

**MINUTES OF A PUBLIC MEETING OF THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY**

The Finance Committee of the Board of Directors of the Regional Transportation Authority met in public session on **Thursday, May 15, 2008** at 9:00 a.m., in Suite 1550, 175 West Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee Chairman Dwight A. Magalis presided.

**ROLL CALL**

Committee Members:	Dwight A. Magalis Patrick V. Riley, Jr. Michael Rosenberg Judy Baar Topinka Douglas M. Troiani
Other Board Members:	James Buchanan Jan Carlson William R. Coulson Rev. Tyrone Crider, Sr. Patrick J. Durante Phil Fuentes Al Jourdan J.D. Ross Michael Scott RTA Chairman Jim Reilly -----
Staff Participants:	Stephen Schlickman, Executive Director Joseph Costello, SDED, Finance & Administration

**Reading and approval of minutes from the meeting held on April 17, 2008**

Director Troiani moved, and Director Riley seconded approval of the minutes from the meeting held on April 17, 2008. The motion carried on the following roll call vote:

5 Ayes      Directors Magalis, Riley, Rosenberg, Topinka, and Troiani

**Report on operating financial results for February 2008**

Mr. Costello reported on the financial results through February 2008. The CTA's net results of \$112.0 million were unfavorable to budget by \$1.7 million and its recovery ratio of 45.7% was 0.1 percentage points higher than budget. Revenues of \$86.4 million were favorable to budget by \$2.4 million, and expenses of \$198.4 million were unfavorable to budget by \$4.0 million

**APPROVED BY THE FINANCE COMMITTEE  
JUNE 19, 2008**

Metra's net results of \$54.2 million were \$1.9 million favorable to budget, and its recovery ratio of 49.3% was 2.3 percentage points higher than budget. Revenues of \$47.4 million were \$2.9 million greater than budget, and expenses of \$101.6 million were \$1.0 million unfavorable to budget.

Pace's net results of \$19.0 million were \$1.9 million favorable to budget. Revenues of \$8.4 million were \$0.3 million higher than budget, and expenses of \$27.4 million were \$1.6 million favorable to budget. Pace's recovery ratio of 33.7% was 2.7 points higher than budget. ADA paratransit service net results of \$12.8 million were \$1.5 million or 10.3% favorable to budget and the recovery ratio of 8.2% was 0.6 points below the budget of 8.9%.

Regional ridership of 97.6 million was 1.0 million or 1.0% more than budget and 3.7 million or 3.9% higher than last year's results. The combined net results of \$185.2 million were favorable to budget by \$2.1 million or 1.1% and unfavorable to prior year results by \$13.4 million or 7.8%. The system-generated revenue recovery ratio for the region of 52.8% was 2.7 points higher than budget and was 6.6 points favorable to prior year results of 46.3%.

Committee Chairman Magalis asked for an update on the process to be used to track the number of seniors taking advantage of the free ride program for all three Service Boards and its impact on revenues. Mr. Schlickman responded that we are tracking ridership as best we can. At the CTA and Pace we are going to get very accurate data because the counts are kept electronically. At Metra, they have to do survey work in order to determine what the usage is. We are going to need a number of months of experience before we can actually determine what's happening with free rides and what that impact is on our revenues. He continued by explaining that part of the problem is that we know that the half fare program had a cost of \$15 million and that those people will continue to ride and they probably will continue to ride mostly at the same behavior as they had before. So, it's going to be at least another \$15 million impact on our budget. Then there are those seniors who did not know about our half fare program and did not participate in that program but, because of all the notoriety around the senior free ride program, they are now flocking to the program. We still do not know many of those people are going to be regular users of transit. We have to understand that behavior before we can actually make an estimate of exactly what we are going to do or how we are going to respond. We do have plans to do a full evaluation of the ridership situation probably six months after the beginning of this program. Mr. Schlickman also pointed out that there are other factors affecting Metra, such as the construction on the north corridor that has pushed a lot of people onto their system. Then there is the matter of fuel prices going up, which has pushed a lot of people onto the system as well.

Director Durante asked exactly how are we tracking senior ridership. Mr. Schlickman replied that riders have a card that has a stripe on it, or an electronic smart card with a chip in it. We know it's a senior ride when they swipe the card or flash that chip. On Metra, it's just a flash card. Metra will periodically survey their riders to determine the behavior of their ridership, and that's what they will have to do as part of our analysis. Director Durante followed by asking if Metra does a guesstimate of how many seniors are riding. Mr. Schlickman responded he did not believe that was the case. We know how many people are in the program because they have applied and received their card. We don't know how they are using that card on Metra, or how frequent they are using the card. So that will be determined through survey work.

Director Topinka asked about an article that appeared in the Chicago Tribune that stated there is a backlog in processing the Senior Free Ride applications, the amount of time it takes to get a card and that the phone are not being answered. Mr. Schlickman explained that the turnaround time is 3-4 weeks, and has been this long almost since the beginning of the program. In addition, the RTA is not seriously backlogged. The story made a mountain out of a molehill. He concluded his response by stating that there were problems with our phones because we were inundated in March with calls, and it took awhile to work out a contract with the phone company to install additional lines.

Director Topinka pointed out, in defense of the RTA, that there was no advance notice that this was coming. She again asked for clarification on the backlog issue. Ms. Redden replied there is actually no backlogs in the system. Many of our applicants actually apply remotely. We are still fulfilling, as we have been fulfilling, applications within three weeks of when we actually receive them in our offices. We say 3-4 weeks because it takes usually about a week to get them to our location from the remote sites. We have not exceeded that time frame even through the peak period. We were able to have our contractor staff up and providing some temporary support to meet that extra demand.

Director Topinka then asked how much it costs the RTA to try and keep up with this program. Mr. Costello explained that the cost of the cards and the processing is about \$4 million this year. He added this does not include the lost revenue. It is just the cost of the cards and the cost of personnel to process them.

#### **ADJOURNMENT**

There being no further business to come before the public session of the Finance Committee, Director Troiani moved, and Director Riley seconded that the meeting adjourn. The motion carried by the following voice vote.

5 Ayes      Directors Magalis, Riley, Rosenberg, Topinka, and Troiani

The meeting adjourned at 915 a.m.

*Audrey MacLennan*

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AUDREY MACLENNAN  
Secretary of the Authority