

MEETING OF THE RTA BOARD OF DIRECTORS SEPTEMBER 15, 2022

Welcome!

Meeting Starts at 9 a.m.

Meeting Agenda

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



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

PLEDGE OF ALLEGIANCE



RTA BOARD OF DIRECTORS MEETING

2. ROLL CALL

3. APPROVAL OF MINUTES

4. PUBLIC COMMENT



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5. EXECUTIVE DIRECTOR'S REPORT



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GOVERNMENT AFFAIRS UPDATES

A photograph of the Illinois State Capitol building, a large, ornate, light-colored stone structure with a prominent central dome and classical columns. In the foreground, a bronze statue of a man in a suit stands on a tiered stone pedestal. The building is flanked by large, leafy green trees, and the sky is a clear, pale blue.

2023 COMMUNITY PLANNING CALL FOR PROJECTS

- Open Sept 26 - October 14, 2022
- Held jointly with CMAP
- Seeking applications for planning and implementation projects that support the RTA Strategic Plan
- Priority given to High and Very High need communities
- Project awards in Winter 2023



TODAY'S AGENDA



6. INFORMATION ITEMS

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6a. STRATEGIC PLAN UPDATE

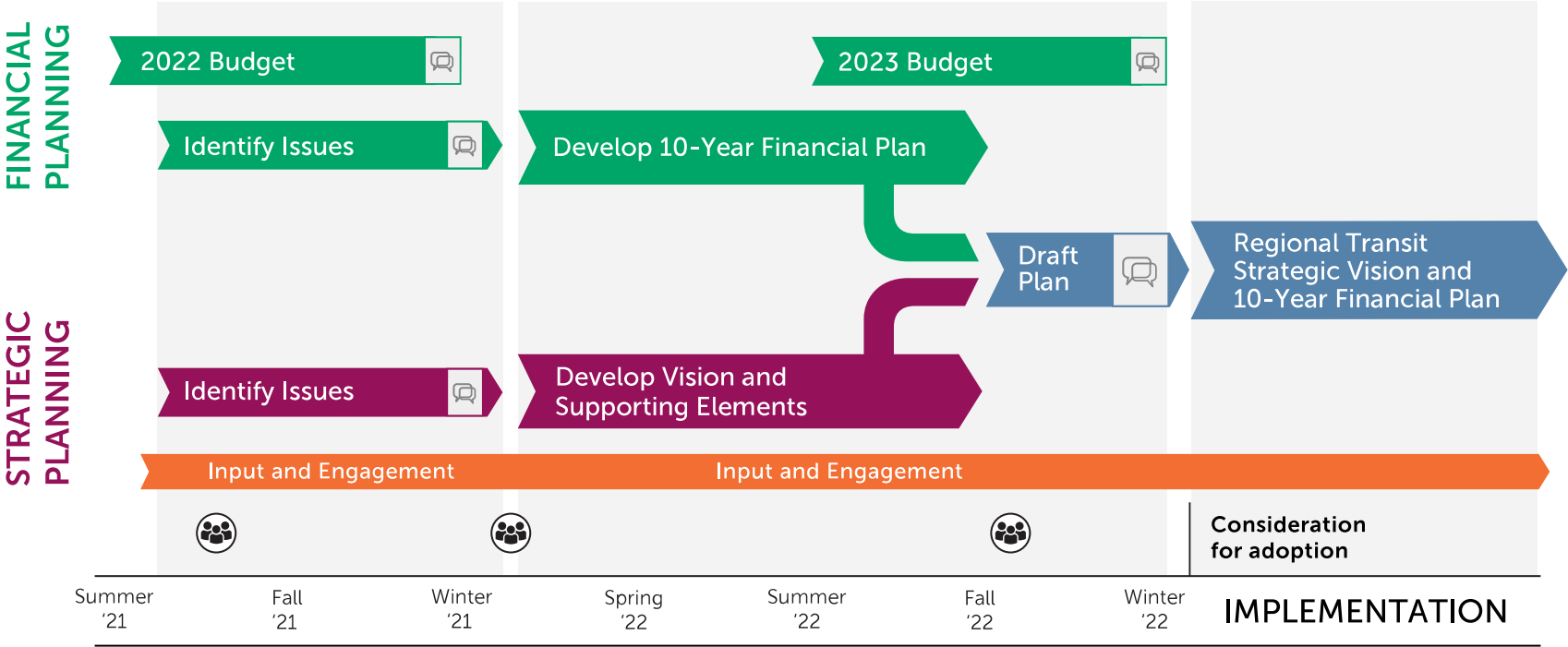


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Regional Transit Strategic Plan Timeline

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



2023 Agenda for Advocacy and Action

Advocacy

- RTA and Service Boards can advocate but regional partners need to act in order to advance
- Critical component to accomplishing actions
- May be longer-term
- Substantive policy & partnership changes
- 7 areas

Action

- RTA and Service Boards can take action to implement with the support of regional partners
- Areas where agencies can focus to act on feedback from stakeholders
- More immediate
- Address changing and unmet needs
- 7 areas

Advocacy Areas

- A. Secure increased funding for transit operations
- B. Develop a budget less reliant on rider fares, but instead focused on expanding access to opportunity.
- C. Build a coalition around the value transit brings to the Chicago region.
- D. Support communities' efforts** to improve the area around their transit stations and stops and pursue equitable transit-oriented development.
- E. Engage with communities in an inclusive and transparent way about how transit dollars are spent in the Chicago region.
- F. Secure increased funding for transit infrastructure.
- G. Partner with roadway agencies to build more transit-friendly streets and advance bus rapid transit.

Action Areas

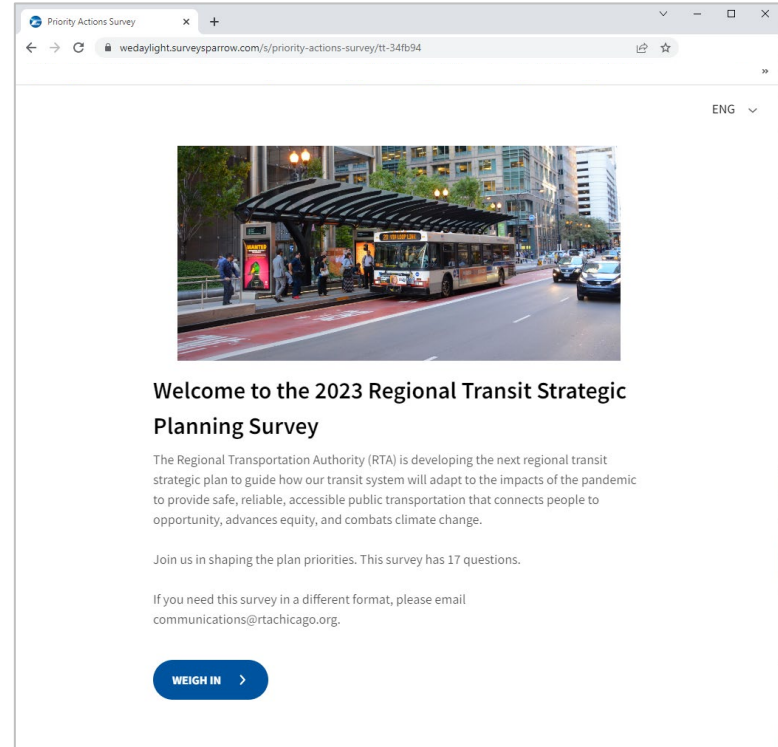
1. Make the transit system safer and more secure for everyone.
2. Use new funding as a catalyst to create a fully accessible transit system.
3. Provide more accurate, real-time travel information for riders.
4. Make paying for transit **more seamless and more affordable**.
5. Accelerate the transition to a near-zero emission regional transit system and prioritize communities burdened by poor air quality.
6. Assess the regional capital program in a new way including considerations for racial equity and mobility justice.
7. Adapt bus and rail service to meet the changing needs of riders.

Input: Stakeholder Meetings

- RTA Executive Team and Staff holding meetings with stakeholders throughout region including:
 - Individual RTA Board members
 - Service Board staff and leadership
 - County Board Chairs and DOT staff
 - Elected officials
 - Councils of Governments (COGs)
 - Advocacy groups

Input: Public Survey

- Launched September 1
- Available through September 30
- Promoted via newsletter and social media
- Toolkit available for partners – please spread the word!



<https://bit.ly/rta-priority-actions-survey>

Input: Transit Rider Interviews

- Interactive booths at events throughout region
 - GO Waukegan Glow Walk
 - Shop Roseland
 - Chicago Bike the Drive
 - Latino Music & Food Festival
 - Johnny Appleseed Festival
 - Kane County Flea Market
 - Dupage coming soon
- Sharing info and hearing rider testimonials

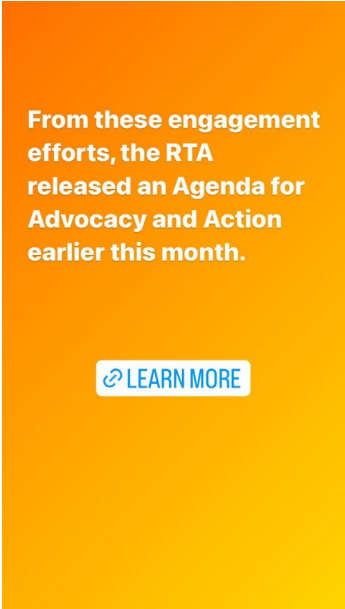




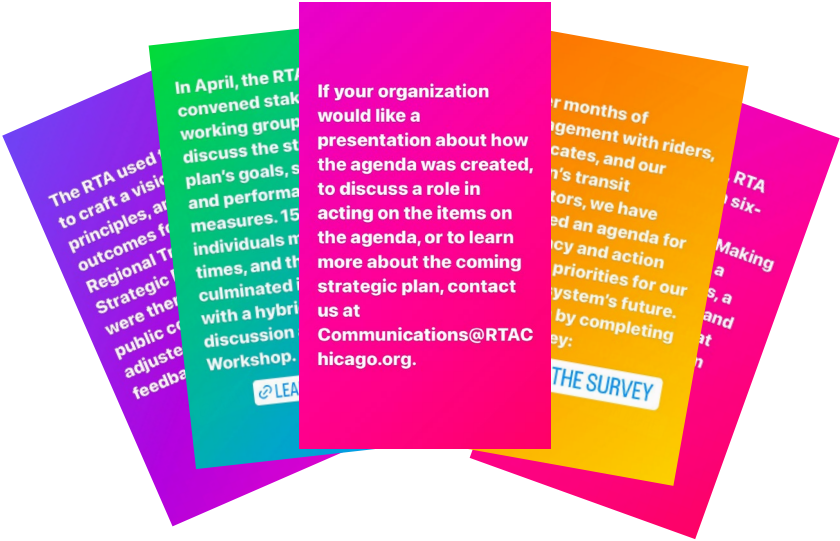
Social Media Promotion



Twitter



Instagram Stories



Next Steps

- **Stakeholder meetings** to continue
- **Public Input Survey:** Open through September
- **Transit Rider Interviews:** Continuing
- **RTA Board** update in October to include:
 - Summary of input to date
 - Update on technical working groups
- **Draft strategic plan open for public comment:**
Early December

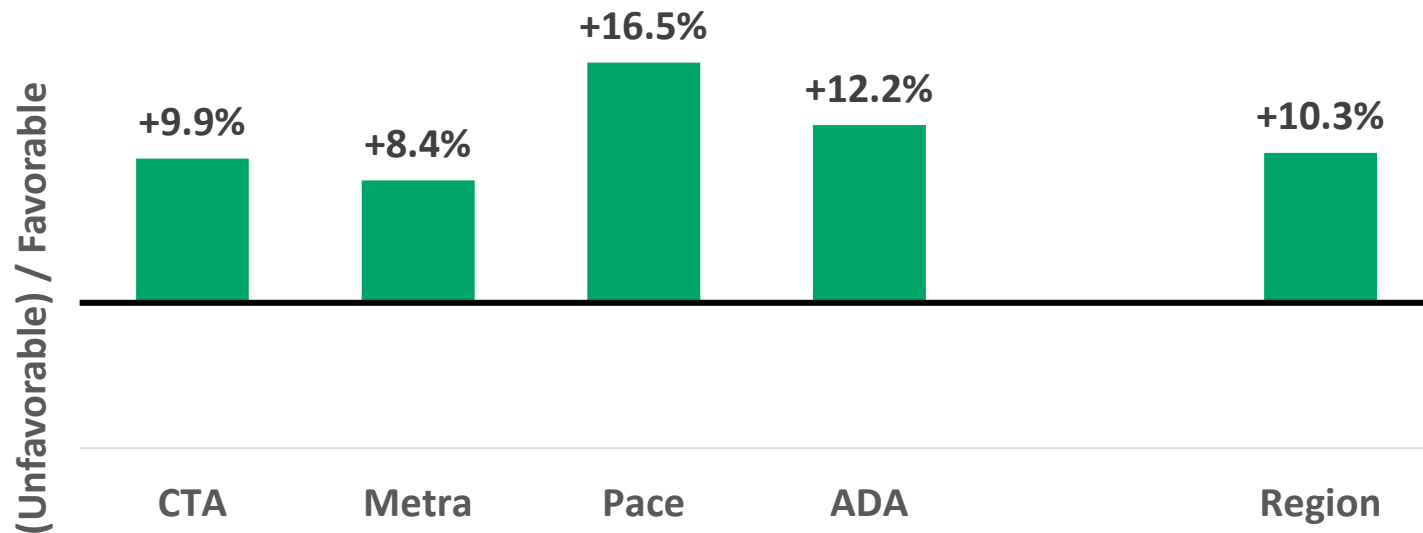


6b. REPORT ON MONTHLY FINANCIAL RESULTS – JULY 2022

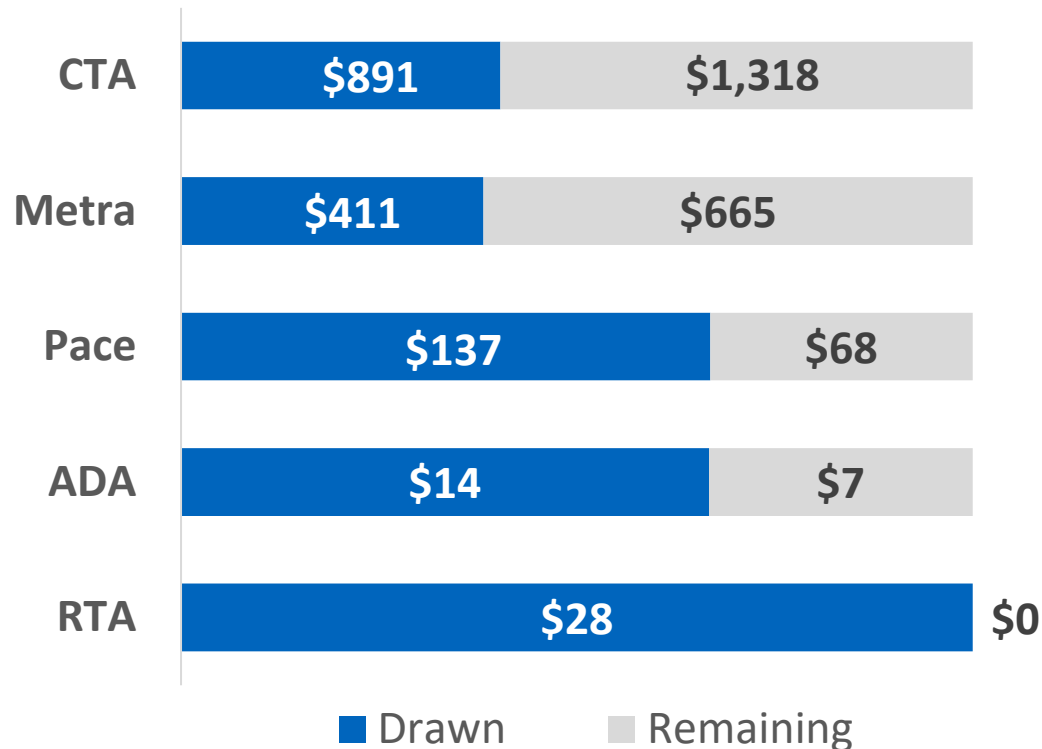


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OPERATING DEFICIT VARIANCES FROM BUDGET – YTD THROUGH JULY



RELIEF FUNDING DRAWN (IN MILLIONS)

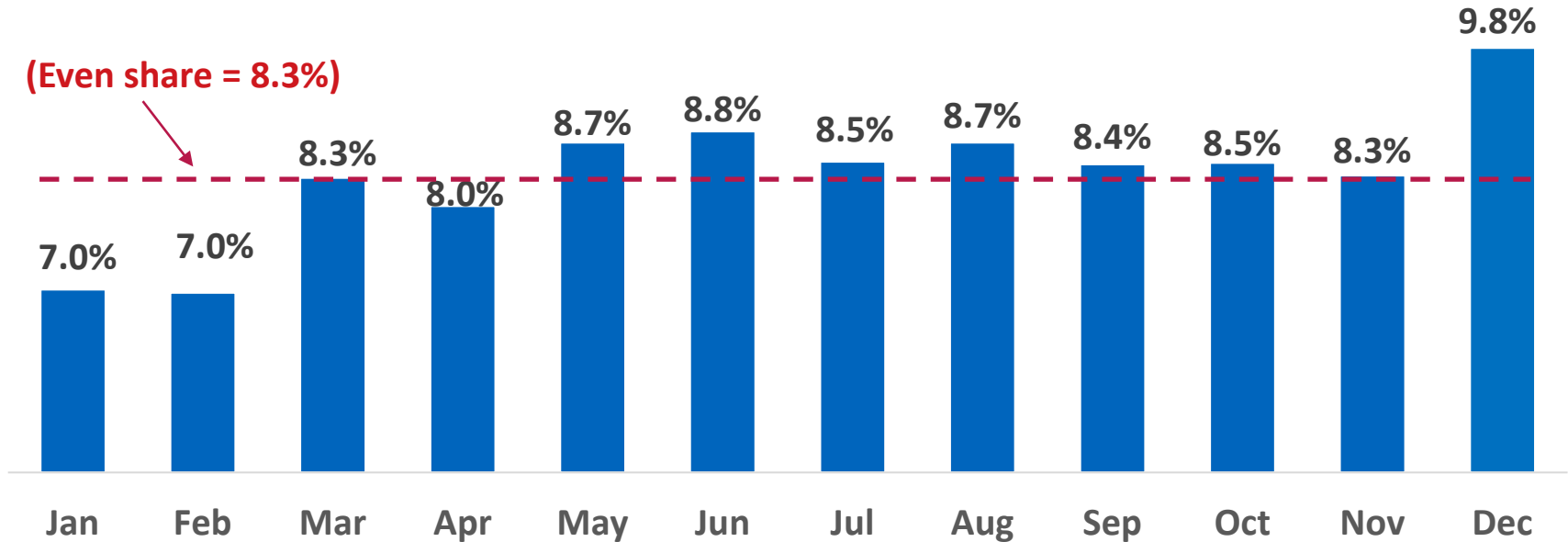


**Region Total
Drawn = 41.9%**

**\$1.482B
of
\$3.540B**

RTA SALES TAX SEASONALITY BY MONTH

(AVERAGE SHARE OF ANNUAL TOTAL, 2015-2019)



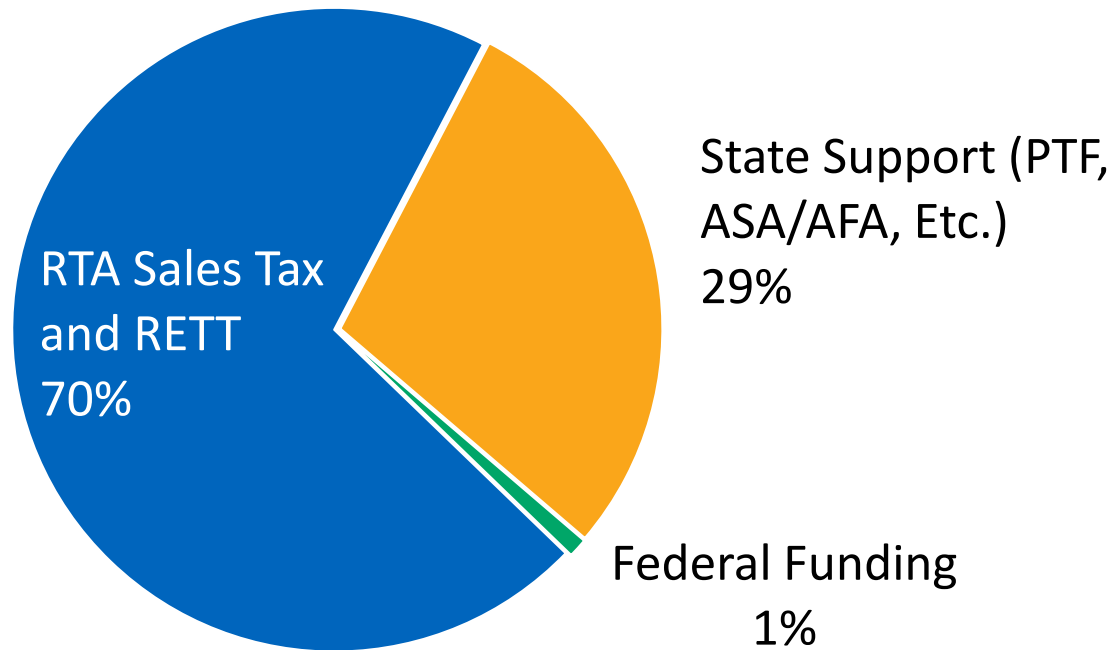
OTHER PUBLIC FUNDING - STATE

	<u>2022 Budget</u>
Public Transportation Fund - I	\$281.0M
Public Transportation Fund - II	\$195.9M
Reduced Fare Reimbursement	\$17.6M
Funding for ADA Paratransit	\$8.4M
SCIP Debt Service Assistance (ASA / AFA)	<u>\$130.3M</u>
	\$633.1M

OTHER PUBLIC FUNDING – MISC.

	<u>2022 Budget</u>
Real Estate Transfer Tax (RETT)	\$75.1M
Federal Funding - RTA Programs	\$11.1M
Federal Funding - Pace CMAQ	<u>\$8.4M</u>
	\$94.6M

PUBLIC FUNDING SUMMARY - \$2.2B



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)”

7. ACTION ITEMS



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7a. ORDINANCES AUTHORIZING AMENDMENT OF THE 2022- 2026 CAPITAL PROGRAM, AND TIME EXTENSIONS AND FUNDING RE-ALLOCATIONS FOR ICE FUNDED PROJECTS



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2022-2026 FUNDING CHANGES (IN MILLIONS)

2022-2026 Capital Program Funding Changes	Current	Change	Proposed
Chicago Transit Authority	\$2,532.08	\$83.67	\$2,615.75
Metra	\$1,573.39	\$0.00	\$1,573.39
Pace	\$307.91	\$1.75	\$309.66
2022-2026 Capital Program Total Available	\$4,413.38	\$85.42	\$4,498.80

CTA PROJECT CHANGE HIGHLIGHTS

Red Purple Modernization (RPM) – Phase 1

- Final \$265.5M in federal funds allocated
- Full federal investment totals \$956.6M



CTA PROJECT CHANGE HIGHLIGHTS

Red Line Extension (RLE)

- Estimated total project budget increased from \$2.4B to \$3.6B
- CTA is currently in Design Phase
- CTA plans to issue \$40M in bonds



CTA PROJECT CHANGE HIGHLIGHTS

New Control and Training Center

- Rebuild Illinois bonds to be reprogrammed
- Reduce the need for additional CTA Bond issuances



PACE PROJECT CHANGE HIGHLIGHTS

- Reprograms \$1.75M for 2 electric bus purchases



ICE PROGRAM AMENDMENTS

- Authorizes 12-month extensions for 6 Metra and 2 Pace ICE-funded projects.
- Authorizes related changes to the funding allocated to certain projects found in the memo

**7b.
ORDINANCE ESTABLISHING
ESTIMATES OF FUNDING AMOUNTS
AVAILABLE TO THE SERVICE
BOARDS FOR THE 2023-2025
OPERATING BUDGETS, THE
REQUIRED RECOVERY RATIOS FOR
2023, AND THE PRELIMINARY 2023-
2027 CAPITAL PROGRAM FUNDING
AMOUNTS**

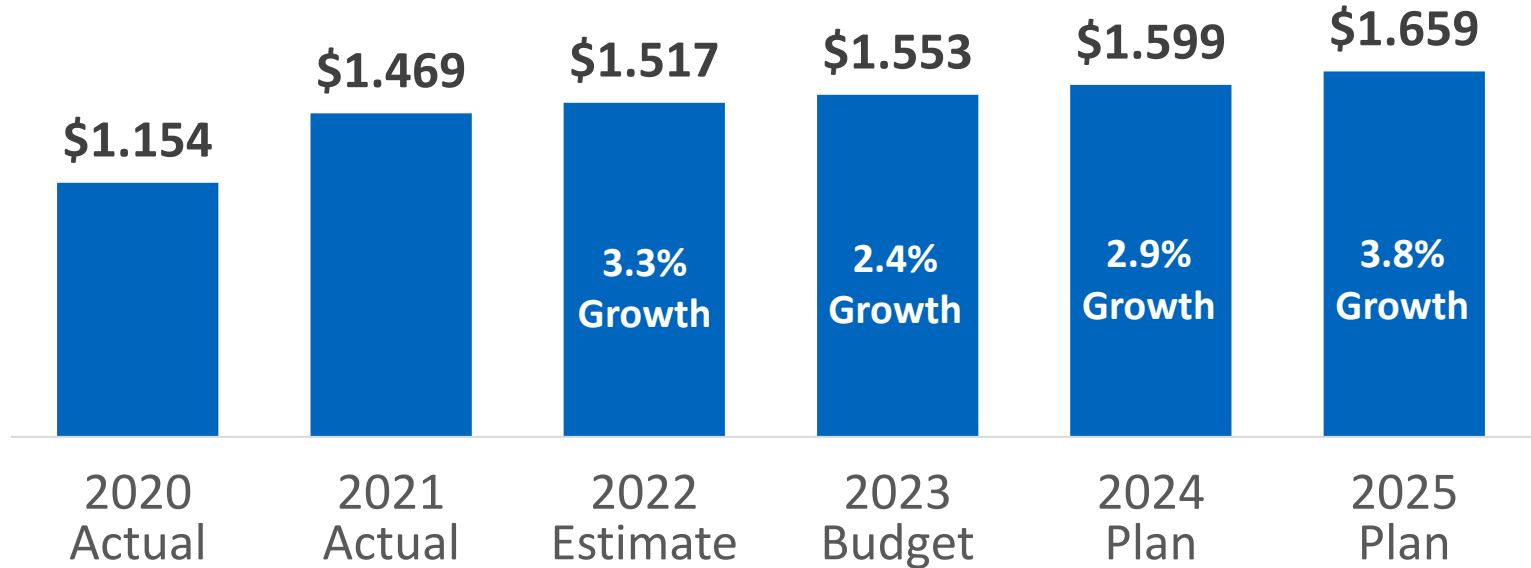


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OPERATING FUNDING CONSIDERATIONS

- RTA Act requires funding amounts for upcoming year to be established by September 15th
- Service Boards develop budgets utilizing the funding amounts set by the RTA Board
- RTA funding will combine with federal relief funding and system-generated revenue to support operating expenses

RTA SALES TAX FORECAST (IN BILLIONS)



ADDITIONAL OPERATING FUNDING ASSUMPTIONS

- State FY 2023 budget includes:
 - PTF at full (uncut) 30% match of sales tax and RETT
 - ADA Paratransit funding = \$8.4M
 - ASA/AFA = \$130.3M

PROPOSED RTA OPERATING FUNDING

(IN MILLIONS)

	2022 Budget	2023 Proposed	\$ Change	% Change
CTA	\$1,002.1	\$1,044.0	+\$41.9	+4.2%
Metra	\$503.6	\$523.6	+\$20.0	+4.0%
Pace	\$205.3	\$213.3	+\$8.0	+3.9%
ADA Paratransit	\$216.4	\$225.9	+\$9.5	+4.4%
Debt Svc and JSIF	\$81.4	\$79.7	-\$1.7	-2.1%
RTA Agency	\$35.2	\$36.3	+\$1.1	+3.0%
Total	\$2,004.0	\$2,122.8	+\$78.8	+3.9%

Includes sales tax, PTF, and RETT.



SYSTEM-GENERATED REVENUE RECOVERY RATIOS

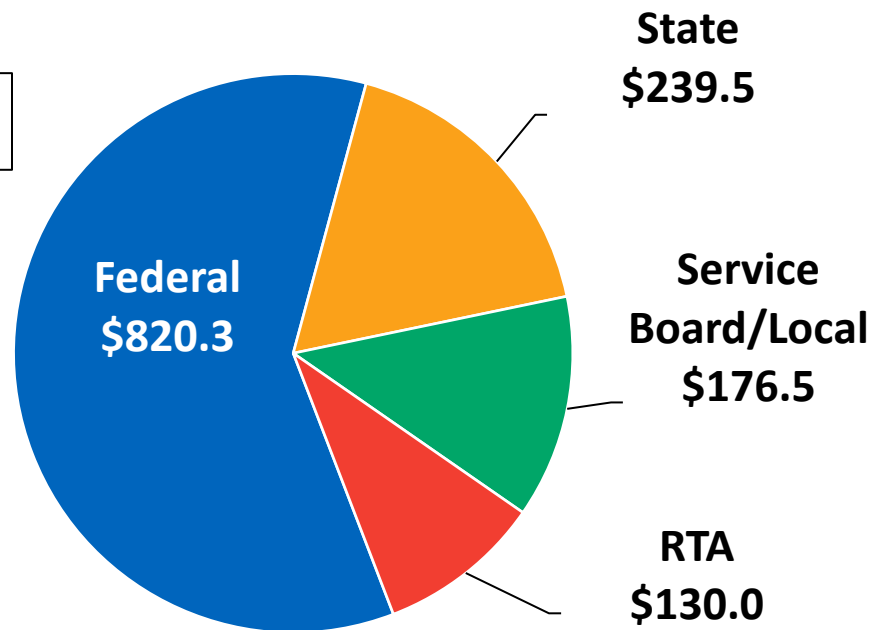
	2021 Actual	2022 Requirement	2023 Proposed
CTA	47.1%	42.0%	42.0%
Metra	36.7%	39.0%	39.0%
<u>Pace</u>	<u>19.9%</u>	<u>17.0%</u>	<u>17.0%</u>
Region	40.3%	37.0%	37.0%
ADA Paratransit	10.4%	10.0%	7.5%

NEW THIS YEAR

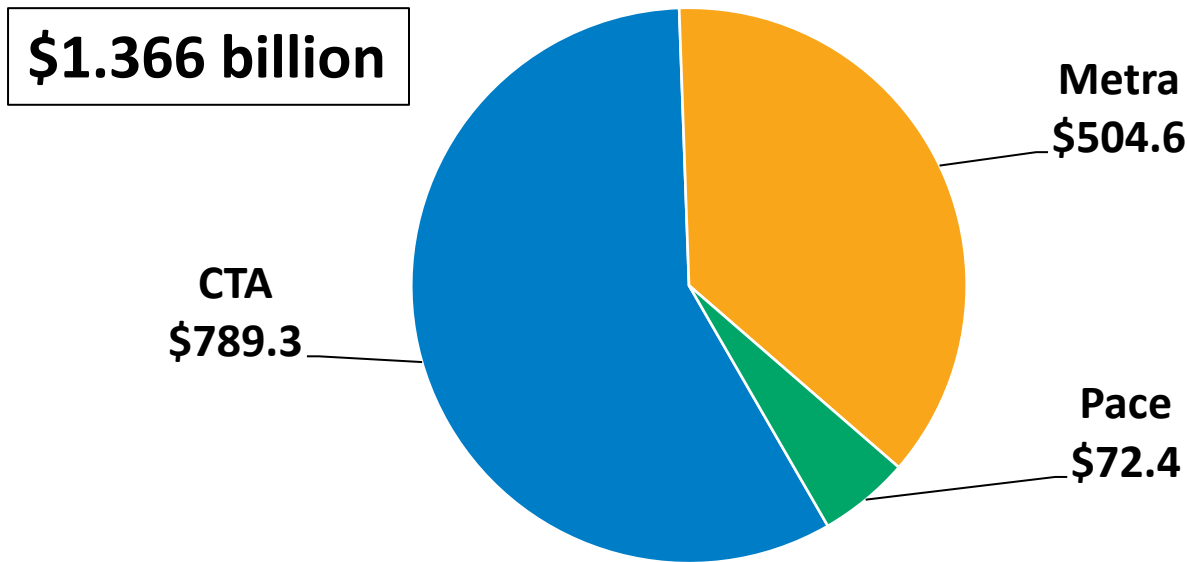
- ICE funding process change
 - Two-year pause to allow programming of actual amounts
- Rescind positive budget variance (PBV) policy
- Confirmation of Nov 2021 ARP Act funding allocations

2023 CAPITAL PROGRAM SOURCES (IN MILLIONS)

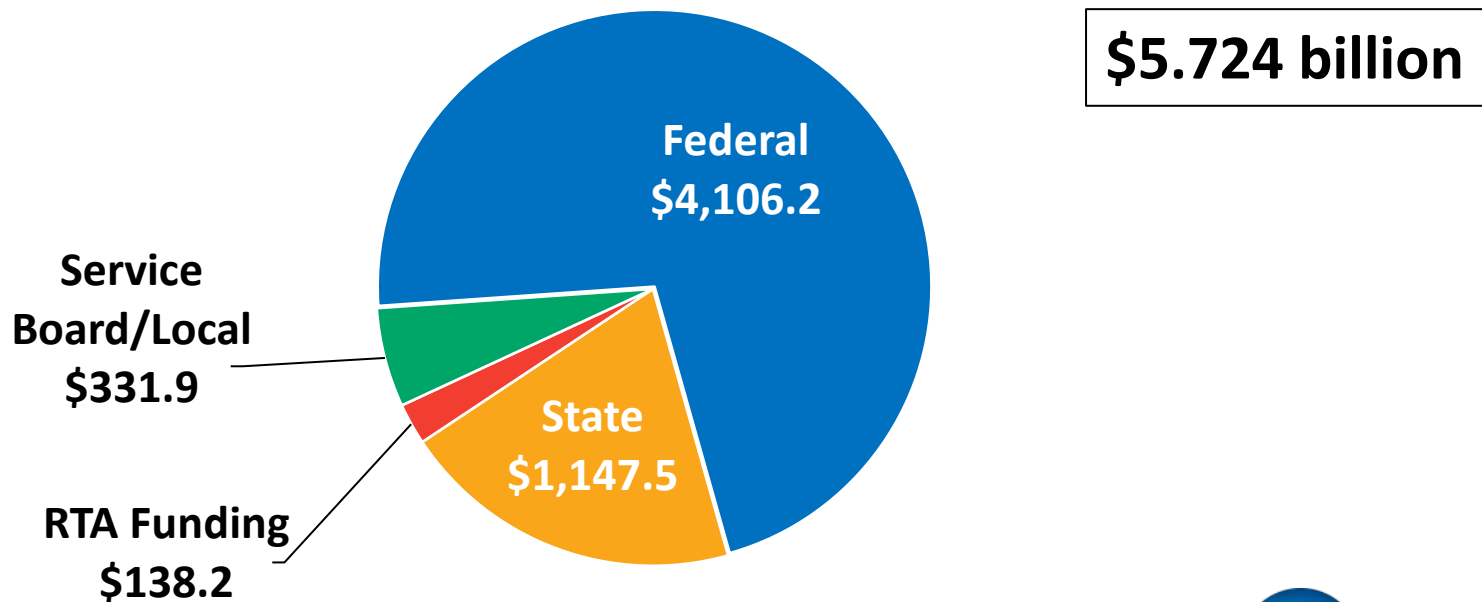
\$1.366 billion



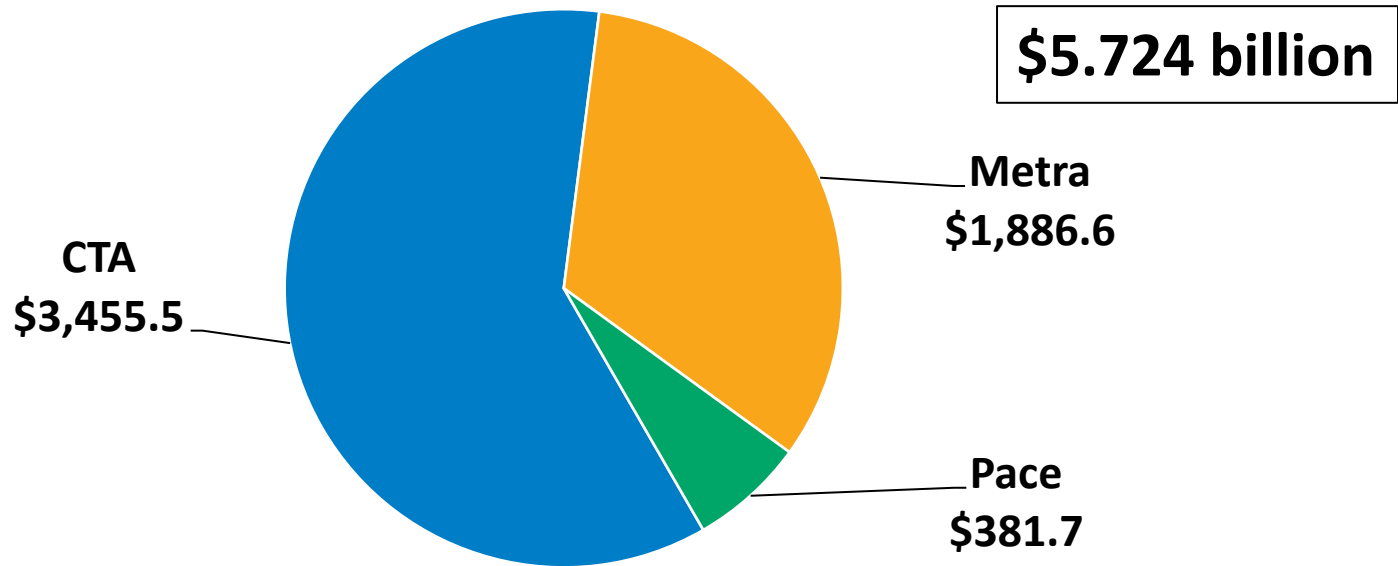
2023 CAPITAL PROGRAM ALLOCATION (IN MILLIONS)



2023-2027 CAPITAL PROGRAM BY FUNDING SOURCE (IN MILLIONS)



2023-2027 CAPITAL PROGRAM ALLOCATION (IN MILLIONS)



CAPITAL ALLOCATION STRUCTURE

1

Addressing Capital Reinvestment Need

Base funding allocation on each Service Board's proportion of the regional annual capital need to achieve a State of Good Repair in 20 years.

2025-2026 CTA: 59.7%, Metra: 32.8%, Pace: 7.5%

2027 CTA: 59.7%, Metra: 33.2%, Pace: 7.1%

CAPITAL ALLOCATION STRUCTURE

2

Incentivize Quick Completion of Projects

Apply capital expenditure performance metrics to half of the allocation, withholding up to 20 percent of total funds where targets are not achieved.

Potential 2027 Withholdings	
CTA including Debt Service Payments*	\$ 0
CTA not including Debt Service Payments*	\$ 2,109,742
Metra	\$ 2,062,390
Pace	\$ 1,297,774
Total	\$ 5,469,906

CAPITAL ALLOCATION STRUCTURE

3

Advancing Policy Priorities

Each Service Board will be required to program 20 percent of its of annual allocation on projects that advance regional policy priorities, specifically accessibility or equity.

2023 BUDGET CALENDAR



- May 20 Board Adoption of Budget Call
- July Release of Preparatory Funding Amounts
- **Sep 15** **Presentation of Proposed Funding Amounts to RTA Board**
- Oct 7 Submission of Draft Proposed Capital Programs
- Oct 14 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 17 Transit Agencies Present Budgets to RTA Board
- Dec 15 Regional Budget Considered for Adoption

7c. ORDINANCE AMENDING THE TRAVEL AND BUSINESS EXPENSE POLICY



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7d. APPROVAL OF TRAVEL EXPENSES REIMBURSEMENT(S)



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8. NEW BUSINESS



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NEXT MEETING AND ADJOURNMENT

The next meeting of the RTA Board of Directors is scheduled for Thursday, October 20, 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.

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