

**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, July 16, 2020 pursuant to notice.

Chairman Dillard called the meeting to order at 9:00 a.m.

The pledge of allegiance was recited by the Chairman.

Prior to the start of the meeting Chairman Dillard introduced two new members of the Board - Mary Beth Canty and Jamie Gathing. He explained that they replace Ryan Higgins and Doug Troiani, who retired from the Board after serving 25 years. He asked each of them to share some background information about themselves with the Board.

ROLL CALL

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

Approval of minutes from the meeting held on June 18, 2020

Director Sager moved, and Director Andalcio seconded that the minutes from the meeting held on June 18, 2020 be approved as submitted. The motion carried on the following roll call vote:

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

2 Abstentions: Canty, Gathing

Public Comment

There were no public comments submitted for this meeting.

Executive Director's Report

Ms. Leanne Redden opened with a look at state delinquency figures, showing \$260.8 million owed by the State of Illinois to the RTA as of June 30. This is about 12 months behind on ASA funds and 2 months behind on AFA, both of which are State support for debt service on capital programs. The State is also 4.8 months behind on payments to the RTA from the Public Transportation Funds, which is our share of operating dollars. The year-to-date cost of borrowing to cover that delay is \$2.9 million.

**APPROVED BY THE BOARD OF DIRECTORS
AUGUST 20, 2020**

Regarding state and federal legislative items, Ms. Redden reported the Illinois General Assembly remains out of session since adjourning in late May. Although both chambers could be called back for a COVID-related special session, neither is scheduled to reconvene until mid-November. She said staff will apprise the Board if that changes. She stated that in June, Illinois became the first state to borrow from the Federal Reserve loan program, borrowing \$1.2 billion to fill COVID-related budget deficits. The General Assembly in May had authorized the State to borrow up to \$5 billion for these purposes. She added that the State also hopes for some future Federal supplemental assistance to state governments facing such shortfalls, although there has been no movement in this regard by the U.S. Congress. During the first week of July, the U.S. House of Representatives subcommittee on Transportation and Housing and Urban Development released its appropriations bill, which has historic funding levels commensurate with the Democrats' reauthorization proposal that was passed by the House earlier this month. Neither bill identifies revenue sources. Rather than be taken up in the Senate, each is likely to become part of a larger COVID relief package, development of which staff will keep the Board apprised.

Ms. Redden then explained that RTA Local Planning staff recently worked with the Service Boards to choose 10 projects for Access to Transit funds. Selected from among 20 applications by 18 different communities, it includes six projects for small-scale pedestrian and bike facilities at rail stations and bus stops, in addition to four Phase 1 engineering projects for future bike/ped access in multimodal areas for high-need communities. The Access to Transit program will apply next winter for Congestion Mitigation and Air Quality Improvement (CMAQ) program funds to support the six small-scale projects, which if approved would cover 80 percent of the \$3 million overall project costs, with 20 percent matching from the RTA and the municipalities or other local entities that applied. The RTA's contribution would be \$328,000, with \$275,000 from local sources. Because the cost of Phase 1 engineering is frequently a challenge for high-need communities, the RTA will pay 100% of those costs for the four communities' engineering costs, totaling about \$200,000, including bike-ped, ADA, crosswalks, and other improvements around bus stops and rail stations. Staff will keep the Board apprised of the projects, which include the communities of Berkeley, Calumet Park, Evanston, Franklin Park, Harvard, Hoffman Estates, Northbrook, Prospect Heights, Sauk Village, and University Park.

The RTA has undertaken a number of transparency efforts related to COVID-19, including a data-driven dashboard on the pandemic's transit impacts, available at www.rtachicago.org. Also last month, staff broadened the audience for the weekly COVID update email, which is now available to the public. In addition, staff posted "Ready to Ride," a compilation of guidance from the Service Boards for returning commuters. Ms. Redden complimented the RTA staff for their efforts in response to these unanticipated and unprecedented developments.

Longer term transparency projects unrelated to the pandemic include the revamped RTAMS, begun two years ago and now being rolled out in beta form at <http://beta.rtams.org/>. The modernized site is more user-friendly, more secure, and easier to maintain, with more downloadable data.

Another transparency effort is the draft Framework for Transit Capital Investments, which was posted on July 15 for a 45-day public comment period through August 28. RTA staff worked with counterparts at the Service Boards to prepare this important document, which summarizes how existing mechanisms for planning and programming capital projects will be built upon to improve understanding by stakeholders. Ms. Jill Leary would make a presentation later in the meeting that would delve in greater detail into how the Investment Framework will shed more light on these vital processes, reflecting the RTA's transition to a more strategic asset management approach, which is especially important with the advent of Rebuild Illinois.

Director Holt asked Ms. Redden to provide context about coordinated messaging among the Service Boards about rider safety issues during the pandemic. Director Holt expressed concerns about the need for clear communications that businesses and riders can use to regain confidence in the coming year and beyond. Ms. Redden responded that a lot is going on behind the scenes, with each Service Board doing a "huge amount of work" on sanitization, and now they are considering how to share that information. She said there is indeed a need for coordinated, regional communication, especially because many trips involve more than one transit provider, so we need to continue and expand those messages for returning riders. Staff is working with business leaders, the Greater Chicagoland Chamber of Commerce, the City of Chicago and others on how to communicate effectively to employers seeking to encourage their workers to return via transit. She said Director Holt's point is well-taken, and staff will intensify efforts to coordinate messaging with and among the Service Boards. Chairman Dillard and Director Pang echoed these comments, saying many people are curious about this subject, including with plans for reopening the schools. Ms. Redden said that she will discuss these concerns with the Service Boards' executive directors and report back at the RTA Board's meeting in August.

Director Sager inquired about the status of RTA office improvements. Ms. Redden said that construction, while impeded at times by the pandemic, is now almost complete. IT staff are on-site making progress on important finishing touches.

Resolution honoring Douglas M. Troiani

The Secretary read the resolution into the record. Following, Mr. Troiani addressed the Board and thanked them for the many years of service, collaboration and friendships. Chairman Dillard and a number of the Board acknowledged Mr. Troiani's many contributions through the years. The Board thanked Mr. Troiani and wished him well.

Director Pang moved and Director Coulson seconded the adoption of the proposed resolution.

2020-32 Resolution honoring Douglas M. Troiani.

The motion carried on the following roll call vote:

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

1 Absent: Frega

Information Items

Update on activities of the RTA Transit Access Citizens' Advisory Board

Mr. Michael VanDeKreke, Director of Mobility Services provided an update on the activities of the RTA Transit Access Citizens Advisory Board (RTACAB) on behalf of the Chairman, Greg Polman, due to logistics related to virtual meetings during the COVID-19 pandemic. Mr. VanDeKreke indicated that due to the pandemic, the schedule of the 2020 meeting dates of the RTACAB, as well as the timing for the quarterly reports to the RTA Board of Directors was disrupted. The RTACAB met in-person on February 3, 2020, and through a virtual email-based meeting format on June 29, 2020. In addition to standing updates about activities related to Government Affairs, several topics were highlighted at the meetings, including a briefing on the 2020 RTA budget and capital plan, an update on the Americans with Disabilities (ADA) paratransit innovations study, and information regarding the impacts of the COVID-19 pandemic on the regional transit system.

Presentation on the Draft Framework for Transit Capital Investments

Ms. Jill Leary presented an overview of the investment framework and why it is a useful step forward in performance-based capital programming. She stated that the *Draft Framework for Transit Capital Investments* that will be available for public comment on July 15 until August 28 at <http://www.rtachicago.org>. This work is a result of an RTA Board Ordinance approved in December of 2019 that charged RTA staff with developing a performance-based capital allocation process. This work began in January, not knowing what the future would hold. It is an understatement to say that there has been a lot going on with the COVID-19 pandemic this spring.

Ms. Leary provided some context for understanding how capital programming works today, the process that the RTA and Service Boards went through to develop the framework; and finally the framework itself and how we plan to build more focus and coherence into our work going forward.

First in the context discussion, Ms. Leary covered three points: the ongoing capital funding crisis; what performance-based means to the RTA; and the roles and responsibilities in capital programming. The first is that we continue to have long-term capital funding challenges. The RTA and Service Boards have been working hard for several years to convince others of the importance of funding transit. That work paid off and the Rebuild Illinois program represents a significant infusion of funds. Unfortunately, it is not enough. Even at \$8.3 billion for 2020-2024, the total funding falls short of the \$30 billion in capital needs that the agencies project over the next decade. Moreover, we estimate that the Rebuild Illinois funding will help hold the condition of our assets relatively steady for a few years, but things will start to worsen again if these funding levels are not sustained. Before COVID, we had two objectives for 2020: to do a great job spending these Rebuild Illinois funds, and to simultaneously push for more of them in Springfield and Washington. Unfortunately, COVID has challenged these objectives. Both the PAYGO funds and the Bond funds are dependent on revenues that may not be fully realized. Additionally, there are several competing priorities for funding now, including operating deficits once the CARES Act Funding runs out. Because of these realities, we know that we're going to have to work even harder than before to set clear goals, to show progress, and to move forward with key capital projects to demonstrate that we can be good stewards of more long-term sustainable funding. The Investment Framework sets the stage for this.

The second contextual point is that "performance-based" means that we have a unified vision and are using data to guide our work, which is something we have done in several arenas recently. For example, last fall the RTA and the Service Boards established five principles to allocate the new Rebuild Illinois funds in the 2020-2024 Regional Five-Year Capital Program. Focusing on these principles, we reached agreement on programming the PAYGO funds based on asset conditions as defined in the 2016 RTA Capital Asset Condition Assessment. This was a significant step forward in using data to program funds, and these principles helped lay the groundwork for a data-driven approach to allocating CARES Act funding that came in April. "Performance-based" means many things to many different people. Part of the challenge that we need to grapple with in regional capital programming is how to provide visionary policy guidance while also creating a process that is practical and sustainable. We have been able to do that successfully twice this year and confident that the Investment Framework will set us up to continue to do so going forward.

The third and final contextual point is that transit capital programming is a collective activity that involves several entities. CMAP as the MPO; the RTA as the funding body; and the CTA, Metra, Pace as the operators and maintainers of the transit systems all have roles. CMAP leads regional planning activities that provide broad policy consensus, the RTA leads strategic planning for the transit system and assembles the regional capital program as a part of our financial function. The CTA, Metra and Pace lead long-term planning and annual capital programming activities at their agencies. The Investment Framework starts the conversation by providing new details to help fill some of this information gap, and we aim to do more communication on this as the year continues.

The process for developing the investment framework was that the RTA and Service Board Executives met in February and agreed to a process by which a committee of staff would develop the details of a framework that would be released in July as described in the Board ordinance.

The committee met monthly and incrementally developed components of the framework.

- One of the first things considered was how we can do a better job communicating about the transit capital program to the RTA's key audiences.
- Those audiences include:
 - Elected Officials
 - Government Partners
 - Transit Boards
 - Civic & Advocacy Groups
 - Public & Riders

All agreed that all these audiences have some interest in the Goals, the Processes and the Outcomes of the capital program and that any framework we developed should help them in their quest for information. At the end of the six month process, the committee considered the communication opportunities, peer practices, the realities of working in a large region with a variety of capital funding sources that each have different restrictions, and developed an Investment Framework that would combine regional policy guidance with agency flexibility. The new framework identifies the need to communicate the Goals, the Process, and the Outcomes of capital program in a transparent, engaging way going forward. It clarifies the linkages between capital projects and the regional goals mentioned earlier so that our stakeholders understand the impact of the program. The RTA will be making three specific changes this year to help move forward with these commitments:

- First, clarifying how the capital program helps achieve our core requirements & strategic goals from Invest in Transit.
- Second, improving data collection efforts so that we can communicate more detail on project status to our stakeholders.
- Third, enhancing our Information Products and Updates throughout the budget year so that people who would like to engage with the process are aware of what is going and can do so.

The clarified goals include four core requirements that are central to the Service Boards' responsibilities as operating agencies, as well as three strategic goals that capture our current focus. These goals provide structure for the RTA to capture standard information from all three agencies and to show how the combined capital program contributes to these regional priorities. There are several regional processes already in place to take projects from conception to completion. We do not want to replace these or create unnecessary bureaucracy, but instead do a better job of "connecting the dots" between these activities. The three activities that are of primary focus to RTA include:

- Regional Planning processes, like ON TO 2050 and Invest in Transit, because those give us the long-term-view of projects in the pipeline
- RTA Budget and Capital Program, because this helps us see what needs to be funded soon
- RTA's Capital Program Administration and Project Management Oversight, because this helps us monitor projects actively underway.

Lastly, the framework talks about implementing some changes in the way that we communicate.

These include:

- New requirements integrated into the Budget Call
- A new page on the RTA website that is already up
- New documents and web tools, leveraging both the RTAMS website and the RTA website that Leanne mentioned earlier, are coming later this year as the budget process continues

Next steps:

- On July 15, the framework was released on the RTA website for a 45-day public comment period and we are working on getting the word out, as appropriate.
- Once the public comment period closes, we will consider the comments and bring a final draft to you to consider for approval at your September meeting.
- The recommendations in the Investment Framework are already incorporated into the 2020 budget process, that you approved in May.
- As I stated in the beginning, we also think that this will be an ongoing process of improvement in future years.

Report on Monthly Financial – April 2020

Ms. Bea Reyna-Hickey, Chief Financial Officer, presented the year-to-date financial results through May 2020, which now include the second full month of COVID-related impacts. She reminded the Board that the results are still being compared to the original 2020 budget until the Service Boards submit revised budgets next month.

Ms. Reyna-Hickey began with ridership, which was almost 40% below budget and entirely highlighted in red. Metra experienced the steepest decline followed by CTA, ADA Paratransit, and Pace Suburban Service. Total ridership for May as a standalone fell short of budget by almost 80%, continuing last month's trend.

Ms. Reyna-Hickey moved on to discuss the total operating revenue, which was unfavorable to budget by 37.8% across the system. All Service Boards produced unfavorable results with a combined shortfall of \$178.9 million. Of the total operating revenue shortfall, \$169.3 million came from fare revenue losses directly in line with ridership levels. May operating revenue as a standalone month was 82.3% below budget.

Next, Ms. Reyna-Hickey presented the public funding results through May. She noted that while March sales tax was down about 15% from prior year, it was significantly better than the 25% decline we had assumed. Similarly, April sales tax is projected to come in about 28% below prior year, a worsening decline but significantly better than the 50% drop we had projected. RETT receipts have continued to underperform since the beginning of the year and are now \$10.7 million, or 37.3%, below budget through May. She explained that the total regional public funding through May is expected to fall short of the original 2020 budget by \$97.4 million, or 15.5%.

Ms. Reyna-Hickey proceeded to present the only favorable result in this month's report. Total operating expenses produced a total favorable variance of \$56.4 million, or 4.8%, through May. Despite new COVID-related cleaning costs, the Service Boards have managed their expenditures well and each produced favorable results, with Metra, Pace Suburban Service, and ADA Paratransit highlighted in light blue.

The net results were mixed; extreme shortfalls in operating revenue and public funding at CTA, Metra, and Pace produced red net result variances while ADA was able to offset their operating revenue shortfalls with good expense performance as ridership declined. The system net result through May was \$219.9 million unfavorable to budget.

Finally, Ms. Reyna-Hickey discussed the recovery ratio of the system, which improved to 42.7% in May, now just 5.6 percentage points below budget. This result can be attributed to the \$101.1 million of CARES Act funding that CTA included as a credit toward its recovery ratio calculation. For the time being, Metra and Pace continue to experience very unfavorable recovery ratios, but they are expected to begin reporting CARES Act funding credits with next month's results.

Ms. Reyna-Hickey closed by reminding the Board that the Service Boards will be submitting revised operating budgets which conform to the amended funding levels adopted in May. She explained that these new budgets will incorporate CARES Act funding as operating revenue to restore our recovery ratio results to acceptable levels. RTA staff will consolidate those budgets into a revised regional budget to be considered for adoption at the August Board meeting.

Action Items

Ordinance authorizing a contract for aerial photography services

Ms. Leary explained that this contract will allow the RTA, Metra and Pace to have unlimited access to online seamless high-resolution aerial photography of the six-county region for in-house mapping applications. In addition to the many ways we can use this information to make tasks easier and more accessible, there is also a large benefit from having a wide number of users have access to this information, including the public as Leanne highlighted earlier.

Director Frega commented this is an important items. It is used in the tollway projects and saves many field trips. He commented he would endorse this very highly.

Director Coulson commented whether this is essential at this moment due to ridership being down 40%. He believes we need to be in austerity mode. He questioned how readily we should enter new contracts. He stated that this one is costing ½ million dollars, which is over 180,000 CTA rides. We may need these taxpayer dollars for other priorities, especially at this time. He stated there is a point to make and he would favor deferring it until things clear up. Director Coulson would like to be recorded as a No at this time.

Director Andalcio stated that it is an essential tool for planning activities, construction, customer service and security. He reiterated that it was used in the Illinois Tollway and it provided critical data at this time.

Chairman Dillard asked if it will it be used to coordinate and consolidate with the CTA and other Service Boards. As Director Frega pointed out, he hopes it saves time. With Rebuild Illinois funds, these aerial photographs enhance the construction capabilities, which will still be going fast and furious at this time. Chairman Dillard mentioned that Director Coulson's comments are on point and well taken, but because of Rebuild Illinois, he is directing staff to make sure to use this and coordinate with the Service Boards.

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

2020-33 This ordinance authorizes a two-year contract with NearMap for a subscription to seamless, high-resolution aerial photography for GIS mapping and other spatial-related applications, that we can also make publicly available, at a cost not to exceed \$459,950. One hundred percent of the contract will be funded by the RTA.

The motion carried on the following roll call vote:

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

1 Nay: Coulson

Ordinance authorizing a contract amendment/extension for RTAMS support services

Ms. Leary stated as Ms. Redden highlighted earlier in the meeting, we have updated, enhanced, and stabilized the RTAMS website. Staff requested of an ordinance to execute a contract amendment with Clarity Partners for project management, enhancements, website hosting and on-call support for the website.

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

2020-34 This ordinance authorizes contract amendment #4 with Clarity Partners for project management, key enhancements and website hosting & on-call support for the Regional Transportation Authority Mapping and Statistics website (www.RTAMS.org). The amendment will extend the contract through December 2021 for an amount not to exceed \$346,180.00.

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

Travel Expense Reimbursements

Director Andalcio moved, and Director Carey seconded the approval of expense reimbursements 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 Board of Directors, Director Ross moved and Director Kotel 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 concluded at 10:20 a.m.

Audrey Macleannan

AUDREY MACLENNAN
Secretary of the Authority