RTAChicago.org

MEETING OF THE RTA BOARD OF DIRECTORS MAY 19, 2022

Welcome!

Meeting Starts at 9 a.m.

Meeting Agenda

@ RTAChicago.org/about-us/board-meetings

Regional Transportation Authority

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 www.rtachicago.org/about-us/board-meetings

Regional Transportation Authority

PLEDGE OF ALLEGIANCE

RTA BOARD OF DIRECTORS MEETING

2. ROLL CALL

3. APPROVAL OF MINUTES

Regional Transportation Authority

RTAChicago.org

4.
PUBLIC COMMENT

Regional Transportation Authority

RTAChicago.org

5. EXECUTIVE DIRECTOR'S REPORT

Regional Transportation Authority

Regional Transportation Authority

ATTEND A FOUR-PART WEBINAR SERIES

TRANSPORTATION TUESDAY

June 7

Centering the Transit-Dependent – COVID-19's impact on Transit-Oriented Development

June 14

Making the Connection – How the RTA's Interagency Signage Program Helps Solve a Complex Regional Problem

June 21

The Future of the Curb – How Curb Management Strategies are Changing and Who's Leading the Charge

June 28

Accessing Transportation Data in the Chicagoland Region – CMAP's Data Hub and the RTA's RTAMS Website

#TransportationTuesday

TODAY’S AGENDA

RTAChicago.org

6.
INFORMATION ITEMS

Regional
Transportation
Authority

RTAChicago.org

6a.
UPDATE ON THE ACTIVITIES OF THE RTA TRANSIT ACCESS CITIZENS' ADVISORY BOARD

Regional
Transportation
Authority

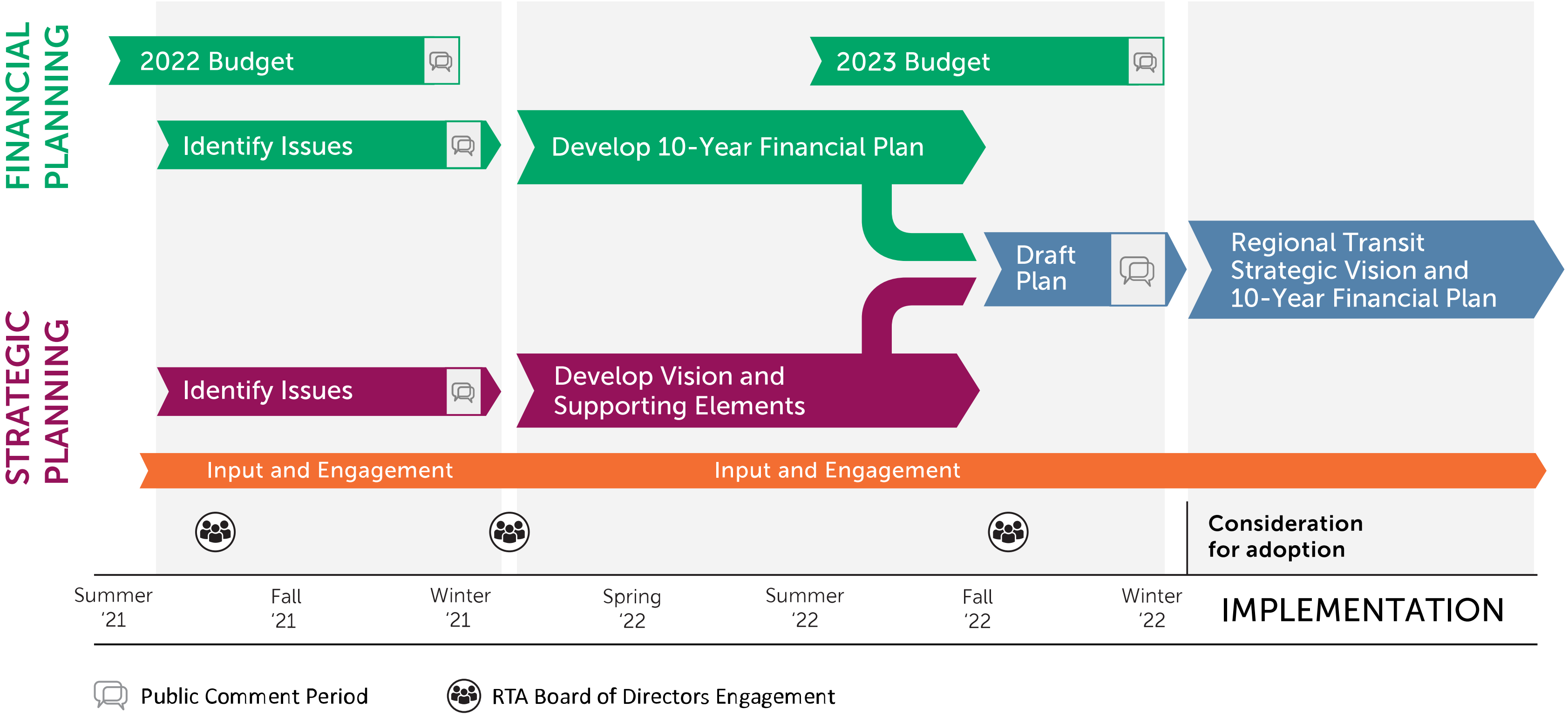
RTAChicago.org

6b.
STRATEGIC PLAN UPDATE

Regional Transportation Authority

Regional Transit Strategic Plan Timeline

Collaborative development of a new strategic direction for the region's transit system will occur along three tracks and consist of multiple overlapping activities.



VISION

Safe, reliable, accessible public transportation that connects people to opportunity, advances equity, and combats climate change.

PRINCIPLES

- Equity
- Stewardship
- Committed to Change

Regional Transportation Authority

OUTCOMES

Our transit system will be…

- Safe, accessible, reliable, and useful for riders
- In a state of good repair
- Financially stable

Our region will be…

- Connected
- Winning the fight against climate change
- Thriving

Regional Transportation Authority

WORKING GROUPS

- Stakeholder Groups
  - Transit Service
  - Infrastructure Investment
  - Financial Responsibility
- Technical Groups
  - 10-Year Financial Plan
  - Priority Projects

Regional Transportation Authority

STAKEHOLDER GROUP MAKEUP

- More than 100 members representing 65+ organizations from all counties, City of Chicago, public, private, nonprofit, academic, advocates, and transit riders
- Diverse mix by race, age, ability, transit mode
- Compensating members who requested

Regional Transportation Authority

STAKEHOLDER GROUP PROCESS

Meeting #1
Setting The Stage
Understand strategic planning framework and current conditions

Meeting #2
Goal Development
Brainstorm potential goals for strategic plan outcomes

Meeting #3
Goal Refinement
Refine potential ideas into final list of plan goals

Meeting #4
Strategy Development
Brainstorm potential strategies to achieve goals

Meeting #5
Strategy Refinement
Refine and prioritize potential strategies into final list

Meeting #6
Performance Measures
Identify strengths/weaknesses of existing measures and set direction

April May Today June

Regional Transportation Authority

STAKEHOLDER GROUP HOPES

Progress on key issues

New consensus on the value of transit

Equitable outcomes

Better serving existing riders and attracting new ones

Sustainable funding solutions

Near-term action

Engagement and collaboration

Addressing climate change

Cooperation across agencies

Regional Transportation Authority

STAKEHOLDER GROUP CONCERNS

- Need for buy in from many different constituencies
- Funding
- Will there be a true focus on equity?
- Lack of attention for suburban needs
- Competing priorities
- Lack of consensus
- Maintaining the status quo
- Political will
- Balancing urgency for change and realism

Regional Transportation Authority

10-YEAR FINANCIAL PLAN TECHNICAL GROUP

- Experts from RTA, Service Boards, CMAP
- Meeting May – August
- Goals:
  - Predict longevity of federal relief funding
  - Establish “official” post-relief funding shortfall
  - Produce menu of options for re-achieving balance
  - Recommendations for permanent recovery ratio reform
- Coordinated with stakeholder groups

Regional Transportation Authority

PRIORITY PROJECT TECHNICAL GROUP

- Experts from RTA, Service Boards, CMAP
- Meeting May – August
- Goals:
  - Determine criteria used to define and advance priority projects
  - Draft guidelines to be included in Strategic Plan
  - Create a list of high-level regional priorities
- Coordinated with stakeholder groups

THANK YOU!

Regional Transportation Authority

RTAChicago.org

6c. PRESENTATION OF QUARTERLY PERFORMANCE REPORT – FIRST QUARTER 2022

Regional Transportation Authority

INVEST IN TRANSIT

The 2018-2023 Regional Transit Strategic Plan for Chicago and Northeastern Illinois

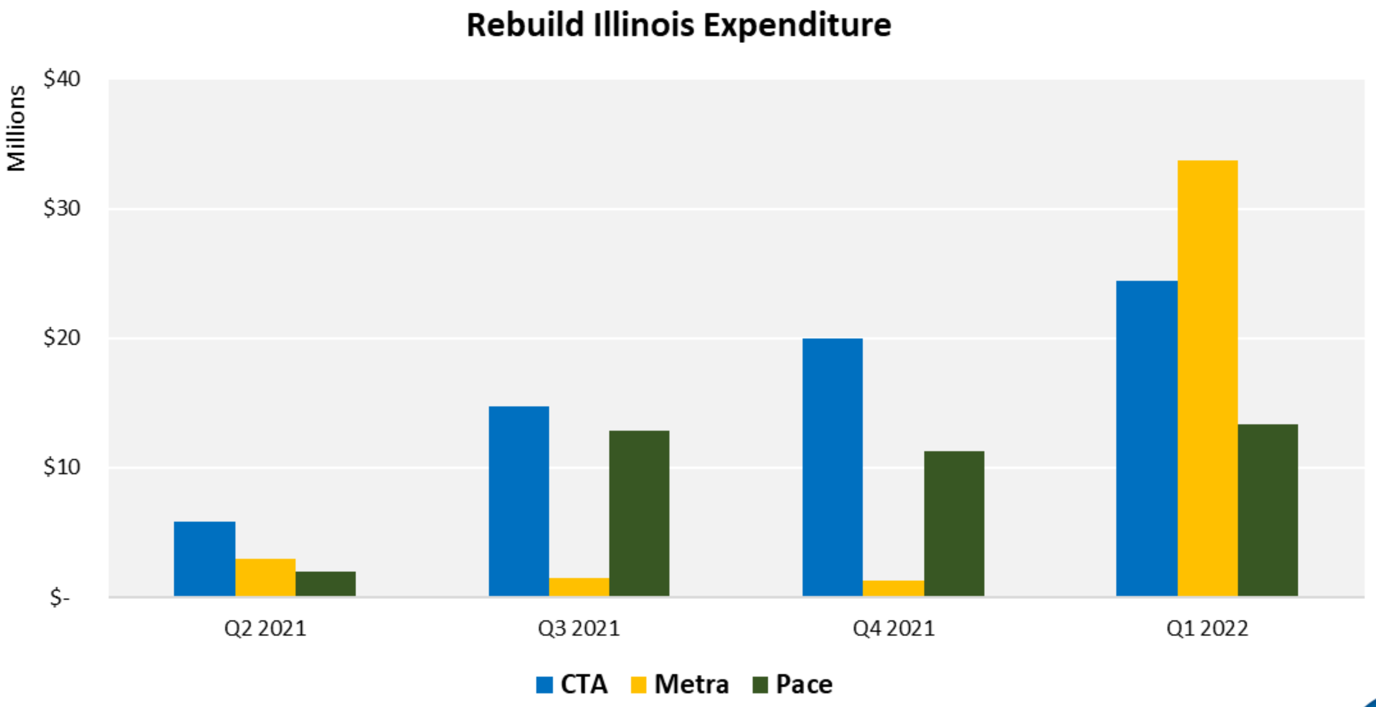
1 DELIVER VALUE ON OUR INVESTMENT

Q1 2022 REGIONAL PERFORMANCE

Indicator/Measure	2022 Value	% Change	Trend
Annual Capital Funding	$1,397,423,721	-33%	↓
Capital Expenditures	$303,247,808	+24%	↑
Operating Cost per Passenger Trip	$11.45	-33.6%	↓
Fare Revenue per Passenger Trip	$1.52	+9.8%	↑

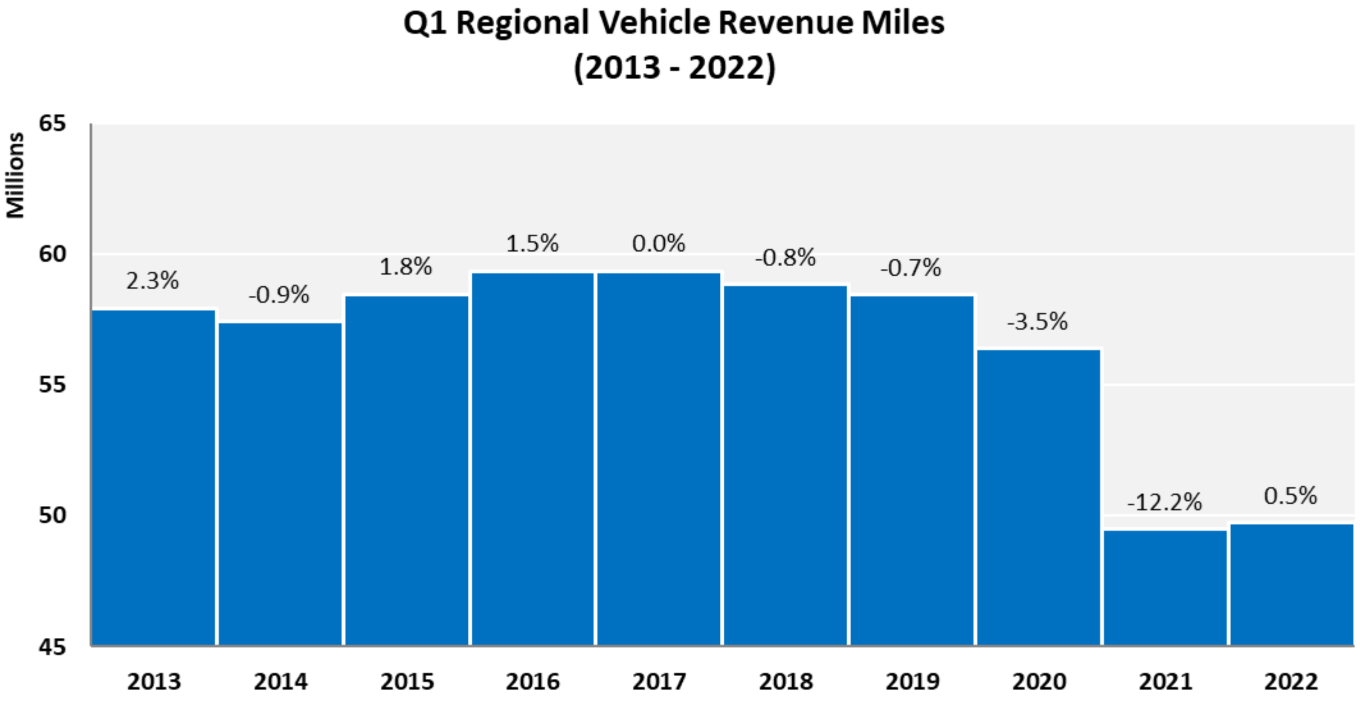
Regional Transportation Authority

SPOTLIGHT: REBUILD IL BOND FUNDS



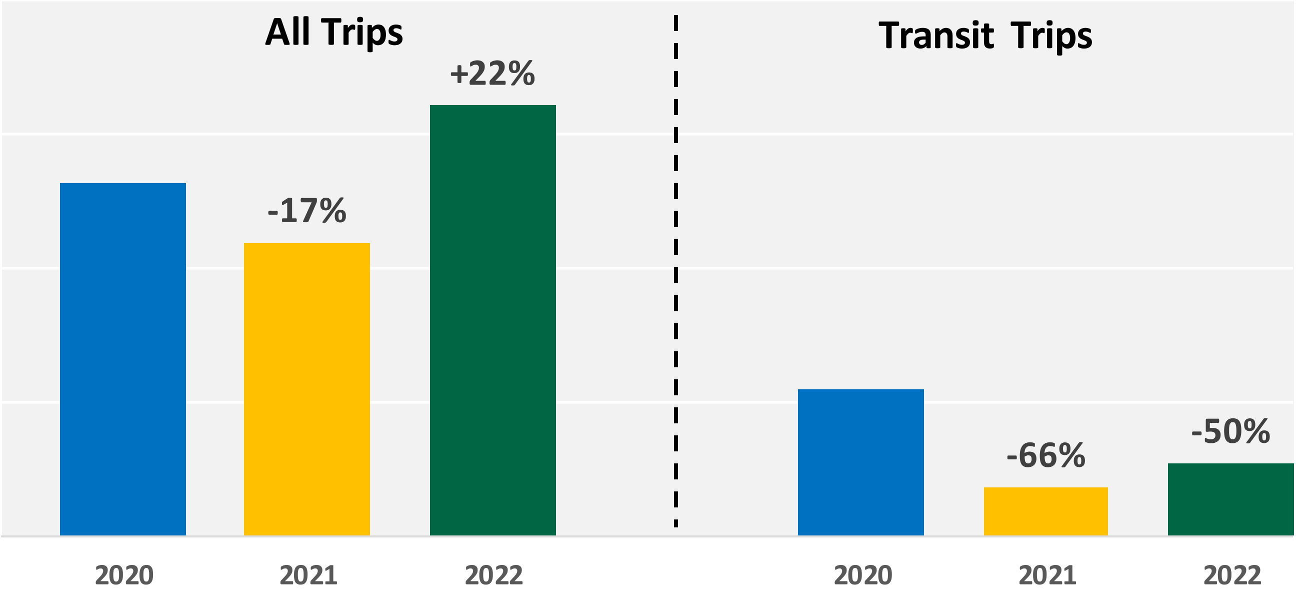
2 BUILD ON THE STRENGTHS OF OUR NETWORK

Q1 2022 REGIONAL PERFORMANCE



SPOTLIGHT: TRANSIT RECOVERY

All Trips v. Transit Trips



Regional Transportation Authority

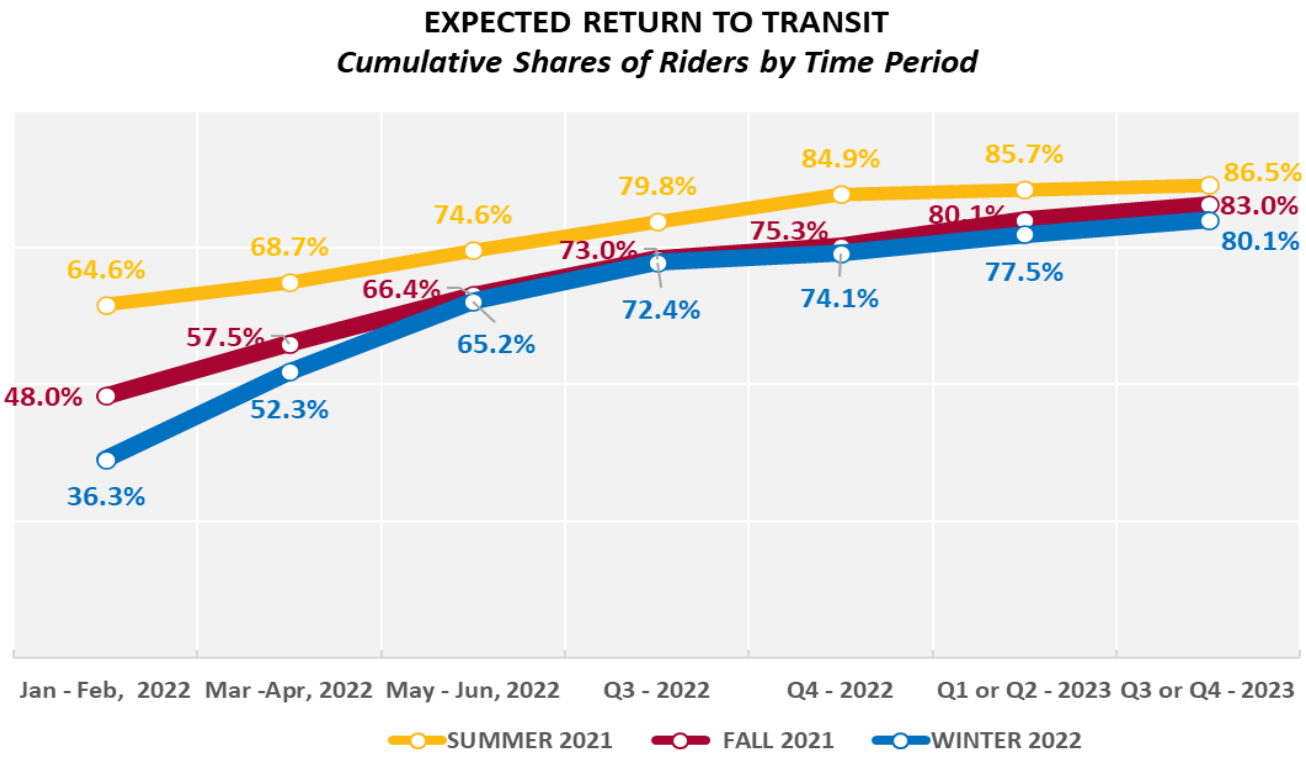
3 STAY COMPETITIVE

Q1 2022 REGIONAL PERFORMANCE

Indicator/Measure		Value	Trend
Ridership		59,145,122	↑
Average speed		15.0 mph	↑
On-Time Performance	CTA Bus	81.7%	↑
	CTA Rail	53.0%	↓
	Metra	96.1%	↑
	Pace bus	**N/A**	

Regional Transportation Authority

SPOTLIGHT: CUSTOMER PANEL SURVEY



Regional Transportation Authority

SUMMARY

- Rebuild Illinois bond funds programmed
- Transit use not rebounding as quickly as other modes
- Riders expect to return to transit in 2023

7.
ACTION ITEMS

Regional Transportation Authority

RTAChicago.org

7a. RESOLUTIONS CERTIFYING FINANCIAL RESULTS – FIRST QUARTER 2022

Regional Transportation Authority

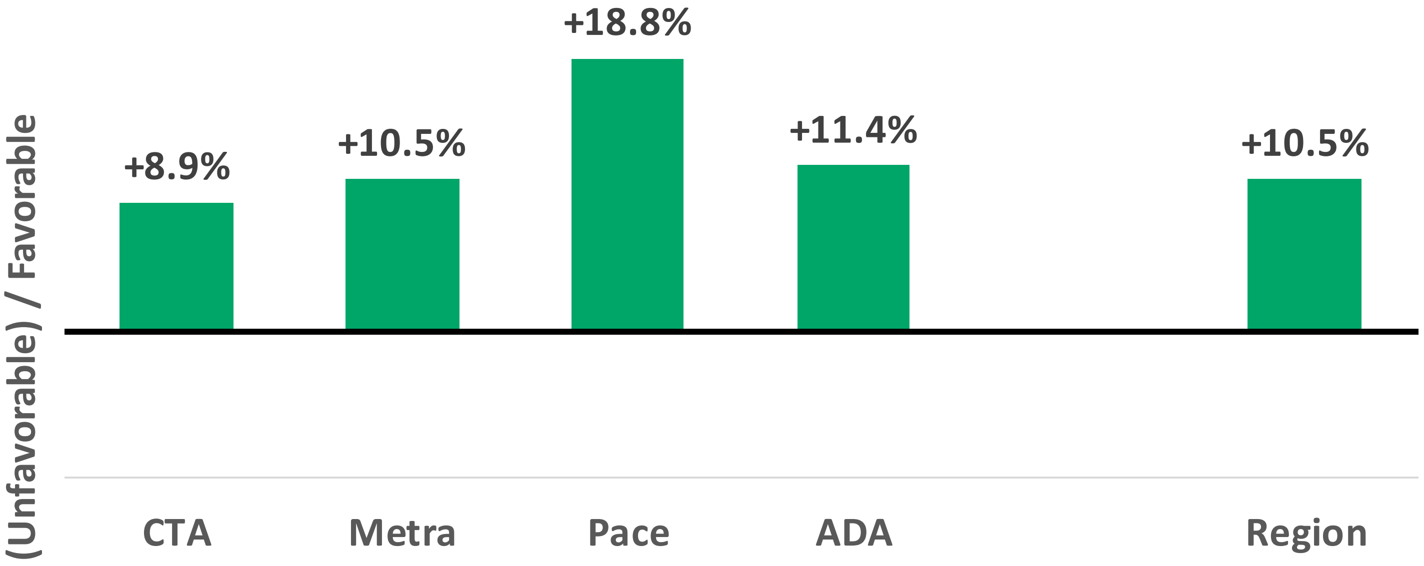
CALCULATION OF OPERATING DEFICIT (CTA)

(thru March)	Operating Revenue	−	Operating Expense	=	Operating Deficit
Budget	$78.9M	−	$444.5M	=	-$365.6M
Actual	$78.3M	−	$411.3M	=	<u>-$333.0M</u>

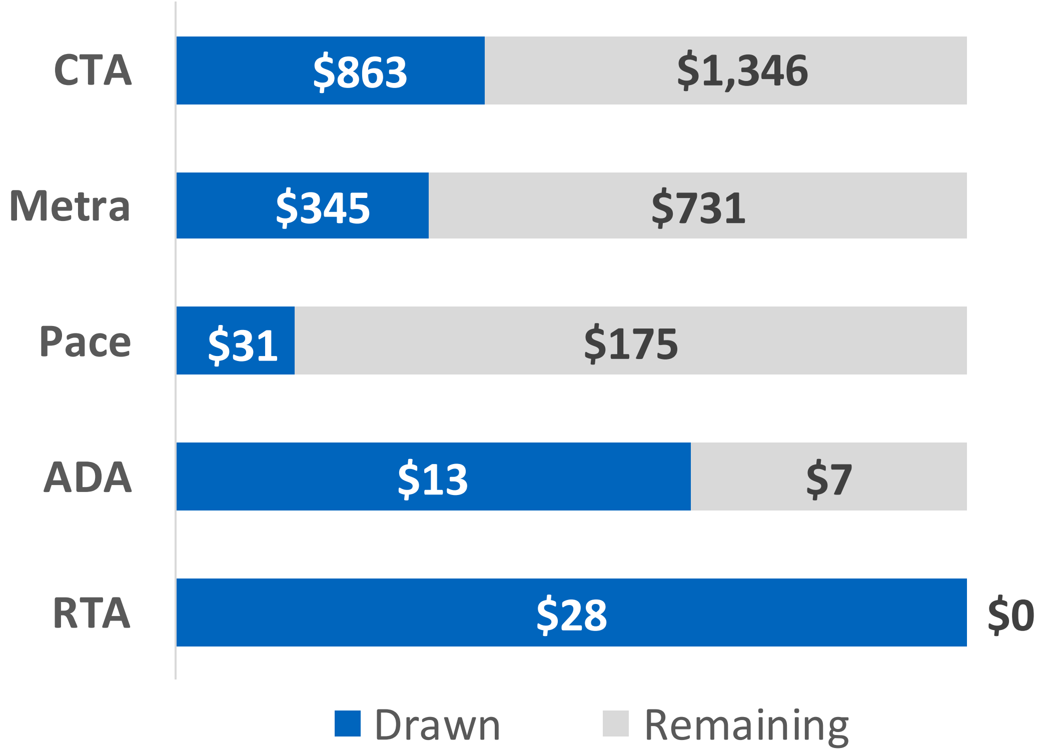
Operating Deficit Variance From Budget: +$32.6M or 8.9%

Regional Transportation Authority

OPERATING DEFICIT VARIANCES FROM BUDGET – YTD THROUGH 1Q



RELIEF FUNDING DRAWN (IN MILLIONS)



Region Total Drawn = 36.2%

$1.281B of $3.540B

FINANCE TERMS AND EQUATIONS

Operating Deficit = Operating Revenue – Operating Expense

- Also known as “Funding Requirement”
- Primary metric for quarterly certifications

Recovery Ratio = Operating Revenue / Operating Expense

- Types include “Farebox Recovery Ratio” and “Statutory Recovery Ratio”

Net Result = Operating Revenue + Public Funding – Operating Expense

- Also known as “Surplus / (Deficit)”

Regional Transportation Authority

7b.
ORDINANCE AMENDING THE 2022-2024 REGIONAL AND SERVICE BOARD OPERATING BUDGETS AND FINANCIAL PLANS AND ALLOCATING CARES ACT FUNDING RELEASED BY SOUTHEASTERN WISCONSIN

REASONS FOR BUDGET AMENDMENT

- Required by RTA Act, after April funding amendment
  - Incorporate increased RTA funding levels
  - Update federal relief funding projections
  - Opportunity to adjust ridership, revenue, and expense projections
- Provides updated base for 2023 budget development

Regional Transportation Authority

2022 OPERATING EXPENSES (IN MILLIONS)

	2022 Previous	2022 Proposed	Change	% Change
CTA	$1,746.8	$1,713.6	**($33.2)**	-1.9%
Metra	900.0	900.0	**---**	---
Pace Suburban Service	272.6	276.3	**3.7**	+1.4%
ADA Paratransit	225.6	228.8	**3.2**	+1.4%
RTA Agency	46.6	46.6	**---**	---
Debt Service and JSIF	213.1	213.1	**---**	---
Total	**$3,404.7**	**$3,378.4**	**($26.3)**	-0.8%

Regional Transportation Authority

RECOVERY RATIOS

	2022 Requirement	2022 As Budgeted
CTA	42.0%	50.6%
Metra	39.0%	48.1%
Pace	17.0%	17.0%
Region	**37.0%**	**45.4%**
Without federal relief funding:		22.4%

Regional Transportation Authority

FEDERAL RELIEF FUNDING UTILIZED

(in millions)	Total Apportionment	Actual Drawdowns thru 2021	Budgeted Drawdowns 2022-2024	Projected to Remain after 2024
CTA	$2,209.2	($785.9)	($1,114.8)	$308.5
Metra	$1,076.2	($292.9)	($586.2)	$197.1
Pace	$205.5	($26.7)	($121.8)	$57.0
ADA*	$20.0	($12.7)	($7.3)	-
RTA	$28.8	($28.8)	-	-
Total	**$3,539.7**	**($1,147.0)**	**($1,830.1)**	**$562.6**

* Excludes $0.7 million of CARES Act funding proposed in this ordinance

Regional Transportation Authority

CARES ACT ALLOCATION

- $741,649 of CARES Act funding released by SEWRPC
- Associated with Round Lake Beach UZA
- Recommend allocation to Pace for eligible suburban ADA Paratransit expenses

Regional Transportation Authority

RTAChicago.org

7c.
ORDINANCE APPROVING THE 2023 BUDGET CALL FOR THE ANNUAL OPERATING BUDGET, TWO-YEAR FINANCIAL PLAN, AND FIVE-YEAR CAPITAL PROGRAM

Regional Transportation Authority

BUDGET CALL - PURPOSE

- Defines budget and program development process
- Identifies requirements and sets budget calendar
- Conforms to budget criteria set in the RTA Act
- Supports the developing regional Strategic Plan

BUDGET CALL – KEY COMPONENTS

- Regional economic outlook
- Statement of revenues and expenses
- Operating statistics
- Recovery ratio calculations
- Federal funding utilization
- Capital program projects

Regional Transportation Authority

NEW CONSIDERATIONS FOR 2023-27

- Developing new Strategic Plan in parallel
- Temporary recovery ratio relief only thru 2023
- Two-year Financial Plan now includes 2025
- Decreasing reliance on federal relief funding
- Earlier deadline for draft capital projects

Regional Transportation Authority

2023-2027 CAPITAL PROGRAM CALL

- No major changes to the process or requirements
- Projects aligned with goals and requirements of Invest in Transit
- PAYGO and FTA formula funds allocated based on established performance-based capital allocation process for 2025 and beyond

Regional Transportation Authority

BUDGET CALENDAR (MAY - OCT)

- May 19 Board Adoption of Budget Call
- Early July Release of Preparatory Funding Amounts
- Jul-Aug Operating Funding Amounts Working Sessions
- Jul 15 Service Board Submittals of Capital Funding Estimates
- Aug 5 Preliminary Capital Funding Amounts Released
- Sep 15 RTA Board Meeting / Statutory Date for Funding Amounts
- Oct 7 Early Deadline for Capital Projects Draft (Exhibit G)
- Oct 14 Deadline for main Service Board Submittals to RTA

Regional Transportation Authority

BUDGET CALENDAR (OCT - DEC)

• Oct/Nov	Service Board Budget & Capital Program Public Presentations
• Nov 15	Statutory Date for Service Board Adopted Budget Submissions
• Nov/Dec	RTA Budget/Capital Program/Strategic Plan Public Hearings
• Nov 17	Service Boards Present Budgets at RTA Board Meeting
• Dec 15	Budget and Capital Program Considered for Adoption

7d.
ORDINANCES AUTHORIZING THE EXECUTION OF FEDERAL FUNDING ALLOCATION AGREEMENTS WITH NORTHWESTERN INDIANA AND SOUTHEASTERN WISCONSIN, AND AMENDING THE 2022-2026 CAPITAL PROGRAM FUNDING

Regional Transportation Authority

MAY AMENDMENT REQUESTS

- Requesting approval for 2 ordinances
  - Approving the Letters of Understanding with Northwestern Indiana and Southeastern Wisconsin
  - Approving the increase to the Capital Program due to increased funding from the Infrastructure Investment and Jobs Act

Regional Transportation Authority

INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA) SUMMARY

- Signed into law on November 15, 2021
- IIJA highlights for transportation
  - Safety
  - Modernization
  - Climate
  - Equity

ALLOCATIONS PROCESS

FTA publishes Federal Formula Funds

RTA sub-allocates funds among IL, IN, and WI

RTA sub-allocates among the Service Boards

Regional Transportation Authority

REGIONAL APPORTIONMENTS

State	Apportionment
Illinois (RTA)	$ 728,835,302
Indiana	$ 40,677,867
Wisconsin	$ 259,590
Total Regional Allocation	**$ 769,772,759**

Section 5310	Apportionment
Illinois (RTA)	$ 9,596,324
Indiana	$ 684,220
Wisconsin	$ 34,000
Total Regional Allocation	**$ 10,314,545**

SERVICE BOARD SUB-ALLOCATIONS

Service Board Capital	Apportionment
CTA	$ 422,724,475
Metra	$ 247,804,003
Pace	$ 58,306,824
Total RTA	**$ 728,835,302**

Regional Transportation Authority

ORDINANCES

- Approval of the Letters of Understanding Agreements (LOUs) and the 2022 Attachments for each LOU
- Approval of the Amendment to the 2022-2026 Capital Program

Regional Transportation Authority

RTAChicago.org

7e.
ORDINANCE AUTHORIZING THE PURCHASE OF EXCESS LIABILITY INSURANCE POLICIES BY THE RTA'S LOSS FINANCING PLAN / JOINT SELF-INSURANCE FUND

Regional Transportation Authority

RTA PENSION PLAN STRUCTURE

Participating Employers

- Metra, Pace, RTA (non-represented employees)

Administration

- Committee (2 representatives / employer)
- Board of Trustees (3 employees, 4 outside Trustees)

Support

- Actuary, Third Party Administrator, Outside Counsel, Investment Consultant

Regional Transportation Authority

CURRENT PENSION PLAN BENEFITS

Non-contributory (no employee contribution)
Lifetime annuity (vests after 5 years of service)
Normal retirement Age: 65
Early Retirement Age: 55 (with 10 years of service)
“Rule of 85” applies
Some eligible for lump sum benefit
Prior Service Credit for former CTA employees
Beneficiary, Joint Survivor and “pop-up” options

Regional Transportation Authority

PLAN FINANCES & PARTICIPATION

Contributions

- Employer contributions pro rata by compensation

Valuation

- 72.6% - 76.1% Funded as of January 1, 2021
- Conducted annually by actuaries
- 2022 valuation to be competed in August

Participants (as of January 1, 2021 Plan Valuation)

- 2600 Total
- 1156 Active
- 858 Active vested

Regional Transportation Authority

TRANSPARENCY & FLEXIBILITY

SUMMARY OF AMENDMENTS

Regional Transportation Authority

TRANSPARENCY

Open Meetings Act will apply to future meetings

- Pension Committee
- Pension Board of Trustees

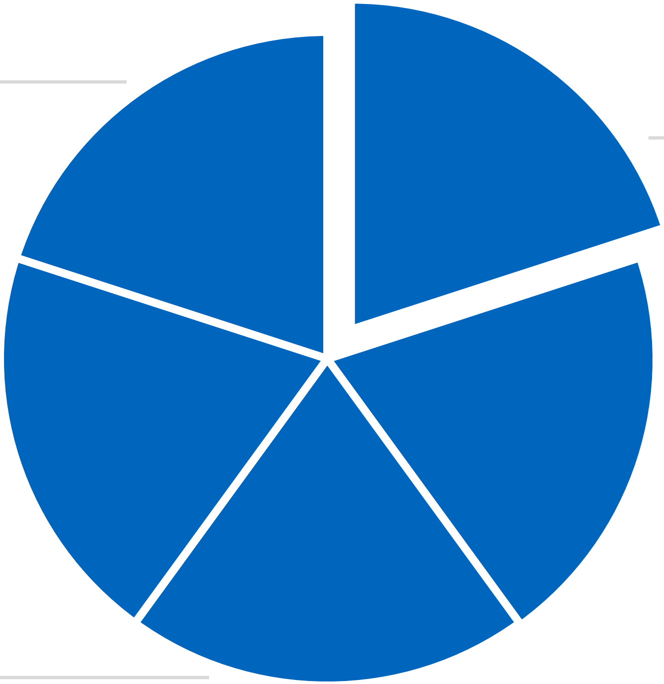
Confidentiality will continue to be maintained where required & permitted by OMA

Regional Transportation Authority

EVOLVING TALENT NEEDS

Remote Work

COVID-19 Pandemic



Great Resignation / Contemplation

Changing Ridership Trends

New Service Requirements

Regional Transportation Authority

PURCHASE OF SERVICE CREDIT

Cost neutral to Plan (all costs & fees borne by Participant)
Temporary 5-year window
New option available to already vested Participants
Cannot purchase to vest
Cannot purchase eligibility for lump sum payout
Payment plan permitted
Default= Participant receives actuarial value of payments made

Regional Transportation Authority

PURCHASE OF SERVICE CREDIT

Cost to the Employee – Example:

- 55 years of age
- 26 years of service
- final salary $100,000 at time of purchase

$19,284 – cost to purchase 1 year of service
$52,016 – cost to purchase 2 years of service
$72,646 – cost to purchase 3 years of service
$108,035 – cost to purchase 4 years of service
$128,918 – cost to purchase 5 years of service

(assumes future salary increases of 2.5% until projected eligibility for unreduced retirement)

Note that the years of Service Credit purchased in this scenario would count toward the employee's eligibility for the Rule of 85, but also in the ultimate calculation of the benefit the employee will receive.

Regional Transportation Authority

BENEFIT CHOICE – PENSION / 401(k)

- Option of employer contribution – 401(k) or Pension
- Available to new employees
- Elective deferrals continue under existing plan
- 90 days to make irrevocable decision
- Pension structure/benefits unchanged

BENEFIT COMPARISON

	Vesting	Employer Contribution	Match	Employee Contribution	Portability	Investment Control	Risk
PENSION (DB)	~5 years	~14%*	N/A	None required or permitted	None (outside 3 employers)	Voice	Employer: Investment & Longevity
401(K) (DC)	3 years "Cliff"	6 – 8%	None required	Employee Choice up to IRS limit	Yes	Choice	Employee: Outliving Balance

*Average over employee's tenure; Varies actuarially

Regional Transportation Authority

AMENDMENT RECAP

Increased Transparency

- Application of OMA

Competitive Recruitment & Retention

- Option of employer retirement contribution

Flexibility & Choice for Employees

- Purchase of Service Credit
- Option of employer retirement contribution

Cost Savings for Employers

- Option of employer retirement contribution
- Elimination of non-reciprocal Service Credit for former CTA employees

Process Improvements

- Clarification of Service Credit vis-à-vis normal retirement age and Long-Term Disability
- $25 increase in non-employee Trustee stipend

Regional Transportation Authority

RTAChicago.org

7f.
ORDINANCE AUTHORIZING AN AMENDMENT TO THE RTA PENSION PLAN

Regional Transportation Authority

7g.
ORDINANCE AUTHORIZING A CONTRACT TO CONDUCT GRANT CLOSE-OUT AUDITS

RTAChicago.org

7h. ORDINANCE AUTHORIZING A CONTRACT FOR AERIAL PHOTOGRAPHY

Regional Transportation Authority

7i.
APPROVAL OF TRAVEL EXPENSES REIMBURSEMENT(S)

8.
NEW BUSINESS

NEXT MEETING AND ADJOURNMENT

The next meeting of the RTA Board of Directors is scheduled for Thursday, June 16, 2022. 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.

STAY CONNECTED

- RTAChicago.org
- Connections blog – Blog.RTAChicago.org
- Facebook.com/ChicagoRTA
- @RTA_Chicago
- @RTA_Chicago
- Youtube.com/RTAChicagoland

Regional Transportation Authority