

**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, October 18, 2018** at 8:35 a.m., in Suite 1650, 175 W. Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee Chairman Magalis presided.

ROLL CALL

Committee members present (6): Anderson (@ #3a), Coulson, Kotel, Lewis, Maglis, Troiani

Committee members absent (1): Melvin

Other Board members present: Frega, Fuentes, Higgins, Pang, Ross, Sager, Chairman Dillard

Approval of minutes from the meeting held on September 13, 2018

Director Lewis moved, and Director Troiani seconded that the minutes from the meeting held on September 13, 2018 be approved as submitted. The motion carried on the following roll call vote:

5 Ayes: Directors Coulson, Kotel, Lewis, Maglis, Troiani

2 Absent: Directors Anderson, Melvin

Report on Monthly Financial Results – July 2018

Mr. Doug Anderson stated that the August results had improved the year-to-date net result and recovery ratio. RTA system ridership through August was 0.4% favorable to budget, but 2.8% lower than prior year due in part to the fare increases implemented in early 2018. Operating revenue was \$8.7 million, or 1.1%, unfavorable to budget, primarily due to the lower level of reduced fare reimbursement (RFR) funding from the State. Pace had the largest operating revenue shortfall due to unfavorable fare revenue combined with the RFR reduction, while ADA Paratransit had a favorable variance of 6.5% due to increased ancillary revenue.

Public funding was \$1.9 million favorable to budget, as July sales tax again came in surprisingly strong, at 4.6% above prior year before accounting for the 1.5% surcharge. Mr. Anderson stated that one reason for the strong sales tax performance is higher gasoline prices, which in turn produce more RTA sales tax for the region. System-wide operating expenses were \$32.4 million or 1.8% favorable to budget, with each Service Board reporting favorable results. Metra had the most favorable expense results, at 3.2% below budget.

The good expense performance and public funding more than offset the unfavorable operating revenue, and the year-to-date system net result was \$25.7 million favorable to budget, an improvement of \$8.2 million from the previous month's results. The regional recovery ratio of 51.9% was 0.5 points favorable to budget, and the fare recovery ratio and all revenue recovery

ratio were both higher than prior year due to the favorable impact of the Service Board fare increases. He closed by stating that eight months of 2018 are now completed, and the Service Board results are looking very solid due to good expense performance.

Director Lewis asked about the impact of higher gasoline prices, and whether the sales tax forecasting process accounted for the outlook of specific sales categories. Mr. Anderson responded that direct RTA sales tax of 1.25% in Cook County and 0.5% in the collar counties is levied on gasoline purchases just as it is on purchases of other goods. Any increase in gas prices thus contributes to an increase in overall sales tax receipts for the RTA. The current RTA forecasting process does not attempt to project performance at the category or industry level, but rather takes a macro view of the economy and overall sales tax growth.

Ordinances authorizing a special amendment to the 2018-2022 Capital Program and extending ICE funded projects

Ms. Tatiana Jane presented an ordinance authorizing the special amendment for the 2018-2022 Capital Program and incorporating changes in program revenues and expenses for Metra. The action would approve a total funding increase to the 2018 Capital Program of \$37.43M that affects only 2018. This increase consists of \$22.98M of new federal discretionary grant and \$14.45M of realigned previously programmed local funding. The new federal funding and a portion of the reprogrammed Metra funding - \$25.23M, will be used for Positive Train Control. The balance of the reprogrammed Metra funding - \$15.6M, will be applied to their Locomotive Purchase initiative.

Director Lewis moved, and Director Troiani seconded that the proposed ordinance be recommended for Board approval. The motion carried on the following roll call vote:

6 Ayes: Directors Anderson, Coulson, Kotel, Lewis, Magalis, Troiani
1 Absent: Director Melvin

ADJOURNMENT

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

6 Ayes: Directors Anderson, Coulson, Kotel, Lewis, Maglis, Troiani
1 Absent: Director Melvin

The meeting ended at 8:45 a.m.

Audrey MacLennan

AUDREY MACLENNAN
Secretary of the Authority