

**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, April 15, 2021 pursuant to notice. Chairman Dillard called the meeting to order at 9:05 a.m. He then recited the pledge of allegiance.

ROLL CALL

Board members present (16): Andalcio, Canty, Carey, Coulson, Frega, Fuentes @ #5, Gathing, Groven, Holt, Kotel @ #6c, Lewis, Melvin, Pang, Ross, Sager, Chairman Dillard

Approval of minutes from the meetings held on March 18, 2021

Director Andalcio moved, and Director Melvin seconded that the minutes from the public meeting and Executive Session held on March 18, 2021 be approved as submitted. The motion carried on the following roll call vote:

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

2 Absent: Fuentes, Kotel

Executive Director's Report

Ms. Leanne Redden began by congratulating the Finance team and Comptroller for once again receiving a Certificate of Achievement for Excellence in Final Reporting from the Government Finance Officers Association. This is the 26th consecutive year the RTA has received this certificate, which shows evidence of our consistent commitment to this critical function.

She briefly previewed staff presentations on two projects that directly respond to the COVID-19 crisis: Community Planning staff who would discuss this year's slate of projects, which were selected as part of a call with the Chicago Metropolitan Agency for Planning's Local Technical Assistance program. This year's joint call targeted high and very high need communities as part of our coordinated regional response to the pandemic.

The Board would also hear about the RTA COVID-19 Ridership Survey, whose full findings were released today. This is the first region-wide survey of current and lapsed transit riders since the pandemic began and will directly inform the long-term strategic planning that the RTA will begin in May as Step 3 of the recovery strategy.

**APPROVED BY THE BOARD OF DIRECTORS
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She also stated that staff would demonstrate the redesigned RTAMS mapping and data portal, an important new tool for delivering data and watching trends. She stated that RTAMS is a cornerstone of our commitment to transparency and accountability as an agency, and we hope the Board and others find it to be a valuable resource.

Ms. Redden reminded the Board that allocation of CRRSSA funds during last month's Board meeting effectively wrapped up Step 2 of the strategy and closed the remaining gaps in the 2021 budget. This month, as part of initial Step 3 work, the Performance Based Programming Committee, consisting of staff from the RTA and all three Service Boards are meeting regularly to discuss revising the capital investment framework that will lay out our method of allocating capital funding in 2025 and 2026. She added that she anticipates the Board will get a staff recommendation on that process in May, followed by a public comment period with action slated for June. At that point, staff will present the timeline, process, and initial goals for the key activity of Step 3, which is the development and adoption of the next strategic plan.

Regarding federal affairs, Ms. Redden stated that on March 31st, President Biden unveiled the outline of his large-scale infrastructure investment proposal. The \$2 trillion proposal contains broad investments in surface transportation, water, and other infrastructure, setting aside \$85 billion for investment in the nation's transit systems and an additional \$80 billion for the country's passenger railways. The USDOT has indicated that approximately two-thirds of the transit investment would be directed toward state of good repair projects, with another \$5 billion set aside for transit accessibility investments. The White House has indicated that the proposed infrastructure spending would be in addition to the amounts already authorized under the FAST Act or as part of a new reauthorization package later this year.

Of particular interest, is President Biden proposal's emphasis on electrification of transit. If funded, it would replace 50,000 diesel transit vehicles nationwide with electric vehicles. In our region, those investments could help accelerate electrification efforts, possibly including the CTA's planned transition to an all-electric bus fleet by 2040. This would be an important advancement regarding the environment and public health while noting that many political hurdles would need to be overcome to bring the plan to fruition. Staff will continue to engage with the administration and the Illinois delegation as discussions continue over the next several months.

In Springfield, the Illinois General Assembly returned to session after a two-week spring break recess. The legislature plans to primarily return to in-person legislating with extensive COVID restrictions in place throughout April and May. Ms. Redden added staff will continue to keep the Board updated as FY22 budget negotiations and other legislative initiatives evolve.

She then reported on the state delinquency figures for this month. Through the end of March, the State owes the RTA \$189.4 million of ASA, AFA, and PTF. The State is 9 months behind on ASA and AFA, and the equivalent of 3 months behind on PTF. The YTD cost of short-term debt is \$900,000.

Lastly, Ms. Redden introduced a public comment presentation by Pam Tate and Kim Stone, who both members of the Vehicle Electrification Task Force that is part of the Climate Reality Project. She explained that a few months ago the RTA was approached by a group of residents concerned about climate change and the role of the transit system in it. She concluded by stating as with any public comment, the RTA neither endorses nor negates the material presented. As a public body, we encourage public participation and welcome public comment.

Public Comment

Ms. Pamela Tate, Co-Chair of the Task Force on Electrifying Public Transit, Climate Reality Chicago Chapter provided a presentation on the Climate Crisis and What RTA Can Do to Decelerate Global Warming that covered two main areas: an overview of the causes and impacts of global warming and the benefits of electric buses and what the RTA can do.

She first addressed the causes and impacts by explaining we are dumping 110 million tons of manmade global warming pollution into the atmosphere every 24 hours. The Transportation sector emits the most greenhouse gases (GHG) in the US - 29%. The impacts can be felt in extreme weather - scorching heat waves; more intense hurricanes; bigger rainstorms with flooding; longer and more severe droughts; and larger, more destructive wildfires. In the Midwest and Illinois, there will also be (and already are) more pests, loss of agricultural productivity, loss of tree species, public health risks from heat and pollution, and overwhelmed urban sewer systems. At the national and global level, the Department of Defense has researched this issue and has created a Climate Change Adaptation Roadmap, in which they say that climate change “will likely lead to food and water shortages, pandemic disease, disputes over refugees and resources, and destruction by natural disasters in regions across the globe”.

She then explained solutions, electric buses in particular. Wind and solar provided the cheapest sources of new electricity in two thirds of the world in 2019, and by 2025, these sources will provide the cheapest new electricity in the entire world. Over 35 cities across the globe have committed to buying only zero-emissions buses starting in 2025, including cities with cold winters such as Oslo and Moscow. Though half of the world’s buses will be electric by 2025, the US is far behind other nations, especially China.

It is urgent that we in Chicagoland transition to electric buses. Some facts on electric buses: 1) the lifetime costs are lower than those of fossil fuel burning vehicles; 2) the payback time for electric buses ranges from 5 to 12 years, depending on the cost of charging infrastructure and electricity; 3) E-buses have lower maintenance and fuel costs; 4) they reduce greenhouse gas emissions; 5) they are proven to work in similar climates; and 5) they would improve our air quality in the region. We have only nine more years to decelerate global warming because emissions stay in our atmosphere for hundreds of years. We are already at 1.1 degrees Centigrade of warming, and we cannot exceed 1.5 degrees.

The CTA and Metra have taken small steps towards purchasing zero emissions vehicles, but Pace has not. If the Clean Energy Jobs Act (CEJA) is passed during this legislative session, Illinois will have a decarbonized electric grid by 2030 and a path to electrifying transportation. The RTA can:

- Encourage transit agencies to move to zero emissions vehicles (ZEV) immediately;
- Urge IEPA to speed up the programming decisions for the ZEV Volkswagen Fund;
- Urge Pace to purchase only electric buses or zero emissions buses from here forward;
- Require transit agencies to consider the full lifecycle cost when making purchasing decisions;
- Restructure the budget process to take reduced operating costs into account in vehicle purchases; and,
- Work with utilities to invest in building a charging infrastructure.

Directors Melvin, Sager, Canty, and Andalcio thanked Ms. Tate for the presentation and stressed both the importance of the financial, as well as climate considerations of moving to electric buses. Director Canty mentioned the new money that will likely come from the federal level and the need to think about how to use this money to combat global warming in the transportation sector.

Director Melvin asked if there was information available on the impact in other regions of the country in addition to what she shared regarding the Midwest? Ms. Tate responded that climate change affects different regions in different ways. While we will get more rain and flooding with some droughts as well, on the west coast the major impact will be more intense and more frequent forest fires, along with drought. On the east coast, along with more intense and frequent rainfall, cities will experience sea level rise and flooding. For example, the southern tip of Manhattan is threatened and there is discussion about creating a high sea wall around the southern tip; Miami Beach is already seeing flooding in the streets from high tides

and at 2 degrees C of warming, many areas will be under water. On the southern coasts, much greater heat, and more frequent and intense hurricanes and flooding, along with heat waves that are even more damaging than we will get here. In Central America, we are already seeing climate refugees coming north because they cannot grow crops and large areas are too hot to be habitable. This will worsen. We will see many more climate migrants in coming years.

Director Lewis asked what other organizations what other organizations Ms. Tate has presented to? Ms. Tate replied that she has presented to Pace, and have met with several state legislators, the CTA, CMAP, the IEC and other environmental groups, and have written letters to legislators and the Governor's Office. She added she would welcome an opportunity to present these issues in further detail to RTA staff.

Director Carey thanked Ms. Tate and noted that the RTA Board and staff are engaged with the Service Board staff, and that together they need to address this issue. She asked why are we not buying electric buses and train cars at this time. Ms. Tate offered to provide a more detailed presentation to RTA staff.

Chairman Dillard suggested that Ms. Redden and other RTA staff get together and share details about the percentage of emissions coming from diesel, CNG and electric buses, and the costs of each of the three options. Ms. Kim Stone offered to gather all relevant information and send it to Chairman Dillard and Ms. Redden. Ms. Tate added that their task force is trying to convince the state and the federal DOT to give grants only for NO emissions vehicles, not low emissions vehicles. She said that Compressed Natural Gas buses are a major problem because their emissions are almost as high as diesel buses. Ms. Stone added that the infrastructure for CNG buses is very expensive to build, while the charging infrastructure for electric buses is much less costly.

Ms. Redden pointed out that Federal programs are moving in the direction of electric, and the RTA is aware of these trends. We plan to take the next steps to get more information and move forward on this issue.

Report on monthly financial results – February 2021

Ms. Bea Reyna-Hickey presented the February 2021 year-to-date financial results of the Service Boards. She stated that ridership continues to struggle at about 30% of pre-pandemic levels but recovering sales tax performance and expense discipline have combined to produce satisfactory financial results.

System ridership through February was 2 million rides or 7.5% below the adopted budget, highlighted in red. Metra and Pace Suburban Service results were both very unfavorable because the current budgets contain ridership assumptions made all the way back in mid-2020. The Service Boards will have an opportunity to update their ridership forecasts with the first budget amendment of 2021, which will be on the agenda at next month's Board meeting.

Total operating revenue of \$206.5 million was \$4.9 million, or 2.4%, favorable to budget. Metra's highlighted favorable variance of \$5.5 million was driven by strong ancillary revenue more than offsetting their unfavorable farebox results, while ADA Paratransit revenue was unfavorable by 41% as only a very small amount of RTA certification trip revenue was reported for the first two months of the year. A total of \$139.5 million of federal CARES Act funding was included in operating revenue year-to-date through February and counted towards the Service Board and regional recovery ratio requirements.

Next, we have the public funding results. Continuing recent trends, sales tax performance continues to be better than expected. January 2021 receipts are projected to finish about 2% higher than January 2020. This would be the first year-over-year increase since the pandemic began. Recent PTF results, which lead the sales tax by 3 months, have also pushed CTA and Metra funding above budget. Pace funding is essentially at budget, along with ADA. Total public funding currently exceeds the adopted 2021 budget by \$15.2 million or 5.9%.

System-wide operating expenses through February were \$4.9 million, or 1.1%, favorable to the adopted budget. Metra expenses exceeded budget by \$6.1 million, driven by maintenance and fuel expenses as some service has been restored more quickly than originally planned. Pace reported a favorable expense variance of \$6.1 million, or 15.5%, highlighted in light blue, with cost savings across all expense categories.

The total system net result was \$25 million favorable to budget through February as each Service Board reported favorable net results, highlighted in light blue. Favorable expense performance at CTA and Pace contributed to these good results, while strong ancillary revenue and public funding results more than offset Metra's unfavorable expenses. ADA Paratransit's net result finished flat to budget through February.

With the CARES Act funding included each of the Service Boards' year-to-date recovery ratios was favorable to budget. The regional revenue recovery ratio of 55.2% finished 2.5 percentage points favorable. On the left side of this table Bea showed the "without-CARES" recovery ratios through February, still hovering around 20% for the system.

In summary, the financial results versus budget are off to a solid start, but due to depressed ridership and fare revenue levels, the CARES Act, CRRSAA, and now ARPA funding will be needed for quite some time to keep the recovery ratio compliant and the budgets balanced.

Presentation of the 2021 Community Planning Program of Projects

Mr. Michael Horsting delivered a presentation about the work of the RTA's Community Planning Program to the Board. His presentation included the history of the program, the types of projects that are eligible through the program and how the work of the RTA through the program supports the goals of the Regional Transit Strategic Plan. The presentation included

highlights of the recently released Community Planning Implementation Report and ended with the announcement of the 2021 Program of Projects that RTA staff will begin working on through the Community Planning Program.

Director Sager commended staff for the identification and support for the projects that were presented at the meeting and wishes the communities luck in continuing in the process. He then asked about the process of deciding on programs offered and the focus of those programs. He began by sharing the process of grantor funding, detailing that organizations, such as the RTA, have a certain amount of money to give and allocate that money to programs they deem a priority. He added that he appreciates that this process helps narrow the focus, but that it leads him into the potential challenge. Director Sager then detailed the challenge of municipalities when it comes to Calls for Projects. He identified that these units of local government are in a better position to identify their needs, but that a challenge for these municipalities is not finding programs that offer support for those needs. He asked how the RTA can better identify areas of importance for a given year versus a more open process that allows the communities themselves to say which types of programs better suit their direct needs relative to transit development. Director Sager stated he really wanted to know if there might be a better way of looking at things. Mr. Horsting responded that every year the RTA staff tries to revamp the program to better reflect what is going on at a local level. Mr. Horsting emphasized that there is an opportunity to keep doing that with more vigor and effort for the next call. He detailed that one strategy may be polling municipalities to understand what their needs might be. This might also help identify things the RTA staff hasn't thought of. Mr. Horsting also explained that the RTA partners with CMAP for this Call for Projects, and they offer a variety of projects, some of which also focus on transit development. He concluded by stating that between the two agencies there could be an expansion of how we can better serve municipalities.

Tour of new RTAMs open data website

Ms. Jill Leary provided an introduction to the website and noted that staff are happy to provide demonstrations to other groups. Mr. Brad Thompson provided an overview of the website history, contents, and new features and then pivoted to a live demonstration that showed all areas of the site.

Director Carey commented that it was an excellent presentation and product. She asked how the RTA is letting people know that this exists. Mr. Thompson responded that the RTA has reached out to the Councils of Governments (COGS) to schedule meetings and has already done a presentation in DuPage County. Staff is scheduling them and would be happy to do more as requested.

Director Groven echoed Director Carey's comments and noted that the website is fantastic and that there should be an appetite on the part of municipalities to use this tool.

Director Melvin reiterated that it was a great presentation. The website looks like a great piece of work and is very interesting. He commented that it's nice to see allocated money being put to good use.

Director Andalcio said that the website gives transparency and accountability. He asked who maintains the data and how frequently is the data updated. Mr. Thompson responded that it's a team effort through the Service Boards and RTA staff. Behind the scenes this is built on a content management system that provides more flexibility for staff to maintain content and there are also some automated procedures to save time. The Service Boards provide data and know that the website is only as valuable as the information on it, so they contribute to keeping it up-to-date. Director Andalcio further asked if staff has a process to validate data. Mr. Thompson responded to the affirmative.

Mr. Thompson closed by thanking staff for contributions to the website. Ms. Redden also commented that this is not just a resource for the RTA but also for elected officials and others. It is now compatible with mobile devices, making it easier for people to access information while on the move. There are many rich data sets and it is handy when meeting with legislative leaders and others since you can quickly access current information.

Chairman Dillard closed by saying that RTA should let people know it's available. It's a really good tool even for curious members of the public.

Presentation of Lapsed Rider Survey results

Mr. Hersh Singh provided an overview of the RTA's recent survey of current and lapsed transit riders. He described the survey methodology, response rates, and key findings.

Director Lewis asked if there's been an attempt to incorporate upcoming business demand for transit into this survey. For example, many big employers have invested in facilities in the city and they will need to bring employees back. Is this incorporated into the analysis? Mr. Singh responded that the information is indirectly included because the survey looked at current riders and lapsed riders. There have been other surveys like the one the Chicagoland Chamber did last year that talked to employees. He continued that the survey did ask employees whether their employers were asking them to come back to the office. Director Lewis elaborated by stating that a lot of employers may bring people back in waves, so that may impact demand. Mr. Singh acknowledged the point and Ms. Redden mentioned earlier that this was aimed at getting real data about current and lapsed riders. The RTA continues to work with the business community and the Chamber so that we can adapt and understand what future trends and thinking will be. As with so many aspects of the pandemic, a lot of the impacts are happening to us and are not in our control. The use of transit and ridership is being determined by government mandates as well as what employers are asking their employees to do.

Chairman Dillard thanked Mr. Singh and closed by saying this is interesting data and that we need to be nimble and use it to get more people on our systems.

Ordinance appointing Pension Trustee

Mr. Bill Lachman, Chair of the Board of Trustees of the RTA Pension Plan requested that the RTA Board appoint Mahdi Hemingway as a non-employee member of the RTA Pension Plan Board of Trustees.

Mr. Lachman explained that Mr. Hemingway would be replacing a trustee appointed by the RTA board in April 2017 who has declined reappointment. Mr. Hemingway is a Senior Analyst of Investments at Exelon Corporation where he performs due diligence on new investment opportunities, conducts research on new investment initiatives, and monitors the portfolio of a \$44 billion pension plan. Previously, he worked more than 10 years in financial services and non-profit fund raising, and also served eight years in the Marine Corps Reserve. Mr. Hemingway earned his MBA in Finance at the Johns Hopkins Carey Business School and a Bachelor of Arts from Bloomfield College. He is active in several community organizations, including on the Chairman's Advisory Council of the Big Shoulders Fund, as an Associate Board Member of the AIDS Foundation of Chicago, and on the Finance Committee of The People's Music School.

Mr. Hemingway thanked the Board and stated that he was truly honored to be considered. Chairman Dillard thanked Mr. Hemingway for his willingness to serve as a trustee. Director Melvin complimented Mr. Hemingway's impressive resume and great background for a pension trustee and asked Mr. Hemingway if there was anything else the RTA Board should know about him. Mr. Hemingway replied that he is a professional investor who enjoys financial due diligence and that he is extremely excited about joining the RTA pension board of trustees. Chairman Dillard thanked Mr. Hemingway for his service as a Marine.

Director Ross moved, and Director Sager seconded that the proposed ordinance 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

Ordinances authorizing a contract amendment with Res Publica for marketing services

Ms. Tina Fasset-Smith explained that Res Publica has worked on several priority marketing projects for the RTA since 2017. The proposed contract amendment will add \$75,000 to the contract for a total amount not to exceed \$349,000 for the purpose of purchasing targeted print and digital advertising space in support of a public campaign to support the federal mandate that calls for every passenger to continue to wear a mask at all times on public transportation. They will then direct the purchasing of advertising space in print and online

media outlets to reach the desired audience. The additional money being added to this existing contract is meant to cover the purchase of this advertising space.

Director Carey moved, and Director Andalcio seconded that the proposed ordinances 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

Approval of Travel Expense Reimbursement(s)

Director Frega moved, and Director Groven seconded that the proposed ordinance 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 Gathing moved, and Director Groven 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 11:00 a.m.

AUDREY COLE
Secretary of the Authority