

**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, September 10, 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.

**ROLL CALL**

**Board members present (15):** Andalcio, Canty, Carey, Coulson, Frega, Fuentes, Gathing, Holt, Kotel, Lewis, Melvin, Pang, Ross, Sager, Chairman Dillard

**Absent (1):** Groven

**Approval of minutes from the meeting held on August 20, 2020**

Director Andalcio moved, and Director Melvin seconded that the minutes from the meeting held on August 20, 2020 be approved as submitted. The motion carried on the following roll call vote:

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

**1 Absent:** Groven

**Public Comment**

There were no public comments submitted for this meeting.

**Executive Director's Report**

Ms. Leanne Redden addressed the agenda item, which will request Board approval of initial budget "marks" for the RTA, CTA, Metra, and Pace. She stated that the RTA recognizes this is anything but a "normal" budget year, and that we must collectively strike a balance by assuring riders they can continue to count on public transportation and by speaking frankly about possible ramifications if additional federal relief doesn't emerge. The uncertainty about a new federal COVID package will likely continue into 2021, though she would love to be proven wrong.

Each Service Board continues working to refine estimates of when their CARES dollars will be exhausted, Ms. Redden said, and business as usual is not an option for this year's budget process. In rethinking how dollars can be allocated for a very different future that is still

**APPROVED BY THE BOARD OF DIRECTORS  
OCTOBER 15, 2020**

unknown and the goal is to maintain flexibility in order to deal with economic contingencies that might arise in the next several months and mitigate the potential ambiguity that could result from those contingencies. Relying on the latest economic forecast from Moody's issued on August 28, the CFOs of all four transit agencies agreed to preliminary allocations or "marks" based on a regional 2021 budget of \$1.42 billion. This represents a systemwide reduction of \$415.4 million (just over 22.5 percent) in operating funds.

By communicating clearly about what to expect between now and December, we can also ease anxiety and rally support for the process and its outcomes. Each monthly RTA Board meeting will feature presentations on budget progress. Each transit agency will hold online hearings when their respective budgets are released for public comment in November. And ultimately, the regional budget will be submitted to the RTA Board for adoption in December 2020.

Next, Ms. Redden previewed the agenda item that updates the RTA's data-driven scenario planning. At the August meeting, the Board heard about this important effort, which is essential as our transit agencies are prepare for multiple contingencies due to the pandemic.

Ms. Redden next discussed the adoption of the new regional [Framework for Transit Capital Investments](#) as an important step for transparency and accountability that would clarify requirements and goals for the Five-Year Regional Capital Program. It also includes enhancements to the data being collected and reported externally by the RTA, along with additional information products and updates to regularly describe capital program activities and outcomes. In response to COVID-19 and stakeholder feedback regarding the Investment Framework, she said staff propose programming the fifth year (2025) of PAYGO and federal formula dollars to a regional set-aside, which will be allocated to individual Service Boards later when circumstances of the economic recovery become clearer. She thanked stakeholders for their feedback on the Investment Framework, which helped push staff toward additional strategic changes.

She then presented the state delinquency figures. Through the end of August, the State owes the RTA \$237.3 million of ASA, AFA, and PTF. The State is 14 months behind on ASA, 14 months behind on AFA and the equivalent of 3.2 months behind on PTF. The year-to-date cost of short-term debt is \$3.7 million. She concluded by pointing to an amendment for the additional \$13.1 million needed by Pace ADA Paratransit Amendment for 2020 operations that also appears on the agenda.

#### **Report on the Strategic COVID-19 Recovery Planning for Regional Transit**

Ms. Jessica Hector-Hsu provided an update on the COVID-19 Recovery Scenario Planning project. Ms. Hector-Hsu summarized stakeholder feedback received through a survey and two workshops held since the August RTA Board meeting, focusing on several common themes that emerged in each strategic goal area. The work will be used to inform the budget process and additional discussion to come.

Director Melvin mentioned the concerning yet exciting comments received from Civic Groups on the Capital Investment Framework, and asked if RTA staff is hearing from the business community on their plans in the Loop and around the region in relation to the scenario planning. Ms. Hector-Hsu responded that RTA included members of the business community in the survey and workshop invitations, primarily focused on organizations that liaison with businesses. The RTA is also involved in recovery efforts that CDOT is leading in which the Chamber is involved, and staff has shared feedback in a previous Board meeting that was received from a Chamber survey about what larger companies in the loop are doing about bringing people back to the office and transit. She summarized that the RTA would continue to work on this, as business plans will determine a lot of the future for transit in terms of regular commuters.

### **Report on Monthly Financial Results – July 2020**

Ms. Bea Reyna-Hickey presented the year-to-date financial results through July 2020. As a reminder, the results are being compared to the amended 2020 budget which was adopted at last month's Board meeting. With the July results, we have begun to see some divergence from that amended budget, mostly in a favorable direction.

System ridership though July was almost 50% below prior year, but 1.7% higher than the amended budget. CTA and Pace reported favorable results, while Metra was unfavorable by 3.3% as July commuter rail ridership was still only about 10% of normal levels. ADA Paratransit ridership was favorable to budget by 9.7% through July, highlighted in light blue.

Total operating revenue of \$633.9 million was \$13.8 million, or 2.1%, unfavorable to budget. Pace Suburban Service reported a favorable variance of 5.0% due to favorable ridership, highlighted in light blue. Metra and ADA Paratransit both reported operating revenue shortfalls more than 3%. The Service Boards included in their operating revenue \$292 million of CARES Act funding requisitioned for fare revenue losses through July, as authorized by the May funding amendment.

Continuing the trend we've seen the last couple of months, sales tax performance has been better than expected, which the Board will be asked to address with the 2020 funding amendment later in the meeting. June sales tax receipts are projected to come in less than 10% below 2019, which is welcome news. The Real Estate Transfer Tax also outperformed the amended budget through July and contributed to CTA's highlighted favorable variance of 10.8%. We also see very strong funding results of 22.8% favorable at Pace Suburban Service. Metra's total public funding finished slightly unfavorable to budget due to the timing of CARES Act requisitions.

ADA Paratransit funding was adjusted to the level contained in the May funding amendment beginning with June's payment to Pace, resulting in a zero year-to-date variance. Total regional public funding through July is expected to surpass budget by \$66.9 million, or 7.7%, highlighted in light blue.

System-wide operating expenses through July were \$37.7 million, or 2.3%, favorable to budget. CTA's expenses stayed close to budget in July as CTA continues to operate a full schedule. Metra and Pace are operating reduced schedules, and as a result have significantly favorable expense variances. ADA Paratransit expense finished 5.6% unfavorable to budget due to the extension of COVID-19 mitigation efforts and recovering ridership. ADA's worsening expense performance versus the amended budget will also be addressed with the funding amendment later in the meeting.

The system net result through July was \$90.8 million favorable to budget due to improved public funding and good expense performance. Due to ADA Paratransit's unfavorable expense performance, their net result finished \$5.9 million unfavorable to budget highlighted in red, another indication that additional funding is required for 2020.

With \$292 million of CARES Act funding included, the regional recovery ratio, shown in the right-hand section of the table, has improved to 49.7% through July, now 0.7 percentage points above budget. The left side of the table shows that in the absence of CARES Act funding, the recovery ratio for each Service Board and the region would be less than 30%. With CARES, CTA and Metra reported recovery ratios close to budget, while Pace's solid expense performance contributed to their highlighted favorable result. The ADA Paratransit recovery ratio lagged budget by 1.3 points due to worsening expense performance relative to the August budget. Through July, the region has requisitioned \$463 million of CARES Act funding, or about 33% of the total \$1.4 billion available, which has helped restore the regional recovery ratio to an acceptable level, approaching the 50% statutory requirement.

#### **Ordinance authorizing the Investment Framework for Transit Capital Improvement Projects**

Ms. Jill Leary gave an overview of the process used to develop the Framework for Transit Capital Investment "(investment framework)" and a summary of the framework that was presented in July. She summarized the four public comments received and made a recommendation for the Board to approve a two-part ordinance. The ordinance would adopt the Investment Framework as written and allocate the 2025 PAYGO funds to a regional fund until such time as a process can be determined to allocate them to individual agencies.

Chairman Dillard thanked staff for the effort put into the Framework and for providing a recommendation for the Board to consider.

Director Canty echoed thanks to RTA staff and those who provided responses. She was glad to see that the RTA is looking forward and shifting the way the region looks at transit. Director Canty also appreciated what Ms. Redden said about the fact that the plan may not go far enough and believes it sets the RTA up to make some changes that will help transit.

Director Coulson asked for administrative clarification on the vote from counsel and then proceeded to agree with Board and staff colleagues that this ordinance moves in the direction that civic groups advise toward performance-based programming. He gave the opinion that it seems prudent to set aside 2025 funds, as a good step forward and urged Board colleagues to support it.

Director Melvin commented that he understands the request for transparency and the data-driven approach to capital programming that is being proposed. He expressed concern that there is so much unknown between the pandemic, Congress, and the elections, that it is difficult to make too many plans. He appreciates the work and bold thinking, but not sure it's the right time for this action.

Director Andalcio made the point that a lot of sectors are pivoting because of the pandemic, including businesses. As we move forward, he would like for the Board to acknowledge that the Service Boards are facing significant changes, but also be cognizant that the world has changed and processes along with it. Accordingly, the funding ratios should be equitable and consider long-term performance. Funding and allocations need to be fair to suburbs and reward agencies who have done a solid job of handling finances and not penalize them because of this moment. Director Andalcio also encouraged the agencies to provide opportunities for small firms and maintain strong DBE programs during this time.

Director Ross expressed that he would like the framework to be stronger but acknowledged this is a good first step. He referred to the report provided under the COVID Recovery Plan item and the findings from outreach that also support the statements outlined by civic partners as essential steps for a good framework. He encouraged the Board to adopt the framework and asked that staff report back on a monthly regarding progress. He noted that not approving the framework is "kicking the can down the road" which doesn't make sense.

Director Holt commented that given the development process started prior to the pandemic, she feels it premature to adopt this Framework at this time. She stated it doesn't really reflect where transit is today. In her opinion, the scenario planning needs to happen first and be completed. Then the Board will be able to think about the realities of the future of transit and build off that information toward an investment framework that makes sense.

Director Pang echoed the hard work of staff and expressed her general early support of transparency and the framework. She noted that the letter from the civic groups came in at end of August and when she shared it with President Carter in early September, it was the first time he had seen it. The RTA Board needs some more time to really understand what the appropriate framework should be and what it means for each agency. A lot has been going on with the Service Boards on safety, recovery, Congress, and she doesn't feel the RTA has had enough time with the Service Boards to get the framework right. There are details that the agencies need to work through so they can be transparent and nimble. She added the RTA will likely need more working groups. She shared that her original thought was to get some directors together, obviously within the legal requirements of the open meetings act, to talk through some of the issues with the Service Boards.

Director Cary indicated that she supports the ordinance as is based on several conversations with Ms. Redden and others. She noted that while there have been several comments about unknowns, this started before COVID and she doesn't see anything in this that would convince her there is a reason not to proceed. The Board members have all acknowledged that they're not sure what's ahead and that transit has changed. For her, that's an argument to do something and be open to change now. She agreed that the framework doesn't go far enough. In the best of times, the RTA should be data-driven and have performance metrics to align investment with goals. She appreciates the civic groups' perspective and it's the RTA's job to provide leadership. She concluded by stating that she doesn't see anything in the framework at this point that would be aided with more time. The agencies need to be incrementally opening to change. She urged the Board to support this ordinance and move forward.

Director Fuentes expressed that he was in favor of waiting to approve this. The work that has been done is great, but he is of the opinion that the Board needs time to evaluate responses. He believes that there are still a lot of outstanding funding questions and he would not want to adopt this framework and then have to amend it in future.

Director Sager expressed his support of the position described by Directors Cary and Ross that this is a time when we need to take specific action to move forward. He agreed that there are details and issues that we can't foresee, but this shouldn't put us in a position where we aren't willing to take any action. Passing this ordinance is the most appropriate thing to do currently. As an administrative body, it is incumbent upon the RTA Board to move forward and support the recommendations as they stand.

Director Gathing voiced support for the framework. She noted that in the current COVID environment and pressure for transparency, it's critical for the RTA and Service Boards to make a decision and ensure fairness and equity.

Director Melvin offered additional thoughts that the RTA Board can still let everyone know that they're open to new ideas. He doesn't hear anyone on the Board saying that the Board is abdicating responsibility and being closed-minded. Many things have been said about the fact that there could be some radical changes and having as much data as possible is important. If the agencies want to be data-driven, then the RTA needs as much data as possible before making a decision.

Director Ross responded that a lot of organizations are struggling now, and, in his experience, it is appropriate to take an affirmative step and reconnect frequently as more information is available. Inactivity is not helpful and can create a bigger problem.

Director Canty asked if there is a particular piece of information that dissenting Board members are seeking. From her perspective, the framework looks like a general structure for moving forward and it is not clear what would be served by waiting.

Director Holt responded to Director Canty's comment by stating that she has a broader conceptual issue that is not about the allocation of the 2025 funding. The investment framework does not think about or reflect the situation that transit is in now. It starts with an assumption of business is usual and the system is not in that place. The more appropriate place to start is from a place of recognizing that transit is in a changed environment. She added that her concern is that RTA staff is doing scenario planning and she thinks the Board needs to know more about that before building a plan around investment.

Director Ross countered that the framework provides a useful structure for all the RTA does. It should drive scenario planning. It is a chicken-egg situation. The framework that we're discussing provides a forum for all that we do.

Chairman Dillard noted that the Board is close to agreement but not quite there. He recommended delaying this vote until a future meeting, and asked staff to seek additional input. He indicated that he would ask the civic groups to provide some specific feedback. He clarified that the Board is not kicking can down the road but rather "remolding it" so that it is more effective at doing what needs to be done. He reiterated that a lot of work has gone into this document. He revisited a recent meeting where he said this is a time to seize the moment and transit holds the keys to economic recovery, equity, diversity. It is critical for the RTA to help the Mayor and show that the City is vibrant. He wants to see this vibrancy. Transit is a critical component that will show life is restored to "normal." He indicated that the Board could pass the measure if it needed to, but he doesn't want to put anyone on the spot.

Chairman Dillard deferred the vote on this item to a later date.

**Ordinance authorizing an amendment to the 2020 Service Board and Agency budgets**

Mr. Doug Anderson presented an ordinance amending the 2020 operating funding amounts for a second time. As communicated at the August Board meeting, the proposed amendment authorizes additional funding for 2020 ADA Paratransit operations and recognizes improved sales tax, PTF, and RETT results.

At the August Board meeting, the RTA Executive Director informed the Board of the updated projected annual cost of providing ADA Paratransit services for the current year, as required by the RTA Act. The Act further requires the Board to amend the current year ADA Paratransit funding in September to provide for additional funding, if needed. Pace informed the RTA in August that the extension of COVID-19 mitigation efforts had increased ADA's 2020 funding requirement by \$13 million from the level reflected in Pace's amended ADA budget. Additionally, this funding amendment recognizes an improved sales tax outlook for the mainline Service Boards relative to the May funding amendment. The full year sales tax decline for 2020 included in this amendment is 16.1% compared to the 28.5% decline assumed in the May funding amendment. This projected increase in total public funding will allow more CARES Act funding to be carried forward into the 2021 budget year than was previously expected.

The original approved 2020 budget for ADA funding was \$181 million. Due to a sharply lower ridership expectation, the May funding amendment contained an estimated funding level of \$129.4 million for ADA Paratransit, and authorized Pace to propose the use of additional funding from RTA's ADA Paratransit reserve fund, if needed. COVID-19 immediately and negatively impacted the efficiency and productivity of Pace's ADA Paratransit operation, such that Pace has reverted to single rider trips, rather than shared rides, to protect its customers from the risk of infection. Pace also opted to pay and retain some ADA drivers to avoid a driver shortage when ridership rebounded. For these reasons, Pace's revised ADA Paratransit budget, adopted by the RTA Board on August 20th, incorporated \$18.4 million of ADA Paratransit reserve funds.

Pace has since extended the COVID-19 mitigation actions regarding retention of drivers and the single-ride requirement. This action, coupled with an improving ridership forecast, has increased the estimated 2020 ADA Paratransit total funding requirement by an additional \$13 million, to \$160.8 million. Staff recommends that the additional \$13 million requirement, like the \$18.4 million requirement approved in August, be sourced from the ADA Paratransit reserve fund, comprised of prior year ADA positive budget variances. This approach will preserve as much current year sales tax as possible for the mainline Service Boards.

In this same funding amendment, we have incorporated an improved outlook for CTA, Metra, Pace Suburban Service, and RTA 2020 funding. A chart was displayed that illustrated various results.

Actual RTA sales tax results for March, April, and May, shown in dark orange, have exceeded the very gloomy projections from early in the COVID-19 crisis that were assumed in the May funding amendment. The blue bars compared the assumptions in the proposed funding amendment under consideration, represented by the orange bars and based on a revised and recent custom sales tax forecast from Moody's Analytics. While up to a 50% drop in sales tax receipts had been feared for the second quarter, April and May results were 27.5% and 22.4% lower than prior year, respectively. In total, the May funding amendment assumed a full year 2020 sales tax decline of 28.5% versus 2019. This second funding amendment projects an improved full year sales tax decline of 16.1% versus prior year.

Our revised sales tax growth assumption on the previous slide results in the amended 2020 RTA funding levels contained in ordinance schedule I-A and shown in this table. Excluding the ADA Paratransit increase, the funding amendment restores \$199 million of 2020 funding from sales tax, PTF, and RETT for CTA, Metra, Pace Suburban Service, and the RTA Agency's requirements. These increases will be very beneficial with respect to the longevity of the \$1.438 billion of CARES Act funding the RTA region has been awarded.

The increased RTA funding in turn reduces the expected amount of CARES Act funding needed for the 2020 budget year, as shown on this slide. The revised budgets adopted in August were based on the May funding amendment, and as a result incorporated almost \$1.1 billion, or more than 76%, of the total CARES Act funding to maintain balance. The proposed funding amendment mitigates this utilization by \$199 million. All else being equal, this action should lower the 2020 CARES Act utilization to about \$900 million, or 62% of the total apportionment, resulting in an updated projected carryover of approximately \$540 million of CARES Act funding to the 2021 budget year.

The funding amendment ordinance requires Pace to submit a revised ADA Paratransit operating budget, conforming to the amended RTA funding level of \$160.8 million, within 30 days. CTA, Metra, and Pace Suburban Service budget staffs will use these updated 2020 funding projections in the development of their 2020 estimated financial results to be included with their proposed 2021 budget submittals in October. The 2020 estimated financial results shall serve as the revised budgets required by section 4.11(c)(1) of the RTA Act and shall be reviewed by the Board alongside the 2021 budget submittals. This approach will allow the Service Boards to focus on the development of their 2021 budgets while still meeting the requirement for submitting revised 2020 budgets in response to the funding amendment.

Director Melvin asked the Chairman if a vote on this item should be deferred and bundled with the capital framework and 2021 marks items due to ongoing uncertainty. Ms. Redden pointed out that this item impacts 2020 operating funding only and is necessary to get the 2020 ADA funding to its required level as part of a two-step process. The Chairman concurred that this item is independent from the capital framework and 2021 marks.

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

2020-45 This ordinance amends the 2020 RTA operating funding amounts for a second time. As communicated at the August Board meeting, the proposed amendment authorizes an additional \$13.0 million for 2020 ADA Paratransit operations requested by Pace due to the extension of COVID-19 mitigation efforts, to be funded from the RTA's ADA Paratransit Reserve. Additionally, due to improved sales tax results, the proposed RTA funding amounts contained herein reflect an increase of \$199.0 million in total regional public funding compared to the May funding amendment, thereby allowing additional CARES Act funding to be carried forward into the 2021 budget year. Due to the need to focus on 2021 budget preparations, the mainline Service Boards will meet the requirement to submit revised budgets in response to this funding amendment by incorporating these higher, revised funding levels in the 2020 estimated financial results forecast to be included with their 2021 budget submittals in October. However, in accordance with section 4.11(c)(1) of the RTA Act, a revised 2020 ADA Paratransit operating budget conforming to the revised funding level is required to be submitted by Pace within 30 days.

The motion carried on the following roll call vote:

**14 Ayes:** Andalcio, Canty, Carey, Coulson, Frega, Fuentes, Gathing, Holt, Kotel, Lewis, Pang, Ross, Sager, Chairman Dillard

**1 Nay:** Melvin

**1 Absent:** Groven

**Ordinances establishing estimates of amounts available to the Service Boards for their 2021-2023 operating budgets, the required recovery ratios for 2021, and the preliminary 2021-2025 Capital Program funds**

Ms. Bea Reyna-Hickey opened by stating the Board passed the Budget Call in May, which requires the Service Boards to submit their proposed budgets in October. With continuing uncertainty over the duration and intensity of the COVID-19 impact, it has been difficult to settle on a set of future funding levels that we can have any confidence in. The truth is that uncertainty remains high, and we will likely need to amend the 2021 funding and adjust plans as we move into the new year, just as we have done twice now in 2020. But we as a staff feel that the funding levels contained in this amendment are what we can realistically expect, and a good starting point for 2021-2023 budget planning. She thanked Bill Lachman, Doug Anderson, and Sarah Rubino of our budget staff who try their best to keep the numbers accurate. Ms. Reyna-Hickey explained the details of the operating funding allocations for 2021.

The proposed ordinance addresses the proposed operating and capital funding amounts for the 2020 budget and five-year capital program. Setting the funding amounts is a critical step in the RTA region's annual budget process. The RTA Act establishes September 15th as the date by which the funding amounts for the upcoming year must be adopted. The RTA Act requires the Service Boards to develop budgets that are consistent with the amounts adopted by the RTA Board.

As mentioned earlier in the funding amendment presentation, a significant amount of CARES Act funding will also be carried over from 2020 to supplement the RTA funding levels in this ordinance. COVID-19 has had a profound impact on the regional economy. Sales tax receipts have plunged, and unemployment has soared. The major difficulty in forecasting funding levels for 2021-2023 is predicting how long the recovery from the current recession will take. Much depends on additional federal stimulus, if any, and the deployment of an effective vaccine. To help with that uncertainty, RTA has continued to contract with a third party, Moody's Analytics, to provide us with objective custom sales tax forecasts. The most recent of those forecasts, received in late August, is the basis for the funding projections in this ordinance. There is some good news in the form of the initiation of direct RTA sales tax on more online (internet) purchases within the RTA region in January 2021. This long-awaited change should bring more than \$50 million per year in new funding for transit at a critical time. Bea showed a table with the assumed growth rates of sales tax and RETT.

The 2020 funding amendment just executed, with a 16% decline from 2019, serves as the base for our 2021-2023 projections. After the addition of the new online sales tax impact, 2021 sales tax is expected to be down another 0.5% from 2020, with a significant rebound in 2022 and 2023 as the region recovers from the recession. The Real Estate Transfer Tax (RETT) is assumed to move in line with the sales tax, except for 2021 when the sales tax receives that bump from the imposition of online RTA sales tax. The resulting sales tax levels for 2020 and 2021 are around \$1.050 billion. As this chart shows, that level of sales tax essentially sets the clock back to 2012 and 2013 funding levels. However, remember that CARES Act funding will be available to supplement the RTA funding.

Ms. Reyna-Hickey showed a table with the resulting amounts of RTA operating funding proposed for each Service Board. Normally, we would compare funding levels to the previous budget. However, it may be more relevant to compare the proposed funding amounts to the previous 2021 Plan in place at the time of the 2020 budget adoption in December 2019. As seen on the bottom line, total RTA funding has declined by \$415 million from that previous plan. Decreases for the Service Boards range from 23% to 26%. For ADA Paratransit, Pace staff has indicated that a funding level of \$165.7 million should suffice for 2021, but much uncertainty remains in that funding requirement as well. RTA short-term debt service and JSIF premiums are expected to increase by \$6.3 million, and as a result the RTA Agency budget is projected to be funded with \$19 million of sales tax plus carried-over CARES Act funding.

The RTA Act requires aggregate operating revenues that equal at least 50% of the aggregate costs of providing public transportation in our region. Service Board recovery ratios are proposed to remain unchanged for 2020, with each Service Board charged with achieving its individual ratio to ensure a regional recovery ratio of 50%. As authorized by the May funding amendment, CARES Act funding requisitioned to replace lost fare revenue will continue to be counted as operating revenue for purposes of meeting required recovery ratios.

Ms. Jill Leary then discussed the capital funding picture. The 2021 capital program includes funding of \$1.3 billion – roughly 1/3 is from the continued effort from the state's 2019 Rebuild Illinois capital program. The Federal Formula amount is based on levels established by Congress in 2015 with passage of the FAST Act (Fixing America's Surface Transportation Act) and adjusted based on the actual 2019 and 2020 apportionments.

As discussed in an earlier agenda item, as a result of the feedback that we received on the Framework for Transit Capital Investments, the second recommendation impacts the capital funding amounts and is incorporated into the capital schedule as well as the proposed ordinance. This will allow the Service Boards to continue their current robust capital construction programs with certainty in the near-term, while also acknowledging the need for changes. Jill showed a pie chart of how the capital funding from all sources is split among the Service Boards for next year, and the five-year program funding by funding source.

Ms. Reyna-Hickey closed with a recap of the budget calendar through the remainder of the year. The RTA Board adopted the Budget Call in May setting up the budget development schedule. Today, the Board is being asked to adopt the funding allocations as presented. On October 16<sup>th</sup>, the Service Boards will submit their proposed operating budgets, two-year financial plans, and five-year capital programs to the RTA before entering the public hearing process in October and November. November 15<sup>th</sup> is the statutorily defined date for the Service Boards to submit their adopted budgets to the RTA. On November 19<sup>th</sup>, a special RTA Finance Committee meeting will be held to review the Budgets and Capital Programs of each transit agency and on December 17<sup>th</sup>, staff will present the Consolidated Regional Budget for Board adoption. Ms. Reyna-Hickey requested Board adoption of the funding amounts as presented.

Director Coulson stated that the transit system faces an existential threat, and that this is a time for unity. He said the marks presented are worthwhile, and given the September 15<sup>th</sup> statutory deadline, if the Board does not act it will look very bad. He urged the Board to do what's best for the region and approve the proposed marks.

Director Melvin agreed but said that given that we are in a crisis, appearances don't matter as much and instead the Board should take its time to have some additional discussions and get the marks right, which is what the public expects.

Director Coulson responded by asking his colleagues to specifically state their issues with the proposed marks if they do not support them.

Director Frega said that we may not have all the answers right now, but the Board should do something, and expressed his support for the ordinance.

Chairman Dillard said that while we could pass the marks, the civic groups and others have asked that we wait. Congress will be in session soon and we may get a better feel for what is to come with a second stimulus. He said he will ask civic groups for specific language changes to the capital framework documents, and that the Service Boards could move forward knowing that the final marks will be close to what was presented. As Chairman, he said he wants to defer the marks for a month and asked the Board to provide feedback to the staff. He believes the statutory deadline can be flexible considering the COVID crisis.

Director Carey said that while she respects the Chairman's wishes, she thinks this item is different from the capital framework item and is time sensitive. She said the only approach that differs from normal is the 2025 capital set-aside. She moved to consider the marks as presented.

Chairman Dillard noted that the civic groups do not see the marks and capital framework as different items, and the 2025 set-aside is a significant issue which needs to be resolved.

Director Coulson respectfully disagreed and said that he had not heard from the civic groups and does not know what their concerns were with the marks. He seconded the motion for a vote.

Director Ross commented that the Chairman made several references to the civic groups wanting to delay this item, but he had not seen any correspondence to that effect.

Chairman Dillard responded that the civic groups had sent a letter, but it is possible that not everyone on the Board had seen the request. Ms. Redden responded that all comments from civic groups and the public have been and will continue to be included in the Board packet and communicated to the Board.

Director Carey moved, and Director Coulson seconded the adoption of the proposed ordinance.

The motion failed on the following roll call vote:

**6 Ayes:** Carey, Coulson, Frega, Lewis, Ross, Sager

**8 Nays:** Andalcio, Canty, Fuentes, Gathing, Holt, Kotel, Melvin, Pang

**1 Present:** Chairman Dillard

**1 Absent:** Groven

**Travel Expense Reimbursements**

Director Melvin moved, and Director Gathing seconded the travel expenses be approved as submitted.

The motion carried on the following roll call vote:

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

**1 Absent:** Groven

The Chairman advised the Board that the next regular meeting would take place on October 15<sup>th</sup>.

**EXECUTIVE SESSION WITH ADJOURNMENT**

There being no further business to come before the public portion of Board of Directors meeting, Chairman Dillard asked Ms. Lacombe to cite the exception or the closed session. Ms. Lacombe cited Section 2(c)(21) of the Open Meetings Act as the exception. Director Andalcio moved and Director Ross seconded that the meeting move into Executive Session and adjourn from there. The motion carried on the following roll call vote:

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

**1 Absent:** Groven

The public portion of the Board meeting ended at 11:05 a.m.

*Audrey MacLennan*

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AUDREY MACLENNAN  
Secretary of the Authority