

## Meeting

WORKING GROUP: Finance

MEETING DATE: Monday, September 23, 2013

### NOTES

Introductions – (Chairperson Carole L. Brown, Task Force Members: Sonia Walwyn and Kathryn Tholin)

Chairperson Brown made it known that from now on all working group meetings will be subject to OMA and that active participation is encouraged. She also reiterated that the Task Force is on an aggressive timeline and reminded the group of the following upcoming dates: September 25<sup>th</sup> – Public Hearing and September 26<sup>th</sup> the 2<sup>nd</sup> Task Force Meeting. Chairperson Brown does not anticipate the Finance Group having a lot of concrete recommendations for the interim report.

Chairperson Brown read the list of recommended topics created by IDOT's staff:

1. Resources: Operating and capital
2. Allocation formula
3. Streamline distribution of funds
4. Fare structure; open fare card
5. State of Good Repair: capital planning, system expansion
6. Debt
7. Financing pensions for employees
8. Increasing revenues if reform occurs
9. Administrative consolidation and cost efficiencies
10. Local revenue sources

Chairperson Brown asked for thoughts from the other Task Force members on whether or not they felt the list of recommended topics was a good jumping off point.

- Ms. Walwyn commented that it was a good frame work to start from.
- Ms. Tholin commented that she thought all the topics were important but that it might be helpful to try to provide a frame work to fit the topics into a set of common goals.
  - Ms. Tholin also said that priorities need to be established using the resources that are already allocated before the Task Force can figure out how to gain in the future.

Chairperson Brown also suggested that the Finance Group weigh in on other suggestions that come in from the other Working Groups. The Draft Interim report is going to be sent out to each of the Task Force members before it is published and this would be a great opportunity to give input from the Finance Group.





# Northeastern Illinois PUBLIC TRANSIT Task Force

Chairperson Brown suggested the RTA and Service Boards should present to the Finance working group the structure of their existing finances. Members from the RTA and the Service Boards have also been invited to the Public Hearing. Chairperson Brown opened it up to the Task Force members to see if they would want the financial experts to come speak at the next meeting.

- Ms. Walwyn commented that they might want to wait and see how informational the subject matter experts are at the Public Hearing scheduled for September 25th. They may give enough information so that additional information may not be needed.

Ms. Tholin brought up the idea of a peer review and Chairperson Brown agreed that it would also be a good thing to do. Ms. Tholin reminded the group that Delcan did a study on the RTA that could give some context for peer reviews and that the study is available on the Northeastern Illinois Public Transit Task Force SharePoint site.

Chairperson Brown thought that the following topics from the aforementioned list were the most controversial and talked about: Administrative Consolidation and Cost Efficiencies, Allocation Formula, streamline Distribution of Funds, and Debt.

- Chairperson Brown also discussed the Auditor General Report in regards to Administrative Consolidation and Cost Efficiencies.
  - Chairperson Brown stated that the report came to the compelling conclusion that even if you fixed all that was wrong with the administration you will still have an operating deficit.
    - Chairperson Brown went on to say greater efficiencies won't solve structural problems.
  - Ms. Walwyn commented that efficiencies can be gained in consolidating and doing things in a more efficient way – a more efficient and cost effective process.
  - Ms. Tholin wanted to know what the main problem was - how do people see the financial needs for transit overall? We need to find which issues are being addressed and which aren't.
  - Ms. Walwyn added that goals need to be defined.

Chairperson Brown quoted George Ranney Jr. on his question for the Task Force – *what does it take to be a world class system?*

- Chairperson Brown continued by asking, do we have the resources and have we allocated them efficiently and effectively to reach the objective?
- Chairperson Brown also added that there should be no recommendation changes made from this Working Group unless they directly affect Finance.
- Ms. Tholin commented that the Working Group and the Task Force should start from the top down, framing what is needed to support the system we have and the system we want to create. There's not enough money to be a world class transit system – what can be done differently to better allocate the resources to address the need fairly and equitably?
- Chairperson Brown added that the Working Group needs to create context – show the current system, highlight the inefficiencies, compare this to what the system should be and develop our best guess on how to achieve it, including adding adjustments to how we fund transit.
  - Chairperson Brown also brought up the issue of gap/surplus. Is there a gap? If so how big is it and what are some creative solutions to fill the gap?





# Northeastern Illinois PUBLIC TRANSIT Task Force

- Chairperson Brown brought up the discussion of debt. How do we fund capital? Is this approach cost effective? What about leverage? How is it being used? Should it be increased?
- Ms. Walwyn reiterated that the group should start by inviting the subject matter experts and developing a list of questions to ask.

Public Comment from Layton Olsen:

- Raised issue of Place Based questions versus Service Based
- World Class Mobility System
  - Not just transit, but also rail, freight, air, vehicle, water
  - Combining areas could result in cost avoidances in lieu of generating revenues
- Develop a common set of reference terms
  - Building Block—centered on the services needed to get people to a library
  - Education Investment—centered on services needed to get people to a community college
  - Do the service boards have common definitions of places/service areas?
- Involve the utilities
- Communication is a massive part of any project/system
  - Capital planning
  - Right of way access
  - Right of way use
- Cooperative activities
  - Planning
  - Coordination (e.g., open trench)
- Use visualization tools to manage/maintain
  - Different data bases are already being used, although it sounds like some of the activity at the local level breaks down inside of Cook County
  - Recommend that the feds allow communication and planning cost in federal transit bill (the next MAP 21)
  - Potential staff assistance from U of I

## ACTION ITEMS

- » Develop Questions for Service Boards and RTA
- » Finalize time and place for next Finance Working group meeting

**NEXT MEETING** Wednesday, October 02, 2013

*IDOT support, please initial verifying meeting was held in correspondence with OMA guidelines*

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