

To: Finance Committee

From: Leanne P. Redden, Executive Director

Date: May 9, 2019

**Re: Presentation of Quarterly Performance Report – First
Quarter 2019**



**Regional
Transportation
Authority**

175 W. Jackson Blvd,
Suite 1650
Chicago, IL 60604
312-913-3200
rtachicago.org

Staff will make a presentation of regional performance metrics for the first quarter of 2019. This quarterly report is presented at the same Board meeting at which the Board is being asked to review the operating budgets of the Service Boards for substantial accordance with budget. To better align the performance measures reporting with the strategic goals of *Invest in Transit*, the performance measures will be presented in a new format.

Prepared by: Capital Programming & Planning

LPR/JL/JHH/PF

To: Finance Committee

From: Leanne P. Redden, Executive Director

Date: May 9, 2019

Re: Resolutions Certifying Financial Results - First Quarter 2019



**Regional
Transportation
Authority**

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Staff is requesting Board adoption of resolutions certifying that the operating financial results of each Service Board and the region as a whole, through the first quarter of 2019, are substantially in accordance with budget. The system-wide operating deficit of the Service Boards, including Pace ADA Paratransit, was \$409.9 million. This result is \$5.5 million, or 1.3%, favorable to the adopted budget. The regional system-generated revenue recovery ratio of 47.1%, which excludes ADA Paratransit, was 0.6 percentage points unfavorable to budget.

The attached documents include the proposed resolutions that find each of the Service Boards and the region as a whole, through the first quarter of 2019, in substantial accordance with the budget established on December 13, 2018.

Summary of Financial Results

CTA

The CTA's operating deficit of \$224.0 million was \$2.8 million, or 1.3%, unfavorable to budget, and its recovery ratio of 51.0% was 1.4 percentage points unfavorable to budget. Operating revenues of \$159.2 million were \$6.4 million unfavorable to budget and operating expenses of \$383.3 million were \$3.6 million favorable to budget.

Metra

Metra's operating deficit of \$107.3 million was \$2.4 million, or 2.2%, favorable to budget, and its recovery ratio of 50.4% was 0.1 percentage points favorable to budget. Operating revenues of \$96.6 million were \$2.2 million unfavorable to budget and operating expenses of \$203.9 million were \$4.6 million favorable to budget.

Pace Suburban Service

Pace's operating deficit of \$40.8 million was \$2.2 million, or 5.1%, favorable to budget, and its recovery ratio of 30.0% was 0.1 percentage points favorable to budget. Operating revenues of \$13.2 million were \$0.8 million unfavorable to budget and operating expenses of \$54.0 million were \$3.0 million favorable to budget.

Regional ADA Paratransit

ADA Paratransit's operating deficit of \$37.8 million was \$3.7 million, or 8.9%, favorable to budget, and its recovery ratio of 10.2% was 0.2 percentage points unfavorable to budget. Operating revenues of \$3.3 million were \$0.2 million unfavorable to budget and operating expenses of \$41.1 million were \$3.9 million favorable to budget.

Region as a Whole

The regional operating deficit of \$409.9 million was \$5.5 million, or 1.3%, favorable to budget. Operating revenues of \$272.3 million were \$9.6 million unfavorable to budget and operating expenses of \$682.2 million were \$15.1 million favorable to budget. The regional recovery ratio of 47.1% was 0.6 percentage points unfavorable to budget.

The recovery ratio has been on a steadily improving trend since the first month of the year, when it finished 2.0 points unfavorable to budget following the historic cold weather event of January 29-31.

Prepared by: Finance, Innovation, and Technology

LPR/BRH/WDL/DKA
Attachments

RESOLUTION NO.

WHEREAS, pursuant to section 4.11(c)(2) of the Regional Transportation Authority Act (the “RTA Act”) the Board of Directors of the Regional Transportation Authority (the “RTA”) determines whether the quarterly financial condition and results of operations of the public transportation services subject to the jurisdiction of the Chicago Transit Authority (the “CTA”) are substantially in accordance with the CTA’s approved budget for that period, not by way of audit but rather through the assessment of data compiled from the financial statements and reports required by section 4.11(c)(2) to be provided by the CTA for such purpose;

WHEREAS, the RTA Board adopted the 2019 operating budget of the Service Boards on December 13, 2018;

WHEREAS, the adopted budget for the CTA includes a budgeted operating deficit and a budgeted system-generated revenue recovery ratio, which reflect and measure the financial condition and results of operations of the public transportation services subject to the jurisdiction of the CTA; and

WHEREAS, the year-to-date operating results of the CTA, through the first quarter of 2019, were:

	<u>YTD</u>
Operating Deficit (in millions)	
Actual	<u>\$224.0</u>
Budget	<u>\$221.2</u>
System-Generated Revenue Recovery Ratio	
Actual	<u>51.0%</u>
Budget	<u>52.4%</u>

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the RTA hereby finds that the year-to-date financial condition and results of operations of the public transportation services subject to the jurisdiction of the CTA, through the first quarter of 2019, are substantially in accordance with CTA’s budget as adopted by the RTA Board on December 13, 2018.

BE IT FURTHER RESOLVED, that a copy of this resolution be submitted to the Governor, the Mayor of Chicago, and the Auditor General of Illinois in accordance with Section 4.11(e) of the RTA Act.

RESOLUTION NO.

WHEREAS, pursuant to section 4.11(c)(2) of the Regional Transportation Authority Act (the “RTA Act”) the Board of Directors of the Regional Transportation Authority (the “RTA”) determines whether the quarterly financial condition and results of operations of the public transportation services subject to the jurisdiction of the Commuter Rail Division of the RTA (“Metra”) are substantially in accordance with Metra’s approved budget for that period, not by way of audit but rather through the assessment of data compiled from the financial statements and reports required by section 4.11(c)(2) to be provided by Metra for such purpose;

WHEREAS, the RTA Board adopted the 2019 operating budget of the Service Boards on December 13, 2018;

WHEREAS, the adopted budget for Metra includes a budgeted operating deficit and a budgeted system-generated revenue recovery ratio, which reflect and measure the financial condition and results of operations of the public transportation services subject to the jurisdiction of Metra; and

WHEREAS, the year-to-date operating results of Metra, through the first quarter of 2019, were:

	<u>YTD</u>
Operating Deficit (in millions)	
Actual	<u>\$107.3</u>
Budget	<u>\$109.7</u>
System-Generated Revenue Recovery Ratio	
Actual	<u>50.4%</u>
Budget	<u>50.2%</u>

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the RTA hereby finds that the year-to-date financial condition and results of operations of the public transportation services subject to the jurisdiction of Metra, through the first quarter of 2019, are substantially in accordance with Metra’s budget as adopted by the RTA Board on December 13, 2018.

BE IT FURTHER RESOLVED, that a copy of this resolution be submitted to the Governor and the Auditor General of Illinois in accordance with Section 4.11(e) of the RTA Act.

RESOLUTION NO.

WHEREAS, pursuant to section 4.11(c)(2) of the Regional Transportation Authority Act (the “RTA Act”) the Board of Directors of the Regional Transportation Authority (the “RTA”) determines whether the quarterly financial condition and results of operations of the public transportation services subject to the jurisdiction of the Suburban Bus Division of the RTA (“Pace”) are substantially in accordance with Pace’s approved budget for that period, not by way of audit but rather through the assessment of data compiled from the financial statements and reports required by section 4.11(c)(2) to be provided by Pace for such purpose;

WHEREAS, the RTA Board adopted the 2019 operating budget of the Service Boards on December 13, 2018;

WHEREAS, the adopted budget for Pace Suburban Service includes a budgeted operating deficit and a budgeted system-generated revenue recovery ratio, which reflect and measure the financial condition and results of operations of the public transportation services subject to the jurisdiction of Pace; and

WHEREAS, the year-to-date operating results of Pace Suburban Service, through the first quarter of 2019, were:

	<u>YTD</u>
Operating Deficit (in millions)	
Actual	<u>\$40.8</u>
Budget	<u>\$43.0</u>
System-Generated Revenue Recovery Ratio	
Actual	<u>30.0%</u>
Budget	<u>29.9%</u>

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the RTA hereby finds that the year-to-date financial condition and results of operations of the public transportation services subject to the jurisdiction of Pace Suburban Service, through the first quarter of 2019, are substantially in accordance with Pace’s budget as adopted by the RTA Board on December 13, 2018.

BE IT FURTHER RESOLVED, that a copy of this resolution be submitted to the Governor and the Auditor General of Illinois in accordance with Section 4.11(e) of the RTA Act.

RESOLUTION NO.

WHEREAS, pursuant to section 4.11(c)(2) of the Regional Transportation Authority Act (the “RTA Act”) the Board of Directors of the Regional Transportation Authority (the “RTA”) determines whether the quarterly financial condition and results of operations of the public transportation services subject to the jurisdiction of the Suburban Bus Division of the RTA (“Pace”) are substantially in accordance with Pace’s approved budget for that period, not by way of audit but rather through the assessment of data compiled from the financial statements and reports required by section 4.11(c)(2) to be provided by Pace for such purpose;

WHEREAS, the RTA Board adopted the 2019 operating budget of the Service Boards on December 13, 2018;

WHEREAS, the adopted budget for Pace Regional ADA Paratransit includes a budgeted operating deficit and a budgeted system-generated revenue recovery ratio, which reflect and measure the financial condition and results of operations of the public transportation services subject to the jurisdiction of Pace; and

WHEREAS, the year-to-date operating results of Pace Regional ADA Paratransit, through the first quarter of 2019, were:

	<u>YTD</u>
Operating Deficit (in millions)	
Actual	<u>\$37.8</u>
Budget	<u>\$41.5</u>
System-Generated Revenue Recovery Ratio	
Actual	<u>10.2%</u>
Budget	<u>10.5%</u>

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the RTA hereby finds that the year-to-date financial condition and results of operations of the public transportation services subject to the jurisdiction of Pace Regional ADA Paratransit, through the first quarter of 2019, are substantially in accordance with Pace’s Regional ADA Paratransit budget as adopted by the RTA Board on December 13, 2018.

BE IT FURTHER RESOLVED, that a copy of this resolution be submitted to the Governor and the Auditor General of Illinois in accordance with Section 4.11(e) of the RTA Act.

RESOLUTION NO.

WHEREAS, section 4.01(b) of the Regional Transportation Authority Act (the “RTA Act”) requires the Board of Directors of the Regional Transportation Authority (the “RTA”) to prepare an annual budget and financial plan that show that the level of fares and charges for mass transportation provided by, or under grant or purchase of service contracts of the Service Boards, is sufficient to cause the aggregate of all projected revenues from such fares and charges received in each fiscal year to equal at least 50% of the aggregate costs of providing such public transportation in such fiscal year;

WHEREAS, pursuant to section 4.11(c)(2) of the RTA Act, the Board of the RTA determines whether the quarterly financial condition and results of operations of the public transportation services subject to the jurisdiction of its Service Boards - the Chicago Transit Authority, the Commuter Rail Division, and the Suburban Bus Division - are substantially in accordance with the RTA’s approved budgets for the Service Boards for that period, not by way of audit but rather through the assessment of data compiled from the financial statements and reports required by section 4.11(c)(2) to be provided by the Service Boards for such purpose;

WHEREAS, the RTA Board adopted the 2019 operating budget of the Service Boards on December 13, 2018;

WHEREAS, the budgets approved by the RTA for the Service Boards include a budgeted operating deficit and a budgeted system-generated revenue recovery ratio, which reflect and measure the financial condition and results of operations of the public transportation services subject to the jurisdiction of the Service Boards;

WHEREAS, the year-to-date combined operating deficit of the Service Boards, including Pace Regional ADA Paratransit, through the first quarter of 2019, was:

	YTD	
Operating Deficit (in millions)		
Actual	<u>\$409.9</u>	
Budget	<u>\$415.3</u>	; and

WHEREAS, the system-generated revenue recovery ratio of the entire regional public transportation system, apart from ADA Paratransit services, through the first quarter of 2019, was:

	<u>YTD</u>
System-Generated Revenue Recovery Ratio	
Actual	<u>47.1%</u>
Budget	<u>47.7%</u>

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the RTA hereby finds that the operating results of the entire regional public transportation system, through the first quarter of 2019, are substantially in accordance with the budget as adopted by the RTA Board on December 13, 2018.

BE IT FURTHER RESOLVED, that a copy of this resolution be submitted to the Governor, the Mayor of Chicago, and the Auditor General of Illinois, in accordance with Section 4.11(e) of the RTA Act.