

**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, February 18, 2021 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 (16):** Andalcio, Canty, Carey, Coulson, Frega, Fuentes, Gathing, Groven, Holt, Kotel, Lewis, Melvin, Pang, Ross, Sager, Chairman Dillard

**Approval of minutes from the meetings held on January 21, 2021**

Director Pang moved, and Director Andalcio seconded that the minutes from the public meeting and Executive Session held on January 21, 2021 be approved 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

**Public Comment**

There were no public comments submitted for this meeting.

**Executive Director's Report**

Ms. Leanne Redden began by calling the Board's attention to a January 29<sup>th</sup> nationwide order by the CDC requiring that masks be worn by riders and operators of public transportation. "We continue to applaud the Service Boards' efforts to ensure safe rides and a safe workplace for their staff," she said.

Ms. Redden also congratulated Jeff Nelson of Moline on his appointment as Board Chair of the APTA and Nuria Fernandez, who also has strong ties to Illinois, on her appointment as the Acting Administrator and senior official of the FTA. She noted that the Senate has confirmed Pete Buttigieg as the new Secretary of Transportation who believes strongly in transit and knows our region well.

She continued by reporting that on February 8<sup>th</sup>, the House Committee on Transportation and Infrastructure released a COVID-19 emergency relief funding package that includes \$30 billion for public transit nationwide. The transit proposal is part of a larger \$1.9 trillion relief and stimulus package that President Biden and Democratic leaders are hoping to pass through Congress in upcoming weeks through the budget reconciliation process, which would allow the legislation to pass the Senate with a simple majority. She added that the stimulus package also includes \$350 billion for state and local relief. Early estimates suggest Illinois could receive up to \$7.5 billion in relief with additional funding for Illinois municipalities. The hope is that this additional state funding will mitigate some of the budget pressures on our state and lessen the need for cuts to funding that affects the transit system.

She said that neither chamber of the Illinois General Assembly plans to meet in person during the month of February due to COVID precautions. The House recently passed a resolution allowing for remote participation and voting in committees. The Senate has also previously authorized some forms of remote legislating. Therefore, both chambers intend to conduct committee business remotely throughout the next month.

Ms. Redden said that Governor Pritzker released his proposed budget for state fiscal year 2022. The Governor's Office of Management and Budget has projected that the State will need to fill a \$2.6 billion budget hole in FY 2022 without additional relief from the federal government, she said. While the proposed budget does not contain any direct tax increases, it does propose some changes to the state's corporate tax structure that would result in \$932 million in additional revenue.

She stated that the Governor proposes to close the remaining gap with cuts across multiple agencies and state programs, including an additional 5% reduction to the RTA's PTF funding for FY 2022. She reminded the Board that the State had already previously reduced PTF funding to the RTA by 5% in FY 2021. The additional reduction would result in a proposed 10% decrease in PTF funding in 2022. Although the federal COVID relief funding for state governments should alleviate the need for these additional cuts to come to fruition, she said, RTA staff will continue to monitor and discuss the criticality of state transit funding with the Governors' office and legislators.

Moving on to continued actions in Step 2 of the three-step COVID recovery strategy, she said the next task is to execute the budget and sustain critical transit service by amending our budget as needed. Ms. Redden described three key reasons for optimism.

First, the \$900 billion COVID relief package that became law on December 27, known as CRRSAA. Congress intended that these emergency funds be used to provide operational relief to transit agencies across the country to ensure continued operations throughout 2021, setting aside approximately \$14 billion for transit nationwide. Ms. Redden said the legislation limits funding to transit agencies when combined with CARES Act funding to no more than 75% of its total 2018 regional operating budget.

Second, due to the relief funding cap that is specified in the CRRSAA law and the allocation of CARES Act funding, an agreement with our regional partners at the NIRPC means the entire amount of \$486.2 million will be allocated to the RTA region.

Third, RTA sales tax receipts have been affected less by the pandemic than had initially been feared. This means an additional \$106 million is available to fill budget needs this year.

She stressed that this discussion and any recommended action resulting from it will be unique and specific to this moment in time – these relief funds and this situation – and how it relates to our Step 2 recovery process. And she reiterated that the RTA is committed to a transparent, accountable, and collaborative process for distribution of these funds and throughout every step of this recovery strategy. Staff welcomes questions, feedback, and comments from the board and all stakeholders.

She concluded her remarks on this topic by stating that following the Board meeting the recommendations and accompanying analysis will be released for a public comment period through March 5<sup>th</sup>. At RTA meeting on March 18<sup>th</sup>, the Board will consider recommended allocation and initiate a budget amendment for the 2021 operating budget. Beginning in May, staff will continue to execute on Step 2 while initiating Step 3 of the recovery effort, which takes a strategic planning approach looking to 2023 and beyond.

Next, Ms. Redden described staff's efforts to update the Human Services Transportation Plan, which includes recommendations about how to improve the transportation system for older adults, individuals with disabilities, and low-income populations. This will be described in detail at the Board's March meeting. The RTA is hosting a webinar to discuss the plan and other ways to improve transportation access and equity across the region on Tuesday, March 9. RTA staff will be joined by our partners at MPC, the McHenry County Division of Transportation, and the National Center for Mobility Management to talk about this important topic. The link to register for the webinar is on the RTA homepage.

Ms. Redden concluded remarks by reporting the state delinquency figures for this month. Through the end of December, the State owes the RTA \$188.2 million of ASA, AFA, and PTF. The State is 7 months behind on ASA and AFA, and the equivalent of 3.7 months behind on PTF. The YTD cost of short-term debt is \$243,000. The final 2020 cost of short-term debt was \$5.1 million.

#### **Update on activities of the RTA Citizens' Advisory Board**

Chairman Dillard welcomed Ms. Jackie Forbes as the Chairwomen of the RTACAB. She thanked the Board and then provided an update of the activities of the RTACAB. Ms. Forbes indicated that the RTACAB last met on January 25, 2021 and in addition to the standing update about activities related to Government Affairs, a number of topics were highlighted at the meeting. She reported that the RTA's budget and Analysis group provided a presentation on the adopted 2021 budget and the budgetary challenges that the region is facing due to the impact of COVID-19 on transit operations. In addition, to help the RTACAB members better understand how the system is funded, an educational overview of the RTA funding structure was provided. The Planning and Market Development Group provided an update on the progress of the RTA's ADA Paratransit Innovation Study. This study is focused on identifying innovations that can be piloted or tested to make ADA paratransit more sustainable for the long-term. The Study's consultant team in cooperation with RTA staff is completing the study's action plan and is drafting a final report for the study's advisory committee. The committee will begin outreach efforts before formally presenting the study's findings to Pace, and Pace will then be charged with the effort of creating a pilot or pilots based on the study's recommendations to determine whether they will provide efficiencies for the system. Staff then provided a briefing on the process that is underway to update the Human Services Transportation Plan (HSTP). She indicated that the draft revamped HSTP is available on the RTA website and board adoption of the updated HSTP will be requested at an upcoming RTA Board meeting. Lastly, Ms. Forbes reported that the RTA's Director of Communications, provided an overview of the structure and function of the RTA, as several RTACAB members were recently appointed to the Board.

#### **Presentation of the Quarterly Performance Report – Fourth Quarter 2020**

Ms. Karin Allen presented the Quarterly Performance Report that details performance for the whole year 2020 in comparison to 2019. As with prior reports, the report included a consistent set of measures relating to each strategic goal and highlighted an activity or event of interest related to each goal. This quarter's spotlights highlighted PAYGO funding, international transit agency ridership, and regional mobility pilot projects.

For the first strategic goal - Deliver Value on Our Investment, Ms. Allen reported on capital funding and expenditures. Funding saw a significant jump in 2020 as Rebuild IL funds were shifted from the outyears (2021-24) to 2020. Capital expenditures of \$1.1 billion were 3% higher compared to 2019. Operating performance was unfavorable to 2019, as a 58% decrease

in ridership negatively impacted operating cost per passenger trip and fare revenue per passenger trip. The performance spotlight included an update on PAYGO funds, a dependable capital funding resource that comes from the motor fuel tax. In Q4 2020, PAYGO grants totaling \$227M were issued to the Service Boards, with another \$227M expected to be granted in 2021.

Goal 2 - Build on the Strengths of Our Network, Ms. Allen showed a 10-year trend chart showing that vehicle revenue miles decreased over 18% in 2020 and were nearly 14% lower compared to 2011. The Performance Spotlight for Goal 2 focused on ridership data from 80 transit agencies from around the world that are sharing data with the International Association of Public Transport, including the RTA. The Chicago area ridership recovery has been significantly lower, but smoother, compared to international peer agencies.

For Goal 3 - Stay Competitive; ridership was down 58% compared to 2019, and average speed was down about 2%. On-time performance for each Service Board was: CTA bus 82.3%, Metra 96.5%, and Pace bus 83.0%. The Performance Spotlight focused RTA mobility pilot projects throughout the region, which have a goal of testing ways to connect people with jobs in markets that are traditionally difficult to serve by transit. Pilot projects with Lyft, Moovit, Uber, and Via have shown some success and flexibility in connecting riders with fixed-route services, and may point to a way to help build back ridership as commuting slowly returns to the region.

Director Lewis asked if there is any plan to provide mobility projects around the new Amazon Facilities. Ms. Leary answered that Pace provides service to some of their facilities and that we would get back to him with more detail.

#### **Resolutions certifying financial results – Fourth Quarter 2020**

Ms. Bea Reyna-Hickey covered the year-to-date financial results through the fourth quarter of 2020, which are subject to certification. These are unaudited results compared to the amended 2020 Service Board budgets adopted at the December Board meeting. At the end of the presentation, Ms. Reyna-Hickey will be recommending that the Board certify that the operating results of the CTA, Metra, Pace Suburban Service, and the region as a whole are substantially in accordance with budget. Due to an unfavorable operating deficit variance and recovery ratio result, the operating financial results of ADA Paratransit are recommended to be found not in substantial accordance with budget.

System ridership through December was 58.5% below prior year, but 0.9% favorable to the amended budget. The orange bars indicate that September and October produced the highest ridership results since the onset of the pandemic, followed by a second dip in November and December coinciding with the resurgence of the virus. The CTA and ADA Paratransit finished the year with favorable to budget ridership results, while Metra and Pace Suburban Service ridership results were unfavorable to the adopted budget.

Total operating revenue of \$1.047 billion was \$70.7 million, or 6.3%, unfavorable to budget through the fourth quarter. With the exception of the CTA, each Service Board reported unfavorable operating revenue compared to their amended budgets. Most of that shortfall is due to the constraint in CARES Act requisitions which we discussed at the last two Board meetings. The CTA reported additional credits in December which applied more CARES Act funding toward operating revenue and helped mitigate the overall recovery ratio results, which will be shown later. A total of \$552.8 million of federal CARES Act funding was included in operating revenue and counted towards the Service Board and regional recovery ratio requirements, as authorized by the May funding amendment ordinance.

Next, Ms. Reyna-Hickey showed the public funding results. Continuing the positive trend of recent months, November sales tax is projected to come in about 8% below prior year, significantly better than the budgeted 20% drop. The Real Estate Transfer Tax also outperformed the amended budget through the fourth quarter; however, the CTA's total public funding results finished 3.5% unfavorable due to lower than budgeted CARES Act requisitions. Better than expected sales tax performance in 2020 should also have a favorable impact on 2021 RTA funding to the Service Boards. In total, sales tax is now expected to finish 2020 about \$90 million above the level anticipated in the September funding amendment. This in turn raises our expectation for 2021 sales tax by a like amount, something that will be discussed in detail during the next agenda item on COVID-19 recovery strategy.

System-wide operating expenses through December were \$48.4 million, or 1.8%, favorable to budget. The Service Boards have continued to control expenses well despite increased cleaning costs related to the pandemic. Service reductions at Pace Suburban Service and Metra contributed to favorable to budget variances of 8.0% and 2.5%, respectively. Importantly, ADA Paratransit ridership has recovered faster than expected, surpassing Pace's budget assumption by 388,000 rides. This in turn has driven expense higher by \$12.7 million or 7.5%, creating an additional funding need for 2020. The ADA ridership increase has implications for 2021 ADA funding which will also be discussed during the next agenda item.

When we reach year-end, the budgeted net result displays zero, reflecting the balanced Service Board budgets. The actual net results for each Service Board should also migrate to zero after the Service Boards true-up their CARES Act requisitions with the final 2020 sales tax results due next month. But for these unaudited results you can see a mix of relatively small overall surpluses and deficits. The exception is ADA Paratransit. The \$14.4 million is telling us the approximate amount of additional funding needed to make the 2020 results whole, due to the increased ridership mentioned earlier. We plan to address that need with a final 2020 funding amendment at next month's Board meeting.

With the CARES Act funding included, the CTA's year-to-date recovery ratio of 56% finished favorable to budget by 1.2 percentage points. Pace and Metra reported unfavorable recovery ratios in excess of 3 percentage points due to the CARES Act funding constraint caused by reduced expenses and better than expected sales tax receipts. ADA Paratransit's recovery ratio of 9.2% was 0.8 points unfavorable and was a contributing factor to the recommended finding of not in substantial accordance with budget.

The regional revenue recovery ratio finished the year, unaudited, at 49.9%, or 0.8 points unfavorable to budget. Audited results may bring the recovery ratio slightly higher, but with respect to substantial accordance staff feels that this result is close enough to the 50% to be in substantial accordance, and thus meets the statutory requirement, especially given the extraordinary circumstances of this budget year. In the absence of the \$552.8 million of CARES Act funding the Service Boards have recognized as fare revenue replacement the regional recovery ratio would be cut in half, to 25%.

Focusing on the certification of year-to-date financial results through the fourth quarter, we look at the variances of each Service Board's operating deficit from budget. The CTA and Pace Suburban Service results were favorable. Metra's operating deficit was \$39.1 million, or 10.5%, unfavorable to budget, and requires some explanation. While our substantial accordance guidelines would say this result is not in compliance, it is solely due to the constraint Metra encountered with respect to the amount of CARES Act funding able to be requisitioned for revenue recovery. If CARES Act funding is set aside, Metra's operating deficit would be 2% favorable to budget, and for that reason staff is recommending a substantial accordance finding for the Metra results.

ADA Paratransit reported an unfavorable operating deficit variance of \$14.4 million, or 8.9%, due to the aforementioned increased ridership and expense levels. With this unfavorable result, staff is recommending a finding of not in substantial accordance for ADA Paratransit. As we noted in the Board memo, this finding was not unexpected, and should not in any way reflect negatively on Pace staff's efforts to control ADA expenses in 2020. These are unaudited results. If the audited results, once received from the Service Boards, differ materially, we will notify the Board.

Since we have some new members on the Board, and this quarterly certification has some unusual aspects, Ms. Reyna-Hickey concluded by recapping the requirements and recommended findings. Staff uses a set of substantial accordance guidelines to evaluate each Service Board's operating deficit results. Bea said she would not go into those in detail, but the guidelines do leave final determination to the judgment of the Board. We have just such a situation today with a Metra result that would normally be out of compliance due solely to the CARES Act constraint Bea described. Similarly, the regional recovery ratio ended just shy of the 50% statutory requirement, but in staff's opinion, in substantial accordance with budget.

However, the ADA Paratransit operating deficit, at 9% unfavorable, is well outside the guideline of 2.5%, and thus elicits a finding of not in substantial accordance.

Director Groven asked Ms. Reyna-Hickey to confirm that some of Metra's CARES Act funding was restricted due to good expense performance combined with better than expected sales tax receipts. She confirmed this was correct and noted it is a good problem to have, and it would be unfair to penalize a Service Board due to a CARES Act constraint.

Director Ross asked for an explanation of the next steps once a Service Board is found to be not in substantial accordance with budget, such as ADA Paratransit. Ms. Reyna-Hickey responded that typically an amended budget would be required of the Service Board(s) found not in substantial accordance. She noted that since the year is over there is no more time to take remedial action. Bea also clarified that due to higher than anticipated ridership on ADA (and the inefficiency of single rides), purchased transportation expense has increased.

Director Lewis asked what the consequences are of a year-end regional recovery ratio that does not meet the statutory requirement. Ms. Reyna-Hickey responded that the ADA Paratransit recovery ratio is a separate item from the regional recovery ratio. She also noted that the results presented at today's meeting are not final, audited numbers. The RTA Act does have language in it related to reimbursing the State as a consequence of not meeting the 50% statutory requirement for the region. She also mentioned that there could be negotiations given that the State still owes the RTA monies such as PTF, ASA, and AFA if it got to that point. Ms. Redden commented that the ADA Paratransit recovery ratio did not meet its goal, however she thought the regional recovery ratio did meet its requirement. Mr. Bill Lachman clarified that the YTD regional recovery ratio of 49.9% (unaudited) finished 0.1 percentage points unfavorable to the 50% requirement. Chairman Dillard commented that the recovery ratio is close and given the extraordinary circumstances we would remind the State that they continue to cut PTF and RTA operating funding.

Director Sager thanked Ms. Reyna-Hickey and the entire staff for their exceptional job at providing financial oversight to the Service Boards. He believes the important element to grasp as a Board is that we are looking at the aggregate of the system. Director Sager stated that he is pleased with the analysis and with the outcome relative to what a lot of people were nervously anticipating. Ms. Reyna-Hickey responded by saying that reasonableness must apply when evaluating the substantial accordance guidance.

Director Pang also expressed her appreciation to RTA staff and gave credit to the Service Boards, particularly in these difficult times, as they continue to operate and put their frontline workers out there. Director Pang commented that the entire system of the RTA and the Service Boards have worked well together during the pandemic and she believes the staff recommendations are appropriate.

Director Ross moved, and Director Canty seconded that the proposed resolutions be approved 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

**Step 2 of COVID-19 Recovery Strategy**

Ms. Leary presented an update about Step 2 of the RTA COVID-19 Recovery Process and the two documents that were shared with the Board as part of the meeting packet. First, a memo that included an update on RTA's recovery efforts, the status of current year funding, and proposed recommendations regarding relief fund distribution. And second, a report entitled *Sustaining Critical Transit in 2021*.

The overall plan consists of three steps:

- Adopt a 2021 budget that reflects the current crisis that was finished in December. (October – December 2020)
- Execute the 2021 budget and make decisions as needed to sustain transit during a time of uncertainty. This step is underway. (January – June 2021)
- Engage in strategic recovery planning and consider how to reinvent transit. (May 2021)

Back in October, the following policy priorities to guide each step toward COVID-19 recovery were outlined:

- Identify immediate funding solutions
- Critical transit services are sustained
- Take an increasingly transparent, collaborative approach to communicating

The focus was on Step 2 of the recovery process, starting where we left off last month in defining transit Critical Need Areas (or transit CNAs). We have combined all three options that were showed last month into one measure. Next, a preview of the budget amendment that will be presented in March in an effort to fill the budget gap. Finally, how this analysis can be applied to the allocation of this round of relief funds and our proposed recommendation was discussed.

One thing to note and stress again is that the method that RTA has created to define transit CNAs and relate them to existing service is for the purposes of informing the RTA's funding decisions to address the 2021 budget. The application of the work to a recommended allocation of the region's additional federal relief money is unique to the moment and does not set a precedent for future allocations of any funding.

The main solution available is the second round of emergency COVID relief funding for transit nationwide that was passed by Congress in December, known as CRRSAA, will provide about \$486.2 million to our region. While the estimated additional funding available to the RTA region is not fully sufficient to fill the region's 2021 budget gap, we recommend that the RTA Board shift focus in the near term to allocating these federal funds.

Staff also recommends that the RTA Board proactively state and gain regional consensus about the geographic areas in which it is critical to maintain transit presence throughout 2021 based on where transit is most likely to be used and most likely to be needed and use this as a basis for allocating federal relief funds.

The RTA continues commitment to ongoing open dialogue with partners, the public, and civic community. All information is out for public comment and the results will be shared in March.

Mr. Peter Kersten provided an update on the staff analysis done to define Critical Need Areas or "Transit CNAs." Transit CNAs are the areas throughout the region where transit service must be preserved and funded to continue providing mobility options to populations and workers that rely on transit.

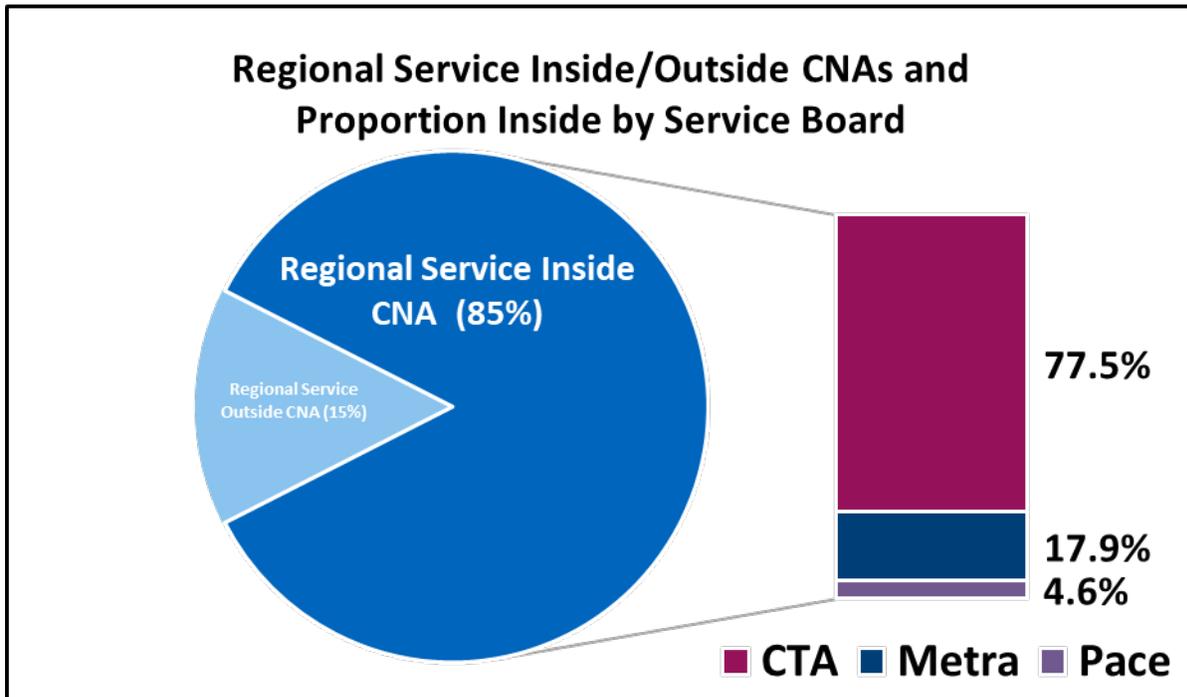
At the January Board meeting, RTA staff introduced the three CNA definitions:

- **Propensity** – who is most likely to use transit for their commute to work?
- **Equity** – who is most likely to need to transit to access essential goods and services?
- **High Mobility Industries** – what industries need their workers on-site and in-person to perform their jobs?

Staff combined all geographies that are in any of the three individual CNAs to form the combined CNA. All three individual CNAs and the combined CNA focus on areas of above average densities of worker and population demographics.

The final step is to relate the CNAs to the distribution of transit service throughout the region, identifying how much of the regional total is inside or outside of the CNAs and the percentage by each individual service board.

The following figure shows regional transit service inside and outside of the CNAs and the proportion inside by individual Service Board.



The presentation was next turned over to Ms. Bea Reyna-Hickey, who provided some background on the overall 2021 funding outlook to keep in mind as the proposed CRRSAA allocations are considered by the Board. As we’ve said during the last few 2020 financial results presentations, the falloff in RTA sales tax receipts has not been as severe or sustained as was initially feared. Early projections used in the first 2020 funding amendment assumed year-over-year monthly decreases as large as 50%, however our largest observed decline was “only” 27% in April. The September funding amendment recognized this improvement and revised the 2020 sales tax forecast upward to \$1.053 billion, representing a 16% decline versus 2019. That sales tax estimate was also used as the basis for forecasting the sales tax levels included in the adopted 2021 budget and 2022-2023 financial plan, shown as the orange bars on this slide. Recent sales tax results have continued to outperform even this most recent estimate, which in turn raises the expectations for 2021 through 2023, shown as the blue bars.

While November and December 2020 results are not yet known, sales tax is now expected to finish the year at around \$1.142 billion, down approximately 9% from 2019 levels, but a significant improvement of about \$90 million from the sales tax level assumed in the current 2020 budget. This increase will be recognized with a proposed final 2020 funding amendment at the March RTA Board meeting. A similar improvement is also expected for 2021-2023.

Ms. Reyna-Hickey then showed a table displaying the currently expected RTA funding improvements by funding component, relative to the funding levels included in the adopted 2021 Service Board and RTA budgets. The almost complete 2020 RTA sales tax results have

improved the outlook for 2021 RTA funding levels, which include sales tax, Real Estate Transfer Tax (RETT), and the Public Transportation Fund (PTF) 30% match of sales tax and RETT provided by the State of Illinois. These projected RTA funding increases will be refined with the latest data available prior to inclusion in the first proposed 2021 RTA funding amendment, planned for the March Board meeting. As we state in the second footnote, in order to not self-cut we are still assuming an end to the State's 5% cut to PTF with the SFY 2022 budget. If that cut is extended, these projections would decline by approximately \$10 million in total. Of the \$115 million projected funding increase, \$106 million would go to the mainline Service Boards.

Before proceeding to the CRRSAA allocation recommendations, Ms. Reyna-Hickey briefed the Board on the ADA Paratransit funding situation. ADA Paratransit funding needs continue to evolve. As was stated during the financial results presentation, ADA ridership has recovered more quickly than anticipated, reaching about 60% of normal during the fourth quarter of 2020. This in turn has driven Purchased Transportation expense above budget, creating an additional 2020 ADA funding need of approximately \$14.4 million which is planned to be addressed with a final 2020 funding amendment in March. Pace's 2021 ADA Paratransit budget, developed during the summer of 2020, assumed ridership at approximately 60% of normal, a level which has already been reached and is now expected to be surpassed as the COVID-19 vaccination effort progresses. As a result, approximately \$20 million of funding is expected to be needed above and beyond the \$157 million of RTA and State funding allocated in the adopted 2021 budget. The RTA Act requires full funding of the ADA Paratransit operating deficit. In the past, the ADA Paratransit funding requirement has traditionally been met using two primary sources: RTA sales tax and State ADA funding.

Ms. Reyna-Hickey then shared a table containing the RTA staff's recommendation for the allocation of CRRSAA funding. Prior to allocating CRRSAA funding to the CTA, Metra, and Pace Suburban Service, it is recommended that \$20 million be used to address the additional ADA funding need in 2021. Satisfying the additional ADA funding need from a source other than sales tax will preserve as much RTA operating funding as possible for the three mainline Service Boards as we move through 2021 and will also provide a resource for meeting the 10% ADA recovery ratio requirement. It is recommended that the remainder of the available CRRSAA funding be allocated among the three Service Boards consistent with the RTA's Critical Need Area (CNA) analysis. The projected RTA funding increases from the earlier slide were shown again, combining with the proposed CRRSAA allocations to produce a total funding change which will reduce or eliminate the funding shortfalls contained in the adopted CTA and Metra operating budgets, shown in red on the slide presented.

Ms. Leary concluded that there is a new one-stop resource for RTA COVID Recovery materials to the website that can be accessed directly through the RTA homepage. In addition, the RTA has also created an interactive storymap that visualizes the CNAs and analysis to aid in communication and understanding.

The timeline for moving forward for Step2 of recovery for the RTA Board:

- February – Discussed CAN work, funding updates and proposed recommendations regarding relief fund distribution.
- March – RTA to ask to consider the recommended allocation and initiate budget amendment for 2021 operating budget
- April/May – Staff will continue to execute on Step 2 while initiating Step 3.

Director Coulson commented that it is good to see that ADA and CTA will be made whole in this proposal. However, Metra did the right thing in cutting service and cost, and so if Metra has to add service as riders come back there should be a way to account for that. They should not be penalized for their cuts. He also commented that as riders come back it seems that fare revenues will come back, so is that included as part of this? Ms. Leary responded that fare revenue is considered in the 2021 budget. She also reiterated that this is a moment in time and the work presented today is to address the current crisis. Hopefully, if ridership comes back, we'll be in a different place. As we move into recovery, we will look at other factors to address these important points.

Director Carey commented that the RTA Board has discussed the need to provide critical transit during this time. As a result, she believes that the analysis is spot-on, and she supports what comes out of it. It is very important for the Board to keep in mind that this is a point in time and is not to be construed as a way of dividing the pie in the future. She believes that Metra ridership will come back – maybe not all of it -- but some of it will. The RTA Board will address and support that when it occurs, but the work presented today is what we need to do at this in point in time. She also asked if in the budget, the RTA assumes that the cut to PTF funding will go away but the state is proposing to increase that to 10% in the budget, so shouldn't the budget be adjusted? Ms. Reyna-Hickey responded that the RTA and Service Boards discuss this and feel we should not self-cut at this point. At some point in the year, the agencies do make cuts as needed when the funding does not come in. That's what will have to happen this year if the funding cuts persist. If proactive action is required at some point, there will be opportunities to do that throughout the year. The Service Boards will ultimately have to propose reductions if the funding does not come through.

Director Sager commented that as he indicated at end of the Recovery Presentation at the last Board meeting, he shares the concern of Directors Coulson and Carey that we don't use this data to change our funding formulas as we move to the future. He was heartened and appreciated the introductory comments by Ms. Redden and Ms. Reyna-Hickey that the data and approach for splitting this pie is for these critical needs of today. They are unique and not setting precedent for future funding levels. He supports this work as a result of that qualifier.

Recovery policy priorities have to be our focus today. That said, as a representative representing suburban area served by Metra, he will be vigilant about where we go in the future.

Director Lewis commented in support of the remarks of other directors. It's important to remember that this is a dynamic process and the RTA Board has committed to review it on an ongoing basis. He is encouraged that it's covering the critical needs. As the region comes out of the pandemic, the RTA Board needs to make sure that transportation is ensured for critical workers. In the longer term, the Board will need to make different decisions. Today the Board needs to make the right decisions at this moment because if we don't do that, we won't be able to get to the future. He commended fellow Board members in taking a big picture view and supports this work as we move through these difficult times.

Director Melvin commented that the region has so many unknowns and so much suffering going on right now, but two things are clear: the RTA has great staff, great data, great work and communication going on; and the RTA Board is committed to doing the right thing with taxpayer dollars.

#### **Presentation of the 2021 Audit Plan**

Ms. Lorri Newson provided an overview of the proposed 2021 Audit Plan and the objectives of the oversight and internal audits identified in the proposed audit plan. She explained that oversight audits are those where the RTA is required to conduct audits by state and federal laws or external entities, such as granting agencies. Conversely, internal audits are those the RTA conducts to hold itself accountable to ensure staff and management are complying with internal policies and efficiently and effectively administering RTA programs. Oversight audits planned for 2021 were provided and specifically highlighted the Triennial Audit of ADA Paratransit Services required by the RTA Act. The internal audits planned for 2021 were provided and specifically highlighted the payroll compensation, pension fund and vendor contract audits. Additionally, internal audits will be conducted on staff roles in the ERP system and protection of personally identifiable information.

Finally, Ms. Newson informed the Board that the RTA is in the process of procuring a vendor to conduct the annual audit risk assessment to help prioritize the audits for the annual Audit Plan. The contract may come before the Board for approval and result in a revision to the proposed audit plan during quarters 3 and 4.

#### **Ordinance authorizing contracts for PMO consulting services**

Ms. Violet Gunka-Gurgul provided remarks on the proposed ordinance for Project Management Oversight (PMO) Consulting services. The proposed ordinance authorizes the execution of professional services contracts with V3 Companies, GSG Consultants, TranSmart and Globetrotters Engineering, for a contract period of five years and two optional one-year

extensions, not to exceed \$10,471,875 for all four contracts in total. RTA has received a capital assistance grant from the Illinois Department of Transportation (IDOT) for 50% of the total cost toward these contracts. Nine firms responded to the Request for Proposal.

The selected firms will provide PMO services for projects funded by the Rebuild Illinois program. The Rebuild Illinois program provides \$2.6 billion in funding for the capital program with an additional \$227 million in annual PAYGO funding. The consultants will work with the RTA PMO team to ensure that capital projects are being implemented according to scope, on schedule, and within budget as well as expedite concurrence approvals.

V3 Companies and Globetrotters Engineering will utilize certified Disadvantaged Business Enterprise (DBE) firms as subconsultants in order to meet the 20% DBE goal for the contracts. GSG Consultants is a certified DBE/MBE firm and will utilize all minority subconsultants making their team 100% DBE/MBE certified, far exceeding the 20% DBE goal. TranSmart is a certified DBE/MBE/WBE firm, it will utilize one DBE subconsultant and is committed to meeting and exceeding the 20% DBE goal.

Projects will be assigned to the four consulting firms on a rotating basis, by issuing Task Orders as long as there is no conflict of interest for the specific project. All four firms are qualified to perform PMO activities on any of the capital projects in the program.

Director Ross moved, and Director Kotel seconded that the proposed ordinance be approved 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

#### **Travel Expense Reimbursements**

Director Sager moved, and Director Andalcio seconded the travel expenses be approved 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 public portion of Board of Directors meeting, Director Canty moved, and Director Gathing 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 ended at 10:45 a.m.

*Audrey Cole*

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AUDREY COLE

Secretary of the Authority