

**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, March 19, 2015 at 8:35 a.m., in Suite 1650, 175 West Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee member Troiani presided.

ROLL CALL

Committee members present (5): Anderson Coulson, DeWitte, Lewis, and Troiani

Committee members absent (2): Buchanan and Magalis

Other Board members present: Durante, Frega, Fuentes, Hobson, Melvin, Totten, Ross, and Chairman Dillard

Approval of minutes from the meeting January 22, 2015

Director Lewis moved, and Director DeWitte seconded that the minutes from the meeting held on January 22, 2015 be approved as submitted. The motion carried on the following roll call vote:

5 Ayes: Directors Anderson Coulson, DeWitte, Lewis, and Troiani

2 Absent: Directors Buchanan and Magalis

Report on the monthly financial results for January 2015 and resolutions certifying financial results for the fourth quarter 2014

Ms. Bea Reyna-Hickey, CFO provided an overview of the region's 2014 financial performance through the end of the year. The local economic picture continued to improve and the year ended with a decrease in the unemployment rate to 5.9%. Ridership for the year was overall unfavorable to budget by 3.3% and 2.3% below last year. Factors such as the historically cold first quarter and growth in alternative transportation options affected ridership. CTA bus ridership was hit hardest, down by 8% and Pace ridership declined 3%. In contrast, CTA rail ridership grew by 3.9% and Metra, by 1%. Despite unfavorable ridership, operating revenue finished the year 2.3% favorable to budget, aided by higher average fares and favorable Other Revenue. Public funding was strong at 2% favorable to budget. The CTA also benefitted from RETT receipts, which finished the year \$15.3 million or 32% favorable to budget. System-wide expenses finished the year almost at budget (0.1% favorable). For the region, favorable operating revenue and favorable public funding combined with favorable operating expense results to produce a favorable net result of \$57.6 million. Each Service Board had a favorable net result for the year. The regional recovery ratio of 53.3% was 0.8 point favorable to budget. In addition, each Service Board's operating deficit (expenses minus operating revenue without consideration of public funding) was favorable to budget. The combined regional operating deficit was \$28.5 million favorable to budget.

Ms. Reyna-Hickey then recommended that the Board find the results of each Service Board and the region as a whole in substantial accordance with their 2014 adopted budgets. The recommendation was made based on unaudited results. If the audited Service Board results differ materially from these results, the RTA will inform the Board.

Ms. Reyna-Hickey then gave a brief overview of performance measures for 2014 compared to 2013. The measures showed that service levels were up modestly, costs per unit of service delivered increased, but are within budgeted levels, and fare revenue performance is good, despite lower ridership levels. To end the presentation, Ms. Reyna-Hickey gave a summary of January 2015 financial results. January results were good, with most metrics at, or favorable to, the 2015 budget. Regional ridership was also at budget for the month. Director Totten noted that ridership in Boston was not down and so we could not attribute everything to the weather. Ms. Reyna-Hickey noted that Boston's difficult winter was occurring primarily in 2015 and the Chicago 2014 results were impacted by the very difficult winter weather at the start of 2014. Director Totten also asked if CTA and Metra had real estate that could possibly be sold to deal with state budget cuts. Ms. Reyna-Hickey stated that the Service Boards would have to be consulted to answer that. Director Hobson asked if the decline in bus ridership represented a one-time aberration or a trend and Director Ross asked if the Service Boards had any good options to address the decline. Ms. Reyna-Hickey stated that the decline seemed to represent a trend in bus ridership that was occurring at other bus systems throughout the country as well. One of the reasons projected for the decline is increasing congestion. Options that improve bus traffic flow such as BRT and the downtown circulator should help. Director Lewis asked if capital investments needed to shift as demand shifts. Ms. Reyna-Hickey replied that the majority of capital need is in rail to bring the infrastructure to a State of Good Repair and that is where the ridership is growing.

Director DeWitte moved, and Director Lewis seconded that the proposed resolutions be taken in one vote and be approved as submitted. The motion carried on the following roll call vote:

5 Ayes: Directors Anderson Coulson, DeWitte, Lewis, and Troiani
2 Absent: Directors Buchanan and Magalis

Presentation of the 2014 Peer Performance Report

Ms. Karin Allen presented the results of the 2013 Regional Peer Review and the 2013 Sub-Regional Peer Review that measure and monitor our transit system's performance relative to peer transit regions and operators. These reports are part of the RTA's oversight function to support the evaluation of public transportation services in the region. The reports are based on 2013 data published by the Federal Transit Administration's National Transit Database (NTD) in January 2015. The 2013 Regional Peer Review reports the performance of the primary transit providers for each of the top ten U.S. metropolitan statistical areas, with the Chicago region reported as an aggregation of data for the CTA, Metra, and Pace. The 2013 Sub-Regional Peer Review provides performance results at the individual mode level – urban bus, heavy rail, commuter rail, suburban

bus, vanpool, and demand-response/ADA paratransit – comparing the performance of each individual mode to five analogous peers. On a regional level, Chicago-area transit continued to perform well, ranking in the top half of the peer group for thirteen of the fifteen measures reviewed and ranking in the top three for nine measures. On a modal level, the Chicago transit providers continued to perform well, particularly in the areas of service efficiency, cost effectiveness, and reliability.

ADJOURNMENT

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

5 Ayes: Directors Anderson Coulson, DeWitte, Lewis, and Troiani

2 Absent: Directors Buchanan and Magalis

The meeting ended at 9:30 p.m.

Audrey MacLennan

AUDREY MACLENNAN

Secretary of the Authority