RTAChicago.org

MEETING OF THE RTA BOARD OF DIRECTORS SEPTEMBER 10, 2020

Welcome!

Meeting Starts at 9 a.m.

Meeting Agenda

@ RTAChicago.org/about-us/boardmeetings

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RTA BOARD OF DIRECTORS MEETING

1. CALL TO ORDER

Please feel free to listen to the meeting and view slides related to it here.

The meeting agenda can be found at rtachicago.org/about-us/boardmeetings

PLEDGE OF ALLEGIANCE

RTA BOARD OF DIRECTORS MEETING

2. ROLL CALL

3. APPROVAL OF MINUTES

3a: From the Board of Directors Meeting held on August 20, 2020

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4.
PUBLIC COMMENT

Public comments were accepted online in advance of this meeting.

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5.
EXECUTIVE DIRECTOR’S REPORT

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BUDGET PROCESS

- This is not a normal budget year
- Planning for the unknown with flexibility
- Latest forecast shows a systemwide reduction of $415.4 million in operating funds.
- Next steps
    - Monthly updates, online hearings, public comment, regional budget for approval in December

RECOVERY SCENARIO PLANNING

- Two stakeholder workshops conducted in August
- Public survey distributed after workshops

INVESTMENT FRAMEWORK

- Commits RTA and the Service Boards to more transparency in the capital programming process.
- Changes in response to COVID-19 and stakeholder feedback.

STATE DELINQUENCY FIGURES

Month	Amount Delinquent
September	$237.3 million
August	$214.5 million
2020 Cost of Short Term Borrowing YTD	$3.7 million
2019 Cost of Short Term Borrowing	$5.2 million
Short-Term Borrowing Authority	$400 million
Outstanding Short-Term Borrowing	$150 million

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6.
INFORMATION ITEMS

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6a. UPDATE ON THE STRATEGIC COVID-19 RECOVERY PLANNING FOR REGIONAL TRANSIT

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RTA'S SCENARIO PLANNING ACTIVITIES

- Develop several potential scenarios
- Explore impacts of each scenario on:
  - Economy
  - Commuting
  - Transit Mode Choice
- Estimate relative impact to funding

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THREE SCENARIOS FOR DISCUSSION

Stalled Economy

Congested Recovery

Regional Remix

STAKEHOLDER INPUT

- Two virtual workshops
- Survey
- Smaller groups and discussions

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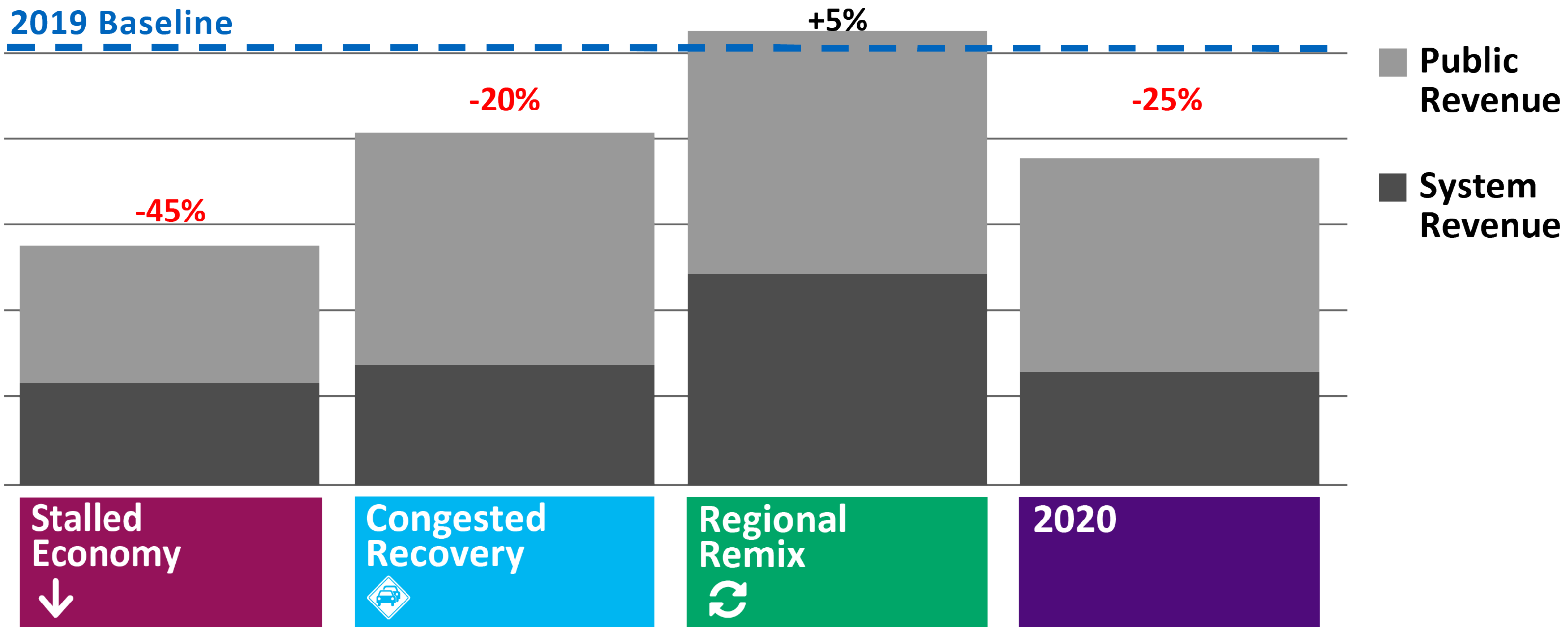
GOAL 1 QUESTION

How does the transit system **Deliver Value on Our Investment** if funding levels change?



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COMMON FEEDBACK FOR GOAL 1

- **Federal funding** is desirable but tenuous
- **New local and regional funding sources** could be leveraged to reinforce value of transit
- **Farebox recovery ratio** is limiting
- **Flexibility needed** in the way that operating and capital funding is programmed

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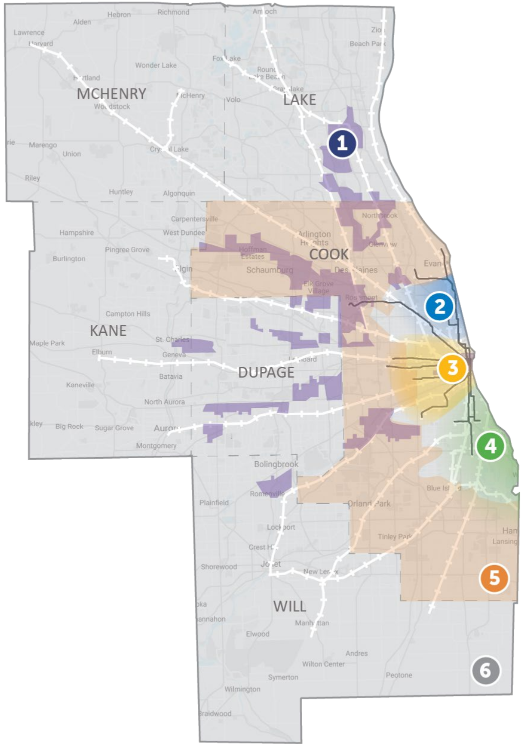
GOAL 2 QUESTION

How does the transit system **Build on the Strengths of Our Network** to meet the region's changed mobility needs?



Invest in Transit Six Key Transit Markets

1. Suburban Job Clusters
2. Chicago North Side
3. Chicago Central Business District (CBD)
4. Chicago South Side
5. Suburban Cook County
6. ADA Paratransit

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COMMON FEEDBACK FOR GOAL 2

- **Focus first on meeting mobility needs** of those who rely upon transit
- **Prioritize improvements to bus service**
- **Create regional network of bus and mobility hubs** to balance out downtown Chicago focus of rail system
- **Provide an integrated transit service and experience** across Service Boards and with new provider partners
- **Maintain safe and clean service**

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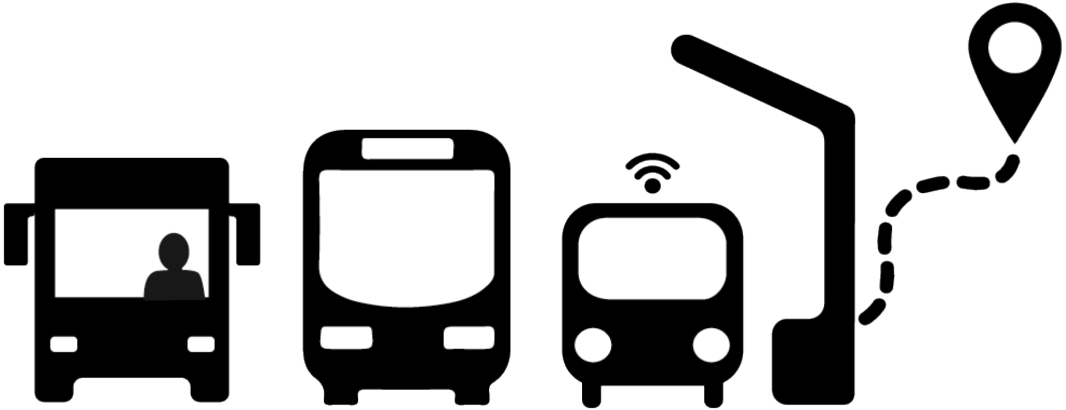
GOAL 3 QUESTION

How do we **Stay Competitive** if people change the way that they travel?



COMMON FEEDBACK FOR GOAL 3

- **Staying competitive is going to be difficult**
- The **Ventra App** needs to provide integration across more services as soon as possible
- **New and more flexible** types of transit and connecting services are still needed
- **Invest in technology and infrastructure** for bus priority and speed improvements
- **Real-time information, clear messaging, transit marketing** can be used to bring back riders

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NEXT STEPS FOR RECOVERY PLANNING

- Support budget process and continued advocacy for Federal relief funding
- Focus RTA 2021 work plan on recovery
- Work with RTA Board toward next generation of transit structural improvements

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6b. REPORT ON MONTHLY FINANCIAL RESULTS – JULY 2020

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6b. REPORT ON MONTHLY FINANCIAL RESULTS – YTD THRU JULY 2020 (in millions)

RIDERSHIP				
	Actual	Budget	Variance	% Variance
CTA	135.5	132.4	3.0	2.3%
Metra	16.0	16.5	(0.6)	(3.3%)
Pace	9.3	9.2	0.2	1.8%
Pace ADA	1.5	1.4	0.1	9.7%
Total	**162.3**	**159.5**	**2.8**	**1.7%**

6b. REPORT ON MONTHLY FINANCIAL RESULTS – YTD THRU JULY 2020 (in millions)

OPERATING REVENUE				
	Actual	Budget	Variance	% Variance
CTA	$387.9	$393.1	($5.2)	(1.3%)
Metra	$212.0	$221.8	($9.8)	(4.4%)
Pace	$29.6	$28.2	$1.4	5.0%
Pace ADA	$4.4	$4.6	($0.2)	(3.3%)
Total	**$633.9**	**$647.7**	**($13.8)**	(2.1%)

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6b. REPORT ON MONTHLY FINANCIAL RESULTS – YTD THRU JULY 2020 (in millions)

PUBLIC FUNDING				
	Actual	Budget	Variance	% Variance
CTA	$525.5	$474.4	$51.1	10.8%
Metra	$226.9	$227.9	($1.0)	(0.4%)
Pace	$90.2	$73.4	$16.7	22.8%
Pace ADA	$90.9	$90.9	($0.0)	(0.0%)
Total	**$933.5**	**$866.6**	**$66.9**	**7.7%**

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6b. REPORT ON MONTHLY FINANCIAL RESULTS – YTD THRU JULY 2020 (in millions)

EXPENSES				
	Actual	Budget	Variance	% Variance
CTA	$912.7	$917.9	$5.1	0.6%
Metra	$430.7	$449.7	$19.0	4.2%
Pace	$119.4	$138.8	$19.4	13.9%
Pace ADA	$109.8	$104.0	($5.8)	(5.6%)
Total	**$1,572.6**	**$1,610.3**	**$37.7**	2.3%

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6b. REPORT ON MONTHLY FINANCIAL RESULTS – YTD THRU JULY 2020 (in millions)

NET RESULTS			
	Actual	Budget	Variance
CTA	$0.6	($50.4)	$51.0
Metra	$8.2	$0.0	$8.2
Pace	$0.4	($37.1)	$37.5
Pace ADA	($14.4)	($8.5)	($5.9)
Total	**($5.2)**	**($96.0)**	**$90.8**

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6b. REPORT ON MONTHLY FINANCIAL RESULTS – YTD THRU JULY 2020

YEAR-TO-DATE RECOVERY RATIOS					
	Without CARES	CARES $	With CARES	Budget	Variance
CTA	28.8%	$183.7	52.2%	52.4%	(0.2)
Metra	28.7%	$98.1	53.1%	53.0%	0.1
Pace	21.8%	$10.6	31.9%	25.9%	5.9
Pace ADA	6.8%	$0.0	6.8%	8.1%	(1.3)
Total	**27.4%**	**$292.4**	**49.7%**	**49.0%**	**0.7**

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7.
ACTION ITEMS

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7a. ORDINANCE APPROVING THE FRAMEWORK FOR TRANSIT CAPITAL INVESTMENTS

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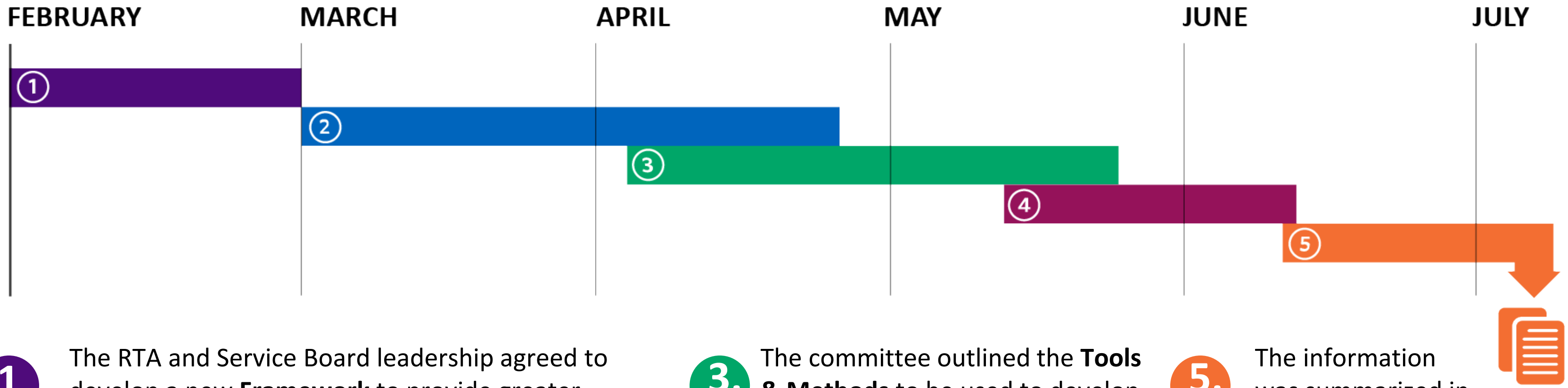
INVESTMENT FRAMEWORK DEVELOPMENT PROCESS



1. The RTA and Service Board leadership agreed to develop a new **Framework** to provide greater transparency in capital programming.

2. The committee reviewed opportunities to improve communications with stakeholders and developed **Goals & Outcomes** for the five-year regional capital program based on peer examples and current planning documents.

3. The committee outlined the **Tools & Methods** to be used to develop the five-year regional capital program going forward.

4. The committee created a **Process** for making changes to increase transparency in capital programming.

5. The information was summarized in a **document for public comment**.

NEW FRAMEWORK SUMMARY

- **Communicate** the **Goals, Process, and Outcomes** of capital program in transparent, engaging way.
- **Integrate** regional goals into regional capital program development process to **clarify linkages**
- **Implement** three **changes** to current process:
  - Clarified Requirements & Goals
  - Improved Data Collection
  - Enhanced Information Products and Updates

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PUBLIC COMMENTS

- Orland Park

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PUBLIC COMMENTS

- CMAP

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PUBLIC COMMENTS

- Active Transportation Alliance, Center for Neighborhood Technology, Chicagoland Chamber of Commerce, the Civic Committee of the Commercial Club of Chicago, Elevated Chicago, Environmental Law & Policy Center, Illinois Environmental Council, Metropolitan Planning Council, Respiratory Health Association and the Shared-Use Mobility Center.

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PUBLIC COMMENTS

- Active Transportation Alliance, Center for Neighborhood Technology, Chicago Chapter of the Climate Reality Project, Environmental Law and Policy Center, Illinois Environmental Council, Metropolitan Planning Council, Natural Resources Defense Council, Respiratory Health Association, and Sierra Club, Illinois Chapter

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ORDINANCE RECOMMENDATION

- Adopt the *Framework for Transit Capital Investments* as written.
- Program the 2025 PAYGO and federal formula capital funds in a regional set-aside allocated to RTA until such time as a new process for allocating these funds can be established.

7b. ORDINANCE AUTHORIZING AN AMENDMENT TO THE 2020 SERVICE BOARD AND AGENCY OPERATING FUNDING AMOUNTS

REASONS FOR 2ND 2020 AMENDMENT

- Additional $13.0 million required for ADA Paratransit
- Required by sections 4.11(a) and 4.11(c)(1) of RTA Act
- Recognize improved regional sales tax projections
  - Full year sales tax decline of 16% now expected, not 28%
  - Preserves more CARES Act funding for 2021

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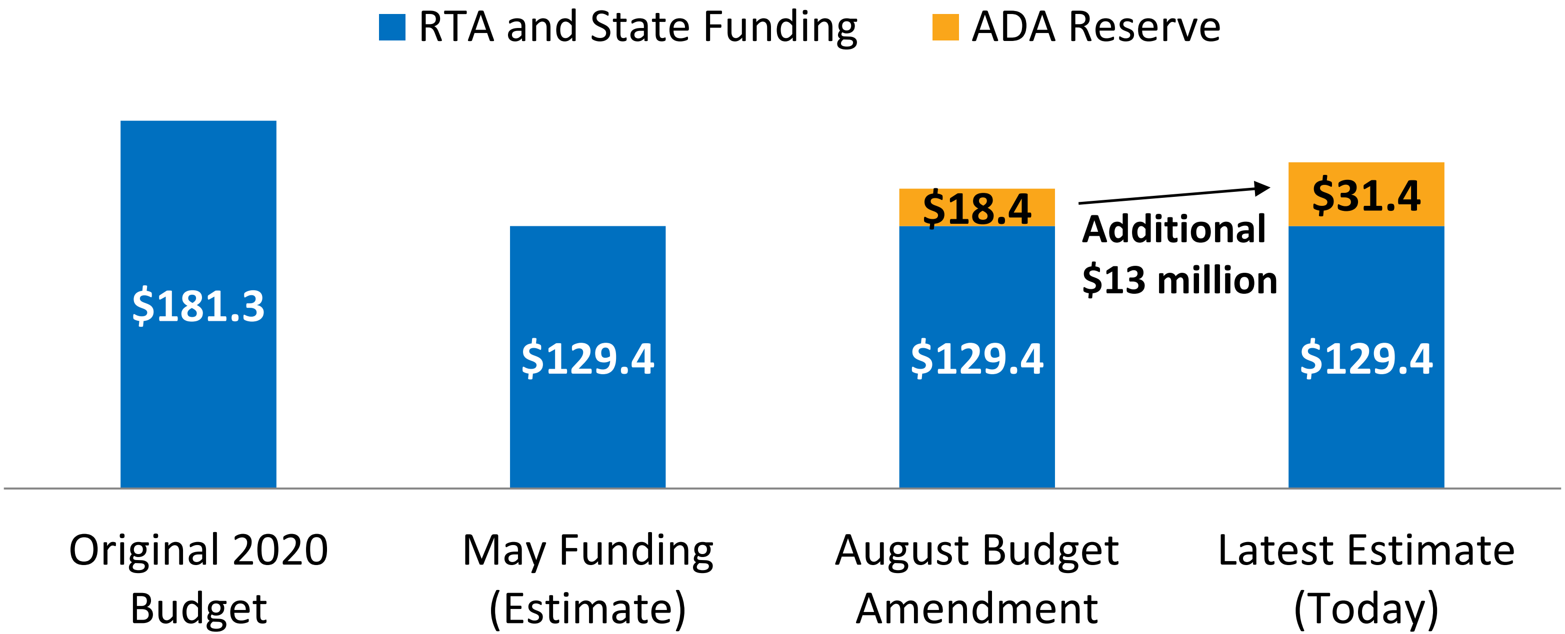
2020 ADA PARATRANSIT FUNDING



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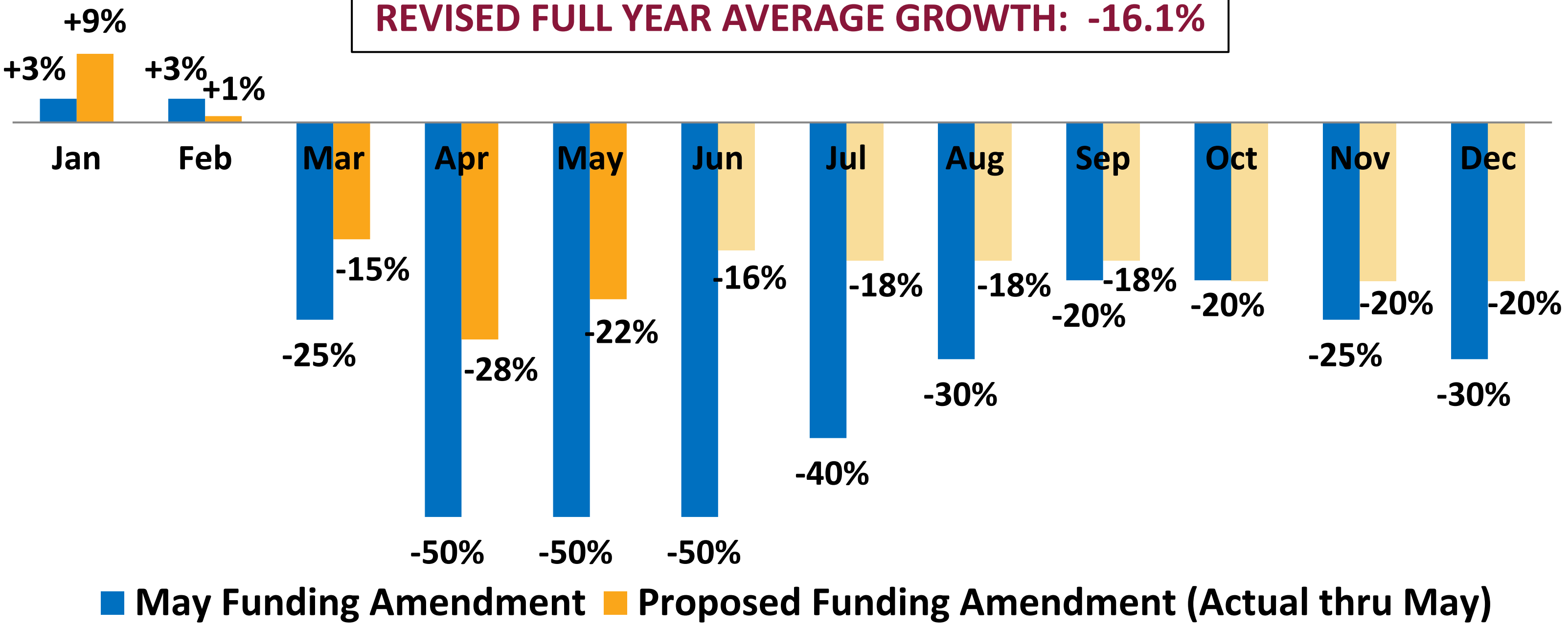
ASSUMPTION - 2020 SALES TAX GROWTH

REVISED FULL YEAR AVERAGE GROWTH: -16.1%



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RTA PUBLIC FUNDING (IN MILLIONS)

	2020 May Amendment	2020 Proposed	**Change**
CTA	$610.2	$706.7	**+$96.5**
Metra	297.7	359.2	**+61.5**
Pace	124.8	148.4	**+23.6**
ADA Paratransit	129.4	160.8	**+31.4**
RTA Agency, Regional Services and Debt Svc	90.4	107.8	**+17.4**
Total Funding	**$1,252.5**	**$1,483.0**	**+$230.5**

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CARES ACT FUNDING 2020 AND 2021

(IN BILLIONS)

A. Total regional apportionment:	$1.438	100%
B. Utilized in August 2020 revised budgets:	$1.097	76%
C. Mitigation with this funding amendment:	$0.199	14%
D. Revised requirement for 2020 (B – C):	$0.898	62%
E. Revised remainder for 2021 (A – D):	$0.540	38%

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NEXT STEPS

- Ordinance requires Pace ADA Paratransit to submit a revised 2020 operating budget to RTA within 30 days.
- Ordinance requires CTA, Metra, and Pace to utilize the amended, increased funding amounts in their 2020 estimated financial results to be submitted with their proposed 2021 budgets in October.

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7c. ORDINANCE 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

RTA ACT REQUIREMENTS

- Funding amounts for upcoming year required to be established by September 15th
- Service Boards develop budgets that do not exceed the funding amounts set by the RTA Board

COVID-19 IMPACT

- Sales tax drop of 28% in April 2020, has since moderated
- Regional unemployment reached 16%, has since improved
- Federal stimulus impact will wane, virus may resurge
- Direct RTA sales tax on online transactions effective Jan 2021

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SALES TAX AND RETT FORECAST

Growth In:	2020 Base	2021 Budget	2022 Plan	2023 Plan
Sales Tax	-16.1%	-0.5%	+6.0%	+5.7%
RETT	-20.8%	-5.4%	+6.0%	+5.7%

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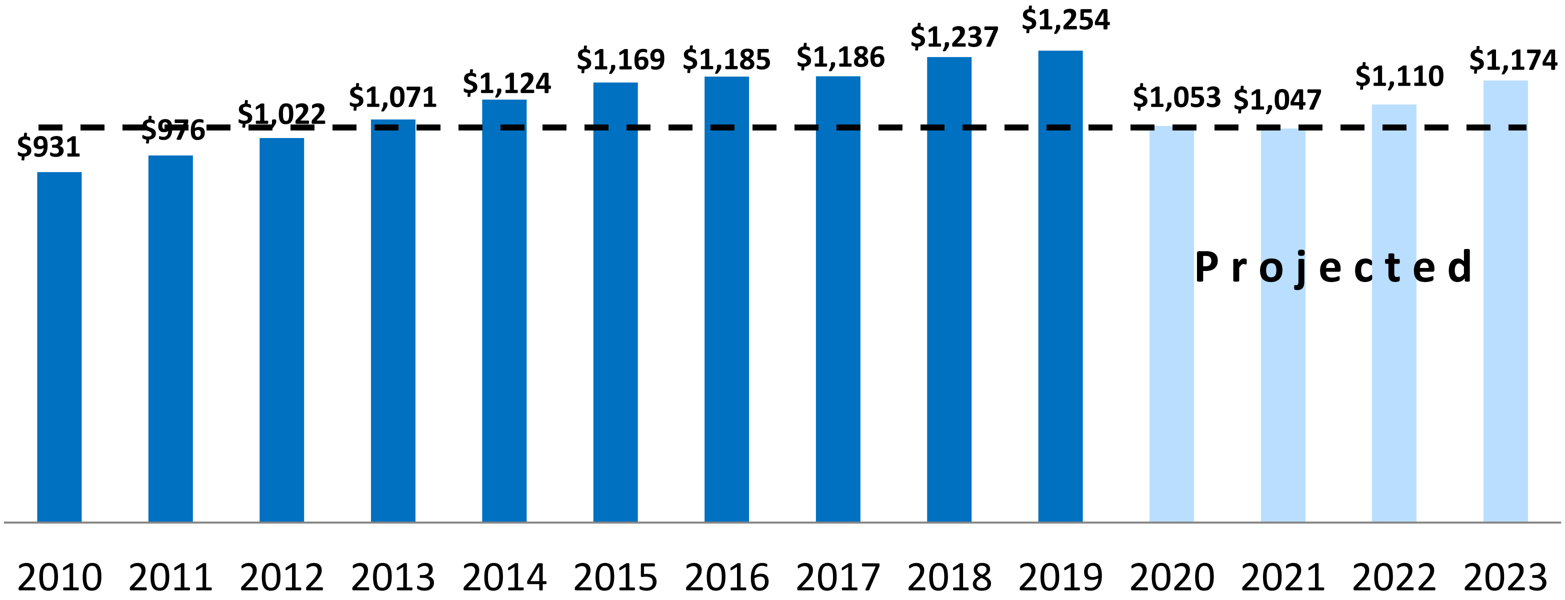
RTA SALES TAX (IN MILLIONS)



PROPOSED 2021 OPERATING FUNDING

(IN MILLIONS)

	Previous	**Proposed**	Change	**% Change**
CTA	$902.0	**$671.3**	-$230.7	**-25.6%**
Metra	$444.9	**$340.5**	-$104.4	**-23.5%**
Pace	$182.4	**$141.1**	-$41.3	**-22.6%**
ADA Paratransit	$193.3	**$165.7**	-$27.6	**-14.3%**
Debt Svc and JSIF	$84.0	**$90.3**	+$6.3	**+7.5%**
RTA Agency	$36.3	**$19.0**	-$17.3	**-47.7%**
Total	$1,842.9	**$1,427.9**	**-$415.0**	**-22.5%**

Includes sales tax, PTF, ICE, and RETT.

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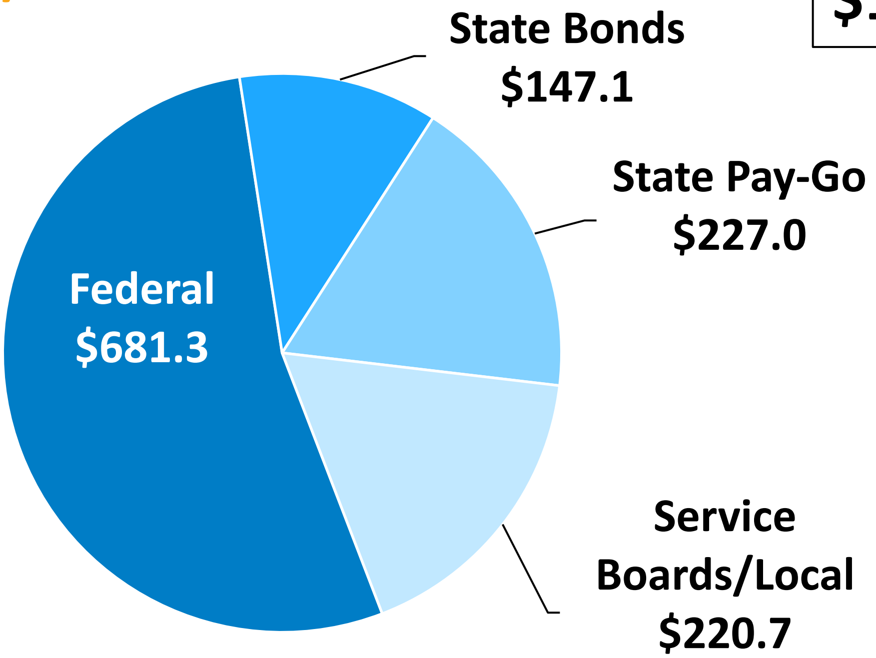
SYSTEM-GENERATED REVENUE RECOVERY RATIOS

	2020 Requirement	Proposed 2021
CTA	54.75%	54.75%
Metra	52.5%	52.5%
Pace	30.3%	30.3%
Region	50.0%	50.0%
ADA Paratransit	10.0%	10.0%

2021 CAPITAL PROGRAM SOURCES

(IN MILLIONS)

$1.276 billion



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FRAMEWORK ORDINANCE RECOMMENDATION

- Adopt the *Framework for Transit Capital Investments* as written.
- Program the 2025 PAYGO and federal formula capital funds in a regional set-aside allocated to RTA until such time as a new process for allocating these funds can be established.

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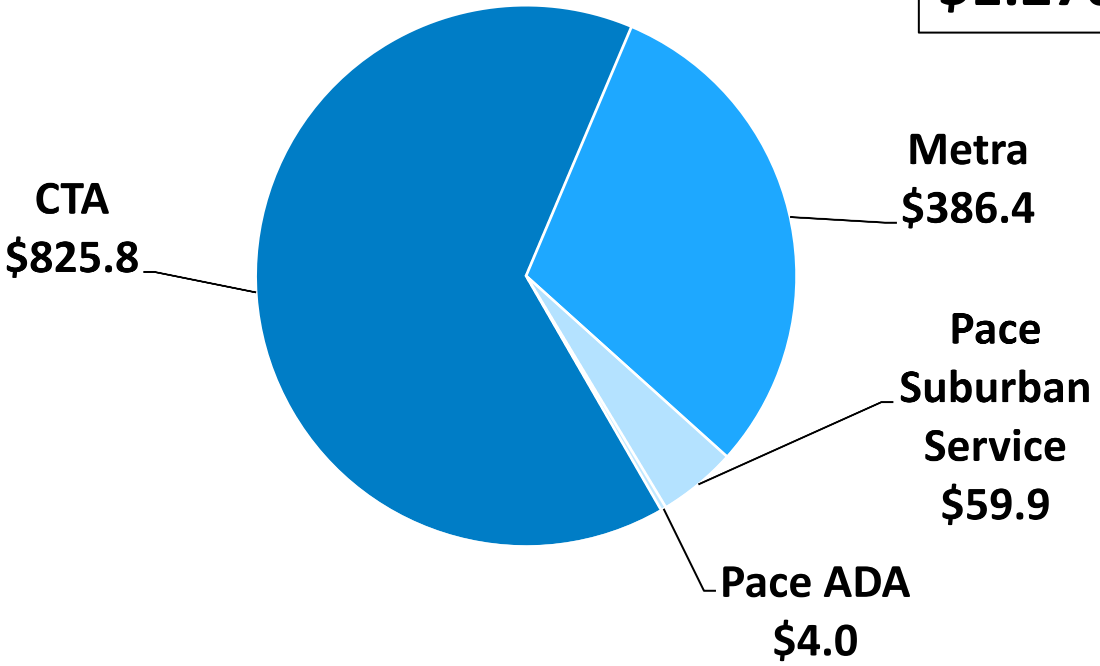
2021 CAPITAL PROGRAM ALLOCATION

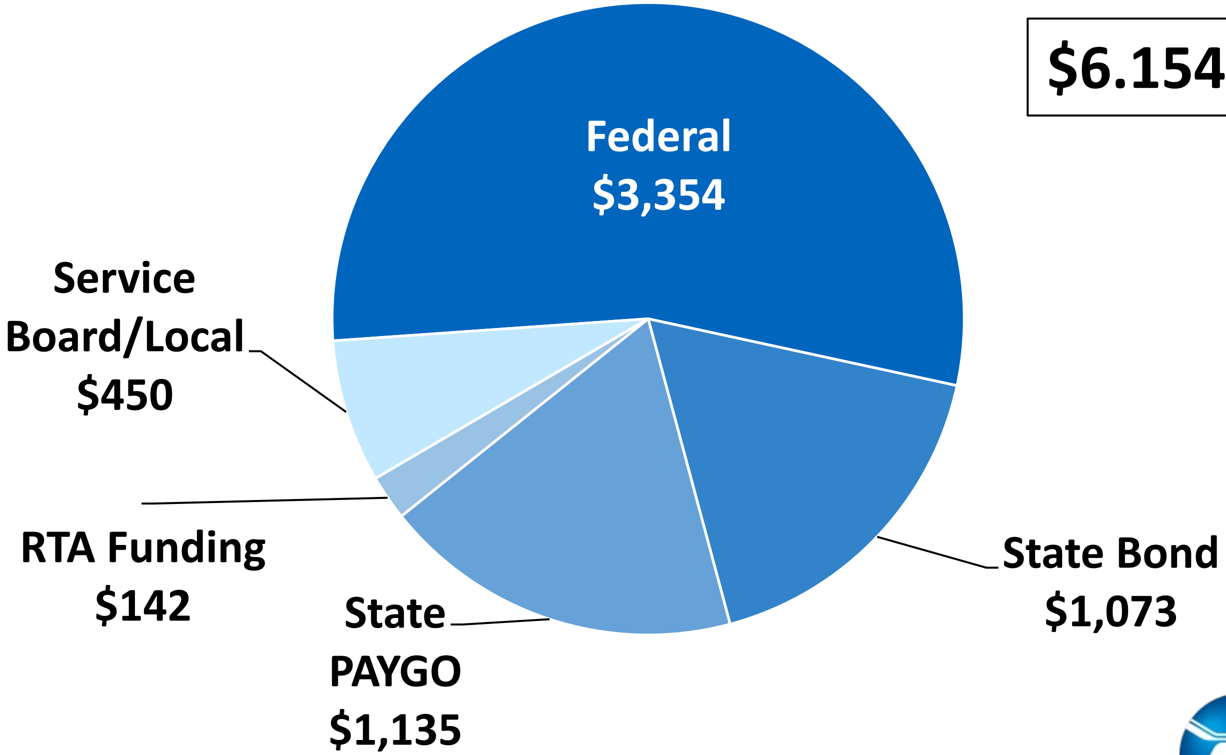
(IN MILLIONS)

$1.276 billion



5 YEAR CAPITAL PROGRAM BY FUNDING SOURCE
(IN MILLIONS)

$6.154 billion



2021 BUDGET CALENDAR

- May 21 — Board Adoption of Budget Call
- July — Release of Preparatory Funding Amounts
- **Sep 10 — Presentation of Proposed Funding Amounts to RTA Board**
- Sep 15 — RTA Act funding allocation deadline
- Oct 16 — Submission of Proposed Service Board Budgets and Capital Programs
- Oct/Nov/Dec — Public Hearings and County Board Presentations
- Nov 15 — Statutory Date for Submission of Service Board Adopted Budgets
- Nov 19 — Transit Agencies Budget Presentations to Finance Committee
- Dec 17 — Regional Budget Considered for Adoption

7d. TRAVEL EXPENSE REIMBURSEMENTS

8.
NEW BUSINESS

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9.
EXECUTIVE SESSION

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9a.
IOMA SECTION 2(C)(21) - DOCKET REVIEW

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NEXT MEETING AND ADJOURNMENT

The next meeting of the RTA Board of Directors is scheduled for Thursday, October 15.

We will advise you of the location or virtual nature of this meeting as the date approaches and the status of the COVID-19 situation is updated.

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