

**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, June 18, 2020 pursuant to notice.

Chairman Dillard called the meeting to order at 9:05 a.m.

The pledge of allegiance was recited by Board members from their virtual locations.

A moment was taken by the Chairman to remember Larry Walsh, who was the Will County Executive for 16 years and an Illinois Senator prior to that. His strong commitment to public service for Will County and the state spanned more than 50 years of his life. Director Ross also said a few words on the achievements and impact Mr. Walsh made on the community.

ROLL CALL

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

Approval of minutes from the meeting held on May 21, 2020

Director Kotel moved, and Director Groven seconded that the minutes from the meeting held on May 21, 2020 be approved as submitted. The motion carried on the following roll call vote:

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

Executive Director's Report

Ms. Redden opened by stating that after months of pandemic-related falling transit ridership, transit had been further impacted by the protests resulting from the killing of George Floyd, an African American man. She stated that RTA staff will continue to work to ensure that the RTA is a workplace that promotes inclusiveness, openness and equity.

She then reported that Chicago and the RTA region are in phase 3, the recovery phase, of Governor Pritzker's Restore Illinois 5 phase plan. This phase should ultimately bring increased transit use. Ms. Redden introduced a document called *Ready to Ride Again*. It shows what all three Service Boards are doing to assure it's safe to get back on board when people are ready to ride. It reminds riders what they can/should continue to do to be safe in public places, such as wearing a mask and practicing social distancing. The RTA is sharing it via the agency blog and social media and have offered it to stakeholders.

**APPROVED BY THE BOARD OF DIRECTORS
JULY 16, 2020**

Ms. Redden continued that in the interest of continued transparency, an interactive COVID-19 transit dashboard is on the agency website. It compares current ridership and financial information to 2019 data and shows decreases in all transportation modes since March. The RTA is including the dashboard in weekly communications to the governor's office and other stakeholders and the public can also sign up to receive it.

The report then laid the state funding situation, as below:

- through the end of May, the State owes the RTA \$235.5 million of ASA, AFA, and PTF
- the State is:
 - 11 months behind on ASA
 - 11 months behind on AFA
 - the equivalent of 3.8 months behind on PTF.
- The YTD cost of short-term debt is \$2.6 million.

The report ended with a discussion of legislative items, stating that on June 10th Governor Pritzker signed into law a state budget for state fiscal year 2021.

The FY 2021 budget passed the Illinois General Assembly in late May and includes \$42.9 billion of state spending despite the fact that the state estimates that only \$37 billion of state revenue will be available during fiscal year 2021.

The report went on to explain that in order to bridge the gap between anticipated revenue and budgeted expenditures, the state plans to borrow from the Federal Reserve Bank under the Municipal Liquidity Facility Program. The program allows state and local governments to borrow from the Federal Reserve in order to "meet the failures of revenue resulting from the COVID-19 outbreak."

The state also is hoping to be able to rely on some form of future supplemental federal financial assistance for state governments to assist in addressing budget deficits related to the COVID outbreak. However, so far there has not been any movement on state funding assistance legislation in Congress.

Ms. Redden stated that the state fiscal year 2021 operating budget contained funding levels for the RTA region consistent with state fiscal year 2020 budget, including a 5% PTF reduction for FY 2021. She stated that overall, the state budget was favorable to transit (given the circumstances), but due to the state's precarious COVID-related financial situation, we will continue to monitor budget developments as they unfold.

On the federal level, the House Transportation and Infrastructure Committee unveiled a five-year reauthorization bill on June 2nd. The bill contains \$494 billion in transportation investments including an unprecedented \$105 billion investment in public transportation and \$60 billion investment in commuter rail and Amtrak. The report stated the bill does not contain any new revenue to address the solvency issues with the federal highway trust fund, which is the jurisdiction of the House Ways and Means Committee. Additionally, it was crafted solely by Democrats in the House and it is expected that House Republicans will largely oppose the measure. Still, the legislation is very favorable for transit which is important as the discussions and debates around reauthorization continue in both the House and Senate. It is expected that the bill will be considered on the House floor beginning in early July.

Ms. Redden closed with a reminder to those viewing the meeting online that the slides from the RTA Board meetings can be found on the agency website, in the meetings archive section immediately after each meeting.

Public Comment

There were no public comments submitted for this meeting.

Information Items

Report on Monthly Financial – April 2020

Ms. Bea Reyna-Hickey, CFO, presented the year-to-date financial results through April 2020 – the first full month of COVID-related impacts. She noted that the results are being compared to the original 2020 budget until the Service Boards submit revised budgets in August. Ms. Reyna-Hickey began with ridership, which was 30% below budget and entirely highlighted in red. Metra experienced the steepest decline, as commuting to the Central Business District virtually ceased in April, followed by CTA, Pace, and ADA Paratransit, which reported a ridership shortfall of 19.4% from budget. Total ridership for April as a standalone fell short of budget by almost 80%, an unprecedented ridership collapse.

Ms. Reyna-Hickey moved on to discuss the total operating revenue, which was unfavorable to budget by 26.4% across the system. All Service Boards produced unfavorable results with a combined shortfall of \$99.2 million. Of the total operating revenue shortfall, \$94.5 million came from fare revenue losses directly in line with ridership levels. April operating revenue as a stand alone month was 75% below budget.

Next, Ms. Reyna-Hickey presented the public funding results through April. She noted that February sales tax, our last normal month for a while, came in about 1% higher than prior year. Sales tax in March, our first COVID-impacted month, was down about 15% from March 2019, a bad result for sure, but significantly better than the 25% decline we had assumed. The RETT receipts have continued to underperform and are now almost \$9 million, or 40%, below budget through April. She explained that the total regional public funding through April is expected to fall short of the original 2020 budget by \$70.6 million, or 14.2%.

Ms. Reyna-Hickey proceeded to present the only favorable result in this month's report. Total operating expenses produced a total favorable variance of \$36.5 million, or 3.8%, through April. Despite new COVID-related cleaning costs, the Service Boards have managed their expenditures well and each produced favorable results, with Metra and Pace highlighted in light blue.

The net results were mixed; extreme shortfalls in operating revenue and public funding at CTA and Metra produced unfavorable net result variances of negative \$100.5 million and negative \$32 million, respectively. Pace, however, was able to offset their operating revenue and public funding shortfalls with good expense performance, keeping Suburban Service and ADA Paratransit net results close to budget. The system net result through April was \$133.3 million unfavorable to budget.

Finally, Ms. Reyna-Hickey discussed the recovery ratio of the system, which finished at 36.8% and more than 10 points under budget. Pace kept its recovery ratio close to budget with favorable expense performance, while CTA and Metra experienced very unfavorable recovery ratios due to heavier revenue losses.

She closed by reminding the Board that the Service Boards will be developing revised operating budgets which conform to the amended funding levels adopted last month. She also stated that these new budgets will incorporate CARES Act funding as operating revenue to restore our recovery ratio results to acceptable levels.

Presentation of the Semi-Annual PMO Report

Ms. Violet Gunka-Gurgul, Division Manager, Project Management Oversight, presented the PMO report. The report was provided to Board members as part of their briefing. Ms. Gunka-Gurgul stated that the report is designed to make it straightforward for the Board to easily see progress, issues, and risks for transit capital projects in the region. Ms. Gunka-Gurgul highlighted that the PMO program includes oversight of all state-funded capital projects, and all other projects with budgets of \$10 million or more. The projects in this report are part of prior year's programs. RTA implements the PMO program to fulfill the requirements in the RTA Act to oversee Service Boards' capital programs and expenditures. The PMO program supports the RTA Strategic Plan's first goal in which we ensure that we are efficient stewards of the funding that we have.

Ms. Gunka-Gurgul reported that there are 12 projects that have over \$308 million in state funding and 40 projects with budgets of \$10 million or more that show an investment of over \$5.1 billion into the system. All state-funded projects are on budget. She proceeded to report that 9 of the 12 state-funded projects are on schedule. Ms. Gunka-Gurgul reported that 67% of the projects are without change orders and the total cost of change orders represents less than 1% of the overall budget for the state-funded projects.

Ms. Gunka-Gurgul highlighted that the PMO program supports the second goal of the strategic plan by providing examples of ongoing projects from all three Service Boards that are on their priority lists. She also provided explanation of how the projects are categorized in the PMO report. To highlight how the PMO program fits into the third strategic plan goal, she shared some projects that help the region remain competitive by enhancing the system with technology, customer experience, ADA accessibility, safety and security or innovation.

Ms. Gunka-Gurgul concluded that PMO is part of RTA's capital cycle of improvement focusing on project delivery and that the PMO work supports the RTA Strategic Plan goals.

Action Items

Ordinance approving the Combining Financial Report and certifying compliance with the RTA Act recovery ratio requirement for 2019

Ms. Reyna-Hickey provided a background of the first ordinance as the compilation of the financial results of the RTA and Service Boards. She stated that the RTA Act requires this report in order to provide an overall financial picture of the entire RTA system. The external auditors do not audit these financial statements, but they do review the compilation. Each Service Board's auditors issued an unmodified opinion of the Service Boards' 2019 financial statements. The ordinance certifies that based on final audited results the RTA system achieved a 51.7% recovery ratio for region-wide mainline service and 10.4% for regional ADA Paratransit service. Ms. Reyna-Hickey also stated that the RTA has received the recovery ratio certification from all three Service Boards.

Director Holt moved, and Director Ross seconded the adoption of the following ordinance:

2020-28 This ordinance approves the 2019 Combining Financial Report for the RTA and the Service Boards and certifies compliance with the RTA Act recovery ratio requirement for 2019.

The motion carried on the following roll call vote:

15 Ayes: Andalcio, Carey, Coulson, Frega, Fuentes, Groven, Holt, Kotel, Lewis, Melvin, Pang, Ross, Sager, Troiani, Chairman Dillard

1 Absent: Higgins

Ordinance approving and releasing the RTA 2019 Comprehensive Annual Financial Report (CAFR)

Ms. Reyna-Hickey explained that this ordinance approves the 2019 Comprehensive Annual Financial Report (CAFR). The CAFR covers only the RTA reporting entity. The RTA Act and our bond covenants require an audit of the Comprehensive Annual Financial Report. She then introduced Joe Evans, senior partner with RSM US LLP and the lead partner on the RTA audit for the audit summary presentation. During the presentation, Mr. Evans introduced Maria Prado, partner with Prado & Renteria, the DBE firm who lead the single audit and assisted with CAFR audit including control testing and compliance procedure. Mr. Evans stated that the audit reports received unmodified opinions without any audit findings or recommendations. There were no exceptions in the single audit. The audits were completed on time and on budget.

Director Kotel moved, and Director Coulson seconded the adoption of the following ordinance:

2020-29 This ordinance approves and releases the RTA 2019 Comprehensive Annual Financial Report.

The motion carried on the following roll call vote:

15 Ayes: Andalcio, Carey, Coulson, Frega, Fuentes, Groven, Holt, Kotel, Lewis, Melvin, Pang, Ross, Sager, Troiani, Chairman Dillard

1 Absent: Higgins

Contract/Expenditure Items

Ordinance authorizing an Intergovernmental Agreement between the RTA and the Village of Bedford Park regarding the Connect2Work First/Last Mile Pilot Program

Ms. Jill Leary stated that the Intergovernmental Agreement (IGA) with Village of Bedford Park was for the provision of a Mobility as a Service (MaaS) Platform to support the Village's Connect2Work pilot program of last-mile services to serving the Bedford Park-Clearing Industrial Area that serves over 30,000 jobs and over 400 businesses. This is a partnership with the Village and Cook County and will be the third mobility pilot we are seeking to initiate in the region. She concluded by stating that the RTA is excited to be participating in this partnership.

Director Andalcio moved, and Director Groven seconded the adoption of the following ordinance:

2020-30 This ordinance authorizes the execution of an Intergovernmental Agreement (IGA) with Village of Bedford Park for the provision of a Mobility as a Service (Maas) Platform to support the Village's Connect2Work pilot program of last-mile services to serving the Bedford Park-Clearing Industrial Area

The motion carried on the following roll call vote:

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

Ordinance authorizing a contract for zoning code updates for the Town of Cicero and the Village of Riverside

Ms. Leary stated that as part of the Community Planning program, the proposed ordinance authorizes the execution of a two-year contract with Savoy Consulting Group to conduct zoning code updates in the Village of Riverside and the Town of Cicero.

Director Frega moved, and Director Troiani seconded the adoption of the following ordinance:

2020-31 This ordinance authorizes the execution of a two-year contract with Savoy Consulting Group to conduct zoning code updates in the Village of Riverside and the Town of Cicero. The total contract amount is not to exceed \$131,247. In addition, Savoy Consulting Group commits to meeting or exceeding the Authority's 10% DBE goal established for this contract.

The motion carried on the following roll call vote:

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

Travel Expense Reimbursements

Director Ross moved, and Director Andalcio seconded approval of the submitted expenses:

The motion carried on the following roll call vote:

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

ADJOURNMENT

There being no further business to come before the Board of Directors, Director Fuentes moved and Director Higgins seconded that the meeting adjourn. The motion carried on the following roll call vote:

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

The Board meeting concluded at 10:15 a.m.

Audrey MacLennan

AUDREY MACLENNAN
Secretary of the Authority