

**MINUTES OF THE VIRTUAL MEETING OF THE BOARD OF DIRECTORS
OF THE REGIONAL TRANSPORTATION AUTHORITY**

The Board of Directors of the Regional Transportation Authority met in virtual session on Thursday, January 21, 2021 pursuant to notice.

Chairman Dillard called the meeting to order at 9:00 a.m.

The pledge of allegiance was recited by the Chairman.

ROLL CALL

Board members present (16): Andalcio, Canty, Carey, Coulson, Frega, Fuentes, Gathing, Groven, Holt, Kotel, Lewis, Melvin, Pang, Ross, Sager, Chairman Dillard

Approval of minutes from the meetings held on December 17, 2020

Director Andalcio moved, and Director Canty seconded that the minutes from the public meeting and Executive Session held on December 17, 2020 be approved as submitted. The motion carried on the following roll call vote:

16 Ayes: Andalcio, Canty, Carey, Coulson, Frega, Fuentes, Gathing, Groven, Holt, Kotel, Lewis, Melvin, Pang, Ross, Sager, Chairman Dillard

Public Comment

There were no public comments submitted for this meeting.

Executive Director's Report

Mr. Jeremy LaMarche, Director of RTA Governmental Affairs reported on behalf of Leanne Redden this month. He previewed continued progress in the three-step COVID recovery strategy. The January 21st Board meeting begins Step 2: executing the 2021 budget and making decisions as needed to sustain critical transit service. Step 1 was completed in December, with this Board's approval of the 2021 budget. Since the December Board meeting, a \$900 billion COVID relief package became law on December 27th, providing approximately \$14 billion for transit nationwide. Mr. LaMarche said the legislation dictates that no transit system in the U.S. can receive more than 75% of its total 2018 regional operating budget when combining funds received under this package and under the CARES Act, which provided \$1.4 billion to the RTA region. As a result, the greater Chicago urbanized area will receive about \$486 million from this recent package.

**APPROVED BY THE BOARD OF DIRECTORS
FEBRUARY 18, 2021**

Mr. LaMarche stressed two things - First, the goal of Step 2 is to sustain critical transit services and provide mobility for those who most need public transportation at this time, including bus riders, essential workers, residents with economic hardships across the region, and people with disabilities. Therefore, the intention is that this discussion and any recommended action resulting from it will be unique and specific to relief funds from this new stimulus package. Starting in May, Step 3 of the recovery process will be the forum for charting a longer-term strategy for the regional transit system.

He underscored that the RTA is committed to a transparent, accountable, and collaborative process for distribution of these funds and throughout every step of this recovery strategy. The RTA is committed to collaboration with each of the three Service Boards, as well as other partners and stakeholders. Later in the meeting the Board will hear more about the specific actions the RTA will take to ensure that transparency and accountability.

Moving on to federal updates, Mr. LaMarche reported the Georgia Senate runoff election on January 5th gave the Democrats two additional seats in the U.S. Senate for a total of 50. Because the Republicans also have 50, Vice-President Harris is now the tie-breaking vote. He said the result is that Democratic control of the White House and both chambers of Congress make the prospects of additional federal infrastructure spending in 2021 more likely.

Mr. LaMarche said that President Biden has released the outline of a \$1.9 trillion COVID relief proposal that would include \$350 billion for state and local government COVID relief, as well as \$20 billion in additional transit relief funding. Beyond the additional transit recovery funding, its proposed assistance to state and local governments would help Illinois deal with its currently unbalanced FY 2021 budget, possibly allowing the State to avoid additional budget cuts that could affect transit funding. As early as February, President Biden may also unveil a larger infrastructure spending package that could include a surface transportation reauthorization bill. He said staff look forward to working with the new Administration, our Congressional delegation, and APTA in seeking additional federal investment for the region's transit system.

In Springfield, the Illinois General Assembly met for a lame duck session last week prior to the swearing in of the 102nd General Assembly on January 13th. Chris Welch, who represents the 7th House District in the near western suburbs, was elected the new Speaker of the House, replacing long-time House Speaker Michael Madigan. Both chambers of the General Assembly are scheduled to be in session off and on through May, and RTA staff will continue to monitor and report on any legislative developments.

Beginning in May 2021, Step 3 will encompass development of a new five-year strategic plan for the region's transit system with an outlook toward 2023 and beyond. Step 3 will focus on taking the many lessons learned through this crisis and engaging the Board and other stakeholders to reimagine our transit system to support our region's full economic recovery.

Next, Mr. LaMarche reported that the RTA Community Planning program has worked on more than 200 projects since 1998, offering technical assistance and funding to local governments to address local planning needs where the issues of public transportation and land use intersect. The annual Call for Projects has a deadline of February 3rd. The RTA is once again partnering with the CMAP Local Technical Assistance program for a joint application process.

He explained that, because the COVID-19 pandemic has strained the capacity of local governments around the region, the program's focus this year will be to provide technical assistance to municipalities of high and very high need, based on data or factors such as population, income, and tax base per capita. On the RTA website homepage is more information with a link to apply. He asked Board members to help spread the word about this call.

Presenting the state delinquency figures through the end of October, Mr. LaMarche stated through the end of December, the State owes the RTA \$187.8 million of ASA, AFA, and PTF. The State is 6 months behind on ASA, 6 months behind on AFA and the equivalent of 4.2 months behind on PTF, he said, concluding the ED report.

Dr. David Andalcio commented that "we don't have a crystal ball" as to specific needs and COVID recovery outcomes, with the likelihood that each Service Board will likely have further funding needs. There should be a needs analysis by each Service Board, including service to suburban counties. Chairman Dillard echoed this remark, stating that the RTA is committed to working with the CTA, Metra, and Pace to conduct such detailed analysis, which is planned during Step 2 of the recovery strategy.

Report on monthly financial results – November 2020

Ms. Bea Reyna-Hickey covered the year-to-date financial results through November 2020. Results are now being compared to the 2020 Estimates provided by the Service Board in October and adopted by the RTA Board as revised budgets in December. As we've stated during the last couple of meetings, the Service Boards have encountered an unanticipated constraint in the amount of CARES Act funding they can requisition, which may affect their year-end recovery ratios. Good expense performance and better than expected sales tax receipts are limiting the amount of CARES Act funding needed for 2020, allowing more to be carried forward.

System ridership through November was about 1% higher than the amended budget, but almost 60% below prior year. The CTA reported favorable to budget results while Metra and

Pace Suburban Service ridership results were more than 3% unfavorable. ADA Paratransit ridership has exceeded the expectations of the amended budget by 16%, highlighted in light blue, which is driving expense higher and creating an additional funding need discussed later in the presentation.

Total operating revenue of \$955.4 million was \$64.7 million, or 6.3%, unfavorable to budget and highlighted in red. Each Service Board, including ADA Paratransit, reported unfavorable operating revenue in excess of 3%. Due to better-than-expected sales tax results and good expense performance, the Service Board CARES Act requisitions have fallen short of budget, particularly for Metra. A key point to remember is that CARES Act funding can only be used to bring actual financial results to a break-even condition.

Sales tax performance has been better than expected, even exceeding the improved outlook of the September funding amendment. October sales tax will come in about 8% below prior year, whereas our latest forecast assumed up to an 18% decline. Total public funding exceeds the adopted budget by \$35.4 million, and that variance is expected to become even more favorable with the November and December sales tax results.

System-wide operating expense through November was \$42.1 million, or 1.7%, favorable to the amended budget. CTA expense was \$22 million under budget, while Metra and Pace had larger percentage variances as they continue to operate significantly reduced schedules. To reiterate, this good expense performance is limiting the amount of CARES Act funding that can be requisitioned to break even. ADA Paratransit expense is \$8.9 million or almost 6% unfavorable to budget due to better-than-expected ridership. As a result, ADA has developed an additional funding need on top of the \$31.4 million of reserve funding that was approved by the Board in September.

Net result equals total revenue minus total expense. The mainline Service Board net results are migrating toward zero, or break-even, as we approach year-end. The unfavorable net result variance of \$10.4 million for ADA Paratransit indicates that an additional ADA funding need has developed due to improving ridership. Staff will be working with Pace to refine the amount of additional ADA funding needed and how that need will be met. We will keep the Board apprised. As alluded to earlier, even with \$487.4 million of CARES Act funding included, the regional recovery ratio has fallen below 50% through November, now at 48.9% and 1.8 percentage points below budget. Each Service Board has an unfavorable recovery ratio, most prominent in the Metra results, which is ironic because Metra has achieved the greatest expense reduction from the original 2020 budget. Once again, this mathematical result has developed because of better-than-expected sales tax receipts and disciplined expense performance limiting the amount of CARES Act funding needed for 2020 – a good thing. We are actively discussing options to meet the 50% year-end recovery ratio requirement with the Service Boards and will keep the Board apprised. The solution will likely involve a regional-level revenue adjustment, authorized by the Board, for recovery ratio purposes only.

In summary, 2020 is not done giving us problems to solve just yet. We'll have more to report on our proposed solutions to both the ADA funding situation and the recovery ratio calculation at next month's Board meeting.

Step 2 of COVID-19 Recovery Strategy

Ms. Jill Leary presented an update about Step 2 of the RTA COVID-19 Recovery Process. The plan consists of three steps:

- **Adopt a 2021 budget** that reflects the current crisis that was finished in December. **(Oct – Dec 2020)**
- **Execute the 2021 budget** and make decisions as needed to sustain transit during a time of uncertainty. **(Jan – June 2021)**
- **Engage in strategic recovery planning** and consider how to reinvent transit. **(May 2021)**

Back in October, the following policy priorities to guide each step toward COVID-19 recovery were outlined:

- Identify immediate funding solutions
- Critical transit services are sustained
- Take an increasingly transparent, collaborative approach to communicating

The objective of Step 2 is to execute and make decisions as needed to sustain critical transit. The following three questions are facing the RTA Board:

The first question is how to identify immediate funding solutions. In December, RTA staff explored a variety of funding options practically available to the RTA Board in the immediate, 2021 timeframe. Four options were examined, including seeking federal relief, seeking state relief, re-allocating existing funds on an emergency basis, and undertaking short-term borrowing.

A partial funding solution materialized in late December when Congress passed a second round of emergency COVID relief funding for transit nationwide. The \$900 billion COVID relief package directs approximately \$14 billion to transit agencies nationwide including approximately \$486.2 million to the greater Chicago urbanized area. While the estimated additional funding available to the RTA region is not fully sufficient to fill the region's 2021 budget gap, RTA staff recommends that the RTA Board shift focus in the near term to allocating the newly acquired federal funds.

The second question is how to support the Service Boards' efforts to sustain critical transit during this unprecedented season. RTA staff recommends that the RTA Board proactively state and gain regional consensus about the geographic areas where it is critical to maintain transit presence throughout 2021 based on where transit is most likely to be used and most likely to be needed during recovery and use this as a basis for allocating federal relief funds.

The third key question is how to undertake recovery efforts transparently and collaboratively. RTA staff recommends that the critical transit analysis and recommendations therein regarding funding allocations be subject to formal public comment. RTA staff will provide multiple venues for information sharing and feedback and promote the public comment period targeting the most impacted stakeholders. Public comment will be shared with Board members and incorporated into final recommendations as appropriate.

The timeline envisioned for Step 2 of recovery is:

- **January** - Inform and discuss
- **February** – Discuss progress and release proposed recommendations regarding relief fund distribution for public comment through March 5
- **March** – Approve Policy and Funding Amendment
- **April and Beyond** – Pursue additional relief funding, monitor budgets, and initiate Recovery Step 3

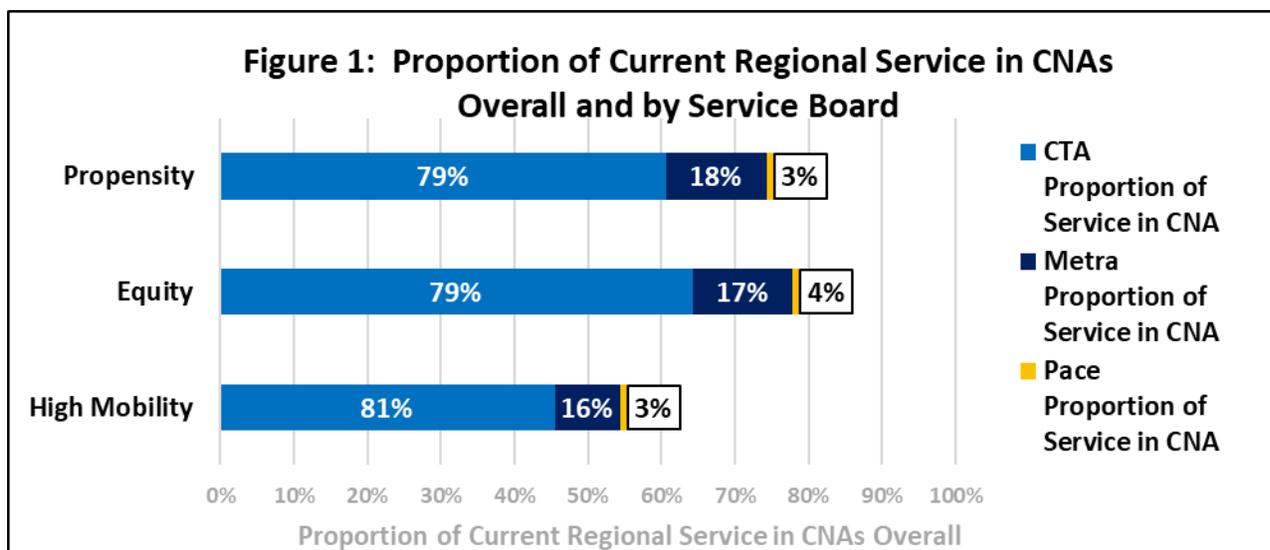
Mr. Peter Kersten provided an overview of the analysis RTA staff conducted to define critical need areas or “Transit CNAs” as a part of the Step 2 COVID-19 Recovery Planning Process. Transit CNAs are the areas throughout the region where transit service must be preserved to continue funding critical levels of service needed to sustain transit during this time of uncertainty.

Prior to presenting the Transit CNA analysis, Mr. Kersten briefed the Board on current ridership levels by Service Board and line/route, specifically focusing on areas that are performing better or worse than the regional average in year-over-year change. Additionally, travel data from Replica was included in the briefing to show where people are and are not moving throughout the region. Several trends were highlighted in the briefing:

- Bus modes are performing better than rail modes, measured in year-over-year ridership change.
 - Travel to the Loop is down below regional averages, measured both in year-over-year ridership change on all three Service Boards and Replica travel data.
 - CTA bus routes and train lines that perform better than the regional average measured in year-over-year change tend to serve areas of the city on the west and south sides.
 - Pace Bus routes that perform better than the regional average measured in year-over-year change tend to serve areas of central and south suburban Cook County and cities in the collar counties such as Joliet, Aurora, Elgin, and Waukegan.
- RTA staff has developed three definitions for Transit CNAs:
- **Propensity** – who is most likely to use transit for their commute to work?
 - **Equity** – who is most likely to need to transit to access essential goods and services?
 - **High Mobility Industries** – what industries need their workers on-site and in-person to perform their jobs?

All three definitions identify areas with above average densities of home locations for workers and general population within the demographics identified in each. With the Transit CNAs defined, service is then assessed to determine the proportion of all regional transit service operated within CNAs and, of that service operated within CNAs, what proportion is operated by each Service Board.

Figure 1 shows the Regional Proportion for service operating within Transit CNAs by each CNA definition, along with the proportion operated by each Service Board.



Director Holt asked to clarify service levels versus ridership and whether the reduction is relative to the service that is being provided. Mr. Kersten responded that the answer is complicated. One thing to consider is the Service Boards need to operate without packed trains and buses because of Covid-19.

Director Melvin questioned if the number of trips on Metra have been reduced or has ridership declined on all trips. Mr. Kersten responded that the Metra map is showing ridership in comparison with Q3 2019 and Q3 2020. Metra's data is monthly totals of the months of July, August and September and it is counting the total of how many people rode all the lines in those months.

Director Andalcio asked for clarification on the data being used such as the 2019 U.S. Census data and 2020 RTA Mobility Service noting that the since then the dynamics have changed. Mr. Kersten noted that capturing recent data is challenging and the data that is being used is the most up-to-date available at this time. This data is being used to see other measures. But there is a limitation of data that is currently available.

Director Melvin followed up commenting that all the maps make sense because they represent what is already known in terms of service and mobility needs.

Director Holt asked how the industries are being defined and what industries fall within the high mobility definition. Mr. Kersten mentioned that they are drawing this data from the current moment, peers and survey data that exist and making decisions as to whether working from home is possible within that industry. Healthcare and education are industries that require mobility, as well as retail and entertainment are being included in this measure.

Director Holt also asked how the location of the jobs being measured versus where people live. Mr. Kersten answered they are using the process of focusing on people and their home locations. But they are not focusing on the service planning efforts. They will look at the origin where the critical people live, and the Service Board will focus on the destination.

Ms. Leary concluded by stating the purpose of the work is to gain regional consensus about the geographic areas in which it is critical to maintain transit presence throughout 2021. Work will continue on proposed recommendations regarding relief fund distribution. This will be presented in February and released for a public comment period before requesting Board approval in March.

Travel Expense Reimbursements

Director Kotel moved, and Director Groven seconded the travel expenses be approved as submitted.

The motion carried on the following roll call vote:

16 Ayes: Andalcio, Canty, Carey, Coulson, Frega, Fuentes, Gathing, Groven, Holt, Kotel, Lewis, Melvin, Pang, Ross, Sager, Chairman Dillard

ADJOURNMENT

There being no further business to come before the public portion of Board of Directors meeting, Director Andalcio moved, and Director Melvin seconded that the meeting adjourn. The motion carried on the following voice vote:

16 Ayes: Andalcio, Canty, Carey, Coulson, Frega, Fuentes, Gathing, Groven, Holt, Kotel, Lewis, Melvin, Pang, Ross, Sager, Chairman Dillard

The Board meeting ended at 10:20 a.m.

Audrey Cole

AUDREY COLE
Secretary of the Authority