

**MINUTES OF A PUBLIC MEETING OF THE FINANCE COMMITTEE OF THE
BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY**

The Finance Committee of the Board of Directors of the Regional Transportation Authority met in public session on Thursday, May 21, 2015 at 8:35 a.m., in Suite 1650, 175 West Jackson Blvd., Chicago, Illinois, pursuant to notice.

Acting Committee Chairman Coulson presided.

ROLL CALL

Committee members present (4): , Buchanan, Coulson, DeWitte, and Lewis

Committee members absent (3): Anderson, Magalis, and Troiani

Other Board members present: Durante, Frega, Fuentes, Hobson, Pang, Totten, Ross, Totten, and Chairman Dillard

Approval of minutes from the meeting April 16, 2015

Director DeWitte moved, and Director Lewis seconded that the minutes from the meeting held on April 16, 2015 be approved as submitted. The motion carried on the following roll call vote:

4 Ayes: Directors Buchanan, Coulson, DeWitte, and Lewis

3 Absent: Director Anderson, Magalis, and Troiani

Quarterly resolutions certifying financial results – First Quarter 2015

Ms. Bea Reyna-Hickey provided a summary of the Service Board financial results and performance measures for the first quarter of 2015. The financial results are subject to certification by the Board via resolutions, which find the results in substantial accordance with the adopted 2015 budget. Bea stated that regional unemployment had worsened somewhat during the first quarter, but that the state-wide under employment rate had improved. Regional ridership finished the quarter flat versus prior year, and 2.1% under budgeted expectations. She noted that CTA bus ridership was holding steady after falling by 8% in 2014. Pace ridership lagged the other Service Boards due to the cold and snowy weather, the discontinuance of cash transfers by Pace last summer, and relatively low gas prices. Operating revenue was unfavorable to budget by 1.3% as the Service Boards began to report the Reduced Fare Reimbursement at lower levels in anticipation of potential State budget cuts in that funding. Sales tax has been up year-over-year, but slightly under budget, through February. Operating expenses were 1.9% favorable to budget, with the Service Boards reporting fuel savings totaling \$3.9 million due to the recent drop in diesel prices. Each Service Board had a positive net result for the quarter, although their recovery ratios each lagged budget. Each Service Board's operating deficit also showed a favorable variance from budget for the quarter.

Ms. Reyna-Hickey also gave a summary of the year-to-date performance measures, which revealed that the RTA's flat ridership looked good relative to our peer regions, most of which had significant ridership declines during the first quarter. Regional financial performance measures indicated that cost per passenger trip was 3.9% higher than prior year, and that the average fare improved by 3 cents to \$1.50 due primarily to Metra's fare increase.

Director Lewis moved, and Director DeWitte seconded that the proposed resolutions be recommended to the full Board for approval. The motion carried on the following leave for last unanimous roll call vote:

4 Ayes: Directors Buchanan, Coulson, DeWitte, and Lewis

3 Absent: Director Anderson, Magalis, and Troiani

Discussion and ordinance releasing the 2016 Business Plan Call

Ms. Donna Anderson explained that the Business Plan Call defines the time schedule and information requirements that the Service Boards must follow for the development of the 2016 Business Plan, which includes the 2016 Operating Budget, 2017-2018 Two-Year Financial Plan, and 2016-2020 Five-Year Capital Program. Ms. Anderson explained that these requirements focus on ensuring that the RTA has sufficient information to adequately evaluate the Service Boards' budgets, coordinate resource allocation, and recommend adoption of the consolidated regional budget as outlined by the RTA Act. The Service Boards must also submit the service plans used to develop the budgets and must highlight any material changes to the existing baseline service levels along with the rationale for such changes. The RTA will then assess the Service Board business plans from a financial and operational perspective, seeking to verify that they demonstrate financial viability, operational efficiency, and program effectiveness on a short-term and long-term basis.

The 2016 Business Plan process will focus on collaborative meetings and active communication with the Service Boards throughout the planning period to ensure comprehensive budgets will be ready for adoption by the RTA Board in December. This year's budget process will be complicated by the timing and magnitude of any transit funding reductions in the State FY 2016 budget. Director Coulson asked if the State budget actions might require the Service Boards to have multiple budget scenarios, i.e. a Plan A and Plan B. Ms. Reyna-Hickey responded that the uncertainty with the state budget would require flexibility in planning through the budget process.

Director Lewis moved, and Director DeWitte seconded that the proposed ordinance be recommended to the full Board for approval. The motion carried on the following leave for last unanimous roll call vote:

4 Ayes: Directors Buchanan, Coulson, DeWitte, and Lewis

3 Absent: Director Anderson, Magalis, and Troiani

ADJOURNMENT

There being no further business to come before the meeting of the Finance Committee, Director Buchanan moved, and Director DeWitte seconded that the meeting adjourn. The motion carried on the following voice vote.

4 Ayes: Directors Buchanan, Coulson, DeWitte, and Lewis

3 Absent: Director Anderson, Magalis, and Troiani

The meeting ended at 9:00 p.m.

Audrey MacLennan

AUDREY MACLENNAN

Secretary of the Authority