

**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, April 18, 2019** at 8:35 a.m., in Suite 1650, 175 W. Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee Chairman Magalis presided.

ROLL CALL

Committee members present (8): Coulson, Groven, Holt, Kotel, Lewis, Magalis, Melvin (at item 3a), Troiani

Other Board members present: Frega, Fuentes, Higgins, Pang, Ross, Sager, Chairman Dillard

Approval of minutes from the meeting held on March 21, 2019

Director Coulson moved, and Director Troiani seconded that the minutes from the meeting held on March 21, 2019 be approved as submitted. The motion carried on the following roll call vote:

7 Ayes: Coulson, Groven, Holt, Kotel, Lewis, Magalis, Troiani

1 Absent: Melvin

Report on monthly financial results – February 2019

Ms. Eva DeLaurentiis stated that February system ridership was down 1.2% from February 2018, a significant improvement over the 9.0% loss recorded in January during the polar vortex. She noted that on a year-to-date basis, RTA system ridership was 84.6 million, 4.4% unfavorable to budget, with all Service Boards reporting unfavorable to budget results.

Operating revenue through February was \$7.0 million, or 3.8%, unfavorable to budget, due to the combination of unfavorable fare revenue and the lower level of State reduced fare reimbursement. All Service Boards except ADA Paratransit had unfavorable variances exceeding 3%. Eva stated that public funding is 1.9% unfavorable to budget due to unfavorable sales tax and PTF results in January. Sales tax receipts were likely impacted by the severe cold.

At the regional level, year-to-date operating expenses were \$5.8 million or 1.2% favorable to budget. Each Service Board reported favorable to budget variances, with each also benefiting from lower-than-budgeted fuel prices.

The favorable expense results did not offset the unfavorable operating revenue and public funding, producing a system net result which was \$5.7 million unfavorable to budget. The regional recovery ratio of 45.8% was unfavorable to budget by 1.2 percentage points due to the revenue shortfall, an improvement from the 2.0 percentage point unfavorable variance recorded in January. Ms. DeLaurentiis noted that a lower recovery ratio is to be expected at the start of the year and the RTA is optimistic that the Service Board results will improve as the year progresses.

Director Troiani asked what the regional recovery ratio result was at this time last year. Ms. Reyna-Hickey replied that the recovery ratio was at 47.7% through February 2018, slightly above budget. At 45.8% in 2019, the recovery ratio is 1.9 percentage points lower than last year at this time.

Director Lewis asked if the RTA is instructing the Service Boards to revise their budgets now rather than wait for a potentially larger issue later on in the year. Ms. Reyna-Hickey responded that the Service Boards are being directed by their Boards to actively work to control costs and seek out new revenue streams in order to counteract the unfavorable revenues recorded in the first two months of the year, and to account for the shortfall in the reduced fare subsidy. Ms. Redden added that the mid-year budget adjustments that took place in 2017 were due to sudden changes in funding related to State PTF cuts and the sales tax surcharge. The Service Boards are not currently at a point where a budget correction is necessary.

ADJOURNMENT

There being no further business to come before the meeting of the Finance Committee, Director Lewis moved, and Director Melvin seconded that the meeting adjourn. The motion carried on the following leave for last unanimous roll call vote.

8 Ayes: Directors Coulson, Groven, Holt, Kotel, Lewis, Magalis, Melvin, Troiani

The meeting ended at 8:45 a.m.

Audrey MacLennan

AUDREY MACLENNAN

Secretary of the Authority