COMMITTEE ON FINANCE, AUDIT AND BUDGET

IN RE THE MATTER:  
REGULAR MEETING  
OF MAY 12TH, 2021  

Report of proceedings at the meeting of  
the above-entitled cause, before Tabitha Watson, an  
Illinois Shorthand Reporter, on the 12th day of  
May, 2021, at the hour of 9:40 a.m., via  
videoconference.

Reported by: Tabitha Watson, CSR, RPR  
License No.: 084-004824
BOARD MEMBERS PRESENT:

ALEJANDRO SILVA, Chairperson
ARABEL ALVA ROSALES
KEVIN IRVINE
BERNARD JAKES
JOHNNY MILLER

ALSO PRESENT:

DORVAL R. CARTER, JR., President
GREGORY LONGHINI, Secretary
KAREN SEIMETZ, General Counsel
JEREMY FINE
ELLEN MCCORMACK
BILL MOONEY
JUAN PABLO PRIETO
Whereupon, the following proceedings were had via videoconference.)

SECRETARY LONGHINI: We can now begin at 9:40 the meeting on Finance, Audit & Budget, Chairman Silva.

CHAIRPERSON SILVA: Good morning. I would like to call to order the May 12th, 2021 meeting of the Committee on Finance, Audit & Budget.

Would the secretary call the roll?

SECRETARY LONGHINI: Yes.

Director Irvine?

DIRECTOR IRVINE: Here.

SECRETARY LONGHINI: Director Miller?

DIRECTOR MILLER: Here.

SECRETARY LONGHINI: Director Jakes?

DIRECTOR JAKES: Here.

SECRETARY LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: Here.

SECRETARY LONGHINI: Chairman Silva?

CHAIRPERSON SILVA: Here.

SECRETARY LONGHINI: We have a quorum with all five members of the Committee present, sir.

CHAIRPERSON SILVA: Our first order of business
is the approval of the committee minutes of
April 14th, 2021. May I have a motion to approve?

DIRECTOR JAKES: So moved.

DIRECTOR MILLER: Second.

SECRETARY LONGHINI: Moved by Director Jakes.

Seconded by Director Miller.

Director Irvine?

DIRECTOR IRVINE: Yes.

SECRETARY LONGHINI: Director Miller?

DIRECTOR MILLER: Yes.

SECRETARY LONGHINI: Director Jakes?

DIRECTOR JAKES: Yes.

SECRETARY LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: Yes.

SECRETARY LONGHINI: Chairman Silva?

CHAIRPERSON SILVA: Yes.

SECRETARY LONGHINI: That motion is approved
with five yes votes.

CHAIRPERSON SILVA: Our next order of business
is the finance report. Jeremy Fine. Good morning,

JEREMY FINE: Good morning. I'm Jeremy Fine,
your Chief Financial Officer and I'll be reviewing
the financial results for March and the
year-to-date numbers.

On the first page here, we have an overview of March revenues. We see fare and pass totals continue to be up as we have for the first several months of the year here. We see a total aggregate number of 4.5 million above budgeted expectations. The reduced-fare subsidy is continuing to come in as expected per the budget; but, again, that is a haircut of 50 percent over what we have historically received and well below what we actually provide in terms of free and reduced-fare rides.

Nonfarebox totals continue to come in slightly below budgeted expectations driven by the ground transportation tax funding and advertising revenue and investment income coming in lower than expected. And then that ads up on a net basis to $2.4 million of positive variance for the month of March. So we continue to do very well, as you can see on the next page, on a year-to-date number basis where we see fare and pass totals positive by over $8 million with reduced-fare subsidy coming in as expected. Nonfarebox being slightly below budgeted expectations, but on a net basis, we
continue to outperform budgeted expectations for
the first quarter of 2021 by about $2 million.

On the next page, we review the expenses.
And we see for March expenses, we continue to do
very well in controlling our various line items
here. Labor coming in slightly favorable to budget
by 1.5 million. Material is essentially at budget,
but slightly down primarily just due to timing of
purchases here.

Fuel and power continue to be very strong
performers for us. Injuries and damages coming in
as expected and security services slightly
positive, but some of that will reverse with future
timing of invoices.

And then other expenses positive by about
2.5 -- $5.2 million. So on aggregate, we see total
operating expenses positive by over $8 million.
When you look at this on a net basis with taking
into consideration of our revenues, we are about
ten and a half million positive for the month.

On the next page, we see year-to-date
numbers. Again, similar trajectory for each of the
line items on their expenses where we see labor
positive by almost 4 million, materials slightly
down, fuel and power positive by, you know, almost, you know, $3 million in aggregate.

Injuries and damages coming in as expected. Security services slightly positive and other expenses, almost four and a half million dollars of favorability there.

So overall, we see year-to-date expense numbers coming in about $12.3 million to the positive. Again, when coupled with the positive variance that we saw on revenues, we're -- for the first quarter of the year on a net basis, we're positive by 14.3 million to the budget.

On the next page, we talk about public funding numbers. We continue to see public funding numbers positive. This is the first full month -- full year month of sales tax number. This is attributed to January collections and we see about $2.7 million of positive variance here.

PTF coming in about $2.7 million to the positive for April collections and then the RETT with regard to March collections is about a million and a half. Then some positive variance on PTF for RETT as well as ICE leaves us about $7.2 million favorable to budget with regard to public funding.
On the next page, we see year-to-date numbers. Again, a similar trajectory on the various lines leads us on a net basis to be about 21 and a half million dollars to the positive on public funding. That has been very helpful on us being able to stretch out those critical CARES dollars as far as we can and you see on the next page, the CARES draws that we're expecting for the month are about $54 million. Again, kind of in that same bandwidth that we've seen over the course of the last several months.

Total draw now is about $620 million of the 817, so that's about 75, 76 percent of the total. Again, we've been able to stretch those critical CARES dollars with the assistance of the departments as well as, you know, positive variance here on the revenue side.

So, again, we've been able to stretch those CARES dollars into 2021 and we'll talk more about the budget amendment side with regard to the CRRSA funding and how that will be closing, you know, gaps here expected for 2021 and going into 2022. Next page, please.

With regard to the three commodities,
we're concluding the RFP process for fuel, so we'll be looking to purchase outer year fuel in the near future. Power, we're fully locked in through 2024. And last week, we were able to lock in at very advantageous prices for future year purchases for natural gas. So we were within 10 percent of the all-time low. So, again, very advantageous time to kind of lock in there on natural gas. We'll continue to update the Board with regard to future purchases on these three commodities.

That concludes my report. Any questions with regard to March FAB?

CHAIRPERSON SILVA: We've been doing very well. Okay. Do we expect that, okay, to continue?

JEREMY FINE: So, you know, I wish I had a perfect crystal ball. You know, we have done very, very well with regard to our expectations per the '21 budget for the first quarter. You know, again, you know, we're seeing some slight improvements, which Molly Poppe will talk about in a little bit more detail.

But, you know, with regard to some of the efforts that we're making, you know, with regard to ridership, and, you know, we're seeing some
improvement there and you're seeing it in the numbers in the FAB here. You know, we continue to keep an eye on the larger economy because that's being -- that has been a big tailwind for us in the first quarter with regard to public funding numbers. But, you know, again, we'll continue to keep an eye on both of those trends and hopefully those continue and expand as we move forward.

You know, we do continue to keep a very tight grip on our expenses and that's something we can obviously have total control or more control on. So we'll continue to keep a tight control on our expenses as we continue to move forward, because, again, that's critical for us to be able to extend the life so to speak of those critical CARES dollars and the CRRSA funding that we've been awarded by RTA.

CHAIRPERSON SILVA: Thank you.

SECRETARY LONGHINI: Any further questions, Chairman Silva?

CHAIRPERSON SILVA: No. No more questions.

SECRETARY LONGHINI: No more questions?

Director Alva Rosales, any questions? Any questions, Director Alva Rosales for Jeremy? No?
DIRECTOR ALVA ROSALES: I do have a question and for some reason my mic didn't want to go on. Sorry about that.

Just a quick question. With regards to projected reopening, do we have any additional interest in the area of advertising? I know that that had gone down a little bit. Are there some discussions about that now that we're seeing things reopen?

JEREMY FINE: Yeah. Absolutely. We are aggressively pursuing advertising opportunities with folks. You are starting to see, you know, some tailwind on that, you know, just in terms of just general advertising on the system. You know, and, again, as more people ride the system, you'll see a larger and larger increase in that. But again, we're looking at any and every opportunity to engage advertisers in the reopening efforts. So we will continue to do that and continue to update the Board on those efforts as those come to fruition.

DIRECTOR ALVA ROSALES: Great. Thank you. That's all my questions.

SECRETARY LONGHINI: Thank you. Director
Jakes, any questions?

DIRECTOR JAKES: No questions, Greg.

SECRETARY LONGHINI: Director Miller?

DIRECTOR MILLER: Just a good job. Thanks to Jeremy and the team. And, Jeremy, you did say that on the CRRSA funds that we were able to get the majority of those funds to come?

JEREMY FINE: So the RTA awarded the CRRSA funds based on, you know, basically need to ride, propensity to ride, and industries that rely on, you know, public transit. So, as such, based on those criteria that the RTA used, we received 75 percent or about 75 percent of the total allocation of CRRSA funding to the region. This was up from the CARES funding percentage of about 58 percent.

So, again, you know, based on those factors, need to ride, you know, propensity to ride, and the industries that are reliant on public transit, we fared very well and were awarded 75 percent or so of the total allocation.

DIRECTOR MILLER: Thank you.

SECRETARY LONGHINI: Director Irvine, any questions?
DIRECTOR IRVINE: No questions. Thank you.

SECRETARY LONGHINI: Thank you. All right.

There are no further questions on this item, Chairman Silva, so we may proceed to Number 4.


JEREMY FINE: Thank you. Again, I'm Jeremy Fine, your Chief Financial Officer and we're proposing to amend the 2021 operating budget as required by the RTA.

The amended budget incorporates the addition of Coronavirus Response and Relief Supplemental Appropriation known as the CRRSA Act funding revised RTA public funding marks, removing the ground transportation tax revenue from the City of Chicago for 2021 and including positive results for January through March, as well as providing current estimates for April through December.

In March, the RTA approved the allocation of CRRSA funding for each of the service boards. The CRRSA Act provided 486 million of funding to the region and the CTA was allocated approximately 75 percent of those funds or $361 million.
The amended budget calls for the CTA to use the remaining 333.8 million of CARES funding as well as the 247.9 of CRRSA funding for 2021. The remaining 113 million of CRRSA funding will be expected to carry over into 2022 depending on the actual results of 2021 budget performance.

The RTA also increased the public funding marks at its March board meeting, increasing the estimate by 60.3 million compared to the original budget due to positive economic results.

In addition, 16 million of revenue from the ground transportation tax is not expected to be available in 2021 to the CTA.

And then finally, the amended budget also incorporates better than expected results for January through March and, you know, the overall total budget will be amended to slightly lower than what it was originally by about $7.4 million from 1.645 million from to 1.638 million.

That concludes my remarks with regard to the operating budget amendment. Glad to answer any questions.

CHAIRPERSON SILVA: Are you comfortable, okay, to project the same as this first quarter?
JEREMY FINE: So we -- you know, we, again, you know, take the lead of RTA with regard to public funding. I think that based on the analysis that they've done where they look at various factors and various reports from the Federal reserve, from Moody's Analytics, from what we've seen and the trajectory of the market going forward, you know, I think that the public funding numbers, you know, are solid numbers, you know, as of right now. Obviously this is a very dynamic situation, as we've seen over the course of the last year.

And then, you know, with regard to, you know, our overall kind of revenue estimates, again, this is a dynamic situation that we continue to look at very closely.

We'll be, frankly, ramping up here in the very near future with regard to looking at the '22 budget and how the '21 budget is shaking out in the second half of the year.

So this is an iterative process. We'll be working with MIT again as we did last year. So, you know, again this is going to be -- we're going to have kind of a meeting of the minds in looking at what others are estimating around the country.
and around the region with regard to estimates, whether it be for ridership-related revenues, you know, the public funding numbers as well as expenses. So we'll continue to keep the Board apprised as those things continue to -- you know, we continue to think about those and let those marinate and, you know, kind of come up with a plan for the second half and into 2022.

But, again, this is a very dynamic situation, but I think as of right now, the RTA numbers they're adjusting with regards to public funding makes sense based on the analysis they look at from the Moody's Analytics and other places.

CHAIRPERSON SILVA: And when are we assuming, okay, that the economy is going to be open again?

JEREMY FINE: So, you know, it's -- that's baked into the numbers. You know, gradual reopening here that we've been seeing. So, you know, again, that's all kind of baked into the analysis. You know, and, again, kind of -- it's been pretty good so far and been relatively conservative and, you know, I think that even with this adjustment, that that trend will, you know, continue because, again, we're not trying to get
out over our skis and estimate that things go back
to completely normal, but with regard to, you know,
in a matter of days or a week or two. You know,
so, again, that's all being factored in, that
there's a gradual increase.

It is important to note that public
funding, you know, was only down about 10 percent,
you know, off of the prior year, 2019 numbers, for
2020. You know, so we did not see, you know, kind
of a huge decline. So, you know, again, I think
that, you know, the historic kind of indicators
that the RTA has used in the past is a good proxy
for, you know, kind of making these adjustments
here as part of this amended budget.

CHAIRPERSON SILVA: Thank you.
SECRETARY LONGHINI: Director Alva Rosales, any
questions?
DIRECTOR ALVA ROSALES: No questions. But
thank you to the team, Jeremy, and to the team for
all the hard work.
SECRETARY LONGHINI: Director Jakes?
DIRECTOR JAKES: No questions, Greg.
SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: No questions.
SECRETARY LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

SECRETARY LONGHINI: There's no further questions on this matter, Chairman Silva.

CHAIRPERSON SILVA: Our next order of business is the review of an ordinance --

SECRETARY LONGHINI: Chairman Silva, we need to place this item on the omnibus.

CHAIRPERSON SILVA: If there are no further questions, may I have leave to place this item on the omnibus for board approval?

DIRECTOR JAKES: So moved.

DIRECTOR MILLER: Second.

SECRETARY LONGHINI: Moved by Director Jakes, seconded by Director Miller. So now we can proceed to Number 5, Chairman.

CHAIRPERSON SILVA: Our next order of business is the review of an ordinance amending Ordinance Number 020-108 approving the fiscal years 2021 to 2025 Capital Improvement Program. Jeremy.

JEREMY FINE: Thank you. Again, I'm Jeremy Fine, your Chief Financial Officer, and I'm here today to present an amendment to the 2021 through 2025 Capital Improvement Program known as the CIP.
In November of 2020, the Board approved a $3.4 billion CIP. We are now amending the CIP, as we do each year after Federal appropriations are finalized and incorporate any additional known changes.

The first amendment is being done to facilitate several (indiscernible) sources and uses. First, we're looking to decrease the amount of Federal formula funds by 17.7 million based on the final Federal appropriations. This funding is authorized under the one-year extension of the FAST Act and is slightly higher than what we received in 2020.

Second, we're looking to align State PAYGO funding in 2022 and 2023 to provide for projects as a result of lower Federal funding.

Third, we're looking to align the timing of State bond funding with the State grant.

And, finally, we're looking to reprogram 15.5 million of prior CIP funds for various improvements. The net funding impact here is a decrease to the 2021-2025 CIP by $2.3 million of the $3.4 billion CIP.

That concludes my remarks. I'm glad to
answer any questions.

CHAIRPERSON SILVA: I don't have any questions.

SECRETARY LONGHINI: Okay. Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

SECRETARY LONGHINI: Director Jakes?

DIRECTOR JAKES: No questions.

SECRETARY LONGHINI: Director Miller?

DIRECTOR MILLER: No questions.

SECRETARY LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

SECRETARY LONGHINI: There are no further questions, Chairman Silva.

CHAIRPERSON SILVA: If there are no further questions, may I have leave to place this item on the omnibus for board approval?

DIRECTOR JAKES: So moved.

DIRECTOR MILLER: Second.

SECRETARY LONGHINI: Moved and seconded. We can proceed to Agenda Item Number 6.

CHAIRPERSON SILVA: Our next order of business is a review of an ordinance authorizing the acquisition of property located at 2019 West North Avenue for substation for the Your New Blue
BILL MOONEY: Good morning. Bill Mooney, your Chief Infrastructure Officer.

Real estate staff recommends approval of an ordinance authorizing the acquisition of property located at 2019 West North Avenue. The property is being acquired to facilitate the construction of a new substation adjacent to the Damen Blue Line station. The property is an unapproved parcel consisting of approximately 900 square feet and adjacent to a CTA parking lot that the substation will be constructed on. CTA will be purchasing the property for $90,000.

I'll be happy to take any questions.

CHAIRPERSON SILVA: I don't have a question.

SECRETARY LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

SECRETARY LONGHINI: Director Jakes?

DIRECTOR JAKES: Bill, who are we purchasing the property from?

BILL MOONEY: It is a corporation known as the 2100 North Corporation.

DIRECTOR JAKES: Okay. Thank you.

SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: No questions.

SECRETARY LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

SECRETARY LONGHINI: There are no further questions on the West North Avenue property, Director Silva.

CHAIRPERSON SILVA: If there are no further questions, may I have leave to place this item on the omnibus for board approval?

DIRECTOR JAKES: Moved.

DIRECTOR MILLER: Second.

SECRETARY LONGHINI: Moved by Director -- moved and seconded by Jakes and Miller -- Jakes and Miller. We may proceed to Item Number 7, Chairman.

CHAIRPERSON SILVA: Our next order of business is a review of an ordinance authorizing the sale of a portion and grant of a temporary easement for an additional portion of Authority property located at 901 West Division Street, Chicago, Illinois to the City of Chicago. Bill.

BILL MOONEY: Thank you. Bill Mooney again.

Staff recommends approval of an ordinance authorizing the transfer of a portion of CTA's property at 901 Division in a grant of a temporary
construction easement for other portions to the
City of Chicago.

The City of Chicago Department of
Transportations is reconstructing Division Street
in the area of CTA's material distribution center
located at 901 West Division. As part of the
project, they will be widening the street,
requiring the taking of a 620-square-feet segment
of landscaped CTA-owned land for the use of a 215
square-foot construction easement during its
construction.

Staff has reviewed the request of taking
and have not identified any adverse impacts to CTA
operations at that facility.

The City will be purchasing the parcel for
a hundred thousand dollars and a temporary easement
for $5,000. At the conclusion of CDOT's work, they
will be required to restore the landscaping within
the easement area.

Happy to take any questions at this time.
CHAIRPERSON SILVA: No questions.
SECRETARY LONGHINI: Director Alva Rosales?
DIRECTOR ALVA ROSALES: No questions.
SECRETARY LONGHINI: Director Jakes?
DIRECTOR JAKES: No questions.
SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: No questions.
SECRETARY LONGHINI: Director Irvine?
DIRECTOR IRVINE: No questions.
SECRETARY LONGHINI: The questions are finished on this item, sir.
CHAIRPERSON SILVA: If there are no further questions, may I have leave to place this item on the omnibus for board approval?
DIRECTOR JAKES: So moved.
DIRECTOR MILLER: Second.
SECRETARY LONGHINI: Moved and seconded by Directors Jakes and Miller. We may proceed to Agenda Item Number 8, sir.
CHAIRPERSON SILVA: Our next order of business is Agenda Item Number 8. The discussion of this item will take place during the board meeting.
SECRETARY LONGHINI: Item 9.
CHAIRPERSON SILVA: Our next order of business is the review an ordinance authorizing a license agreement with Cardenas Landscaping, Incorporated for Authority property located adjacent to 207 Asbury Avenue, Evanston Illinois, Yellow Line.
Bill Mooney.

BILL MOONEY: Thank you. Staff recommends approval of an ordinance authorizing a license agreement with Cardenas Landscaping, Inc. for CTA property adjacent to 207 Asbury Avenue in Evanston.

Cardenas Landscaping is located adjacent to CTA's Yellow Line right of way and is seeking the use of approximately 8,523 square feet of vacant unimproved land.

The license agreement has an initial term of ten years with two five-year extensions for the value of $1300 a month with an annual escalation of 3 percent. The agreement can be terminated by either party with 30 days' notice.

I'm happy to take any questions at this time.

CHAIRPERSON SILVA: Do we do a lot of business with Cardenas Landscaping?

BILL MOONEY: No, sir. This is the only business we're doing with them.

CHAIRPERSON SILVA: Thank you.

SECRETARY LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

SECRETARY LONGHINI: Director Jakes?
DIRECTOR JAKES: No questions.
SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: No questions.
SECRETARY LONGHINI: Director Irvine?
DIRECTOR IRVINE: No questions.
SECRETARY LONGHINI: Questions are complete, Chairman Silva.
CHAIRPERSON SILVA: If there are no further questions, may I have leave to place this item on the omnibus for board approval?
DIRECTOR JAKES: So moved.
DIRECTOR MILLER: Second.
SECRETARY LONGHINI: Seconded by Directors Jakes and Miller. We may now proceed to the Contracts B1 and B2, sir.
CHAIRPERSON SILVA: Our next orders of business are Contract Number B1 and B2, asphalt and paving contracts.
SECRETARY LONGHINI: Any questions, Chairman Silva?
CHAIRPERSON SILVA: No questions.
SECRETARY LONGHINI: Director Alva Rosales?
DIRECTOR ALVA ROSALES: I guess just regarding B1. Sounds like this is a good story where it's --
can somebody elaborate? Because I think this was part of the small business program, is that correct? I don't know if Juan Pablo is there.

J.P. PRIETO: Yes. Good morning, Vice Chair. This is Juan Pablo Prieto, Director of Diversity Programs. Yes, this contract was set aside through our small business program for a certified small business to compete for this.

This SBE also participated in our Small Business Education Series and our Building Small Business Series and has attended numerous outreach events, has been very interested in doing business with CTA. It's a good testament to the small business program and our outreach program and showing networking and getting out to the events do work for the small businesses.

DIRECTOR ALVA ROSALES: Good job. Just love to see more of that. I guess more than a question, just a statement to both Ellen and Juan Pablo. I know you worked together on this. It's great to see that.

J.P. PRIETO: Thank you.

SECRETARY LONGHINI: Thank you, Director.

Director Jakes?
DIRECTOR JAKES: No questions, Greg.

SECRETARY LONGHINI: Director Miller?

DIRECTOR MILLER: No questions.

SECRETARY LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

SECRETARY LONGHINI: Since we're finished with questions, we may proceed to B3, Chairman.

CHAIRPERSON SILVA: Our next order of business is Contract Number B3, a sanitation service contract.

SECRETARY LONGHINI: Any questions, Chairman?

CHAIRPERSON SILVA: What are the participation of DBE in this contract?

J.P. PRIETO: We expect a zero percent goal on this because there are no DBEs that either service or have the porta potties.

CHAIRPERSON SILVA: Thank you.

SECRETARY LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: Juan Pablo, just I guess a question. This is one of these that we mention -- I know we talk about that we mentioned down the road that this contract could come up again and we tell our DBE businesses about it so maybe they can prepare and they can come back and
bid on it, is that correct? Would this be like an example of something we do?

J.P. PRIETO: Yes. We're going to be meeting shortly with our technical assistance agencies to share a list of contracts like this that have had either zero percent participation or low participation. So hopefully those assist agencies will get the word out to businesses either that have maybe expanded into these areas to either get DBE certified or expand their NAICS codes or for entrepreneurs thinking about starting a business, to show them some industries that we need DBEs in.

DIRECTOR ALVA ROSALES: Great. Thank you.

SECRETARY LONGHINI: Director Jakes.

DIRECTOR JAKES: No questions, Greg.

SECRETARY LONGHINI: Director Miller?

DIRECTOR MILLER: No questions.

SECRETARY LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

SECRETARY LONGHINI: Chairman, we may proceed to Contract Number B4.

CHAIRPERSON SILVA: Our next order of business is Contract Number B4, a change order of an electrical bus contract.
SECRETARY LONGHINI: Questions, Chairman?
CHAIRPERSON SILVA: No. No questions.
SECRETARY LONGHINI: Director Alva Rosales?
DIRECTOR ALVA ROSALES: No questions.
SECRETARY LONGHINI: Director Jakes?
DIRECTOR JAKES: No questions.
SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: No questions.
SECRETARY LONGHINI: Director Irvine?
DIRECTOR IRVINE: No questions.
SECRETARY LONGHINI: Chairman Silva, we may proceed to C, as in cat, 1.
CHAIRPERSON SILVA: Our next order of business is Contract Number C1, a garage service contract.
SECRETARY LONGHINI: Chairman Silva?
CHAIRPERSON SILVA: Are participation of DBEs in this one, Juan Pablo?
J.P. PRIETO: Because this is a sole source and for -- the support services on this are sole source to Genfare, we don't have any DBE participation.
CHAIRPERSON SILVA: Okay. Thank you.
SECRETARY LONGHINI: Director Alva Rosales?
DIRECTOR ALVA ROSALES: Just could you remind me, Juan Pablo, of the process that one goes
through to reach the sole source status?

J.P. PRIETO: Sure. I think Ellen can walk through the sole source process.

ELLEN MCCORMACK: Sure. I would be happy to do that.

So we have a sole source review board. So if a department makes a determination that they can either -- they would either be a sole source or a disadvantageous contract, they have to prepare quite a bit of paperwork and they go in front of a committee made up of sole source committee members and they have to present all the facts and answer any questions that they have before the committee will make a determination of whether, in fact, it is a sole source or a disadvantageous contract. If they make a determination that it is not, then we go out for bid.

DIRECTOR ALVA ROSALES: Okay. Thank you.

SECRETARY LONGHINI: Director Jakes?

DIRECTOR JAKES: No questions. And thank you for that, Ellen.

ELLEN MCCORMACK: You're welcome.

SECRETARY LONGHINI: Director Miller?

DIRECTOR MILLER: No questions.
SECRETARY LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

SECRETARY LONGHINI: Then we can proceed to C2, Chairman.

CHAIRPERSON SILVA: Next order of business is Contract Number C2, a consulting services contract for CTA fare systems.

Can you tell us a little bit, okay, of how do we contract, okay, the consulting services?

ELLEN MCCORMACK: So we went out for an RFP and we questioned who had the capacity, who had the experience, and so forth to assist the CTA in this type of a project. In which case, they're going to provide technical assistance to the CTA staff and it's for the seamless transition of the Ventra operations to a modern -- new modern cloud-based architectural system.

So we go out for an RFP and we look to see who has the experience, who has the qualifications, and then we make a determination on who -- and we do look at price, of course, on who can provide the best information or the best assistance to the CTA.

CHAIRPERSON SILVA: Have we worked with them before?
ELLEN MCCORMACK: We have worked with them before and they also have done similar projects for Los Angeles, San Francisco, New York, and Boston.

CHAIRPERSON SILVA: Very comfortable.

ELLEN MCCORMACK: Yes.

JEREMY FINE: Director Silva, this -- I'm sorry. Director Silva, this is Jeremy Fine, Chief Financial Officer. We have worked with the lead firm here Arega (phonetic). You know, we've worked with them most recently on the RFP process for new fareboxes. They are heading a consortium, as Ellen was indicating, of other firms that will be working with us as well on different aspects of the Ventra 3.0 implementation. And each of those firms has prior experience and very detailed experience with other implementations around the country, whether it be in San Francisco, you know, Los Angeles, New York, Boston. So, you know, this is a veteran team we have engaged here and we're excited to have them all on board.

CHAIRPERSON SILVA: Thank you.

SECRETARY LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions. Thank you.
SECRETARY LONGHINI: Director Jakes?

DIRECTOR JAKES: No questions.

SECRETARY LONGHINI: Director Miller?

DIRECTOR MILLER: How many participants we had in the bid process?

JEREMY FINE: There were four.

ELLEN MCCORMACK: Go ahead, Jeremy.

JEREMY FINE: I'm sorry. Director Miller, there were four firms -- four groups of firms that responded.

DIRECTOR MILLER: Okay. Thank you.

SECRETARY LONGHINI: Director Irvine?

DIRECTOR IRVINE: No questions.

SECRETARY LONGHINI: All right. We're finished, so we can move on to Contract Number G, as in girl, 1.

CHAIRPERSON SILVA: Our next order of business is Contract Number G1, a purchase of licenses and databases.

SECRETARY LONGHINI: Chairman Silva?

CHAIRPERSON SILVA: No questions.

SECRETARY LONGHINI: Director Alva Rosales?

DIRECTOR ALVA ROSALES: No questions.

SECRETARY LONGHINI: Director Jakes?
CHAIRPERSON SILVA: No questions, Greg.
SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: No questions.
SECRETARY LONGHINI: Director Irvine?
DIRECTOR IRVINE: No questions.
SECRETARY LONGHINI: Then we may proceed to J1, sir.

CHAIRPERSON SILVA: Our final order of business is Contract Number J1, a request for proposals for insurance brokerage services.

Is this the broker that we use, okay, for insurance that we've been using for insurance?
ELLEN MCCORMACK: Yes, it is.
CHAIRPERSON SILVA: He keeps winning year after year. Okay. So he does a very good job.
ELLEN MCCORMACK: I believe the law department is very happy with them. Yes.
SECRETARY LONGHINI: Director Alva Rosales?
DIRECTOR ALVA ROSALES: No questions.
SECRETARY LONGHINI: Director Jakes?
DIRECTOR JAKES: No questions.
SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: No questions.
SECRETARY LONGHINI: Director Irvine?
DIRECTOR IRVINE: No questions.

SECRETARY LONGHINI: Since there's no questions, Chairman, we can proceed to 10A.

CHAIRPERSON SILVA: Since there's no further questions on the contracts, may I have leave to place the seven contracts that the Committee reviewed on the omnibus?

DIRECTOR JAKES: So moved.

DIRECTOR MILLER: Second.

SECRETARY LONGHINI: That was -- motion was moved by Director Jakes and seconded by Director Miller. We may proceed to 10B, Chairman.

CHAIRPERSON SILVA: If there is no further business to come before the Committee, may I have a motion to approve the omnibus and recommend the omnibus for board approval?

DIRECTOR JAKES: So moved.

DIRECTOR MILLER: Second.

SECRETARY LONGHINI: Moved by Director Jakes, seconded by Director Miller. I'll take a rollcall vote.

Director Alva Rosales?

DIRECTOR ALVA ROSALES: Yes.

SECRETARY LONGHINI: Director Jakes?
DIRECTOR JAKES: Yes.
SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: Yes.
SECRETARY LONGHINI: Director Irvine?
DIRECTOR IRVINE: Yes.
SECRETARY LONGHINI: Chairman Silva?
CHAIRPERSON SILVA: Yes.
SECRETARY LONGHINI: That motion is approved with five yes votes, sir. We may proceed to Agenda Item Number 11.
CHAIRPERSON SILVA: Finally, may I have a motion to adjourn?
DIRECTOR JAKES: So moved.
DIRECTOR MILLER: Second.
SECRETARY LONGHINI: Motion to adjourn has been moved by Director Jakes, seconded by Director Miller. I will now take a vote.
Director Alva Rosales?
DIRECTOR ALVA ROSALES: Yes.
SECRETARY LONGHINI: Director Jakes?
DIRECTOR JAKES: Yes.
SECRETARY LONGHINI: Director Miller?
DIRECTOR MILLER: Yes.
SECRETARY LONGHINI: Director Irvine?
DIRECTOR IRVINE: Yes.
SECRETARY LONGHINI: Chairman Silva?
CHAIRPERSON SILVA: Yes.
SECRETARY LONGHINI: That motion passes. We are adjourned.

(Which were all the proceedings had in the above-entitled cause.)

(Meeting adjourned at 10:17 a.m.)
STATE OF ILLINOIS

COUNTY OF COOK

Tabitha Watson, 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 on said date.

[Signature]

Certified Shorthand Reporter
questioned
32:11
questions
11:4 quorum
3:22

R
ramping
15:16 reach
31:1 Real
21:4 reason
11:2 received
5:10 12:12 19:13 recently
33:10 recommend
36:15 recommends
21:4 22:22 25:2 reconstructing
23:4 reduced-fare
5:12 22 regard
7:21 24 8:20 24 9 9 12:17 22 23 10:5 14:20 15:2 12 17 16 1 17 2 region
12:14 13:23 16:1 reliant
12:19 Relic
13:13 rely
12:10 remaining
14:2 4 remarks
14:20 19:24 remind
30:23 removing
13:15 reopen
11:9 reopening
11:15 16 18:16 report
4:20 9:11 reports
15:5 reprogram
19:19 request
23:12 35:9 required
13:11 23:18 requiring
23:8 reserve
15:5 responded
34:10 Response
13:13 restore
25:18 result
19:16 results
4:24 13:17 14 6:10 15 RETT
7:20 23 revenue
5:16 8:17 13:16 14 11 15:13 revenues
5:3 6:19 7:10 16:2 reverse
6:13 review
23:12 36:7 reviewing
4:23 revised
13:15 RFP
9:1 32:10 18 33:10 ride
11:15 12:9 10:18 19:18 ridership
9:24 ridership-related
16:2 rides
5:12 road
28:22 roll
3:10 rollcall
36:20 Rosales
10:17 12:8 12:13 11:15 20:14 7 15 2 16:10 17 12 S seconded
6:12 7 4 seeking
25:7 segment
23 8 sense
16 12 Series
27:10 11 service
13:21 28:9 15 30:14 services
6:12 7 4 30:19 32:6 9 35:10 set
27 6 shaking
15 18 share
29 5 shortly
29 4 show
29 12 showing
27:15 side
8 17 20 Silva
6:2 2 8 32:3 sir
3:23 24 7 15 25 19 26:15 35 37 37 situation
15 10 14 16:10 skis
17 1 slight
9 19 slightly
5:14 23 6 8 8 12 24 7 4 14 17 19:12 small
27 2:7 9 10 13 16 sole
30:18 19 31 1:3 6 8 11 15 solid
15 9 Sounds
26:24 source
30 18 19 31 1:3 6 8 11 15 sources
19 7 speak
10 15 square
21:11 25:8 square-foot
23:10 staff
21:4 22 22 23 12 25:2 32 14 starting
11 12 19:21 State
19:14 18 statement
27:19 station
21 9 status
26 story
26:24 street
22 19 23:4 7 stretch
8 6:14 18 strong
6:10 subsidy
5 7 22 substation
20 24 21 8 12 Supplemental
13:14 support
30:19 system
11 14:15 32 17 systems
32 7 T tailwind
10:4 11 13 taking
6:18 23 8 12 talk
7:13 8 19 9:20 28:21 tax
5:15 7 16 13:16 14 12 team
12 5:17 19 33:19 technical
29 8 32:4 temporary
22 17 24 23 16 ten
6:20 25:11 term
25:10 terminated
25:13 terms
5:11 11:13 testament
27:13 things
11 16 18 15:1 11 thinking
29 11 thousand
23:16 tight
10 12:17 time
9:7 23 20 25 16:1 timing
6 8:3 19:17 today
18 23 total
5 5:6 16 8:12 14 10:11 12:13 21 14:17 totals
5:4 13 21 trajectory
6:2 8 2 15:7 transfer
22:23 transit
12:11 20 statement
32:15 transportation
5:13 16 13 14:12 Transports
4:14 trend
16:23 trends
10 7 type
32:13 U unapproved
21:10 unimproved
25 9 update
9:9 11:19 V vacant
25:9 variance
5:18 7 10:18 22 8:16 Ventra
32:15 33:14 veteran
33:19 Vice
27 4 videoconference
3:3 vote
36:21 37:17 votes
4:18 37 9 W walk
31:2 week
9 17:3 West
20:23 21:6 22 5:19 23 6 widening
23 7 Y year
5:1 20 6:21 7 7 8:1 14:17 18:19 25:11 Yellow
24 24:25:7 York
33:3 18 McCorkle Litigation Services, Inc. Chicago, Illinois (312) 263-0052