

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

The Board of Directors of the Regional Transportation Authority met in public session on **Thursday, February 16, 2016** in Suite 1650, 175 West Jackson Blvd., Chicago, Illinois pursuant to notice.

Chairman Dillard called the meeting to order at 9:30 a.m. The Pledge of Allegiance followed.

ROLL CALL

Board members present (15): Anderson, Buchanan (phone), Coulson, DeWitte (phone), Durante, Frega, Fuentes, Higgins, Hobson, Lewis (phone), Magalis, Melvin, Ross (phone), Troiani (phone), and Chairman Dillard

Board members absent (1): Pang

Approval of minutes from the meeting held on December 15, 2016

Director Hobson moved, and Director Coulson seconded that the minutes from the meeting held on November 17, 2016 be approved as submitted. The motion carried on the following roll call vote:

15 Ayes: Anderson, Buchanan, Coulson, DeWitte, Durante, Frega, Fuentes, Higgins, Hobson, Lewis, Magalis, Melvin, Ross, Troiani, and Chairman Dillard

1 Absent: Pang

Executive Director's Report

Ms. Nadine Lacombe, RTA General Counsel provided the Executive Director's report in Ms. Redden's absence. She reported that the RTA is owed \$387.7 million and in 2016 the cost of short-term borrowing to support the State's delinquency was \$2.9 million. The cost for short term borrowing in 2017 is already \$187,363.00.

Ms. Lacombe then gave an update on the state General Assembly, specifically that a series of 14 Senate revenue, budget and reform bills have been filed as a result of negotiations between Democrats and Republicans in the Senate with the hopes of coming to a "grand bargain" solution to the ongoing budget impasse. As of yet, no vote has taken place on the majority of those bills and negotiations continue on all aspects of the grand bargain agreement.

House Bill 3004 was filed last week by Representative Riley (38th District-D). This bill is the RTA's short-term borrowing initiative which will allow the RTA extended short-term borrowing authority and greater flexibility when borrowing to pay the Service Boards to cover the state's delinquent payments.

**APPROVED BY THE BOARD OF DIRECTORS
MARCH 16, 2017**

Ms. Lacombe then gave an update on events happening in Washington DC. On January 31, Elaine Chao, was confirmed to become the 18th United States Secretary of Transportation by a vote of 93 to 6. On January 24, Senate Democrats released a proposal to begin addressing the nation's infrastructure needs with a \$1 trillion price tag. *The Blueprint to Rebuild America* includes \$180 billion for rail and bus systems.

At the same time, however, we have been hearing rumors there might be cuts to the FY17 FAST Act levels, which would mean cuts most likely to Capital Investment Grants.

The RTA's DC team and APTA staff have spoken to legislative staffers on several committees - including appropriations and tax writing committees - but there has been no confirmation any such legislation is being drafted. But in an effort to be ready for anything, the RTA is contacting the congressional delegation to encourage keeping levels as originally proposed.

A national infrastructure spending proposals is expected to be introduced by the Trump Administration in the spring with possible action coming in the Fall.

Ms. Lacombe then announced the RTA's 2017 Buying Plan. The Plan lists services and goods the RTA intends to solicit starting in 2017. Ms. Lacombe explained that by publicizing early what the agency plans to buy, businesses can do everything that it takes to be ready to bid on relevant solicitations. She then asked the Board to register to receive notices on eBid, the new e-procurement system – it can be found on the RTA website.

Ms. Lacombe then reminded the Board that it was time to update the agency's Strategic Plan as per state statute.

Staff has been working in coordination with the Service Boards and CMAP on the foundational research and technical work and the final plan will be presented for Board consideration in January 2018. At the March Board meeting staff will present some of the research findings that will be framing the plan and to gain the Board's feedback and input.

Update on RTACAB Activities

Mr. Greg Polman, Chairman of the RTA Transit Access Citizens Advisory Board (RTACAB) provided a quarterly update of the activities of the RTACAB. This report was for informational purposes only. He reported that the RTACAB held its first-quarter meeting on January 17, 2017. During that meeting Executive Director Redden provided a presentation on the accomplishments of the RTA in 2016 and the planned work across the agency in 2017. Mr. Polman also reported that the RTA Finance Department provided a presentation on the 2017

regional budget that was approved by the RTA Board in December 2016. Lastly, the RTACAB was provided information on changes made to the composition of the RTA Eligibility Review Board, which is a Board that listens to customer appeals of their ADA paratransit eligibility decisions. Mr. Polman stated that in 2017 the committee is interested in discussing the relationship between ride share companies and transit in this region. The next meeting of the RTACAB is scheduled for April 17, 2017.

Resolutions certifying financial results for the Fourth Quarter of 2016

Ms. Bea Reyna-Hickey provided a summary of the Service Board financial results for the year-to-date through December 2016. She asked that the Board certify the results of each Service Board as they are in substantial accordance with the adopted 2016 budget. Ms. Reyna-Hickey stated that the regional unemployment rate increased to 5.9% in December, while the national unemployment rate was 4.7%. RTA system ridership was 3.9% unfavorable to budget through December and 3.4% lower than prior year. Ms. Reyna-Hickey noted that there was a slight year-over-year ridership increase in November due to the Cubs rally but ridership was down relative to budget and prior year in December.

System operating revenue was \$11.3 million or 1.0% unfavorable to budget through December due to lower revenue from lagging ridership and lower accrual of the State reduced fare funding. Pace Suburban Service and Pace ADA Paratransit posted the largest unfavorable variances, at 9.5% and 14.1% under budget, respectively. Regional public funding, however, was \$13.0 million or 0.9% favorable to budget year-to-date largely due to favorable RETT results. She noted that sales tax growth slowed in 2016, likely due to weakening vehicle and department stores sales.

Ms. Reyna-Hickey went on to say that system operating expenses through December were \$62.9 million or 2.4% favorable to budget. Each Service Board reported favorable to budget expenses year-to-date, largely attributable to low fuel prices which were \$24.6 million favorable to budget. Favorable public funding and expense results produced a net result for the system which was \$64.6 million favorable to budget. Ms. Reyna-Hickey stated that the system-wide recovery ratio of 51.2% exceeded budget by 0.9 percentage points.

Director Melvin asked if the RTA has estimated how much money is not recognized or received from sales tax due to online sales. Ms. Reyna-Hickey replied that no formal analysis has been conducted at the RTA but that 6-8 years ago when she worked at the City of Chicago they estimated around 20-25% of revenue loss as a result of online sales tax not being captured.

Director Fuentes moved, and Director Melvin seconded the adoption of the following ordinances:

- 2017-01 These resolutions certify the operating financial results for each Service Board
2017-02 and the region as a whole, through the fourth quarter of 2016. Based on data
2017-03 available to date, staff expects that the system generated revenue recovery
2017-04 ratio, the Service Board recovery ratios, and the operating deficits at the CTA,
2017-05 Metra, Pace Suburban Service, and Regional ADA Paratransit will be substantially
 in accordance with the adopted budgets.

The motion carried on the following leave for last unanimous roll call vote.

15 Ayes: Anderson, Buchanan, Coulson, DeWitte, Durante, Frega, Fuentes, Higgins, Hobson, Lewis, Magalis, Melvin, Ross, Troiani, and Chairman Dillard

1 Absent: Pang

Contract/Procurement Items

Director Mr. Hobson commented on a question he asked to staff about how many projects have been done on TOD. According to Mr. Hobson, staff reported that between 2006 thru 2015 there were 33 TOD programs. RTA has partnered with different municipalities and 95% of TOD's have begun to move forward with implementation of the TOD plans. Director Hobson stated he was very impressed and supported the Jefferson Park TOD project.

Director Hobson also clarified with staff earlier that the Transit Benefit procurement extension was at no cost to the RTA since the program is revenue neutral with the participating companies.

Director Hobson moved, and Director Melvin seconded the adoption of the following ordinances:

- 2017-06 This ordinance authorizes the execution of a two-year contract with Teska Associates, Inc. to develop a Transit-Oriented Development Plan for the Jefferson Park Neighborhood in the City of Chicago, focusing on the area around the Jefferson Park Transit Center. The total contract amount is not-to-exceed \$125,000. In addition, Teska Associates, Inc. intends to meet the 15% DBE goal established for this contract.
- 2017-07 This ordinance authorizes the execution of a contract amendment with Edenred, the RTA's current Transit Benefit Program operator, for additional funding in the amount of \$288,858.00.

The motion carried on the following leave for last unanimous roll call vote.

15 Ayes: Anderson, Buchanan, Coulson, DeWitte, Durante, Frega, Fuentes, Higgins, Hobson, Lewis, Magalis, Melvin, Ross, Troiani, and Chairman Dillard

1 Absent: Pang

Director Fuentes asked if the RTA was preparing a response to the accusations of immigration questioning on CTA trains, the Red Line in particular. Ms. Susan Massel, Director of Communications responded that there were erroneous media reports that ICE agents were boarding CTA trains (a red line in particular) tied to a new policy in President Trump's administration. She pointed out that Ms. Redden had spoken to CTA President Carter and he'd asked that we not get involved. Ms. Massel further stated that the reports were false and that the actions riders saw were tied to a historical and ongoing program of checking bags, related to work carried out by Homeland Security on transit throughout the country. Specifically, this work has been carried out in Chicago since 2014. It is our belief that adding to the number of social media messages about this could only in fact enhance this misunderstanding.

ADJOURNMENT

There being no further business to come before the Board of Directors, Director Durante moved, and Director Frega seconded that the meeting adjourn.

The motion carried on the following voice vote.

15 Ayes: Anderson, Buchanan, Coulson, DeWitte, Durante, Frega, Fuentes, Higgins, Hobson, Lewis, Magalis, Melvin, Ross, Troiani, and Chairman Dillard

1 Absent: Pang

The public portion of the meeting ended at 10:10 a.m.

Audrey MacLennan

AUDREY MACLENNAN

Secretary of the Authority