work with government relations and other relevant groups to secure additional funding for transit.
- ❖ Continue to work with relevant stakeholders to prioritize capital projects and increase information shared on impact of capital projects.
- ❖ Complete implementation of new budget software.
- ❖ Complete creation of a comprehensive capital planning and prioritization matrix that includes a long term strategy for grant funding.
- ❖ Increase the board approved reserve requirement from 1 month to 3 months of operating costs.

Communications Division

The Communications Division oversees Marketing and Creative Services, Strategic Communications, Advertising Sales, Government Affairs, and Customer Service. The group also includes the Community Outreach and Internal Communications functions. The division is responsible for leading PRT's public information and community engagement across multiple channels. The division manages community outreach, media relations, service promotion and generates local revenue by selling space throughout our system. The Communications Division is constantly evolving as public information needs and technologies change rapidly. The Communications team constantly focuses on how to improve the flow of information and access to information.

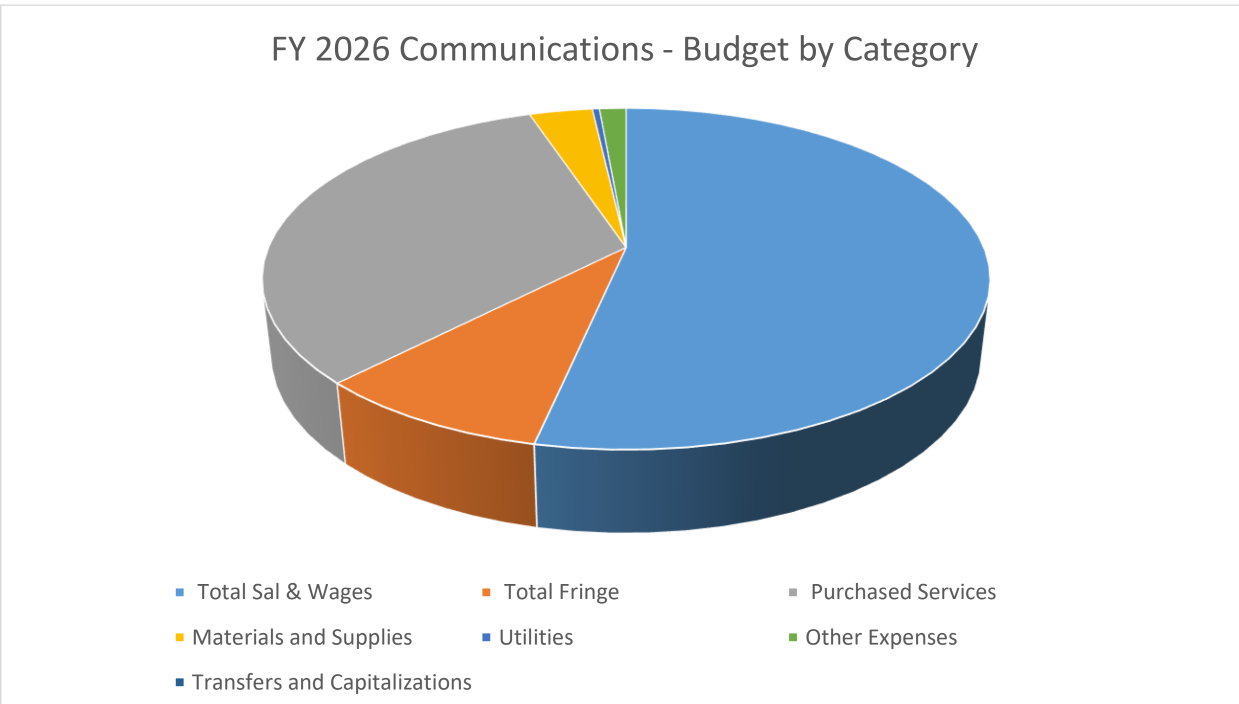
Communications – Personnel (No. of Employees)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Executive & General - Communications	1	3	2	2
Creative Services	4	3	0	0
Marketing	2	2	10	11
Customer Service	36	36	41	47
Advertising Sales	3	3	3	3
Government Affairs	2	2	2	2
Strategic Communications	6	5	10	10
Community Outreach	2	1	0	0
Total Personnel	**56**	**55**	**68**	**75**

Communications - Expenses by Category

Communications	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Total Sal & Wages	$ 3,344,159	$ 3,512,098	$ 4,112,559	$ 5,138,491	24.95%
Total Fringe	$ 591,962	$ 690,551	$ 686,505	$ 863,638	25.80%
Purchased Services	$ 1,867,161	$ 1,630,696	$ 1,699,988	$ 3,130,500	84.15%
Materials and Supplies	$ 211,062	$ 240,970	$ 172,167	$ 322,800	87.49%
Utilities	$ 15,580	$ 19,144	$ 22,394	$ 36,000	60.76%
Other Expenses	$ 34,268	$ 48,776	$ 48,659	$ 136,170	179.85%
Transfers and Capitalizations	$ -	$ (3,322)	$ (467)	$ -	-100.00%
TOTAL NET EXPENSE	$ 6,064,192	$ 6,138,911	$ 6,741,806	$ 9,627,599	42.80%

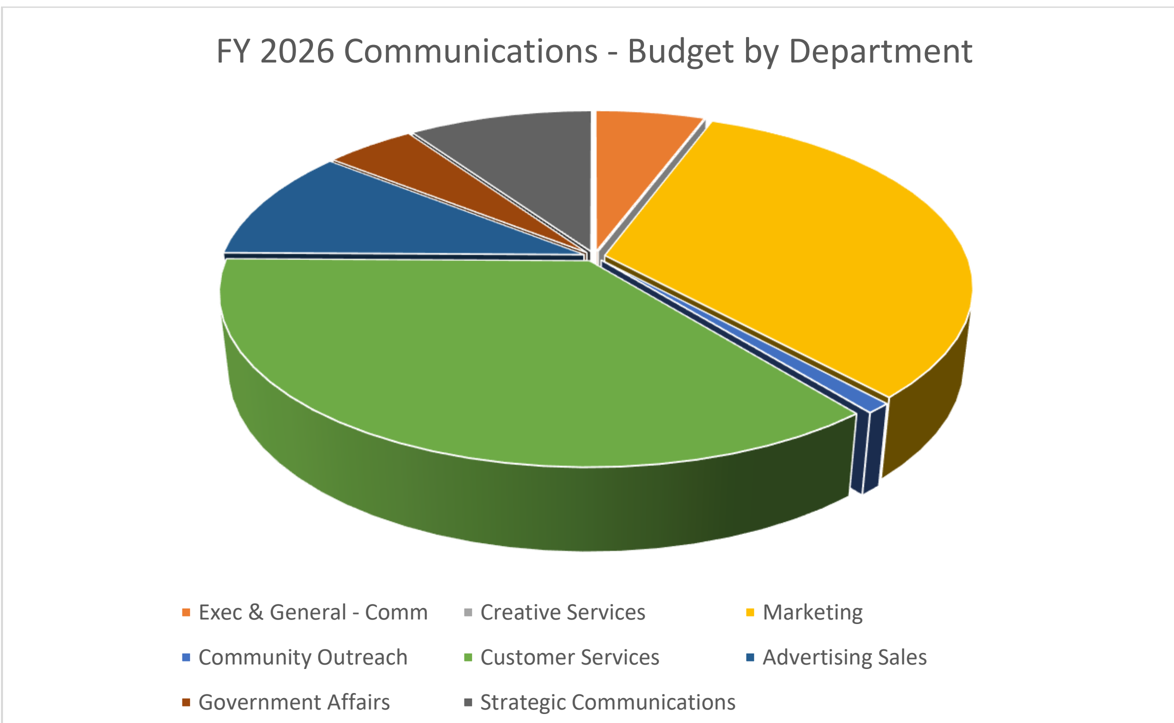
Chart 20



Communications - Expenses by Department

Communications 50	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Exec & General - Comm	291,320	404,491	463,399	550,153.00	18.72%
Creative Services	795,192	661,906	-	-	0.00%
Marketing	783,513	793,288	1,602,398	3,123,956.00	94.96%
Community Outreach	308,613	165,390	-	92,000.00	0.00%
Customer Services	2,260,251	2,429,764	2,842,870	3,472,318	
Advertising Sales	791,606	817,164	789,837	1,007,121.00	27.51%
Government Affairs	450,958	401,975	407,305	452,071.00	10.99%
Strategic Communications	382,740	464,934	635,996	929,766.00	46.19%
Total Expense	**$ 6,064,192**	**$ 6,138,911**	**$ 6,741,806**	**$ 9,627,599**	**42.80%**

Chart 21



Communications – FY 2025 Accomplishments

- ✓ Promoted the "Allegheny Go" discounted transit pass program with Allegheny County.
- ✓ Led PRT's efforts to communicate funding needs to state officials, riders, and the public.
- ✓ Established a more robust Community Outreach program with more impactful public engagement opportunities.
- ✓ Led an aggressive and comprehensive public and stakeholder communications program to support a smooth public construction phase for our University Line project.

Communications – FY 2026 Objectives

- ❖ Improve Customer Alerts by finding internal efficiencies (time) and expanding customer hours.
- ❖ Continue working with elected leaders to pursue sustainable state and local funding solutions.
- ❖ Support a successful transition to the ReadyFare system through public awareness efforts.
- ❖ Promote ridership growth by identifying marketable opportunities within the organization.

Human Resources Division

The Human Resources Division includes the following departments: Employment and Development, Benefits, Compensation Services, Employee/Labor Relations, and the Office of Equal Opportunity. As part of the FY 2024 reorganization, the division was joined by Payroll, DBE Program Management, and Administrative Services. Shifting these three departments out of Finance helped to align their objectives with the objectives of the Human Resources division and the services that they provide. The DBE Program Management department was expanded in FY 2025 and is now recognized through the Advocacy and Engagement department

The division provides a full range of human resources services to Pittsburgh Regional Transit including the administration of healthcare, life insurance, unemployment compensation and other employee benefits programs, as well as payroll and training & organizational development.

The Human Resources Divisional goals are designed to enhance the productivity and performance by evaluation, recruitment, and fringe benefits support. Further, Human Resources will continue to ensure continued strong relationships with the three collective bargaining units.

The fringe benefit expenses in the Human Resources Division include all of the company-wide fringe benefits. These include expenses related to pensions, the defined contribution plan, active employee health care, and retiree employee health care.

Historical financial data for the Payroll, DBE Program Management, and Administrative Services departments can be found at the end of the Finance Division section.

Human Resources – Personnel (No. of Employees)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Executive and General - HR	2	3	1	1
Employment and Development	12	14	13	13
Payroll	0	5	5	5
Employee Relations / OEO	9	10	10	10
Benefits	8	7	8	9
Compensation Services	4	5	3	3
Employee Assistance Program (EAP)	0	0	2	3
DBE Program	0	3	0	0
Advocacy and Engagement	0	0	5	5
Administrative Service & Technical Specs	0	8	8	8
Total Personnel	**35**	**55**	**55**	**57**

Human Resources - Expenses by Category

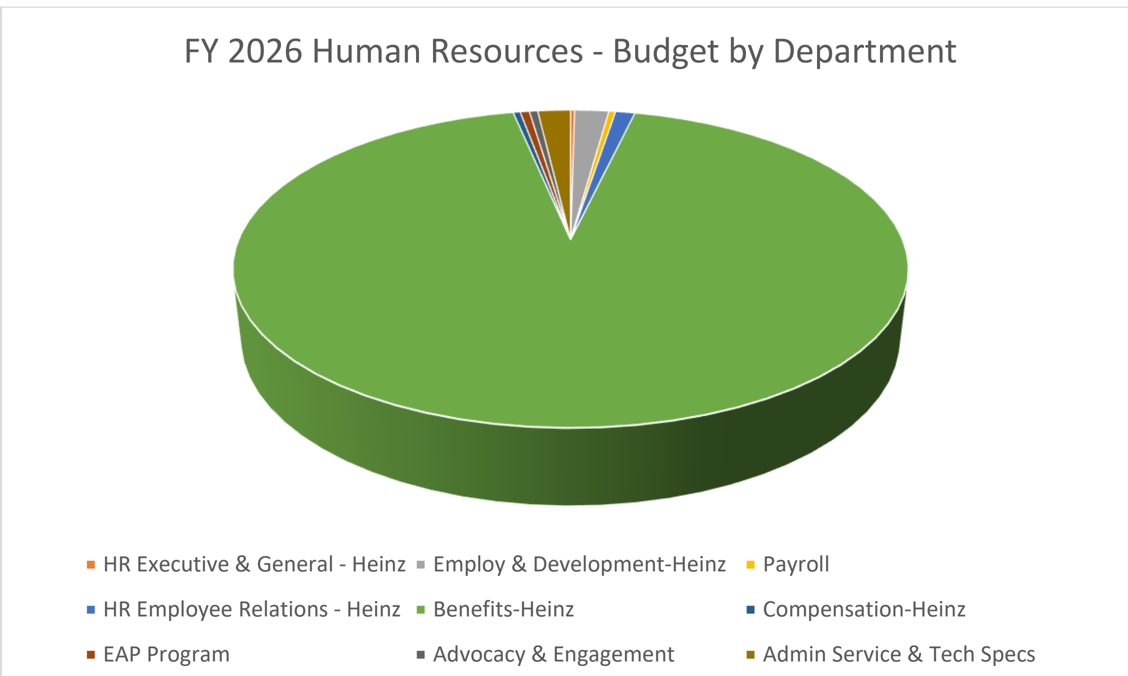
Human Resources	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Total Sal & Wages	$ 2,978,817	$ 3,869,119	$ 4,111,305	$ 4,534,091	10.28%
Total Fringe	$121,870,657	$130,652,079	$116,539,906	$146,537,963	25.74%
Purchased Services	$ 1,191,278	$ 1,407,835	$ 1,606,364	$ 2,226,500	38.60%
Materials and Supplies	$ 31,003	$ 108,312	$ 78,399	$ 215,700	175.13%
Other Expenses	$ 900,631	$ 1,027,281	$ 928,529	$ 1,628,205	75.35%
Leases & Rentals	$ -	$ 1,824,206	$ 1,668,170	$ 2,105,000	26.19%
Transfers and Capitalizations	$ (1,538,212)	$ (2,007,629)	$ (2,455,738)		-100.00%
TOTAL NET EXPENSE	$125,434,174	$136,881,202	$122,476,935	$157,247,459	28.39%

Chart 22

Human Resources - Expenses by Department

Human Resources 60	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
HR Executive & General - Heinz	422,301	332,976	268,961	361,929.00	34.57%
Employ & Development-Heinz	2,387,848	2,724,205	2,663,617	3,078,579.00	15.58%
Payroll	336,858	423,125	457,974	598,049.00	30.59%
HR Employee Relations - Heinz	2,209,341	1,432,766	1,687,513	1,745,470.00	3.43%
Benefits & Compensation-Heinz	119,610,832	128,633,893	113,728,531	146,310,581.00	28.65%
EAP - Manchester	98,861	123,644	-	-	0.00%
Compensation-Heinz	368,133	451,639	446,377	632,564.00	41.71%
EAP Program	-	-	307,375	822,827.00	167.69%
Advocacy & Engagement	-	229,395	496,842	750,093.00	50.97%
Admin Service & Tech Specs	-	2,529,558	2,419,744	2,947,367.00	21.80%
Total Expense	**$ 125,434,174**	**$ 136,881,202**	**$ 122,476,935**	**$157,247,459**	**28.39%**

Chart 23



Human Resources – FY 2025 Accomplishments

- ✓ Certified 2025 Age Friendly Employer.
- ✓ Certified 2025 Military Friendly Employer Gold Status.
- ✓ Created the new ADA training curriculum for Operations
- ✓ Implemented a new vendor for deferred compensation plans, dental plans, and vision plans.
- ✓ Discontinued coverage of GLP-1 medications solely for weight management in 2025, resulting in a savings of approximately $1 million.
- ✓ Updated all non-represented job descriptions with new competencies to align with best practices.
- ✓ Established weekly internal audits of PeopleSoft data to proactively identify and resolve potential compensation / payroll issues before they impact employees.
- ✓ Launched *Elevate*, a new Leadership Academy for emerging leaders and high-potential employees, which was recognized by the Pittsburgh Human Resources Association.
- ✓ Redesigned the competency-based interview process to align with industry standards and updated core competencies.
- ✓ Implemented an electronic medical record software system to replace handwritten patient reports and storage space.
- ✓ Expanded EAP training offerings by 50% in 2025 compared to 2024.
- ✓ Launched new initiatives to attract applicants, including CDL signing bonus, employee referral incentives, paid parental leave, and targeted social media / video advertising campaigns.
- ✓ Engaged in 66 recruitment events to expand outreach and strengthen candidate pipelines.
- ✓ Processed 68,965 paychecks during the fiscal year with less than 1% requiring off-cycle corrections

Human Resources – FY 2026 Objectives

- Develop DBE/DB Directory training in the LMS to increase participation across the agency.
- Update and streamline public-facing ADA/Accessibility resources, including video, webpage, and brochure.
- Update the non-represented Pension Plan document.
- Implement a new healthcare vendor for retirees aged 65 and older.
- Enhance the Merit Planning Process (E-Compensation) by implementing and testing the PeopleSoft Merit Planning module.
- Strengthen the Wage Progression Process by implementing and testing the customized PeopleSoft Wage Progression feature to prevent errors.
- Expand internal development opportunities by 20%.
- Facilitate team engagement sessions within and across departments to strengthen collaboration and communication.
- Align EAP initiatives with PRT wellness programs and employee engagement groups.
- Work with Transportation Operations to acquire and implement a new Student Operator test.
- Attend 77 recruitment events to expand outreach.
- Develop and implement PeopleSoft procedures to report the Fair Labor Standards Act (FLSA) overtime premium in compliance with One Big Beautiful Bill Act (OBBBA) requirements for year-end 2025.

Planning and Development Division

In FY 2024 the Finance Division merged with the Planning and Development Division to bring together ridership trends, short- and long-range projects, and funding all under one single division. In FY 2025 Finance and Planning reverted to two individual divisions but still work together closely and maintain collaboration. Planning and Development's responsibilities include implementing service changes, monitoring bus and rail service efficiency, developing and distributing schedules and timetables, collecting data for both state and federal reporting, maintaining databases for bus and rail stops/stations, and steering the Pittsburgh Regional Transit's long-range projects. It consists of the Planning, Service Development, Transit Amenities, and Engineering & Technical Support departments. The collection of Engineering and Technical Support departments provide engineering support on PRT projects, oversees capital investments, develop technical specifications for the procurement of services and materials, reviews and evaluates engineering conditions and environmental coordination, and provides ancillary operational support.

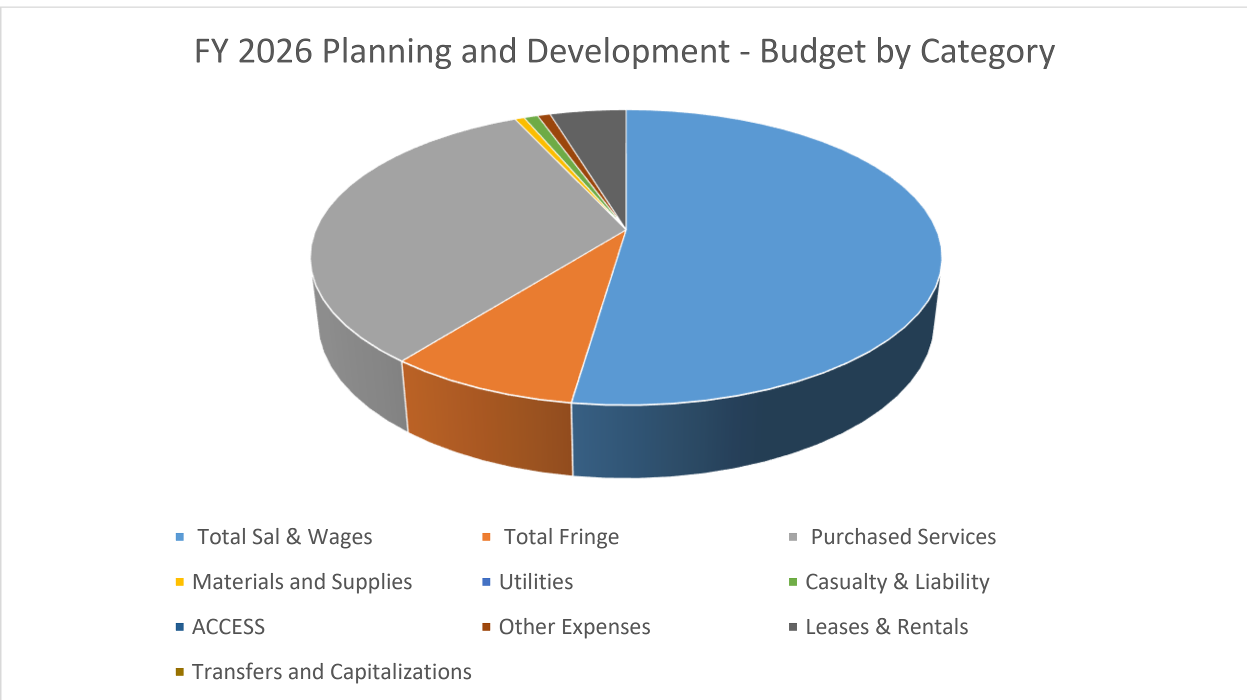
Planning and Development – Personnel (No. of Employees)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Executive & General - Planning & Svc. Devel.	1	1	2	2
Transit Scheduling	4	4	4	0
Engineering	34	33	35	36
Deputy CFO	0	2	0	0
Accounting	0	4	0	0
Cash Management	0	7	0	0
Financial Planning & Budgets	0	4	0	0
Grants and Capital Programs & Accounts Payable	0	9	0	0
Transit Amenities	0	14	16	16
Planning	26	10	9	9
Total Personnel	**65**	**88**	**66**	**63**

Planning and Development - Expenses by Category

Planning and Development	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Total Sal & Wages	$ 4,802,083	$ 7,111,907	$ 5,735,470	$ 6,166,672	7.52%
Total Fringe	$ 738,619	$ 17,614,450	$ 872,916	$ 976,276	11.84%
Purchased Services	$ 1,791,831	$ 2,490,392	$ 3,685,758	$ 3,838,333	4.14%
Materials and Supplies	$ 326,981	$ 582,578	$ 289,392	$ 67,600	-76.64%
Utilities	$ -	$ 260	$ -	$ -	0.00%
Casualty & Liability	$ -	$ 4,594,383	$ -	$ 100,000	0.00%
ACCESS	$ -	$ 31,573,816	$ -	$ -	0.00%
Other Expenses	$ 90,735	$ 1,788,696	$ 74,031	$ 91,753	23.94%
Leases & Rentals	$ -	$ 1,225	$ 550	$ 550,000	99900.00%
Transfers and Capitalizations	$ (2,224,274)	$(195,562,055)	$ (2,944,143)	$ -	-100.00%
TOTAL NET EXPENSE	$ 5,525,974	$(129,804,348)	$ 7,713,974	$11,790,634	52.85%

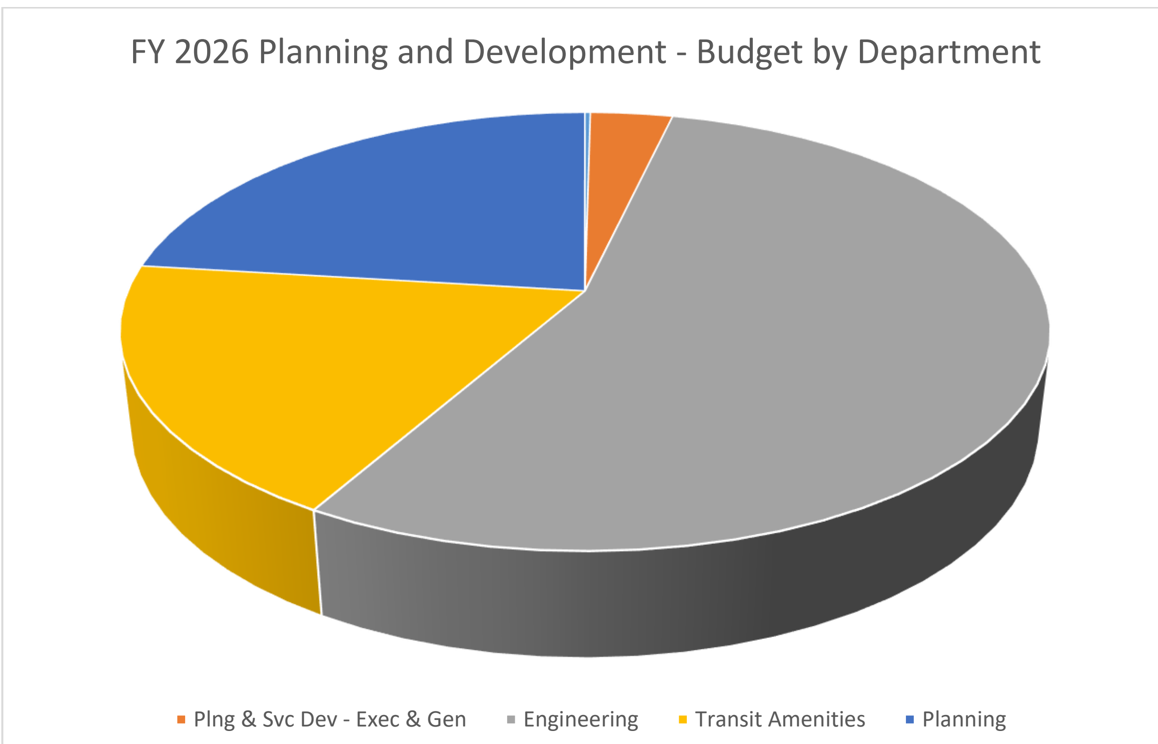
Chart 24



Planning and Development – Expenses by Department

Planning and Development 70	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Transit Scheduling	633,276	552,258	603,713	26,729.00	-95.57%
Plng & Svc Dev - Exec & Gen	267,049	259,505	385,734	402,495.00	4.35%
Engineering	2,251,634	2,201,758	3,219,698	6,442,941	100.11%
Department of Deputy CFO	-	360,714	-	-	0.00%
Accounting	-	299,184	-	-	0.00%
Cash Management	-	1,169,478	-	-	0.00%
Financial Planning & Budgets	-	399,286	-	-	0.00%
General Administration Expense	-	(138,037,054)	-	-	0.00%
Grants & Capital Programs	-	730,693	-	-	0.00%
Transit Amenities	-	1,179,261	1,219,579	2,198,249.00	80.25%
Planning	2,374,015	1,080,570	2,285,250	2,720,220.00	19.03%
Total Expense	**$ 5,525,974**	**$(129,804,348)**	**$ 7,713,974**	**$11,790,634**	**52.85%**

Chart 25



Planning and Development – FY 2025 Accomplishments

- ✓ Engineering completed Phase I of the PRTX University Line Bus Rapid Transit project in downtown Pittsburgh with red bus lanes to keep buses out of traffic and new stations for riders with amenities.

- ✓ Engineering completed the final phases of the downtown Plinth Replacement Project in coordination with bus and rail transportation and maintenance teams. This was a significant disruption of light rail service in the downtown core, and the project was completed on time and within budget from the proposed CY2025 final phase of work.

- ✓ Scheduling completed new schedules to support several service infrastructure impact projects in FY2025, including returning the Red Line to service at the end of summer 2025, the closure of the Mt. Washington transit tunnel and its scheduled detours in February 2026, and the completion of several more bus route changes in downtown with the latest phase of NEXTransit Downtown implementation.

- ✓ Planning and Service Development completed its NEXTransit Downtown routing final recommendations, including the move of the East Busway (P1) and West Busway (G2) routes to the PRTX University Line stations to help all rapid bus services share common paths for easy transfers and allow rapid bus riders to benefit from the added amenities of the new stations mentioned above.

- ✓ Transit Amenities finalized the contract for and began installing SimmeSeats; bus stop sign poles with integrated seating for bus stops with limited space for shelter but higher volumes of riders.

Planning and Development – FY 2026 Objectives

- Advance planning for light rail downtown future fare payment.
- Maintain current levels of State of Good Repair for transit assets through strategic investment, proactive maintenance, and transit asset management.
- Complete the facilities master plan and park and ride plan, and advance property acquisition for a new maintenance and/or operating division as needed.
- Advance the Dormont Junction Joint Development project by selecting a Developer and having the Developer complete conceptual design.
- Reduce bus overcrowding and revisit the standards for overcrowding in the FY26 Service Standards update.
- Add 30 seats to the system (via SimmeSeats, benches, and shelters) to support transit riders.

Legal and Corporate Services

The Legal and Corporate Services Division includes the following departments: Claims and Workers' Compensation, Legal and Consulting Services, Internal Audit, System Safety, and Transit Police & Security. This Division provides legal and risk-management advice and representation; reviews and processes all liability, property, and workers' compensation claims made against the Pittsburgh Regional Transit; examines and evaluates the Agency's system of internal controls; serves as a liaison with the Federal, State and Local courts, funding, and oversight agencies; supervises the maintenance and development of PRT's real estate assets and ensures the safety and security of the PRT's passengers, employees and facilities.

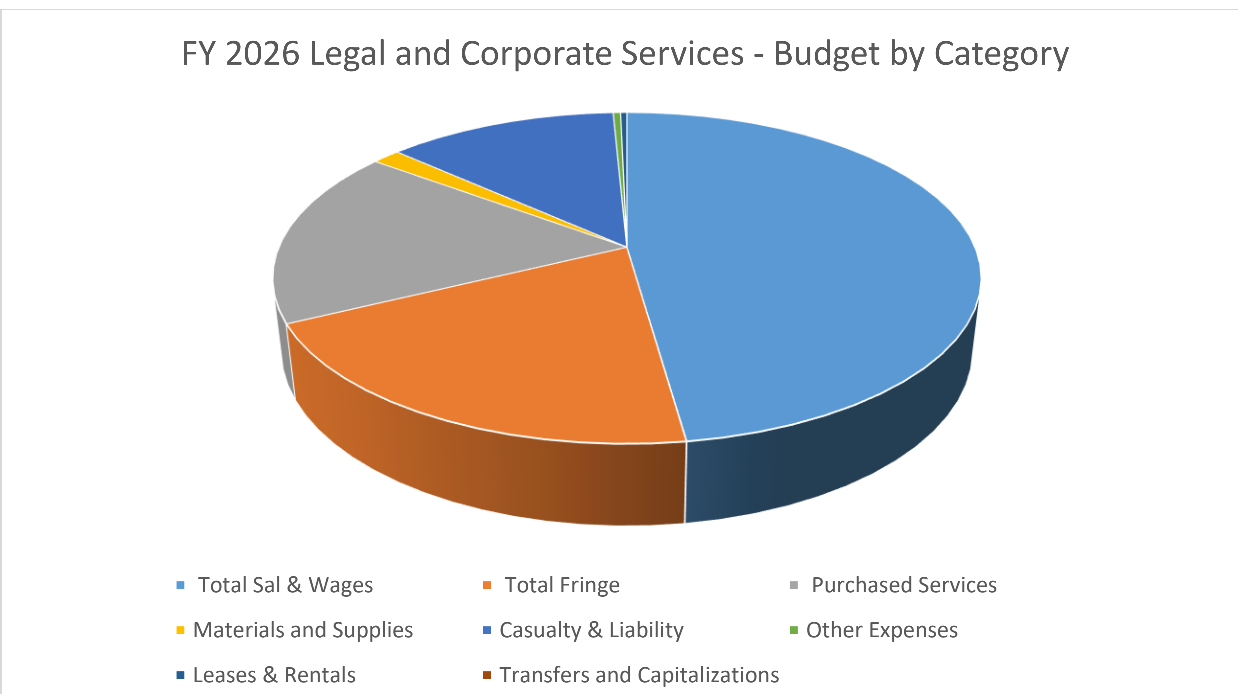
Legal and Corporate Services – Personnel (No. of Employees)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Legal and Consulting Services	11	12	11	12
Claims and Workers Compensation	13	11	14	15
Internal Audit	6	5	6	6
System Safety	9	9	10	10
Transit Police and Security	46	46	62	63
Total Personnel	**85**	**83**	**103**	**106**

Legal and Corporate Services - Expenses by Category

Legal and Corporate Services	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Total Sal & Wages	$ 6,391,258	$ 6,938,959	$ 8,948,510	$ 9,715,847	8.58%
Total Fringe	$ 2,919,406	$ 4,114,520	$ 3,608,100	$ 4,060,426	12.54%
Purchased Services	$ 3,127,803	$ 2,936,296	$ 3,105,207	$ 3,545,500	14.18%
Materials and Supplies	$ 242,921	$ 231,057	$ 251,538	$ 311,400	23.80%
Casualty & Liability	$ 1,130,603	$ 1,477,978	$ 1,621,166	$ 2,555,000	57.60%
Other Expenses	$ 47,201	$ 48,221	$ 33,642	$ 81,770	143.06%
Leases & Rentals	$ 68,894	$ 81,749	$ 58,723	$ 70,000	19.20%
Transfers and Capitalizations	$ (46,555)	$ (150,656)	$ (311,002)	$ -	-100.00%
TOTAL NET EXPENSE	$13,881,531	$15,678,124	$17,315,885	$20,339,943	17.46%

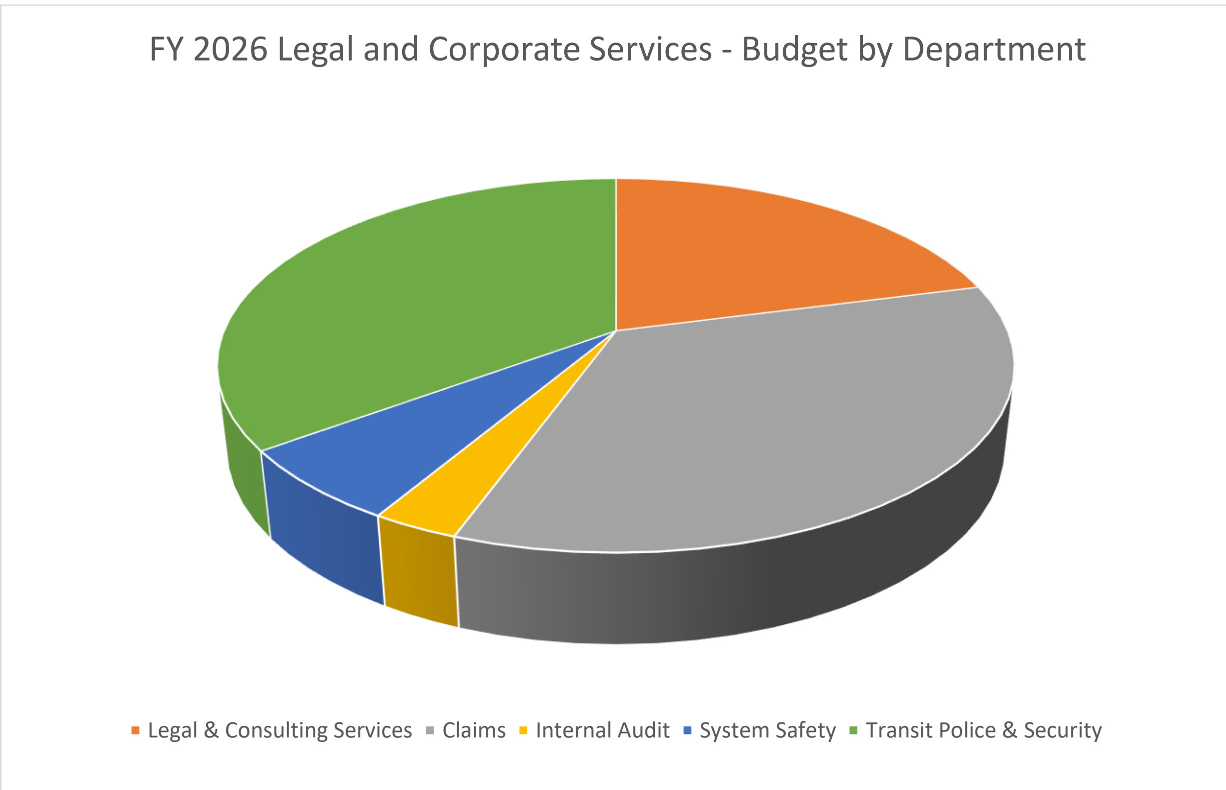
Chart 26



Legal and Corporate Services - Expenses by Department

Legal and Corporate Services 80	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Legal & Consulting Services	3,076,002	3,547,017	3,416,261	4,258,219.00	24.65%
Claims	5,073,534	6,296,084	6,285,762	7,036,867.00	11.95%
Internal Audit	427,034	531,876	527,150	607,183.00	15.18%
System Safety	881,086	902,451	1,090,510	1,297,671.00	19.00%
Transit Police & Security	4,423,873	4,400,695	5,996,202	7,140,003.00	19.08%
Total Expense	**$13,881,531**	**$15,678,124**	**$17,315,885**	**$20,339,943**	**17.46%**

Chart 27



Legal and Corporate Services – FY 2025 Accomplishments

- ✓ Completed the acquisition of all rights-of-way required for completion of the University Line Bus Rapid Transit Project (Phases I and II).
- ✓ Completed approval and adoption of the 2024 updated Agency Safety Plan, Emergency Management Plan, and Security and Emergency Preparedness Plan.
- ✓ Received Board approval and began completion of the FY 2025-26 Internal Audit Work Plan.
- ✓ Completed and publicly issued the CY 2024 State of the Police Department Annual Report.

Legal and Corporate Services – FY 2026 Objectives

- Provide critical expertise and support for completion of Year 1 objectives under PRT's FY2026-31 Strategic Plan where the Legal Division is identified as a key supporter.
- Complete the CY 2025 Agency Safety Plan and Security Emergency Preparedness Plan updates in a timely manner.
- Complete the FY 2025-26 Internal Audit Work Plan to a level to keep the Plan on track for 80% completion (consistent with industry standards) by the end of the 18-month Plan period and prepare for timely Board review and consideration the FY 2026-27 Work Plan.
- Timely complete the CY 2025 State of the Police Department Annual Report for public issuance.
- Complete implementation of electronic processes for Worker's Compensation medical bill payment and repricing and injury report submissions to eliminate current paper-driven processes.
- Work closely with other PRT Divisions to ensure successful completion of the Federal Transit Administration's Triennial Review of PRT.

Agency Innovation Services

This Division at Pittsburgh Regional Transit is responsible for the management of the Agency's software licensing and enterprise components, project management for software implementation and upgrades, software development and the administration and maintenance of PRT's technology related systems and equipment. The division name was changed from Information Technologies to Agency Innovation Services to bring together data management IT services, and the Procurement department, which was previously under the Finance Division. The AIS Division is an integral member of Pittsburgh Regional Transit as each division and department increases their reliance on information & technology to gain efficiency and provide the customers with enhanced service features. Lining up emerging innovations places the agency in a position to be successful within the community. The departments included in this division are Executive, Customer Engagement, Procurement, I.T. Enterprise Software, I.T. Transportation Technology, I.T. Infrastructure and Support, and newly established Data & Information Analytics. The historical financial data for the Procurement department can be found within the Finance Divisions section.

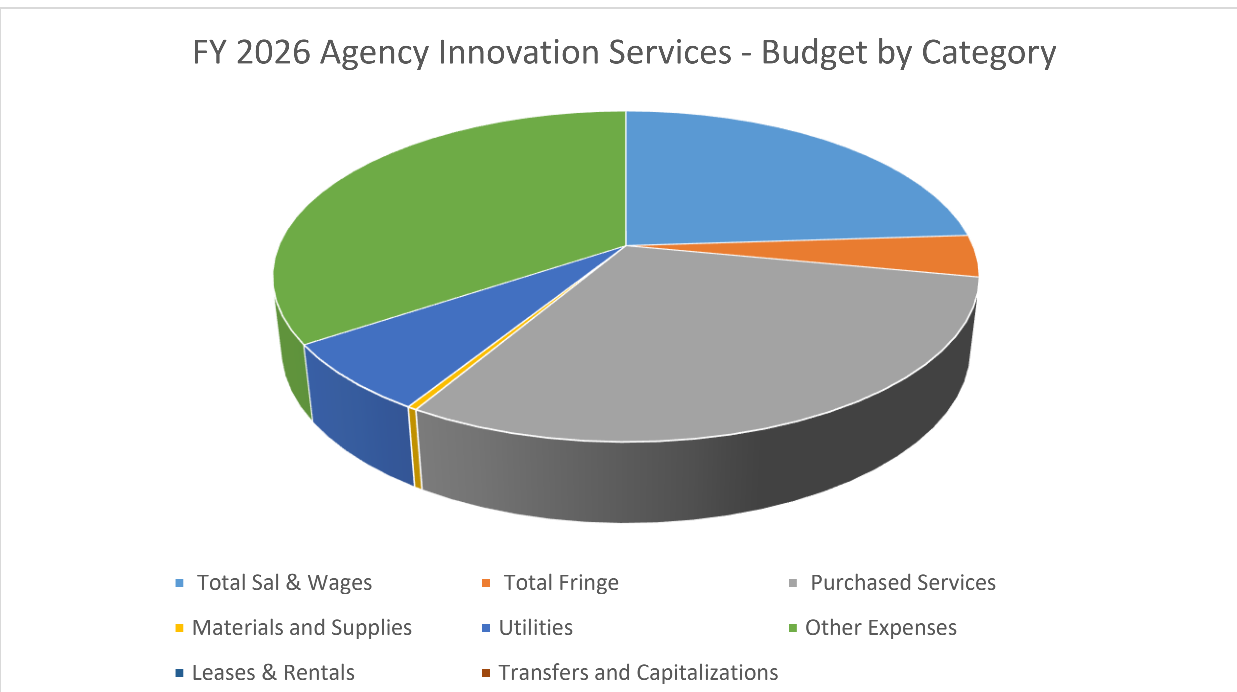
Agency Innovation Services – Personnel (No. of Employees)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Executive & General - AIS	2	2	2	2
Internal Customer Engagement	3	3	5	5
Procurement	0	25	24	25
Transportation Technology	7	7	7	7
Enterprise Software	14	14	15	17
Technology Infrastructure	13	12	14	14
Data & Information Analytics	0	4	5	6
Total Personnel	**39**	**67**	**72**	**76**

Agency Innovation Services - Expenses by Category

Agency Innovation Services	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Total Sal & Wages	$ 3,297,871	$ 5,304,891	$ 5,932,273	$ 6,587,486	11.04%
Total Fringe	$ 515,352	$ 868,316	$ 889,693	$ 1,121,580	26.06%
Purchased Services	$ 5,593,103	$ 6,817,514	$ 7,239,732	$ 8,368,760	15.59%
Materials and Supplies	$ 7,559	$ 18,101	$ 22,424	$ 101,400	352.19%
Utilities	$ 1,495,324	$ 1,496,075	$ 1,657,766	$ 1,859,100	12.14%
Other Expenses	$ 6,022,616	$ 6,266,512	$ 7,201,845	$ 9,454,511	31.28%
Leases & Rentals	$ -	$ 825	$ 550	$ 2,000	263.64%
Transfers and Capitalizations	$ -	$ -	$ (11,560)	$ -	-100.00%
TOTAL NET EXPENSE	$16,931,825	$20,772,233	$22,932,723	$27,494,837	19.89%

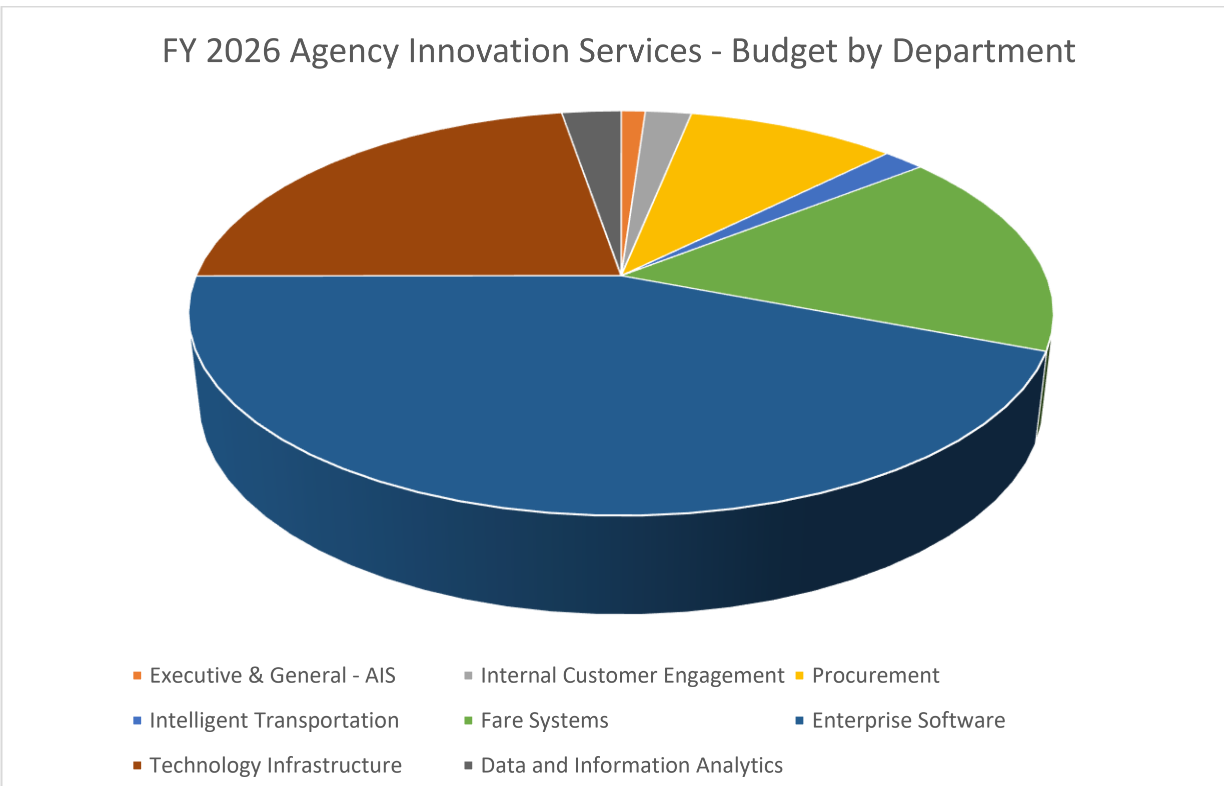
Chart 28



Agency Innovation Services – Expenses by Department

Agency Innovation Services 90	FY2023 Audited	FY2024 Audited	FY2025 Actual	FY2026 Budget	Percent Change Budget Over Actuals
Executive & General - AIS	269,438	290,886	627,397	295,463.00	-52.91%
Internal Customer Engagement	259,720	250,664	877,773	565,745.00	-35.55%
Procurement	-	2,228,250	2,074,511	2,575,624	24.16%
Intelligent Transportation	464,436	445,625	484,340	509,572.00	5.21%
Fare Systems	3,174,051	3,784,773	3,815,287	4,544,373.00	19.11%
Enterprise Software	7,290,825	8,462,778	8,424,017	12,122,808.00	43.91%
Technology Infrastructure	5,473,355	4,952,682	6,092,444	6,152,120	0.98%
Data and Information Analytics	-	356,575	536,954	729,132.00	35.79%
Total Expense	**$16,931,825**	**$20,772,233**	**$22,932,723**	**$27,494,837**	**19.89%**

Chart 29



Agency Innovation Services – FY 2025 Accomplishments

- ✓ Full network switch replacement.
- ✓ Giro HASTUS major software upgrade.
- ✓ Technical readiness for Account Based Ticketing/ReadyFare

Agency Innovation Services – FY 2026 Objectives

- ❖ Procurement intake process improvements.
- ❖ Activate enterprise-wide Service Desk.
- ❖ Complete new phone system implementation.
- ❖ Activate ReadyFare, Account Based Ticketing, Open Loop fare system.
- ❖ Release RFPs for new radio, rail management, and digital communications systems.

Overall, the individual divisional accomplishments discussed above play a significant role in the success of the Agency and guiding it towards a successful future and living up to the mission of "Advancing our region by investing in our communities and connecting people in a safe, equitable, and reliable manner". The objectives discussed help to define goals, both for the division and at an individual level. Goals and objectives are developed at the beginning of the fiscal year to help guide processes and ensure accountability. Individual goals and objectives are developed and guided by the Strategic Plan. In doing so, completion of the goals and objectives directly contributes to the success of the division and PRT as a whole and ensures continuation along the path set forth by the Strategic Plan. PRT's vision is to "Be our region's transportation mode of choice by delivering an innovative network that is clean, sustainable, and equitable; a network that enables individuals, businesses, and economies to thrive." The accomplishments and objectives set forth by each division illustrate how this is being met.

Pittsburgh Regional Transit - Modal Budget

Pittsburgh Regional Transit's modal budget is presented as a component of the Operating and Capital Improvement Budgets. The purpose of the modal budget is to present the revenue and expense levels related to the modes of service provided by the Agency. The modes of service provided are bus, light rail, inclined plane, and the ACCESS Program. The ACCESS program, or ACCESS, is a demand response, paratransit service provided for elderly and handicapped persons. ACCESS is operated on behalf of PRT by the management firm Transdev. Each of the modes will be discussed individually in this section. A table is provided for each mode that indicates total ridership, revenue, and expense levels for FY 2023, 2024, 2025, and 2026. In addition, graphs illustrating revenue, expense and ridership amounts are presented for comparative purposes.

Modal ridership data for FY 2023 through 2025 were calculated using monthly ridership reports. Anticipated ridership levels for FY 2026 were developed by Pittsburgh Regional Transit's Service Planning and Schedules department in collaboration with Financial Planning and Budgets for the bus, light rail, and inclined plane modes. Transdev (ACCESS) furnished detailed ridership information for the FY 2023 through 2025 and developed the FY 2026 projections for the demand response service.

Passenger revenue distributions were allocated based upon the ridership and average fare analysis for each of the service modes. Senior citizen amounts were calculated separately and are shown independently from non-senior citizen passenger revenue. "Other Revenues" includes Advertising and Concession income and other non-transportation revenues such as Real Estate and Investment Income. These revenues were allocated based upon each mode's percentage of ridership relative to total Pittsburgh Regional Transit ridership. Modal expenses for bus, light rail, and inclined plane were distributed using a combination of direct cost and indirect cost allocations. The distribution of expenses is allocated utilizing and adapting accepted methods of allocation for federal reporting purposes. The ACCESS Program is a purchased transportation service, and the expenses are identified and shown separately.

The table on the following page represents a comparative summary of Pittsburgh Regional Transit's revenues and expenses by each of the modes for FY 2023, 2024, 2025, and 2026.

COMPARATIVE SUMMARY BY MODE

FY 2023 Actual, FY 2024 Actual, FY 2025 Actual, and FY 2026 Budget

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Operating Revenues:				
Bus	$53,840,000	$58,820,000	$ 61,578,000	$ 57,265,000
Light Rail	5,354,000	6,305,000	6,088,000	6,358,000
Monongahela Incline	276,000	477,000	527,000	490,000
ACCESS Program	8,660,000	9,265,000	9,141,000	9,963,000
Subtotal	$ 68,130,000	$ 74,867,000	$ 77,334,000	$ 74,076,000
Operating Grants	312,000,000	331,705,000	344,767,000	421,572,000
Capitalizations	236,615,000	208,539,000	69,518,000	76,568,000
Total Revenue & Grants:	**$ 616,745,000**	**$ 615,111,000**	**$ 491,619,000**	**$ 572,216,000**
Expenses:				
Bus	$369,022,000	$ 385,814,000	$ 386,590,000	$ 444,289,000
Light Rail	78,716,000	82,422,000	82,560,000	94,484,000
Monongahela Incline	1,379,000	1,637,000	1,553,000	1,774,000
ACCESS Program	30,227,000	31,574,000	30,907,000	31,669,000
Total Expenses:	**$479,344,000**	**$ 501,447,000**	**$ 501,610,000**	**$ 572,216,000**
Excess Revenue over Expense:	$ 137,401,000	$ 113,664,000	$ (9,991,000)	$ -

Bus Mode

Bus service is the largest of the transportation services provided by Pittsburgh Regional Transit. The active bus fleet as of June 2025 consists of (30) 35-foot vehicles, (511) 40-foot vehicles, (8) Electric Battery 40-foot vehicles, (15) Electric Battery 60-foot vehicles, and (134) 60-foot articulated buses. The four bus garage locations where service originates are located in the following communities: Ross Township, Collier Township, West Mifflin Borough and Pittsburgh (East Liberty area). Pittsburgh Regional Transit's Main Shop, located in the Manchester neighborhood of the City of Pittsburgh, is a large facility where component rebuilding and major bus repairs are performed.

For this mode of transportation, FY 2026 ridership is projected to increase about 1.3%, compared to FY 2025 actual ridership levels. The contractual transit agreements between Pittsburgh Regional Transit and the University of Pittsburgh, Carnegie Mellon University, Chatham University, Duquesne University, and Carlow University will assist in maintaining ridership levels. Pittsburgh Regional Transit actively pursues partnerships with local businesses and institutions, such as the highly successful transportation programs with the local universities, to increase services provided.

For FY 2026, total bus revenues are projected to decrease by 7% compared with FY 2025 actuals. This decrease in revenues is due to a projected decrease in the Other Revenues category. Other revenues consist of Advertising and other non-transportation related revenues. PRT continues to explore partnerships with institutions in the region that will improve utilization of the current fleet. Also, Pittsburgh Regional Transit has placed an increased emphasis on customer service and the rider's experience. Importance was placed on Pittsburgh Regional Transit making a positive impression on first time riders as well as improving the experience for existing customers. Retaining existing consumers, while attracting those who are contemplating making a permanent switch to public transportation, will lead to increased ridership and revenue into the future.

Overall, expenses are expected to increase over FY 2025 levels by 14.9%. Contractual increases in salaries and wages, increases in diesel fuel costs, and increased staffing levels make up a large portion of these additional expenses. However, there are projected increases in all categories and includes materials and supplies, utilities, purchased services, and other expenses. Within the category of other expenses, the estimated increase is due to the additional costs associated with the expansion of technology to enhance the service provided to our riders.

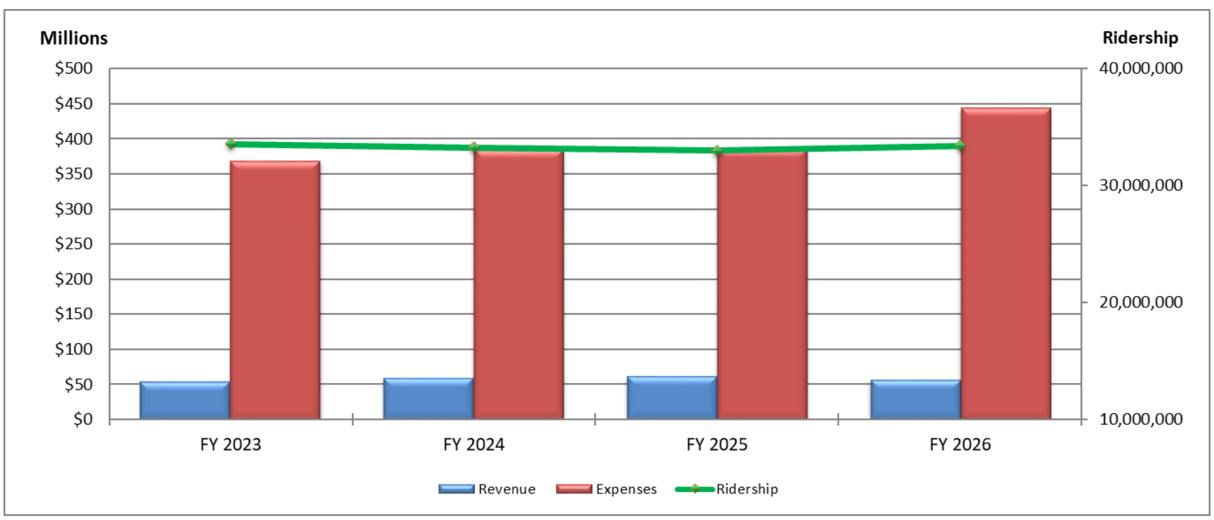
The financial data, along with ridership figures and a graphical illustration for the bus mode, can be found below.

Bus Mode

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY26 Inc/Dec
RIDERSHIP					
Non-Seniors	30,385,000	29,848,000	29,429,000	29,867,000	
Seniors	3,188,000	3,422,000	3,554,000	3,546,000	
Total Ridership	33,573,000	33,270,000	32,983,000	33,413,000	1.3%

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY26 Inc/Dec
REVENUES					
Passenger Revenue	$ 48,206,000	$ 51,206,000	$ 52,043,000	$ 51,626,000	
Other	5,634,000	7,614,000	9,535,000	5,639,000	
Total Revenue	$53,840,000	$58,820,000	$61,578,000	$57,265,000	-7.0%
EXPENSES					
Salaries & Wages	$ 154,466,000	$ 157,625,000	$ 166,167,000	$ 178,468,000	
Fringe Benefits	137,070,000	145,329,000	134,184,000	163,248,000	
Materials & Supplies	45,425,000	47,441,000	47,691,000	49,573,000	
Prov for Inj & Damages	4,591,000	5,563,000	5,910,000	9,121,000	
Purchased Services	13,773,000	14,861,000	16,348,000	21,637,000	
Utilities	3,590,000	3,715,000	4,475,000	5,045,000	
Other Expenses	10,107,000	11,280,000	11,815,000	17,197,000	
Total Expense	$369,022,000	$385,814,000	$386,590,000	$ 444,289,000	14.9%

Chart 30



Light Rail Mode

Pittsburgh Regional Transit's Light Rail Transit (LRT) System includes 51.2 miles of track and 80 light rail vehicles (LRVs). The LRT system includes a downtown subway system that provides service from Pittsburgh's South Hills to the downtown area. In March 2012, the Agency's 2.1 mile extension to the light rail system opened for revenue service and now connects the downtown area to Pittsburgh's sports and entertainment venues located on the north shore of the Allegheny River. The LRT system now goes from the Gateway Subway Station underneath Stanwix Street and the Allegheny River – in twin bored tunnels below the river - to the North Shore. While remaining underground along the North Shore, the alignment travels adjacent to Bill Mazeroski Way, accessing a station near PNC Park. Continuing below grade adjacent to Reedsdale Street, the alignment transitions to an elevated alignment near Art Rooney Avenue to a station along Allegheny Avenue near Heinz Field, before terminating near the West End Bridge. This project gave the PRT the capability to extend the LRT system in the future to either the North Hills or Pittsburgh International Airport. Service and maintenance for the light rail mode takes place at the South Hills Village location in Upper St. Clair and Bethel Park Townships.

The ridership projections for FY 2026 are expected to increase by 13.6% from FY 2025 actual ridership levels and represent an increase of 8.9% over FY 2023 actual levels. The continued additional weekday travel and increased riders using the LRT system to travel to and from special events in downtown Pittsburgh include sporting events, concerts, and Light Up Night will aid in reaching targeted ridership and potentially push beyond as in the prior year.

Total Revenues in FY 2026 are expected to increase by about 4.4% while expenses are expected to increase by 14.4% over FY 2025 levels. Similar to the bus mode, most of the increase is due to the contractual increases in salaries and wages, continued escalation of pension costs, and increased staffing levels. There are also projected smaller increases in materials and supplies, provision for injuries & damages, purchased services, utilities, and other expenses.

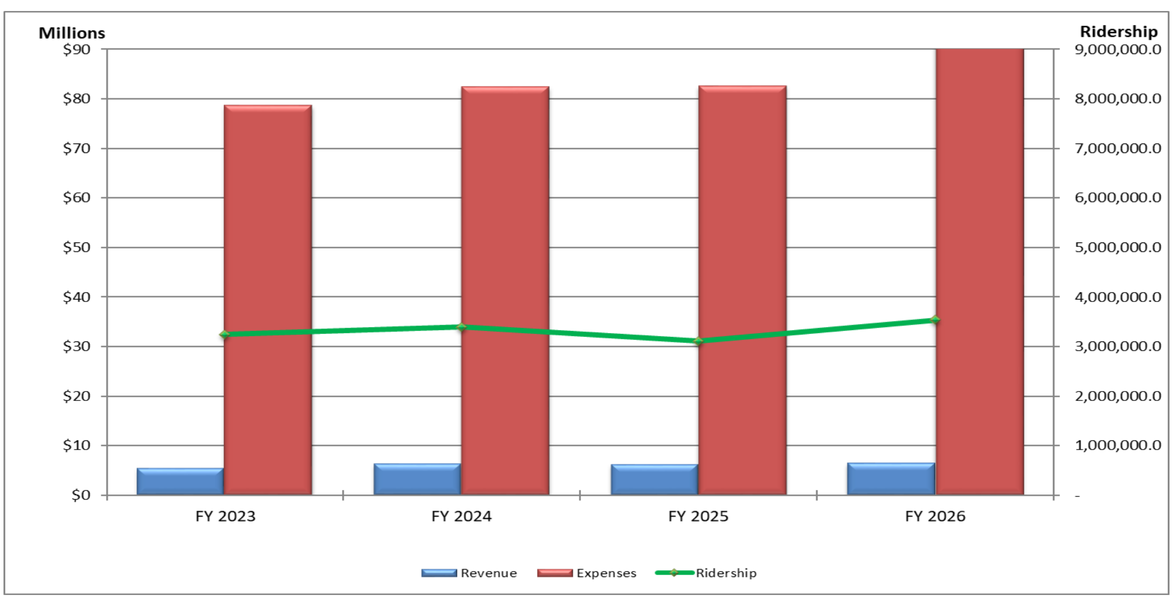
The financial data, along with ridership figures and a graphical illustration of revenues and expenses pertaining to the light rail mode, can be found on the following pages.

Light Rail Mode

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY26 Inc/Dec
RIDERSHIP					
Non-Seniors	3,022,000	3,199,000	2,909,000	3,316,000	
Seniors	222,000	198,000	200,000	217,000	
Total Ridership	3,244,000	3,397,000	3,109,000	3,533,000	13.6%

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY26 Inc/Dec
REVENUES					
Passenger Revenue	$ 4,794,000	$ 5,489,000	$ 5,145,000	$ 5,732,000	
Other	560,000	816,000	943,000	626,000	
Total Revenue	$ 5,354,000	$ 6,305,000	$ 6,088,000	$ 6,358,000	4.4%
EXPENSES					
Salaries & Wages	$ 34,742,000	$ 35,825,000	$ 37,110,000	$ 39,857,000	
Fringe Benefits	30,660,000	32,821,000	29,829,000	36,290,000	
Materials & Supplies	4,923,000	5,583,000	5,714,000	5,940,000	
Prov for Inj & Damages	269,000	303,000	325,000	502,000	
Purchased Services	2,914,000	2,676,000	3,332,000	4,410,000	
Utilities	4,158,000	4,311,000	4,914,000	5,541,000	
Other Expenses	1,050,000	903,000	1,336,000	1,944,000	
Total Expense	$ 78,716,000	$ 82,422,000	$ 82,560,000	$ 94,484,000	14.4%

Chart 31



Incline Mode

Travel by the inclined plane mode dates back to the 19th century. The opportunity to experience incline travel remains an attraction for both lifelong residents as well as visitors to the area. Two inclines, the Duquesne and the Monongahela, remain in operation connecting Mt. Washington with the South Side of Pittsburgh. While both are owned by Pittsburgh Regional Transit, the Duquesne Incline is leased and operated by a non-profit organization, the "Society for the Preservation of the Duquesne Heights Incline".

Pittsburgh Regional Transit operates the Monongahela Incline. The "Mon Incline" is the oldest continuously operating funicular railway in the U.S and opened on May 28, 1870. Since its opening, the Mon Incline has had multiple renovations. In 1935, electrical equipment replaced the original steam engines. The lower station and the incline's two cars were rehabilitated in 1982. In 1994 the upper station was restored with additional upgrades to the electrical, motor and braking systems. In September of FY 2016, the incline closed to riders for 12 weeks so that the two cars could be removed for rehabilitation. The Mon Incline travels a length of 635 feet at 6 miles per hour with a passenger capacity of 23 per car.

Ridership on the Mon Incline is anticipated to remain flat in FY 2026 compared to actuals from the prior year. FY 2024 ridership was significantly higher compared to FY 2023 due to a 5-month closure for maintenance repairs. As a result, FY 2024 saw a significant increases in ridership and revenues, and similar levels are anticipated to continue as the desire for people to travel and enjoy special events throughout the city continues to grow.

As with the other modes of transportation, expenses for the Mon Incline are also expected to increase. Pittsburgh Regional Transit has budgeted for a 14.23% increase in expenses, primarily due to increases in salaries & wages, fringe benefits, purchased services and Other Expenses costs. Purchased services are driven by the increased outside contractor work on the Incline and its systems. The increase in utilities is due to the additional costs associated with the propulsion of the incline cars.

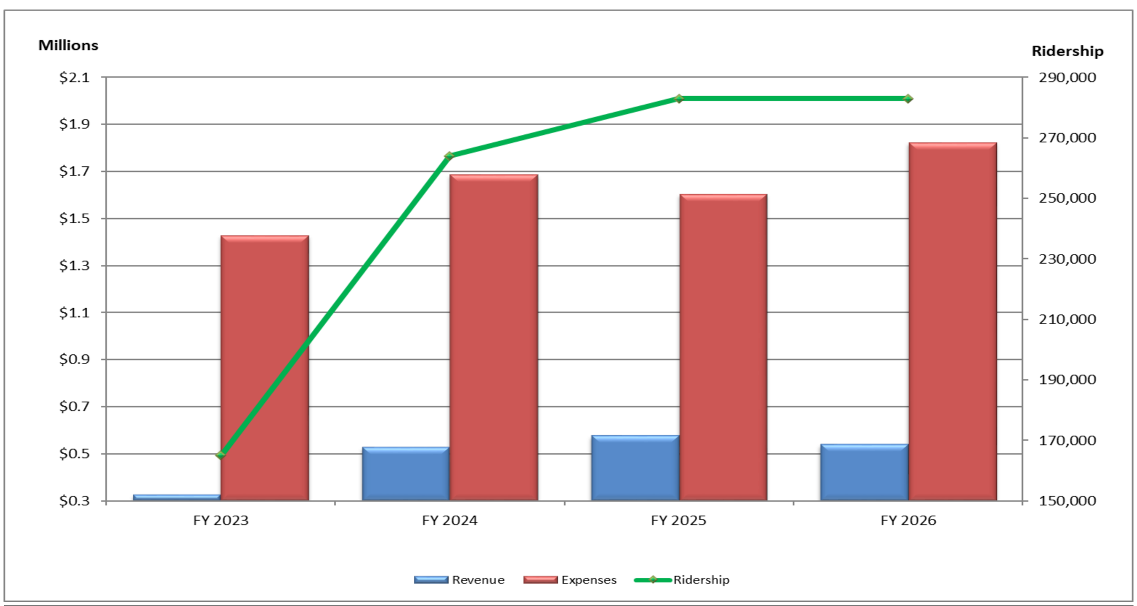
The financial data, ridership figures, and a graphical illustration for the Inclined Plane Mode can be found on the following pages.

Incline Plane Mode

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY26 Inc/Dec
RIDERSHIP					
Non-Seniors	156,000	242,000	252,000	256,000	
Seniors	9,000	22,000	31,000	27,000	
Total Ridership	165,000	264,000	283,000	283,000	0.0%

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY26 Inc/Dec
REVENUES					
Passenger Revenue	$ 247,000	$ 415,000	$ 445,000	$ 442,000	
Other	29,000	62,000	82,000	48,000	
Total Revenue	$ 276,000	$ 477,000	$ 527,000	$ 490,000	-7.0%
EXPENSES					
Salaries & Wages	$ 697,000	$ 799,000	$ 801,000	$ 860,000	
Fringe Benefits	597,000	731,000	644,000	784,000	
Materials & Supplies	34,000	37,000	32,000	33,000	
Prov for Inj & Damages	2,000	4,000	3,000	5,000	
Purchased Services	12,000	24,000	25,000	33,000	
Utilities	24,000	28,000	33,000	37,000	
Other Expenses	13,000	14,000	15,000	22,000	
Total Expense	$ 1,379,000	$ 1,637,000	$ 1,553,000	$ 1,774,000	14.2%

Chart 32



ACCESS Mode

The ACCESS Program provides door-to-door service at reduced fares for older persons and those with disabilities in Allegheny County. This program is operated by Transdev, a management firm engaged by Pittsburgh Regional Transit. The actual transportation is provided by a combination of commercial carriers and non-profit community agencies under contract to Transdev.

Since ACCESS is a contracted carrier for PRT, only $31 million of expenses is expected to pass through PRT's budget. Likewise, only $9.9 million is reimbursed to Pittsburgh Regional Transit from the Commonwealth's Senior Citizen Fare Assistance Program for ACCESS senior ridership.

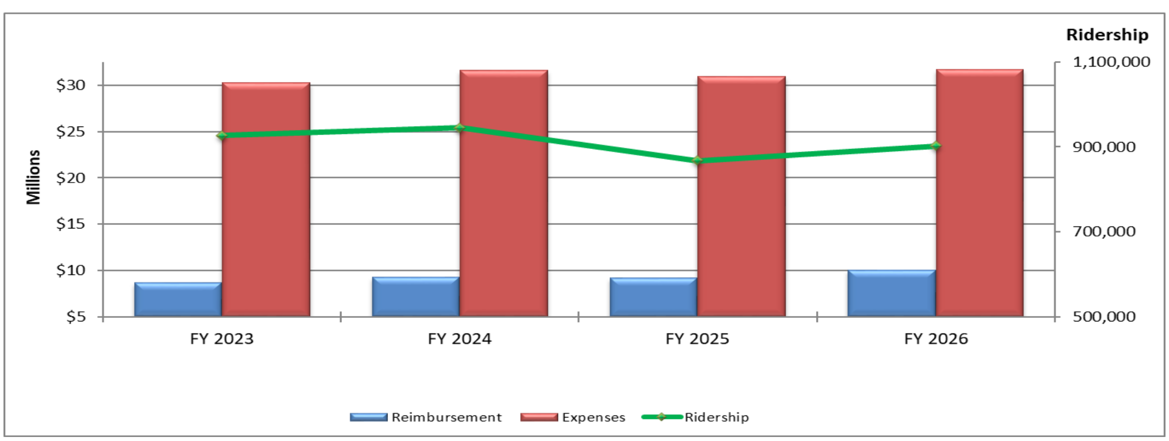
In FY 2026, ACCESS ridership is projected to increase compared to FY 2025 figures. The financial data and ridership figures, along with a graphical illustration of revenues and expenses pertaining to the ACCESS mode can be found below.

ACCESS MODE

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY26 Inc/Dec
RIDERSHIP					
Sr. Citizen Passengers	404,921	423,376	407,509	407,241	
Other Originating Pass.	521,830	521,973	459,693	494,607	
Total Ridership	926,751	945,349	867,202	901,848	4.0%

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY26 Inc/Dec
REIMBURSEMENTS					
ACCESS Prgm Reimbursement	$ 8,660,000	$ 9,265,000	$ 9,141,000	$ 9,963,000	9.0%
EXPENSES					
ACCESS Prgm Expense	$ 30,227,000	$ 31,574,000	$ 30,907,000	$ 31,669,000	2.5%

Chart 33



Administrative Headquarters
Heinz 57 Center
345 Sixth Avenue
Pittsburgh, Pennsylvania 15222-2527

Administrative Offices occupy the third and fifth floors and house the Operations, Human Resources, Finance, Communications, Planning and Development, Agency Innovation Services, and Legal and Corporate Services Divisions and the Office of the Chief Executive Officer. A portion of the first-floor houses Customer Service personnel and the store front Service Center, which is accessible from 623 Smithfield Street.

Operating Divisions
Operating Divisions are located within Allegheny County and supply transit services to the County, the City of Pittsburgh and minor portions of Beaver and Westmoreland Counties. Each division is staffed by a Director of Service Delivery, an Assistant to the Director, a Director and Assistant Director of Maintenance, and a secretary. First line supervisors at the division level include dispatchers, instructors, maintenance foremen, and route foremen. Levels of hourly maintenance employees and operators vary depending upon the size of the division and service area.

Ross Division
The Ross Division opened in March of 1968 and services areas to the North and East of Allegheny County.

Collier Division
The Collier Division opened in June of 1969 and services areas to the South and West of the County.

East Liberty Division
The East Liberty Division opened in July of 1972 and is located on the Martin Luther King, Jr. East Busway. It is the largest of the PRT divisions.

West Mifflin
The West Mifflin Division opened in November of 1969 and is the second largest division at Pittsburgh Regional Transit.

Manchester

The Main Shop is located in the city's Manchester neighborhood and is comprised of eight shop sections where heavy bus maintenance work and signage is performed for the system. Shop Sections include the following: Engine Overhaul, Electrical Units, Sign Shop, Transmission Overhaul, Body and Paint, Upholstery Shop, Miscellaneous Units, and Vehicle Overhaul.

South Hills Village Rail Center

The Rail Center houses all rail transportation and heavy and running repair maintenance services for the Light Rail vehicles. It opened in April 1984.

South Hills Junction

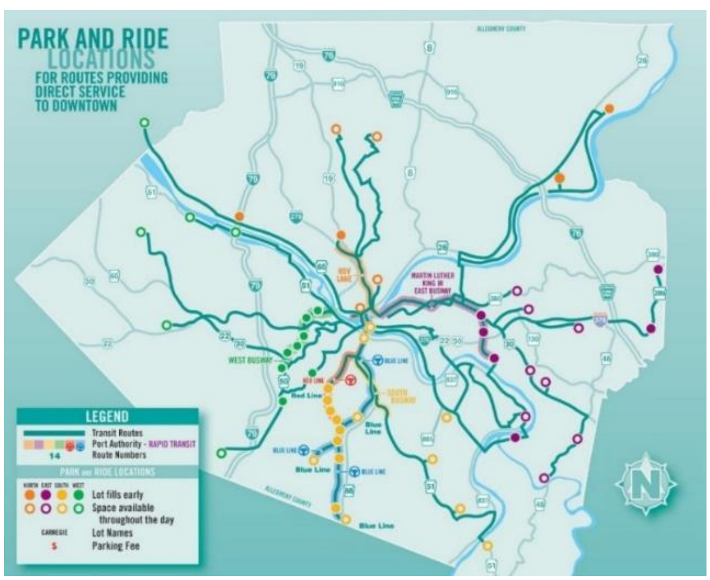
The Junction is comprised of five buildings which house the Non-Revenue Vehicles, Facilities, LRT Systems and Power, and the Way Departments. These departments are responsible for maintaining the fixed assets of PRT: fixed guideways (rail, incline, busways), power and signaling operation, and non-revenue vehicle maintenance. Pittsburgh Regional Transit also owns and maintains an extensive network of transit properties and right of ways throughout Allegheny County.

Busways

1. South Busway, 4.3 miles
2. Martin Luther King, Jr. - East Busway, 9.1 miles
3. West Busway, 5.0 miles

Park and Ride Lots

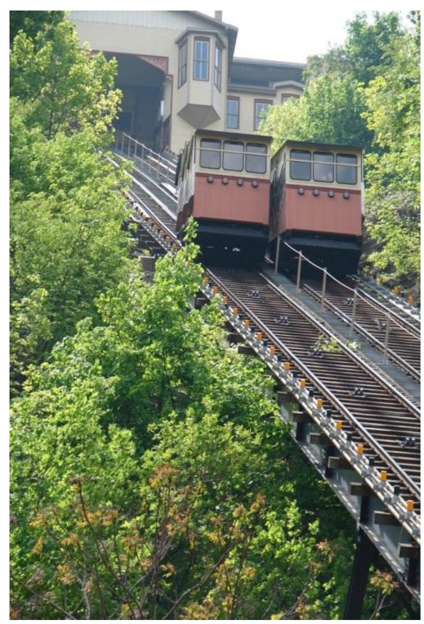
Lots are located throughout Allegheny County with many locations along busways and T lines. We offer 53 lots with over 13,000 spaces.



Light Rail (T System)

The T is a 52.4-mile light rail system that runs from the North Shore and Downtown Pittsburgh through Pittsburgh's southern neighborhoods and many South Hills suburbs.

Monongahela Incline



The incline is a popular tourist attraction that also serves daily commuters. The upper station is in the city's Mt. Washington neighborhood, and the lower station is located at Station Square, where riders may transfer to the T.

Bus Rapid Transit (BRT)

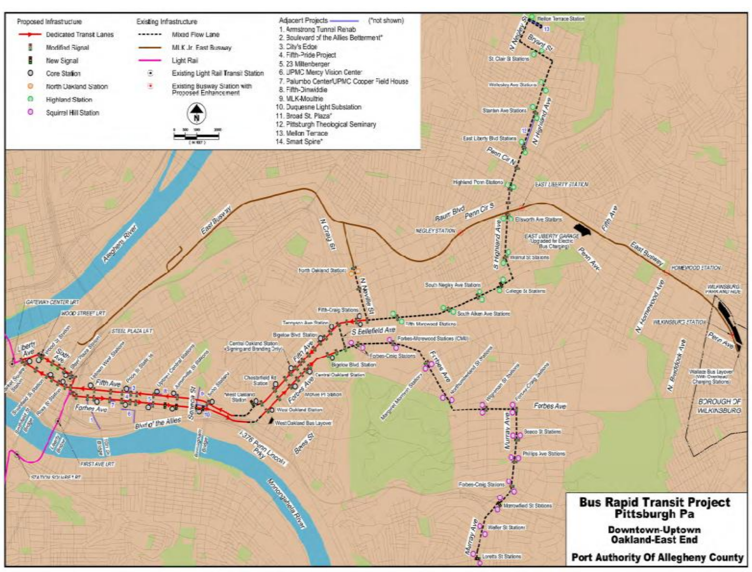
Allegheny County, the City of Pittsburgh, Pittsburgh Regional Transit, and the Urban Redevelopment Authority of Pittsburgh proposed a Bus Rapid Transit (BRT) system that connects Downtown Pittsburgh with Uptown, Oakland, and East End communities. The project was approved, and construction on the PRTX BRT line began in 2023.

Bus Rapid Transit (BRT) is a high-quality bus-based transit system that delivers fast, comfortable, and cost-effective services via dedicated lanes and fast and frequent operations.

In the summer of 2025, the initial 1.09 miles of the dedicated PRTX lane and accompanied stations were completed downtown, beginning with the inbound Ross Street station through the outbound station at Center Avenue. Phase II construction, expanding the dedicated PRTX lane and stations from Downtown through the city’s Uptown neighborhood and into Oakland, began in January 2025. Phase II will add an additional 18 transit stations. The project is expected to conclude in calendar 2027.

While BRT often looks different in each area it's implemented, it generally contains features similar to a light rail or metro system and is therefore more reliable, convenient, and faster than regular bus services. With the right features, BRT is able to avoid the causes of delay that typically slow regular bus services, like being stuck in traffic and queuing to pay on board.

The Downtown-Uptown-Oakland- East End Bus Rapid Transit (BRT) Project will provide a vital east-west connection between downtown Pittsburgh and the Uptown, Oakland, and East End neighborhoods. The project includes changes to both physical infrastructure and transit operations along the Downtown-Uptown-Oakland portion of the corridor (the “BRT Core”) along with changes to transit operations in the East End portion of the corridor – Highland Park, Squirrel Hill, and the East Busway.



ACCESS Program – A program that provides subsidized door-to-door, advanced reservation transportation services for the elderly and handicapped residents of Allegheny County. This is Pittsburgh Regional Transit's demand response service.

Balanced Budget – A budget in which expected revenues equal expected expenses during a fiscal year. It is required that the PRT Board of Directors adopt a balanced budget before the beginning of the fiscal year.

Base Fare – Cash fare that is charged to an adult for regular local transit service.

Budget – An estimate, often itemized, of expected income and expenses for a given period of time.

Bus – A transit mode comprised of rubber-tired passenger vehicles operating on fixed routes and schedules over roadways.

Bus Rapid Transit – A high-quality bus-based transit system designed to provide faster and more efficient transportation, often featuring dedicated lanes, traffic signal priority, off-board fare collection and enhanced stations. In terms of performance and reliability, it is comparable to rail systems and is intended to improve public transit accessibility and reduce congestion in urban areas.

Capital Improvement Program – A financial plan for the allocation of Capital Project funds necessary to acquire, improve, or maintain Pittsburgh Regional Transit's fixed assets.

Debt Service – The payment of interest on and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

Deficit – The amount by which revenues fall short of expenses during a given period.

Demand Response – A transit mode comprised of passenger cars, vans or small buses operating in response to calls from passengers or their agents to the transit operator, who then dispatches a vehicle to pick up the passengers and transport them to their destinations. Vehicles do not operate over a fixed route or on a fixed schedule except, perhaps, on a temporary basis. Typically, the vehicle may be dispatched to pick up several passengers at different pick-up points before taking them to their destinations. This is PRT's ACCESS program.

Farebox Revenue – Revenues obtained from passengers and other fare subsidies. Also referred to as Passenger Revenue.

Fiscal Year – Pittsburgh Regional Transit's fiscal year runs from July 1 through June 30.

Fixed Guideway – A public transportation facility using and occupying a separate right-of-way or rail for the exclusive use of public transportation vehicles.

Fixed Route – An established route where transit vehicles stop to pick up and deliver passengers to specific locations following a repetitive, fixed schedule.

Funicular Railway – A cable railway ascending a steep slope, one in which an ascending car counterbalances a descending car. Also known as an Inclined Plane.

Incline – A fixed facility that is comprised of two (2) vehicles operating in opposite directions on angled, parallel tracks.

Inclined Plane – A transit mode that is a railway operating over exclusive right-of-way on steep grades with powerless vehicles propelled by moving cables attached to the vehicles and powered by engines or motors at a central location not onboard the vehicle.

Light Rail – A transit mode that typically is an electric railway with a light volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car trains on fixed rails in shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley or a pantograph.

North Shore Connector -- The 1.2-mile extension of PRT's Light Rail Transit System of which the centerpiece is a tunnel underneath the Allegheny River.

Operating Budget – Combines the financial plan for the allocation of projected revenues and expenses consumed in the daily operations of the transit system and specific programs to support achievement of the Pittsburgh Regional Transit's mission statement.

Paratransit – Types of passenger transportation which are more flexible than conventional fixed-route transit but more structured than the use of private automobiles. Paratransit includes demand response transportation services, shared-ride taxis, car-pooling and vanpooling, and jitney services. Most often refers to wheelchair-accessible, demand response service. This is the Pittsburgh Regional Transit's ACCESS Program.

Passenger Revenues – Revenues consisting of farebox collections, ticket sales, school permits and pass sales, weekend fare receipts, weekly permit sales, monthly pass sales, and special event fare receipts.

Ridership – Each passenger counted each time that person boards a Port Authority vehicle