CHICAGO TRANSIT AUTHORITY

MEETING of the

CHICAGO TRANSIT BOARD

COMMITTEE ON FINANCE, AUDIT AND BUDGET

Held on

May 13, 2020

At

9:39 o'clock a.m.

Via Webex Teleconference

STENOGRAPHIC REPORT OF PROCEEDINGS had

in the above-entitled cause via teleconference,

Director Alejandro Silva presiding.

Reported by: Tracy Jones, CSR, RPR, CLR

License No.: 084-004553
ATTENDEES:

PRESIDENT: DORVAL CARTER
CHAIRMAN: MR. TERRY PETERSON
SECRETARY: MR. GREG LONGHINI
GEN. COUNSEL: MS. KAREN SEIMETZ

BOARD MEMBERS:

DIRECTOR ALEJANDRO SILVA
DIRECTOR KEVIN IRVINE
DIRECTOR REV. JOHNNY L. MILLER
DIRECTOR ARABEL ALVA ROSALES
DIRECTOR REV. DR. L. BERNARD JAKES
DIRECTOR JUDGE GLORIA CHEVERE
MR. LONGHINI: All right. We are now going to be in the next, the Finance, Audit and Budget Committee Meeting.

Good morning. My name is Gregory Longhini, Secretary to the Chicago Transit Board. I would like to note that in accordance with Executive Orders 2020-7 -- 2020-7, 2020-10, and 2020-37 issued by Governor J. B. Pritzker and further guidance issued by the Illinois Attorney General's office, this meeting will be conducted via teleconference through Webex. The audio for this meeting is streamed live at the CTA's website along with closed captioning. Public comment speakers have been invited to join the teleconference and have been provided with a telephone number by our Board -- by our Board Secretary to do so.

Chairman Silva, we are ready to begin the meeting.

CTTEE. CHAIR SILVA: Good morning. I would like to call to order the May 13, 2020, meeting of the Committee on Finance, Audit and Budget.

Will the Secretary call the roll.

MR. LONGHINI: Yes, sir.
Judge Chevere?

DIRECTOR J. CHEVERE: Here.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: Here.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: Here.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: Here.

MR. LONGHINI: Chairman Silva?

CTTEE. CHAIR SILVA: Yes.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: Here.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: Here.

MR. LONGHINI: We have a quorum of the Committee with all seven members present, sir. And let the record also show that President Dorval Carter and General Counsel Karen Seimetz are in attendance. So, Chairman Silva, we can move on to Agenda Item No. 2.

CTTEE. CHAIR SILVA: Our first order of business is the approval of the Committee minutes of April 8, 2020. Will the Secretary call the roll.
MR. LONGHINI: Yes.

Judge Chevere?

DIRECTOR J. CHEVERE: Yes.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: Here.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: Yes.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: Yes.

MR. LONGHINI: Chairman Silva?

CTTEE. CHAIR SILVA: Yes.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: Here.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: Here.

MR. LONGHINI: The minutes are approved with seven yes votes, sir. And we can move on to Agenda Item No. 3.

(whereupon, a discussion was had off the record.)

MR. LONGHINI: I'm sorry. Director Silva, please proceed on to Agenda Item No. 3.

CTTEE. CHAIR SILVA: Our next order of business is the finance report.
Jeremy.

MR. FINE: Thank you.

Good morning. This is Jeremy Fine, your CFO, and I wanted to give a rundown of March results.

The stay at home order went into effect on March 21st. So ridership and related revenues began to feel the full effect after that date. With regard to March revenues, we see farebox was down to budget by almost $13 million. Our passes were down to budget by almost $7 million. And again, you know, that drop was seen, you know, as we went into the stay at home order.

Reduced fare subsidy was at budget. From a cash flow perspective, we did receive a portion of the payment, $12 million, from the State within the last week or so.

Non farebox is down about $100,000, but again, just as other ridership related revenues are being impacted, we'll keep an eye on this as we move forward as the stay at home order goes -- continues into effect into April and May.

So total revenue was down approximately 19.5 million. Free rides were down about
1.2 million or about $25 percent, while ridership in general was down closer to 40 percent.

Turning the page to the year-to-date revenues, we see the vectors relatively the same across categories, but we see the year-to-date total revenues were down about $20 million or 22 point -- $20.2 million to budget. Again, 19.5 of that was due to March alone.

With regard to expenses for the month of March, we see labor slightly negative to budget by about $480,000 due to COVID related costs. We see materials negative to budget by about $830,000 primarily due to COVID related costs but also due to timing of material purchases.

Fuel was positive to budget by about half a million dollars due to lower spot pricing for the portion that we do not pre purchase as well as consumption, because you don't idle as much in heavy traffic. We also saw a positive benefit on power by about half a million dollars, and we see injuries and damages and security services essentially flat to budget, and other expenses positive to budget by about $440,000.

So overall total for March for expenses,
we were positive to budget by about $250,000. But again, due to the drag of the revenues, we see the net against revenues down a little over $19 million.

On a year-to-date expense basis, we see the vectors relatively the same across the categories, and we see total expenses down approximately $740,000. And again, net against revenues were down approximately $21 million year-to-date.

Public funding for 2020, we see that down about 9.5 million. Sales tax, which we received the first payment for the calendar year 2020, we received the January payment, which was down slightly to budget by about 334,000. That's, you know, again for January time period. Sales tax for March, which we'll again see the first effects of the COVID outbreak and the stay at home orders, will be received in June. So it will be later in the summer when we start seeing the full effect on the sales tax receipts from the pandemic.

PTF through April, so January through April, is down about 1.6 million. RET for January through March is down about 6.6 million. We do
continue to see a little bit of benefit of real estate closings that were in the pipeline prior to the pandemic. But again, we'll keep an eye on how that continues to manifest as the -- as the stay at home order remains in effect.

PTF rev was down about 1 million, so again about 9.5 million down on public funding on a year-to-date basis.

With regard to the cash position, you know, again, we benefited from the fact that the reduced fare reimbursement from the State was received, we usually receive a portion of it earlier around this time, and then there's a true-up payment, you know, in the fall. So that additional cash infusion, along with an advance of PTF funds from the RTA, allows us to cover our costs in the near future here as we continue to wait for the federal funding to come online. We are in the final stages to receive approval to start receiving those fundings, and again, we expect that hopefully within the next week or so as the federal government continues to work through that process.

So again, that is a substantial amount of
funding in the form of the CARES Act. But again, that is replacing lost revenue, as we highlighted here, for the month of March. That will obviously continue into April and May and beyond. And so it is very critical for us to continue to receive the public funding subsidies that we receive from the State and other local governmental institutions as we move forward because, again, that federal funding is a nice lifeline and a bridge but, again, it's just replacing lost revenues whether they're being, you know, farebox revenues or other expenses that we're covering with regard to COVID. But again, it's critical for us to continue to receive those State funding strips.

With regard to the commodities on the final page of the report, we were able to lock in 50 percent of the fuel needed in 2022 at $1.88, so it was actually a little bit better than what we had discussed at the prior Board meeting. So we were able to lock in $1.88, which was very favorable to the historically low rates that we had previously locked in at. So that will provide us almost $3 million in savings vis-à-vis the 2021 budget, or almost $10 million of savings versus
the 2022 budget. But again, a little bit of silver lining in the larger scope of the pandemic, we were able to lock in at very low prices for our fuel purchases for 2022.

This concludes my report, and I'm glad to answer any questions.

MR. LONGHINI: Thank you. Thank you, Jeremy.

CTTEE. CHAIR SILVA: I have a question. The $12 million that we received from the State, how much they still owe us?

MR. FINE: So usually, we receive about, you know, half of the 14 and a half million, you know, in the late spring. And then they true it up in the fall. This year, they were able to forward us $12 million of the 14 and a half that they owe us over the course of the year. So again, for the so-called spring installment, we received 12 million of the 14 and a half.

CTTEE. CHAIR SILVA: So is that -- But we're still going to be cruising, okay, to get that money, right?

MR. FINE: Yes. Absolutely. They have typically trued that up in the fall around September. There's not been any indication that
they wouldn't do so. So again, we'll continue to make our voices heard with regard to the reduced fare subsidy as well as, you know, the other streams of public funding that we receive from the State and others.

MR. LONGHINI: Any further questions, Chairman Silva?

CTTEE. CHAIR SILVA: Yes.

MR. LONGHINI: Chairman Silva, do you have any further questions?

CTTEE. CHAIR SILVA: No. I don't have any -- anyone.

MR. LONGHINI: Okay. So you conclude your questioning, sir. Okay. Let me move on to the other Board members, then, please.

Judge Chevere -- I'm sorry?

PRESIDENT CARTER: Greg, this is Dorval. Before you continue the questioning, I want to make one additional comment on Jeremy's report.

MR. LONGHINI: Sure. Okay.

PRESIDENT CARTER: Obviously, March -- March is a very weird month for what we're going through because it's almost, as I've heard Jeremy state in the past, it's a tale of two different months.
The first half of the month was fairly normal in terms of our revenue and expenses, and the second half of the month was a complete, you know, reversal of all that. Having said that, I can tell you that April is going to look nothing like March in terms of both revenue loss and expenses. And I think that's one of the reasons why Jeremy is making the point about the importance of our continuing to receive the subsidies that we need as well as the importance of the federal funding that is being provided under the CARES Act to help to offset these losses.

Jeremy mentioned that we saw a 40 percent loss in ridership in March. But once the pandemic kicked in, that dropped to about 80 percent. We are -- You know, we are losing over a million dollars a day in farebox revenue the way things currently exist. And we're expending or are on track to expend upwards of $25 million more just in cleaning costs because of the need to increase the cleaning and sanitation of CTA's system going forward.

Those numbers are going to start to play out in future reports for us. So I want the Board
to at least have the context around the numbers that we're looking at right now with the understanding that obviously, this is going to be a long term impact to CTA. We are not going to recover quickly from the impact of this pandemic. And as such, we are going to be very aggressively pursuing the additional financial support that we're going to need in order to keep the system operating and providing the services that are critical to the city and the communities that we serve.

CTTEE. CHAIR SILVA: Are you going to reduce the number of passengers per bus and --

PRESIDENT CARTER: We have already reduced the number of passengers that we carry on our buses as part of a crowd mitigation strategy. And that we started implementing at the same time that we implemented our rear door boarding policy. We -- we expect to continue that policy for the foreseeable future, regardless of what starts to happen with the reopening of the city. And obviously, we are very much involved and integral in the discussions about how the City will open up and what the impact of that will be on transit.
I think one of the -- one of the important things to keep in mind as we start that conversation is that we have a limit on capacity in terms of what we can provide in terms of transit service and still maintain social distancing on our system. I currently am providing about -- I'm using about 20 percent of the capacity of the system with the riders that we're carrying right now. I don't anticipate that that percentage is going to increase dramatically over the course of the reopening process, particularly as long as the virus itself continues to be a problem. And so what that means is that the way people commute and the way people use public transit is going to have to dramatically change. That means that employers are going to have to really rethink how they want employees to come to work, when they want employees to come to work, and how flexible they're going to have to be about their commute patterns in order to be able to provide the level of capacity to keep everyone safe.

We at CTA are not going to be able to, you know, police social distancing. It's just not
a practical solution to the problem. And so there's going to be a high level of personal accountability that's going to be placed on individuals to make the right decisions, to not get on a bus if the bus is crowded, to not get on a rail car if the rail car is crowded, and to adjust their travel patterns accordingly. We, of course, are going to do everything that we can to educate, inform, and support our customers as we go through this process. But as you can imagine, my primary concern is maintaining the safety of both our employees and our customers. And in order to do that, I am going to need the assistance of others.

We will be having those conversations with the City as they start to develop and implement their plan. We are not facing anything any differently than any other transit system is around the country. I am personally in conversation with transit agencies all over the country as we all talk about how we're going to do this. And I think thematically, you're going to be hearing the same thing everywhere. Public transit as we are used to seeing it, with packed
buses and packed rail cars, is not consistent with the reality of how we're going to have to operate during this pandemic. And that reality is going to be a part of the new normal until we are at a point where the virus has been addressed and contained.

MR. LONGHINI: Thank you, Dorval.
I will now ask the other Board members if they have any questions for either Dorval or Jeremy. I'll start with Judge Chevere?

DIRECTOR J. CHEVERE: No questions.

MR. LONGHINI: Reverend Jakes?
DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?
DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Director Irvine?
DIRECTOR IRVINE: No questions, but I just want to commend Dorval and your whole team and really everyone at CTA for, you know, everything you've gone through the last couple of months kind of pivoting and managing how we're responding to this. And you're doing a great job. So we really, really appreciate it, and the whole city appreciates it too, I know.
Thank you. No more questions.

MR. LONGHINI: Okay. Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions. I'm just glad to hear also that there's such a large level of coordination that's going on. I know it's both with the City and the State. So I'm glad to hear that. And thanks again for all your hard work, Dorval.

MR. LONGHINI: Thank you.

Director Peterson?

CHAIRMAN PETERSON: Thanks, Greg.

Jeremy, I've got a couple of questions regarding the budget.

Question one, I just don't recall offhand, and this kind of gets to what is the ratio that the RTA requires in terms of, I don't know if it's 60/40 public funding versus farebox. What is that ratio?

MR. FINÉ: So as a region, we have to hit 50 percent within -- so that's the target number that we have to reach as a -- as a whole RTA entity, CTA, Metra, and Pace.

CHAIRMAN PETERSON: So the question is, the question is, then, in light of COVID-19, and it's
going to be hard, and you and Dorval have mentioned it's going to be tough, even when the ridership starts to come back, it is not going to be possible to hit those ratios. And so I'm trying to see if there have been any conversations with the RTA on how those are going to get modified with this year being an outlier. But even as you start to plan for the 2021 budget, I've got to believe that that ratio is going to be hard to hit as well.

So that's the first question.

MR. FINE: So those conversations, you know, have been taking place. The RTA is, you know, under the -- under the track of utilizing the funding that we're receiving from the federal government, which is essentially a revenue replacement for fareboxes. And that portion that would be essentially revenue replacement for farebox -- lost farebox revenues because of COVID would be allocated as such. And if that's the case and they're taking that to their board, I believe, this month, and they're running the tracks up the State, that that would suffice for us to be able to breach that 50 percent threshold.
as a region.

So again, the federal funds would be allocated, you know, quote, unquote, replacement revenues for those lost farebox revenues.

CHAIRMAN PETERSON: Okay. Second question --

PRESIDENT CARTER: Terry, this is Dorval.

Just to further complete Jeremy's thought on this, there's also, as you pointed out, the longer term impact of the recovery ratio requirement on what will probably be a slow recovery in terms of our revenues and ridership. And we've also been talking to the RTA about legislative relief that would allow for more flexibility in the recovery ratio for some temporary period of time until the region basically recovers and is in a position financially to properly calculate that ratio based on revenue and expenses going forward.

CHAIRMAN PETERSON: Okay. Great.

Last question, Jeremy, I know when we last talked, there was some flexibility in terms of the CARES money, and you just talked about some of that money, if not a majority of it, can be used to recover dollars lost in the farebox.
Question. I know we've got some debt, and that normally comes off the top of our revenue, some debt that we're servicing. So I'm trying to find out if we're able to also -- some of that 800 million goes towards farebox losses, and normally we take operations dollars to pay debt service. Are we able to also pay down our debt service with some of the federal stimulus money?

MR. FINE: So we're still working through the details of all of that. We do have other revenues that continue to come in, whether it's -- obviously, less than anticipated farebox funding dollars that come in as well as other public funding dollars. So we do have other funding strips that are available to pay for certain costs.

But again, we're working through -- this is obviously a dynamic process with the FTA folks on allowable uses. But again, it's primarily for the COVID related expenses and other operating expenses of the transit agencies, whether that's CTA or other transit agencies across the country. But, you know, again, still working through those details. But again, we also have other funding
strips that we're able to use.

CHAIRMAN PETERSON: So just a question --

PRESIDENT CARTER: Terry?

CHAIRMAN PETERSON: Yes.

PRESIDENT CARTER: Just to put a finer point on what Jeremy is saying, there's a distinction between eligible costs for the person receiving the funds and then what happens with those funds once you've received them. In other words, what Jeremy is talking about is whether debt service as an eligible cost can be directly applied for to receive federal funds. We do know that lost revenue can be applied for use of federal funds. And once you receive that -- those funds, you can use that money for whatever you would normally use revenue for. So there's a direct and an indirect conversation going on here that ultimately gets to the concern that you have. You know, the question that Jeremy is discussing with the federal government is whether or not I can directly just take those payments and apply for federal funds to pay for them. I may not be able to do that. I think that's still being discussed. But that doesn't mean that once I receive the
money that that money then isn't eligible to be used for that purpose. Do you understand what I'm saying?

CHAIRMAN PETERSON: Yeah. And the reason I was thinking, and, you know, I'm always thinking about what's going on here at Rush and thinking about CTA, one of the reasons I raised the question, because I know Jeremy is still trying to work through this with the federal government, is I know there are other revenues coming in. I don't know what our monthly debt service payments are, 3 million, 4 million, 2 million. But let's say for example, worst case scenario, we have to use other sources other than federal money, trying to see at what point we -- and I don't know Jeremy if you've thought this far down the road -- but at what point do you -- do we run the risk of defaulting on debt if we can't, you know, use the federal money? So how much of a runway do you have with other revenue sources coming in?

MR. FINE: There is no risk of defaulting on debt. No risk of defaulting on debt.

You know, we have enough runway to deal with the debt service payments, so there's
absolutely no risk of defaulting on debt.

CHAIRMAN PETERSON: And so how much of a runway in terms of months do you have without using some of the CARES money to continue to pay debt service? What is that -- What is that monthly? And I don't know how --

MR. FINE: The only -- The only dollars that we have on the operating budget is with regard to the pension obligation bonds, and that's about $13 million a month.

CHAIRMAN PETERSON: Okay. All right. Okay. No further questions.

CTTEE. CHAIR SILVA: I have a question. Are we checking what is the capacity of the buses and if we're going to need further -- more investment in buses in order to meet the demand that we're going to have in one or two years?

PRESIDENT CARTER: No. We're not looking to increase our fleet size for a couple of reasons. One, the practical timing of how long it would take for me to do that wouldn't help in the short term or even in the medium term to address our capacity needs. This is not -- This is not an issue that I can address from adding more buses or
rail cars. It's an issue that I have to address
by controlling the demand for the use of vehicles.
And that's why I was making the comments I was
making earlier about -- about the need for
employers and others to look at ways to help
create flexibility about how our system is used.
The adding additional equipment isn't going to
solve that problem. And again, there's a
limitation in terms of the capacity of our entire
system to even accommodate additional equipment.
I only have rail yards that are so big; I only
have garages to hold so many buses. So we really
don't have the physical ability to expand our
fleet dramatically beyond what it's currently at.

CTTEE. CHAIR SILVA: So we are at full
capacity right now?

PRESIDENT CARTER: Pretty much. Many of our
yards are at capacity. As you know, you know, one
of the reasons why the Red Line Extension is such
an important project for us is not just because of
the service that we can provide to the far south
side of the city, but it also allows me to create
a new rail yard to actually manage the additional
rail cars I need. So, yeah, to a great degree, we
are -- we are close to capacity in terms of the amount of equipment that CTA can operate and maintain within our existing infrastructure.

CTTEE. CHAIR SILVA: Okay. Thank you.

PRESIDENT CARTER: You're welcome.

MR. LONGHINI: Chairman Silva, do you have any further questions, or --

CTTEE. CHAIR SILVA: No, I don't.

MR. LONGHINI: Okay. Well, then there are no further questions, Chairman Silva, on this item, so we can proceed to agenda -- Committee Agenda No. 4.

CTTEE. CHAIR SILVA: Our next order of business is the review of an ordinance amending Ordinance No. 019-103 approving the fiscal year 2020-2024 Capital Improvement Program.

Jeremy.

MR. FINE: Thank you.

This is Jeremy Fine, your CFO, and I'm joined by Michele Curran, who is Vice President of Budget and Capital Finance, and she'll walk through the details.

MS. CURRAN: Thank you.

Good morning. Michele Curran, Vice
President of Budget and Capital Finance. I'm here today to present an amendment to the 2020-2024 Capital Improvement Program, or CIP. In November 2019, the Board approved the $5.1 billion CIP. We are now amending the CIP, as we do each year after final appropriations are finalized and to incorporate any additional known changes.

The amendment is being done to facilitate several changes. First, it is being done to decrease the amount of federal formula funds by 14.5 million based on the final federal appropriations. This amount, however, is still higher than what was initially approved under the FAST Act.

Second, to increase the amount of federal discretionary funds awarded through CMAP for 76.5 million to fund several projects, including 20.3 million for ADA improvements at the Austin Green Line station, 39.1 million to purchase additional new E-buses as well as charging infrastructure, 16.9 million to mitigate bus slow zones, and 375,000, including the local match, to develop a plan to identify potential bus enhancements.
Third, we will reprogram 1.5 million of bond funds allocated in a prior CIP to support the modification of the equipment room at the Skokie shop allowing for testing equipment to service the new rail cars.

Fourth, we will align the timing of existing State bond funding with the State grant. And finally, to align existing formula funds with project need.

The next funding increase for the 2020-2024 CIP is 63.6 million.

I'd be happy answer any questions.

MR. LONGHINI: Thank you, Michele.

I'm now going to poll the Board on questions for this item.

Judge Chevere?

DIRECTOR J. CHEVERE: No questions.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

MR. LONGHINI: Chairman Silva?
CTTEE. CHAIR SILVA: No questions.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: No questions.

MS. CURRAN: Thank you.

MR. LONGHINI: Thank you very much.

There are no further questions on this item, Chairman Silva.

CTTEE. CHAIR SILVA: Since there are no further questions, may I have leave to place this item on the omnibus for Board approval?

DIRECTOR REV. JAKES: So moved.

DIRECTOR REV. MILLER: Second.

MR. LONGHINI: The motion was moved by Director Jakes and seconded by Director Miller, so it is now on the omnibus. But, Chairman Silva, before we proceed, I was just informed that we want to present a ridership report. So we're going to just suspend going on to the next item and ask Mike Connelly to please join the proceedings and present that ridership report.

CTTEE. CHAIR SILVA: Okay.

MR. LONGHINI: Mike.
MR. CONNELLY: Thank you. Thank you, Greg.
Thank you, Chairman.

This is Mike Connelly, your Chief Planning Officer.

We're preparing to give you a little deeper briefing about ridership changes. As has been already discussed, March was an unusual month, and this monthly data for ridership in your report distributed with your -- with your packets this month is for the month of March. It's validated March ridership results. Validated April ridership results will be available late this month and will be available in your June Board materials.

The ridership losses referred to due to the corona 19 virus began on the week of March 12 as some offices closed and many businesses sent workers home to telecommute. The losses picked up on March 13th when the Governor closed the public schools across the state effective Monday, March the 16th. That weekend, the Chicago St. Patrick's Day Parade and the dyeing of the river were cancelled, which probably saved thousands of people. The following week, the stay at home
order by the Governor was issued effective Saturday, March the 21st. By Monday, March 23rd, CTA rail ridership was down by 84 percent, and CTA bus ridership was down by 71 percent. This level of ridership loss has continued through the remainder of March and substantially the same through the month of April, with some fluctuations due to weather.

CTA is still carrying a substantial number of riders. It's often been said that we carry a million and a half riders per weekday. That was before the COVID pandemic. And that level of a million and a half is equal to the population of the entire city of Philadelphia. We're now carrying 300,000 riders a day, equal to the population of the city of Pittsburgh or, in another comparison, equal to the average weekday pre-COVID ridership of the entire Houston Metro system.

Ridership losses are not even across either the bus or the rail system. On the rail system, the Loop stations and the Brown Line are down by about 90 percent of their ridership. Losses on the Dan Ryan branch and on the south
Green Line are only in the 60 percent range.

On the bus system as well, commuter type express bus routes have lost higher percentages of riders, and high volume arterial crosstown routes serving the south and west sides of the city have seen lower ridership losses.

We maintain overall more of the bus ridership than rail ridership given the geographic coverage of our bus network. For both bus and rail, the former rush periods have been increased with a gradual increase late morning and a peak ridership in the mid afternoon. This is, as has been mentioned, an unprecedented fundamental change. We do not expect that ridership recovery will occur as quickly as the losses occurred.

CTA is committed to serving those riders who need to use our transportation system for essential trips. The front line drivers, train operators, and customer assistants perform heroically each day to keep service out on the street and on the tracks and visiting our stations. We are using rear door boarding to help protect our bus operators, and parts of the rail cars near the operator cab have been sectioned off
to help protect these essential transit workers.

CTA Operations staff have been both flexible and agile in responding to the ridership changes. CTA has introduced maximum passenger load standards for our buses to encourage adequate space for social distancing. Service has been altered by reallocation of our larger 60-foot buses to routes which have seen less ridership loss, and our Bus Operations team is implementing both short turns to focus more service where it's needed and using gap buses or extra buses to provide quick service into locations that are experiencing crowding.

CTA is preparing a survey of riders to go a little deeper into ascertaining who exactly is riding and the purposes of their travel. And CTA staff have convened a COVID-19 Strategic Planning Task Force to prepare the organization for reopening of the City. As has been mentioned, coordination continues with all levels of government and within the city and the region here.

Your transit system is dedicated to continuing to serve our riders now and to ensuring
that in the post pandemic future, public transit will be a vital part of our region's transportation infrastructure.

Thank you. I'll be glad to try to take any questions.

MR. LONGHINI: Thank you, Mike.

Any questions for Mike on our ridership? We'll start with Judge Chevere.

DIRECTOR J. CHEVERE: No questions.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: Just one question, as Mike shared that the south and west sides did not see the same decrease. Would it be safe to say that these are the areas of where they're having the complaint of overcrowding?

MR. CONNELLY: Yes. Specifically, those areas that have seen less ridership loss.

DIRECTOR REV. MILLER: Okay. Because I know already I heard President Carter say we can't police, but you're just saying we do have a gap, buses and other buses. So what are we doing to try and curtail that? Have we put out any
information? Or I know we can't police it, but what is CTA doing to try to help that?

MR. CONNELLY: We do have posters on all of our vehicles, both buses and trains, to encourage people to maintain social distancing. And as I've mentioned, we've moved the larger buses into those areas specifically to handle places where we've seen crowding. Bus Operations and the planning and ridership staff continue to monitor that on a daily basis, including over the weekend, to see where we've seen occurrences of crowding, and then put those extra gap buses and the extra large 60-foot buses into those areas in order to provide better spacing and less crowding.

PRESIDENT CARTER: Dr. Miller, this is Dorval Carter. I want to be clear about one aspect that Mike is talking about, which is there's no one perfect solution to this issue. Mike will be the first to tell you that where we see the crowding occur and where and what period of time tends to move and vary from day-to-day, sometimes by hour to hour. So while we're being flexible, while we're adjusting service, and while we're, you know, moving capacity around, I cannot guarantee
that someone won't get on a bus and find it crowded, in spite of everything that we're doing. And that's one of the reasons why I was making the point earlier about there's a level of personal accountability that's key to this whole conversation.

CTA, as you mentioned can't police common sense. And, you know, to some degree, we do need for customers to recognize that if a bus is crowded, or it has become crowded, that they need to wait for the next bus, wait for the next training.

One of the reasons we continue to provide full-level service is to minimize the impact of those waits and to maximize the ability to meet the capacity needs while maintaining social -- social distancing. But we're going to get complaints. And if I could, you know, magically transform a bus to a particular location instantaneously to address that, I would. Unfortunately, that technology doesn't exist today, in spite of all my pressuring my Innovation team. But in the meantime, we are going to continue to do everything we can with the
resources that we have to respond as effectively as we can to instances we have of crowding and concerns we have about managing that issue, particularly on the south and west sides of the city where we have seen those issues occur.

DIRECTOR REV. MILLER: Yes, because we understand that that population, south and west sides, don't have the privilege, many of them, of working from home and have to survive. So thank you so much for that and whatever we can do to try to help out.

PRESIDENT CARTER: Absolutely. We'll continue to do everything we can to address that concern going forward.

MR. LONGHINI: Thank you, Dorval.

Director Irvine, questions for Mike?

DIRECTOR IRVINE: No questions.

MR. LONGHINI: Chairman Silva, do you have any questions for Mike Connelly on ridership?

CTTEE. CHAIR SILVA: No questions.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: I have a few questions.

So are we getting support from the media
with regards -- I think we have, from what I've seen -- but in regards to getting the message out with regards to crowding and then with regards to also PPP -- PPE and everybody wearing their PPE masks or whatever else they can on the buses? Has the media been supportive of that?

PRESIDENT CARTER: Yes. I'll answer that. This is Dorval Carter. Yes, the media has been supportive of that issue. Obviously, the media also likes, you know -- you know, doing stories of instances where that's not happening. But I think that we've gotten that support. We certainly have been promoting it on social media. There's a lot of print media that we've put up in our stations and our buses. We also do audio announcements reinforcing those issues.

But, you know, as I indicated to you and I keep saying this, I know I'm starting to sound like a broken record here, there's a real -- there is a level of personal accountability that needs to be a part of this conversation, because CTA is not in a position to -- you know, to force social distancing and wearing a mask. And to the degree that the public does not cooperate with those
mandates, then it does become a problem.

DIRECTOR ALVA ROSALES: Right now, with regards to the survey, and I know, Dorval, you had mentioned this earlier, that we're also, you know, talking -- I believe this is what you meant -- looking at businesses and seeing what they're going to do as far as maybe more people staying home, et cetera, et cetera, will this survey also look at that?

PRESIDENT CARTER: No. This survey is focused on our customers. We're doing separate outreach along with the City to get a sense of what employers are going to be doing.

DIRECTOR ALVA ROSALES: Okay.

PRESIDENT CARTER: We've also reached out to JLL, who actually has been doing their own analysis of downtown office buildings and getting information from them as well to help sort of guide us as we put together our transition plan for reopening. So there are other sources that we're going to get that information. But what Mike is talking about is really focusing on our customers and getting an understanding of what their travel patterns are and why, but also
getting a sense of what they are going to need to
see to feel comfortable continuing to ride as the
city starts to reopen. So we're looking to really
take a look at both the current state of ridership
but also a discussion around the future state of
what that's going to look like.

DIRECTOR ALVA ROSALES: So I think both what
Mike is doing and the others that you're talking
about are important, because one will impact the
other.

PRESIDENT CARTER: Absolutely.

DIRECTOR ALVA ROSALES: So I'm glad we're
doing that. Okay.

PRESIDENT CARTER: I agree.

MR. LONGHINI: Thank you, Arabel.

Director Peterson, do you have any
questions on ridership?

CHAIRMAN PETERSON: No questions.

MR. LONGHINI: All right. So thank you very
much, Mike Connelly, for that presentation.

Chairman Silva, we can get back to the
regular agenda, which takes us to Committee Agenda
Item No. 5, the contracts, and we can start with
contract No. A-1.
CTTEE. CHAIR SILVA: Our next order of business is the review of Contract No. A-1, a change order for transmission rebuilding.

Are there any questions?

MR. LONGHINI: Thank you. Judge Chevere, any questions on Contract No. A-1?

DIRECTOR J. CHEVERE: Just a quick question here. What page are we on? Because it's tough for me to keep track of this on the virtual board book. I've lost track of what pages we're on here.

MR. LONGHINI: I'm not sure in the virtual board book --

DIRECTOR IRVINE: This is Kevin. It's 53.

DIRECTOR J. CHEVERE: Okay. I found it.

Thank you very much.

I have no questions.

MR. LONGHINI: Okay. Thank you, Kevin.

Reverend Jakes, any questions on A-1?

DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.
MR. LONGHINI: Chairman Silva, any questions on this item?

CTTEE. CHAIR SILVA: No, no questions.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: Yeah. The only question that I had on this one, are there any other expiring, you know, warranties that we should be aware of so that we can avoid this kind of a change order in the future?

MS. MCCORMACK: This -- The issue here was there was an increase in problems with the transmission unit, so they spent the money more quickly than they expected to. This contract originally was not to expire until December of 2021. So we are -- we did ask for this change order, and we are currently in the process of going out for a new procurement. So it's not so much this was going to expire as that we used the funds more quickly.

But we are -- you will see some change orders coming, assuming we were going to come back earlier than we did, we were asking for change
orders. But now we are starting to do more of our procurements online. We had been heading that way. So it wasn't -- you know, the leap wasn't as broad as it would have been before. We did do our first RFP online, and we are working on a process to do ISBs online.

CHAIRMAN PETERSON: Okay.

MR. LONGHINI: Thank you, Director Peterson. Of course, that was Ellen McCormack, who I forgot to introduce, speaking.

MS. MCCORMACK: Sorry.

MR. LONGHINI: Ellen McCormack and Juan Pablo Prieto will be making the presentations on these contracts.

Chairman Silva, since there are no further questions on this item, we may proceed to Contract Item A-2.

CTTEE. CHAIR SILVA: Our next order of business is a review of Contract No. A-2, the servicing of water tanks.

Any questions?

MR. LONGHINI: Judge Chevere, any questions for staff on this A-2?

DIRECTOR J. CHEVERE: No questions.
MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Detector Irvine?

DIRECTOR IRVINE: No questions.

MR. LONGHINI: Chairman Silva, do you have any questions?

CTTEE. CHAIR SILVA: No questions.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: No questions.

MR. LONGHINI: Chairman Silva, there are no further questions on this item, so we may proceed to Contract No. A-3.

CTTEE. CHAIR SILVA: Our next order of business today is the review of Contract No. A-3, disadvantageous for labor and parts as required.

Any questions?

MR. LONGHINI: Judge Chevere?

DIRECTOR J. CHEVERE: No questions.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: No questions.
MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

MR. LONGHINI: Chairman Silva?

CTTEE. CHAIR SILVA: No questions.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: Yeah, just one question.

I think, did we purchase these buses back in 2012?

MS. McCORMACK: I'm going to ask Don Bonds or
his staff to jump in on that.

MR. BONDS: This is Donald Bonds.

Yes, Chairman.

CHAIRMAN PETERSON: Yeah, a question. What's
the life expectancy of buses? Because I'm just
looking at the contract and, you know, trying to
think through how long -- I know, like I said, I
thought it was 2012 these were purchased. Just --
what's the life expectancy of these buses or
normally a bus in service?

MR. BONDS: Usually it's 12 years as long as
we do all of the -- the overhauls, that includes
the midlife and other overhauls throughout the
time frame. And they can last a little longer.
As you know, our 6400 series nova buses we've had
since, I believe, 2004, I believe. But they've
had a number of overhauls done on them.

CHAIRMAN PETERSON: Okay. All right.
MR. LONGHINI: No further questions?
Go ahead, Terry.

CHAIRMAN PETERSON: I was just thinking about
what happens when the warranty expires. I'm told
we've had trouble with -- you know, with some of
these buses in terms of maintenance costs.

MR. LONGHINI: Ellen or Don, is there an
answer to that question?

MS. MCCORMACK: Ellen McCormack, Vice
President of Purchasing.

We would enter into new contracts to do
the work, or we would try to handle it in-house.

MR. BONDS: That's correct. Yeah. I mean,
that depends on how much it costs. Sometimes, we
can get an assistance from the vendor if it's
something that's been an ongoing problem, they
will step in and give us a per diem fee, a
percentage of whatever that cost is to repair the
bus. And in this case, this is some of the things that did happen where it was something, an issue with the buses, so they did share the costs at a period of time.

CHAIRMAN PETERSON: Okay.
MR. LONGHINI: Thank you, Ellen and Don. Chairman Silva, that are all the questions for that contract. So we may now proceed to Contract No. A-4.

CTTEE. CHAIR SILVA: Our next order of business is the review of Contract No. A-4, a request for proposal for vehicles.

Any questions?
MR. LONGHINI: Judge Chevere?
DIRECTOR J. CHEVERE: No questions.
MR. LONGHINI: Reverend Jakes?
DIRECTOR REV. JAKES: No questions.
MR. LONGHINI: Reverend Miller?
DIRECTOR REV. MILLER: No questions.
MR. LONGHINI: Detector Irvine?
DIRECTOR IRVINE: No questions.
MR. LONGHINI: Chairman Silva, do you have any questions?

CTTEE. CHAIR SILVA: No questions.
MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: No questions.

MR. LONGHINI: Chairman Silva, there are no further questions on that item, so we may proceed to Contract --

PRESIDENT CARTER: Greg?

MR. LONGHINI: Yes.

PRESIDENT CARTER: President Carter.

I just want to make one sort of mechanical observations about this particular contract. The Snow Fighter contracts are basically replacements of Snow Fighters that we've had for, dare I say, decades. And the reason I mention that is that Judge Chevere, you may actually have been an employee of CTA when we purchased the original Snow Fighters that are now being replaced.

DIRECTOR J. CHEVERE: Wow.

PRESIDENT CARTER: That's a sense of how long we've been using them. I personally was a staff attorney who worked on this negotiation for this contract, so we are well overdue in terms of
replacing these Snow Fighters. So this procurement is going to definitely put us in a much better position to deal with any winter weather that we may experience in the future.

CHAIRMAN PETERSON: Dorval, I'm willing to bet that -- it would be interesting to see the new machines that we purchase, how long those last. I'm just saying, they don't make them like they used to. I mean, that's a lot of use. And, I mean, we actually got a huge return on the investment with it, because they've lasted that long. That's huge. That's huge.

PRESIDENT CARTER: I would agree, and I think we need to give Don and his team a tremendous debt of gratitude because they have kept these machines running way beyond any reasonable, useful life that one would expect from them.

CHAIRMAN PETERSON: What's the life expectancy, or the warranty, I should say, on the new machines that we're purchasing? Is it the typical five year, parts and labor?

MR. BONDS: This is Donald Bonds again. Yeah. That's usually what it is. And also just a note for the engines themselves on
these vehicles, it's more of some of the same
things that you see on the new vehicles that are
coming out now with the DPF filters and all this
kind of stuff. So it will be interesting to see
how long they last.

CHAIRMAN PETERSON: Okay.

MR. LONGHINI: Okay. Finished with the
questions.

Chairman Silva, we are done with that
item, so we may now proceed to Contract NO. B as
in boy 1.

CTTEE. CHAIR SILVA: Our next order of
business is the review of Contract NO. B-1, change
order pertaining to the design-build contract for
certain Blue Line station improvements.

Any questions?

MR. LONGHINI: Judge Chevere?

DIRECTOR J. CHEVERE: No questions.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Detector Irvine?

DIRECTOR IRVINE: No questions.
MR. LONGHINI: Chairman Silva, do you have any questions?

CTTEE. CHAIR SILVA: No questions.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: No questions.

MR. LONGHINI: All right. Chairman Silva, there are no further questions on that item, so we may move to Contract No. B as in boy 2.

CTTEE. CHAIR SILVA: Our next order of business is the review of Contract No. B-2, a change order pertaining to construction services for the Quincy station.

Any questions?

MR. LONGHINI: Judge Chevere?

DIRECTOR J. CHEVERE: No questions.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Detector Irvine?

DIRECTOR IRVINE: No questions.

MR. LONGHINI: Chairman Silva?
CTTEE. CHAIR SILVA: No questions.
MR. LONGHINI: Director Alva Rosales?
DIRECTOR ALVA ROSALES: No questions.
MR. LONGHINI: Director Peterson?
CHAIRMAN PETERSON: No questions.
MR. LONGHINI: Chairman Silva, there are no further questions, so we may proceed to contract No. B as in boy 3.

CTTEE. CHAIR SILVA: Our next order of business is the review of Contract No. B-3, a change order pertaining to construction services for the Illinois Medical District station.
Any questions?
MR. LONGHINI: Judge Chevere?
DIRECTOR J. CHEVERE: No questions.
MR. LONGHINI: Reverend Jakes?
DIRECTOR REV. JAKES: No questions.
MR. LONGHINI: Reverend Miller?
DIRECTOR REV. MILLER: No questions.
MR. LONGHINI: Detector Irvine?
DIRECTOR IRVINE: No questions.
MR. LONGHINI: Judge Silva [sic]?
CTTEE. CHAIR SILVA: No questions.
MR. LONGHINI: Director Alva Rosales?
DIRECTOR ALVA ROSALES: No questions.

MR. LONGHINI: Director Peterson, since you can see the station outside your window probably?

CHAIRMAN PETERSON: I don't know. At least I can walk to it.

No questions.

MR. LONGHINI: No questions.

Chairman Silva, there are no further questions on this item, so we may now proceed to contract No. B as in boy 4.

CTTEE. CHAIR SILVA: Our next order of business is the review of contract No. B-4, authorization of funding for MID-CON.

Any questions?

MR. LONGHINI: Judge Chevere?

DIRECTOR J. CHEVERE: No questions.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

MR. LONGHINI: Chairman Silva, any questions?

CTTEE. CHAIR SILVA: No questions.
MR. LONGHINI: Director Alva Rosales?

Director Alva Rosales, are you there?

DIRECTOR ALVA ROSALES: No questions. Sorry about that.

MR. LONGHINI: No problem.

Director Peterson?

CHAIRMAN PETERSON: No questions.

MR. LONGHINI: All right. Chairman Silva, since there are no further questions, we can now proceed to Contract No. C as in cat 1.

CTTEE. CHAIR SILVA: Our final order of business is a review of Contract No. C-1, a task order amendment pertaining to CTA financial systems.

Any questions?

MR. LONGHINI: Judge Chevere?

DIRECTOR J. CHEVERE: No questions.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: No questions.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: No questions.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

MR. LONGHINI: Chairman Silva?
CTTEE. CHAIR SILVA: No questions.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: No questions.

MR. LONGHINI: There are no further questions on this item, Chairman Silva, so there are no further questions on the contracts.

CTTEE. CHAIR SILVA: If there are no further questions, may I have leave to place these nine contracts on the omnibus for Board approval?

DIRECTOR REV. JAKES: This is Director Jakes. So moved.

DIRECTOR REV. MILLER: Director Miller, second.

MR. LONGHINI: The motion has been moved by Director Jakes, Seconded by Director Miller.

Chairman Silva, there is no further business to come before this Committee.

CTTEE. CHAIR SILVA: If there is no further business to come before the Committee, may I have a motion to approve the omnibus?

DIRECTOR REV. JAKES: Director Jakes, so moved.
DIRECTOR REV. MILLER: Director Miller, second.

MR. LONGHINI: Moved and seconded.

I will now take a roll call vote on the motion to approve the omnibus.

Judge Chevere?

DIRECTOR J. CHEVERE: Yes.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: Yes.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: Yes.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: Yes.

MR. LONGHINI: Chairman Silva?

CTTEE. CHAIR SILVA: Yes.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: Yes.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: Yes.

MR. LONGHINI: Chairman, the motion to approve the omnibus passes with seven yes votes. We may now proceed to Committee Agenda Item No. 6.

CTTEE. CHAIR SILVA: And finally may I have a motion to adjourn?
DIRECTOR REV. JAKES: Director Jakes, so
moved.

DIRECTOR REV. MILLER: Director Miller,
second.

MR. LONGHINI: It's been moved and seconded,
the motion to adjourn.

Judge Chevere?

DIRECTOR J. CHEVERE: Yes.

MR. LONGHINI: Reverend Jakes?

DIRECTOR REV. JAKES: Yes.

MR. LONGHINI: Reverend Miller?

DIRECTOR REV. MILLER: Yes.

MR. LONGHINI: Director Irvine?

DIRECTOR IRVINE: Yes.

MR. LONGHINI: Chairman Silva?

CTTEE. CHAIR SILVA: Yes.

MR. LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: Yes.

MR. LONGHINI: Director Peterson?

CHAIRMAN PETERSON: Yes.

MR. LONGHINI: That motion is approved with
seven yes votes.

In about a minute, we will begin the
Board meeting.
(Whereupon, the meeting of the Committee on Audit, Finance and Budget was adjourned at 10:38 o'clock a.m.)
STATE OF ILLINOIS  
)  
)  SS:  
COUNTY OF COOK  
)  

I, TRACY JONES, being first duly sworn, on oath says that she is a court reporter doing business in the State of Illinois; and that she reported in shorthand the proceedings of said Meeting, and that the foregoing is a true and correct transcript of her shorthand notes so taken as aforesaid, and contains the proceedings given at said Meeting. 

______________________________  
TRACY JONES, CSR, RPR, CLR  
LIC. NO. 084-004553