Citizens Advisory Committee

Meeting Summary
January 11th, 2024
2:00pm – 4:00pm

1. Welcome

Opening remarks and introduction of attendees

2. Revenue Diversification Updates

Doug MacLeod walked through the attached slide deck. RTD's revenue diversification working group will be looking to the CAC for input on what sources of funding seem viable and politically palatable. Doug will return to the CAC for input as the working group develops suggestions.

Subsequent discussion focused on TABOR and comparisons to other transit agencies.

- RTD's base system will be subject to TABOR starting in 2025 unless voters decide to extend RTD's De-Brucing. 2024 will be RTD's baseline year for TABOR revenue and spending limits that would start in 2025.

- RTD's debt service will end in the early 2030s; the money currently going to debt service will be required for capital costs of repairing aging rail systems, three bus facilities, and the transition from diesel to alternative fuel vehicles.

- RTD's internal working group on revenue diversification has looked at other cities' transit systems, but they are not good comparisons to RTD.

- Transit agencies across the country have a widely variable mix of funding sources.

  o Many of them receive substantially more state funding (the average is 23 percent) than RTD. Colorado ranks 44th among the states for state funding for transit.

  o RTD's service area is much larger than most transit agencies.

  o Transit agencies that are the most dependent on fare-box revenue are the ones in larger old cities like Chicago and Boston.

  o Funding issues among California's transit agencies resulted in California providing a $5 billion bailout for the next several years as a stop gap to keep agencies operating.

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3. **Project Updates**

   New Fare Structure

   Stuart Summers provided an update on RTD's new fare structure implementation, which reduces fares for adults and includes the zero fare for youth program. The new fare structure resulted from RTD's fare structure and equity analysis.

   - RTD successfully rolled out the new fare structure on January 1 and garnered a lot of earned media.

   - A comprehensive marketing campaign is currently underway to promote the updated fares.

   - New rail maps, that don't include the previous fare zones, have been distributed to all stations, along with updated fare information and schedules.

   Rail Maintenance Projects

   Stuart provided an overview of upcoming rail maintenance projects.

   - The final phase of the coping panels project on the E Line will occur this summer.

     o Michelle noted that she rides the E Line, and construction on the E Line this past summer made the service unusable. She asked RTD to provide a feasible backup for service disruptions this summer.

     o RTD will have bus shuttles as a backup. Stuart will join next month's CAC meeting and provide more information about the project so CAC members can provide updates to their communities about the construction plans.

   - The downtown rail loop is now 30 years old and needs to be replaced. During construction, trains going downtown (Stout and California) will be rerouted to Denver Union Station. RTD is planning extensive communications about this once the construction timeline is known.

     o John noted the MallRide, because of the detour due to 16th Street Mall construction, is not a viable option to get people from DUS to upper downtown while the rail loop is under construction. He suggested RTD provide a bus bridge between DUS and uptown that has fewer stops than the MallRide.

     o Stuart will join next month's CAC to provide more detailed information about this project so CAC members can inform their communities.

4. **Upcoming Board of Directors Activities and CAC Lookahead**

   Board committees will be finalizing their annual work plans by the end of February; so the CAC can discuss the CAC 2024 work plan at March CAC meeting, after seeing the Board committee work plans.

   Jack noted the following topics will be discussed at upcoming Board meetings: policy for naming stations, CAC continuation resolution, revenue diversification.

John and Bryn plan to meet with the new Board Chair Eric Davidson and RTD General Manager Debra Johnson to confirm CAC roles and responsibilities prior to the Board introducing a motion on the CAC continuation at February or March Board meeting.

Potential agenda topics for February CAC meeting

- RTD policy for naming stations (to be discussed by Board on January 30)

Potential agenda topics for March CAC meeting

- CAC 2024 work plan based on Board committee annual work plans

- Summary of John and Bryn's meeting with Board Chair Davidson and General Manager Johnson

- Board action regarding CAC continuation resolution

5. **Board of Directors Elections**

Jack plans to discuss awareness raising with the CAC at a future meeting regarding the upcoming Board director elections; there will be three open seats at the upcoming election, in Districts A, H, and F. District A was recently resigned by Director Williams; it will be filled by they mayor's office through an appointment process, since the district is primarily in Denver, subject to city council approval. The new director will have to re-run for the position, and there are three declared candidates for that seat already. District H is currently represented by Director Tisdale; District F is currently represented by Director Broom. Both of these seats are term-limited.

Jack will provide more information in February on Board Director duties, purposes, skill sets, and will provide basic information about the election, so CAC members can run or encourage others to run for open seats.

November 14, 2023

We Make Lives Better Through Connections.
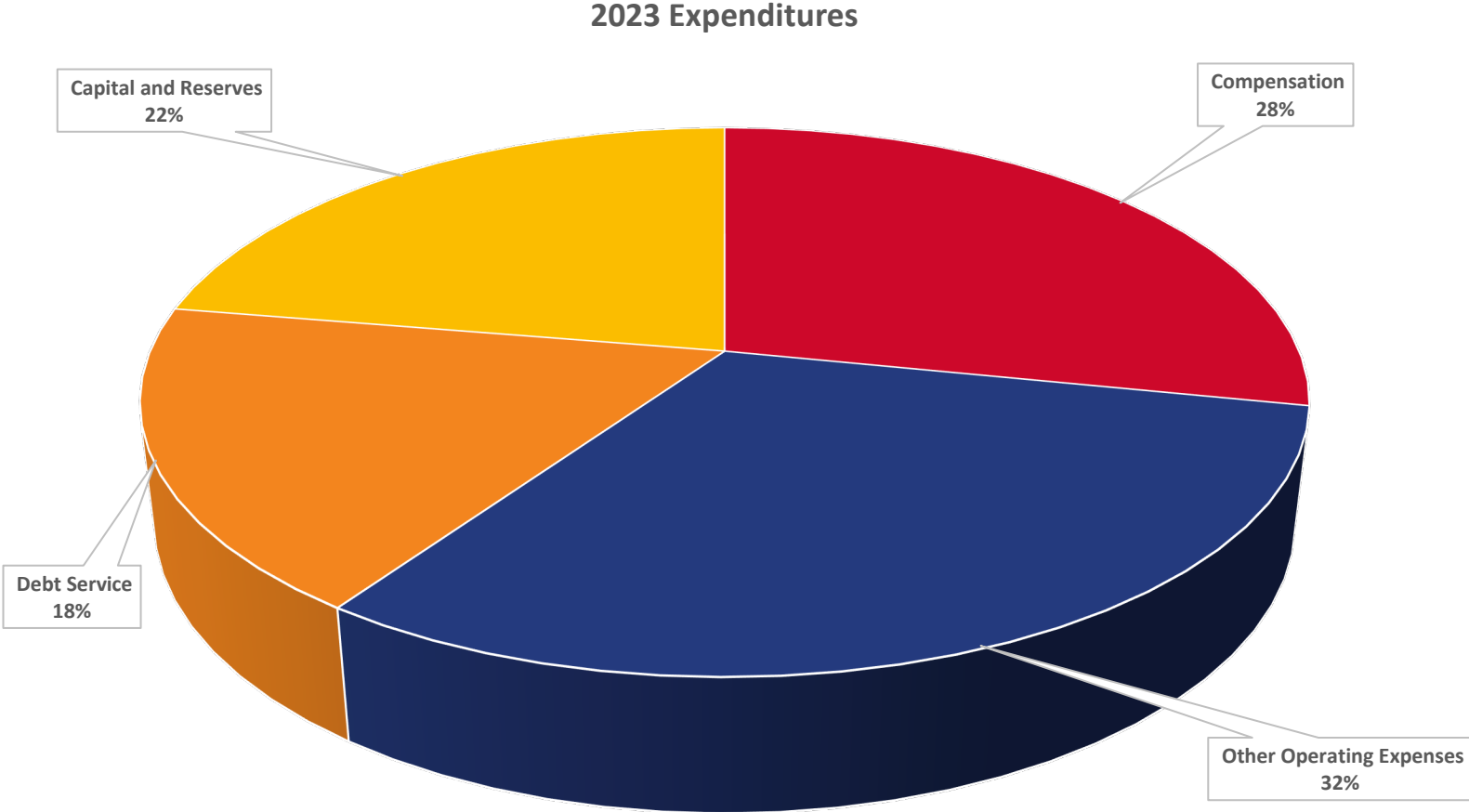
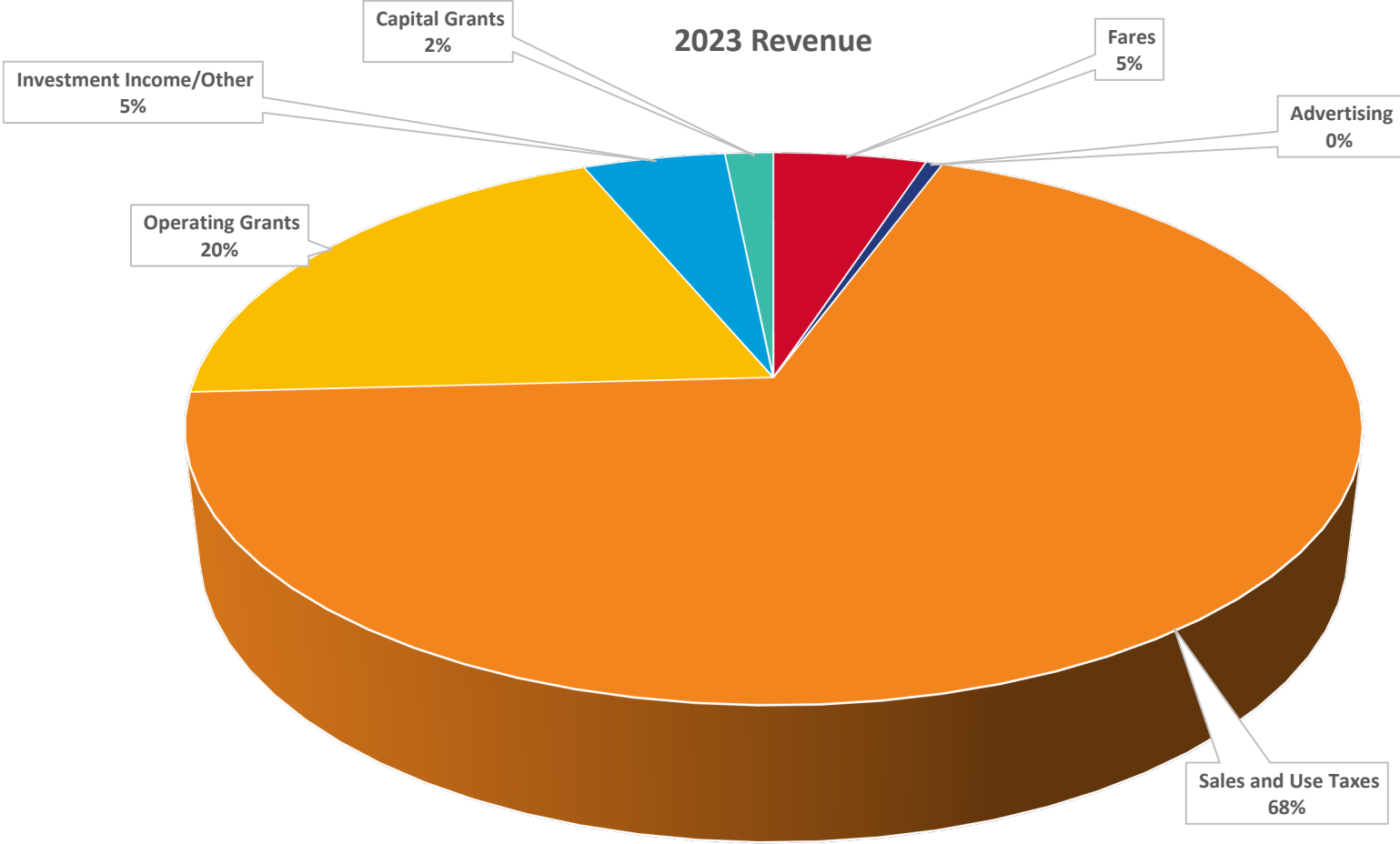# Citizens' Advisory Committee Financial Summary

Doug MacLeod
Chief Financial Officer

Michael Davies
Government Relations Officer

Expenditures

2023 Expenditures

Capital and Reserves
22%

Compensation
28%

Debt Service
18%

Other Operating Expenses
32%

Revenue

2023 Revenue

- Capital Grants 2%
- Investment Income/Other 5%
- Fares 5%
- Advertising 0%
- Operating Grants 20%
- Sales and Use Taxes 68%

Financial Sustainability Framework

Current:
- Maintain 3 months operating expense reserve
- No additional debt
- Voter authorization for tax increases

Future Considerations:
- Primary reliance on sales and use taxes
- TABOR revenue limitations

RTD