

**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, January 18, 2018** at 8:45 a.m., in Suite 1650, 175 West Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee Vice Chairman Melvin presided.

ROLL CALL

Committee members present (6): Coulson, DeWitte, Kotel, Lewis, Melvin, Troiani (phone)

Committee members absent (2): Anderson, Magalis

Other Board members present: Durante, Frega (phone), Fuentes, Higgins, Hobson, Pang, Ross

Approval of minutes from the meeting held on December 14, 2017

Director Lewis moved, and Director Coulson seconded that the minutes from the meeting held on December 14, 2017 be approved as submitted. The motion carried on the following roll call vote:

6 Ayes: Directors Anderson, Coulson, DeWitte, Kotel, Lewis, Melvin, Troiani

2 Absent: Directors Anderson, Magalis

Report on Monthly Financial Results – November 2017

Ms. Bea Reyna-Hickey stated that ridership continued to fall short of budget in November, but operating revenue and especially expense performance has improved and in turn strengthened the regional recovery ratio.

RTA system ridership through November was 3.3% unfavorable to budget, with ridership for each month of 2017 coming in lower than prior year. Pace Suburban Service and ADA Paratransit had the largest ridership shortfalls from budget, but Pace ridership has now grown versus prior year for the seventh consecutive month and thus is on an improving trend. Operating revenue was \$22.0 million, or 2.1%, unfavorable to budget. The shortfall is due to the combined effect of unfavorable fare revenue and the lower level of reduced fare reimbursement. Public funding was \$62.5 million or 4.4% unfavorable to budget. The shortfall is due to continued lagging sales tax and PTF, underperforming RETT revenue, and the State imposed funding reductions. However, Pace and ADA Paratransit have favorable public funding variances due to actions taken in response to the funding amendment. System-wide operating expenses were \$80.4 million or 3.2% favorable to budget, and ADA Paratransit's expense performance has improved since the second quarter, consistent with Pace's action plan.

The good expense performance did not offset the unfavorable revenue. The system net result was \$4.1 million unfavorable to budget, but this was an improvement of \$0.2 million from last month's results. The regional recovery ratio of 51.3% was above the 50% annual requirement, and has developed a growing 1.1 percentage point cushion above budget due to good expense performance.

Director Melvin noted that the results indicate successful expense management by the Service Boards as we wrap up a very challenging year.

Director Lewis asked if seasonality will result in lower ridership as we move into December and January. Ms. Reyna-Hickey responded that the Service Boards do take seasonality into account when they provide their budget spreads; therefore, the ridership budget and actual ridership is generally lower in the winter months. Extreme cold or heat will negatively impact ridership, while ridership is stronger in more moderate weather.

ADJOURNMENT

There being no further business to come before the meeting of the Finance Committee, Director DeWitte moved, and Director Lewis seconded that the meeting adjourn. The motion carried on the following voice vote.

6 Ayes: Directors Anderson, Coulson, DeWitte, Kotel, Lewis, Melvin, Troiani

2 Absent: Directors Anderson, Magalis

The meeting ended at 8:55 a.m.

Audrey MacLennan

AUDREY MACLENNAN

Secretary of the Authority