

MINUTES: Finance Audit and Budget Committee. November 13, 2024

Noticed for 9:00 a.m. / Commenced: 9:15 a.m.

AGENDA: The posted agenda for the meeting can be found at www.transitchicago.com, "About CTA", "Transit Board Meetings", "Meeting Notices, Agendas, and Minutes" , "11/13/2024", "Committee on Finance Audit, and Budget."

Committee Chairperson Director Bernard Jakes called the meeting to order at 9:15 a.m.

ROLL CALL: Committee Chairman Bernard Jakes, Rosa Ortiz, Michele Lee, Neema Jha, and CTA Board Chairman Lester Barclay. Director Michael Eaddy was absent. There was a quorum with seven board members present.

MOTION TO ADMIT DIRECTOR REQUEJO REMOTELY:

The Chair recognized Director Ortiz who was standing. Director Ortiz stated that she had two matters to bring to the Chair's attention. She oved that Director Requejo be allowed to participate in the meeting remotely due to work commitments that prevented him from participating in person. Director Lee seconded the motion. There was a roll call vote and the vote passed unanimously.

Director Ortiz then moved that the agenda for the Finance, Audit and Budget meeting be amended, with Agenda Items 4 through 6 being deferred until after the committee addressed Agenda Item number 1.

Director Lee seconded the motion and there was a roll call vote. The vote passed unanimously.

MINUTES: The committee reviewed the minutes from October 9, 2024. The motion to approve the minutes was made by Director Ortiz and there was a second to the motion made by Director Lee. The vote to approve the minutes was unanimous by roll call vote.

FINANCE REPORT: The Chicago Transit Authority Chief Financial Officer Tom McKone gave the Finance Report to the committee members. There was discussion.

The FAB Committee members reviewed and approved the following ordinances:

AGENDA ITEM NO. 7: An ordinance authorizing the execution and delivery of one or more supplemental indentures under which the Chicago Transit Authority may issue one or more series of corporate purpose debt obligations payable from the Sales Tax Receipt Fund; and authorizing the issuance of Sales Tax Receipts Revenue Refunding Bonds, Series 2024.

CFO Tom McKone made a presentation about the ordinance. There were questions from members of the board and there was discussion.

Following discussion Director Jakes asked for leave to place the item on the omnibus for board approval. Director Ortiz moved, and Director Lee seconded the motion. The motion passed by unanimous roll call vote.

AGENDA ITEM NO. 8: An ordinance, authorizing a fourth amendment to an Antenna Site License Agreement with GRE-GOCO – Orrington Owner, LLC, for the operation of the Authority's communication equipment, located at 1603 Orrington, Avenue, Evanston, Illinois.

The CTA's Chief of Infrastructure, Bill Mooney made a presentation about the ordinance. The CTA Board had no questions.

Director Jakes asked for leave to place the item on the omnibus for board approval. Director Ortiz moved, and Director Lee seconded the motion. The motion passed by unanimous roll call vote.

AGENDA ITEM NO. 9: An ordinance authorizing a development agreement with JRTC Holdings LLC; a partial release, additional grant, and amendment to an easement with JRTC Holdings LLC; and an amendment to an agreement for construction, operation, and maintenance of a fixed facility with JRTC Holdings LLC and the City of Chicago for the renovation, operation, and maintenance of the Chicago Transit Authority Clark/Lake Station at the former Thompson Center/State of Illinois Center Building, Chicago, Illinois.

The CTA's Chief of Infrastructure, Bill Mooney made a presentation about the ordinance. The CTA Board expressed excitement about the project and several board members made comments. President Carter expressed his excitement about the opportunity to partner with Google, which is one of the premier technology companies in the world. He expressed a hopeful expectation that there would be new innovative improvements, particularly in the area of technology and connectivity. President Carter also expressed enthusiasm about the transit orientated development aspect of the project.

Following discussion Director Jakes asked for leave to place the item on the omnibus for board approval. Director Ortiz moved, and Director Lee seconded the motion. The motion passed by unanimous roll call vote.

AGENDA ITEM NO. 10: An ordinance authorizing an Intergovernmental Agreement with the City of Chicago through its Department of Family & Support Services for outreach to individuals in need of shelter.

The CTA's CFO, Tom McKone made a presentation about the issue of homelessness in Chicago and its impact on CTA. There were questions and discussion.

Director Jakes asked for leave to place the item on the omnibus for board approval. Director Ortiz moved, and Director Lee seconded the motion. The motion passed by unanimous roll call vote.

AGENDA ITEM NO. 11 - PURCHASE & SALE AWARD RECOMMENDATIONS:

Then, after extensive review by the committee, Director Jakes asked for a motion to place seven (7) contracts on the omnibus and recommended that the Board approve the omnibus.

The approved items are as follows:

1. Contract Number B21OP04362:	\$	510,000.00
2. Contract Number B24OP03734:	\$	9,750,000.00
3. Contract Number B21OP03299R:	\$	255,000.00
4. Contract Number B23OP00683:	\$	960,000.00
5. Contract Number B23OP01090R:	\$	445,000.00
6. Contract Number C19FC102326216:	\$	947,609.00
7. Contract Number B24OP03413:	\$	15,000,000.00
8. Contract Number B18OP00799R2:	\$	297,600.00

Director Ortiz moved, and Director Lee seconded the motion. The motion passed by unanimous roll call vote.

AGENDA ITEM NO. 4

AGENDA NO. 4: An ordinance adopting a Budget for Calendar Year 2025 and Financial Plan for Calendar Years 2026-2027.

CFO Tom McKone made a presentation about the Budget for Calendar Year 2025 and Financial Plan for Calendar Years 2026-2027. He reviewed the timeline for the budget:

- October 11, 2024: The budget was released on October 11th.
- October 19, 2024: The Citizens' Advisory Committee met a week later [October 18, 2024] to consider the budget and reviewed the proposed operating budget, the capital budget, and our agency performance measures. Their comments and questions were across a variety of topics covering service, workforce security, the expense of commodities and our vehicle fleet.
- October 23, 2024: Review with the Cook County Commissioners with RTA, PACE and METRA.

CFO McKone explained that since the release of the proposed budget there have been a lot of discussions about the security services line. There was a need to make updates to the proposed budget to reflect the public input and, specifically, the need to reassess our public safety investments.

The modifications to the October 11th proposed budget and the modified proposed budget that is the subject of the ordinance are as follows:

- Security Services Budget: \$3.3 million has been reprogrammed into the “Other Expenses” line to allow for funding of new public safety pilots.
- These experimental initiatives will be informed by forthcoming community input gleaned from outreach efforts.

There were questions from the board and discussion. Chairman Barclay requested a briefing from CTA’s government affairs staff to advise the board of the progress that CTA is making in Springfield in lobbying for additional funding in 2026 to address the fiscal cliff.

President Dorval Carter stated that he has been to Springfield and has spoken with leadership about CTA and is optimistic that there is going to be a solution. What is not yet clear is whether the solution will get the CTA all of the funds that will be needed.

There was also discussion regarding whether CTA was collaborating with advocacy groups making the case for public transit. President Carter assured the board that collaborations were taking place in the “all-hands-on-deck conversation.” A number of hearings have been held by the Senate side of the legislature. There is also a working task force that is hearing from various stakeholders about the impact of what a loss in public transportation will mean to this region.

There was a question from Chairperson Jakes about how CTA will facilitate a conversation about what is needed on bus and rail to ensure the safety and security of CTA riders and workers? President Carter responded that the creation of the strategy will be a group effort involving a number of people in CTA. They will put together an implantation plan with strategies and create a timeline for deployment. The plan will be presented to the board prior to execution for input from the board.

President Carter stated that everyone who is a stakeholder will be invited to the discussion, including and not limited to the Citizens Advisory Board, CTA employees and stakeholders in the community.

There was further discussion. Some of the issues discussed were:

- The continued reliance on an intergovernmental agreement with the Chicago Police Department for security coverage versus CTA restoring its' in-house police force.
- Whether it is in the best interest of the community for CTA to increase armed police on buses and rails given the tensions that exist between the police and people of color?
- How the agency maintains a core focus on the agency's mission, goals and objectives in light of the many social service issues that impact service delivery?
- The utilization of a strong strategic plan that will guide the agency's future trajectory.
- How will key metrics be defined?
- Revamping the CTA budget creation process to be inclusive of the board and more collaborative.
- How to reposition how the future of public transit is language away from doomsday scenarios like "fiscal cliff" towards a more positive language like "the future of public transportation."
- How does the agency create channels and tables for organized conversations with open collaborative partnerships?

There being no further questions or discussion, Director Jakes asked for leave to place the item on the omnibus for board approval. Director Ortiz moved, and Director Jha seconded the motion.

CFO Tom McKone requested that the motion be tabled until all three (3) presentations related to the ordinance were made.

Director Ortiz then moved that Director Lee be permitted to rejoin the meeting remotely because she left the board room for a work obligation. The motion was seconded by Director Jha. The motion passed by unanimous roll call vote.

Director Ortiz then rescinded the motion and moved to do other presentations prior to voting. Director Jha also rescinded her second of the motion.

Chairperson Jacked then introduced the next item on the agenda.

AGENDA ITEM NO. 5: An ordinance amending Ordinance 023-131, approving the fiscal years 2024 through 2028 Capital Improvement Program.

CFO Tom McKone presented the Capital Improvement Program for 2024 through 2028. There were no questions.

Chairperson Jacked then introduced agenda item number 6.

AGENDA ITEM NO. 6: An ordinance approving the fiscal years 2025 to 2029 Capital Improvement Program and authorizing the filing and execution of grants and cooperative agreements and amendments and related materials.

CFO McKone advised that this item was presented with the prior agenda item number 5.

Chairperson Jakes requested leave to place all three items: Agenda Items 4, 5 and 6 on the omnibus for board approval.

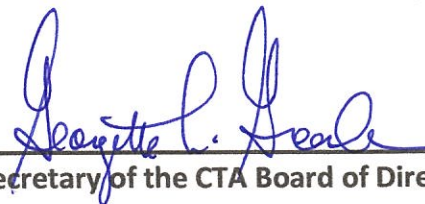
Director Ortiz moved, and Director Jha seconded the motion. The motion passed by unanimous roll call vote.

MOTION TO APPROVE THE OMNIBUS AND RECOMMEND THE OMNIBUS FOR BOARD APPROVAL:

Director Ortiz then moved to approve the omnibus and recommend the omnibus for board approval. Director Jha seconded the motion. The motion passed by unanimous roll call vote.

MOTION TO ADJOURN: Director Jakes asked for a motion to adjourn the Finance, Audit, and Budget Committee meeting of November 13, 2024. After the motion was moved by Director Ortiz and seconded by Director Jha, the motion was approved unanimously by roll call vote at 11:31 a.m.

Signature:


Secretary of the CTA Board of Director

Dated:

