

**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, March 17, 2016 at 9:05 a.m., in Suite 1650, 175 West Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee Chairman Magalis presided.

ROLL CALL

Committee members present (5): Coulson, DeWitte, Lewis, Magalis, and Troiani

Committee members absent (2): Anderson and Buchanan

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

Approval of minutes from the meeting held on January 21, 2016

Director DeWitte moved, and Director Lewis seconded that the minutes from the meeting held on January 21, 2016 be approved as submitted. The motion carried on the following roll call vote:

5 Ayes: Directors Coulson, DeWitte, Lewis, Magalis, and Troiani

2 Absent: Directors Anderson and Buchanan

Resolutions Certifying Financial Results – Fourth Quarter 2015

Ms. Reyna-Hickey provided a summary of the unaudited Service Board full-year financial results for 2015. She stated that regional unemployment increased 0.2 percentage points to 5.8% in December, which was 0.8 percentage points higher than the national average of 5%. RTA system ridership finished the year 1.6% unfavorable to budget and 0.2% lower than prior year. System operating revenue was 1.4% unfavorable to budget due to lower accrual of the State reduced fare reimbursement. However, public funding results are strong, with sales tax through November tracking about 4.1% higher than 2014. Regional operating expenses were \$69.8 million or 2.7% favorable to budget for the year, with fuel savings comprising \$25 million of the variance. The system net result was \$102.2 million favorable to budget due to good Service Board expense performance and strong public funding results. The regional recovery ratio of 52.1% was 0.2 percentage points favorable to budget and exceeded the statutory requirement of 50% by a significant margin.

For the year, each Service Board's operating deficit (operating revenues minus operating expenses) had a favorable variance to budget. Ms. Reyna-Hickey recommended that each of the Service Boards' operating results, and the region as a whole, be found in substantial accordance with the 2015 budget. She stated that this conclusion is based on unaudited results, and that if the audited financial results of the Service Boards should change significantly, RTA staff would inform the Board.

Finally, Ms. Reyna-Hickey provided a quick summary of January 2016 financial results. Ridership was unfavorable to budget by 1.6% and was down 1.7% from January 2015, due to one less weekday in the month. Favorable operating expenses continue to be aided by low fuel prices, and more than offset an operating revenue shortfall to produce a system net result which was \$4.4 million favorable to budget. The regional recovery ratio was also favorable, by 0.6 percentage points.

Director Melvin asked for confirmation that the ridership for Pace's Bus-on-Shoulder routes had grown by 40%, and also that fuel expenses for the year were \$25 million favorable to budget. Ms. Reyna-Hickey confirmed both of those figures, and Chairman Dillard noted that Bus-on-Shoulder offers a unique and premium product for I-55 commuters.

Director Lewis asked how each of the Service Boards measure ridership. Ms. Reyna-Hickey replied that CTA and Pace both measure ridership explicitly by using turnstile counts and boardings, and that Metra estimates ridership based on pass and ticket sales, which is not uncommon for an open transit system.

Chairman Dillard stated that gasoline expense comprises less than 20% of the cost of owning and operating an automobile, and suggested that transit marketing efforts emphasize this fact.

Director Troiani moved, and Director Lewis seconded the adoption of the four resolutions. The motion carried on the following voice vote.

5 Ayes: Directors Coulson, DeWitte, Lewis, Magalis, and Troiani
2 Absent: Directors Anderson and Buchanan

ADJOURNMENT

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

5 Ayes: Directors Coulson, DeWitte, Lewis, Magalis, and Troiani
2 Absent: Directors Anderson and Buchanan

The meeting ended at 10:00 p.m.

Audrey MacLennan

AUDREY MACLENNAN

Secretary of the Authority