

# AGENDA

## RTD Accountability Committee

Monday, January 11, 2021

8:30 a.m. - 10:00 a.m.

**VIDEO/WEB CONFERENCE**

Denver, CO

1. Call to order
2. Public comment  
Up to 20 minutes is allocated for public comment and each speaker will be limited to 3 minutes. The RTD Accountability Committee requests that the public comment be limited to an item on the Committee's current agenda. Please note: public comment may also be submitted in writing to Matthew Helfant ([mhelfant@drcog.org](mailto:mhelfant@drcog.org)). Comments received will be shared promptly with RTD Accountability Committee members.
3. December 14, 2020 RTD Accountability Committee meeting summary  
(Attachment A)
4. Subcommittee reports
  - Finance Subcommittee
  - Governance Subcommittee
  - Operations Subcommittee
5. Brief RTD Update  
RTD Staff

### **ACTION ITEM**

6. Discussion on the draft RTD Accountability Committee Preliminary Report  
(Attachment B) Douglas W. Rex

### **INFORMATIONAL BRIEFING**

7. CARES Act Spending Review  
(Attachment C) Matthew Helfant

### **ADMINISTRATIVE ITEMS**

8. Member comment/Other matters
9. Adjournment

**ATTACH A**

MEETING SUMMARY  
**RTD ACCOUNTABILITY COMMITTEE**  
**Monday, December 14, 2020**  
**Note: Meeting held virtually via GoToMeeting**

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**MEMBERS PRESENT:**

Elise Jones (Co-Chair)  
Crystal Murillo (Co-Chair)  
Deyanira Zavala  
Rutt Bridges  
Chris Frampton  
Rebecca White  
Jackie Millet

Julie Duran Mullica  
Kathy Nesbitt  
Dan Blankenship  
Krystin Trustman  
Lynn Guissinger  
Troy Whitmore

Others Present: Douglas W. Rex, Debra Johnson, Mac Callison, Luke Palmisano, Alex Hyde-Wright, George Twigg, Melanie Choquette, Nicholas Williams, Jean Sanson, Eulois Cleckley, Eileen Yazzie, Debra Baskett, Nathaniel Minor, Holly Buck, Kent Moorman, Jordan Sanchez, Cammie Grant, Peggie O'Keefe, Totsy Rees, Jennifer Brandeberry, Roger Sherman, Jannette Scarpino, Natalie Shishido, Adam Zarrin, Emily Kleinfelter, Molly McKinley, Miller Hudson, Holly Buck, George Gerstle, Jon Girand, Anna Danegger, Tanya Eydelman, Derek Pender, Bruce Abel, Lindsey Alarcon, Kathleen Bracke, Nicole Carey, Shelley Cook, Paul DesRocher, Michael Ford, Nataly Handlos, Stephen Haunert, Julie Kirk, Doug MacLeod, John McKay, Heather McKillop, Barbara McManus, Natalie Menten, Tegan Rice, Angie Rivera-Malpiede, Bill Sirois, Melanie Snyder, Maux Sullivan, Pauletta Tonilas, Bill Van Meter, Jyotsna Vishwakarma, Brian Welch, Jeff Walker, Christina Zazueta, Paolo Solorzano, Loren Hansen, Callie McKenn, Joel Noble, Ronald Short, Henry Stopplecamp, Jenny Gaeng, and DRCOG staff.

Call to Order

Co-Chair Murrillo called the meeting to order at 8:30 a.m.

Public comment

Molly McKinley, Denver Streets Partnership Vice-Chair, wanted to broach a few important topics with the committee, on behalf of the Denver Streets Partnership. Ms. McKinley stated that the partnership was in favor of eliminating the farebox recovery ratio. She also said that while the partnership does not currently favor any Governance models that are being discussed, she would like them to keep in mind prioritizing services for low-income housing areas and communities of color.

Paolo Solorzano shared with the committee his continued concerns about the accessibility of RTD service to lower income populations. RTD adhering to their transit schedules is still worrisome as there are times the correct information is not being provided to the public accurately. While he appreciates the focus on the overall improvement of RTD, Mr. Solorzano would like there to be more focus on the very basic needs of RTD's transit schedules.

Loren Hansen, Roll Anywhere Denver Founder, commented that along with Ms. McKinley, he was also in favor of eliminating the farebox recovery ratio. It would increase equity and should be closely examined.

### November 9, 2020 Accountability Committee meeting summary

The summary was accepted as written by the committee.

#### Remarks from new RTD CEO and General Manager Debra Johnson

Debra Johnson, RTD GM and CEO, introduced herself to the committee. Ms. Johnson personally wanted to thank the committee for taking on this challenge and for all their hard work so far to improve RTD in its entirety. She emphasized how transit is a huge resource that connects communities and helps individuals break barriers created by lack of personal vehicle ownership. Committee members asked, outside of financials, governance, and operations for RTD, what they should focus on. Ms. Johnson told the group that their focus should be on overall ridership and what the main goal should be. For example, if the main goal is to generate revenue, what should be leveraged to attain this objective and make RTD more accessible/attractive to the public for use.

#### Subcommittee reports:

- Finance Subcommittee – Rutt Bridges reported the subcommittee reviewed and discussed the adopted RTD budget. The group is continually reviewing peer agency pass programs and consultant services on how other surrounding organizations are operating. The subcommittee is having continued conversations regarding RTD's role in the COVID crisis resolution and their resources for distribution and feasibility of vaccinations for RTD personnel. Mr. Bridges stated that the subcommittee reviewed the set of goal/objectives from the legislature and Governor's office and are developing a strategy to address the remainder of these targets.
- Governance Subcommittee – Julie Duran Mullica reported the subcommittee received a presentation from Doug Rex regarding community-based transit planning. The subcommittee discussed how they might be able to modify RTD's current structure to include local-level service councils. There has also been a continued discussion of RTD's board and if it should remain a 15-member board.
- Operations Subcommittee – Deya Zavala reported the subcommittee received a presentation from Steven Higashide, TransitCenter, on fare framework recommendations. This presentation included the suggestion of fare policies being driven by goals and that farebox recovery should be used as a metric and not as a goal going forward. Next steps for the subcommittee include focusing on policy goals, such as fares being easy to understand and afford, to be offered to the RTD board.

#### Legislative Recommendations

Ron Papsdorf presented current recommendations to the committee. The RTD board created the RTD Accountability Committee with the expectation they will provide feasible recommendations for improvement to the operations of and statutes related to RTD. The Committee was given the option to issue a preliminary report to RTD, the Governor, and the General Assembly at the end of 2020. This report will provide an opportunity to propose legislative changes that can be enacted during the 2021 Legislative Session. These changes are focused on statutory restrictions that, if modified or deleted, have the potential to provide RTD with greater flexibility and opportunity to improve its finances and/or ridership. The committee reviewed and discussed the [potential Legislative changes to RTD statutes](#). Focus areas of the document included the elimination of the fare box recovery ratio requirement, more flexibility for RTD regarding current development

surrounding RTD bus and light rail stations, flexibility for RTD's management of parking structures at current station locations, and clarity on how RTD can contact for services with outside providers. Per Committee policy, an equity assessment of these recommendations was performed and summarized by Matthew Helfant. Questions proposed by committee member were written and addressed in the full [Equity Assessment](#).

Rutt Bridges **moved** to approve the legislative recommendations to be submitted to the General Assembly and Governor for their consideration. The motion was **seconded** and **passed** unanimously.

#### Preliminary Report Outline

Doug Rex provided an overview of the outline to the committee. The RTD Accountability Committee intends to issue a preliminary report that will document recommendations and summarize the Committee's work thus far, identify issue areas, and provide a preview of the work ahead. Mr. Rex presented the [outline for the preliminary report](#) for review and discussion by the committee. The draft report will be brought to the full committee for its consideration at its January 11, 2021 meeting. There was a suggestion of clarifying language that states what current recommendations are, with the addition of what next steps are for making those recommendations come to fruition. There was a consensus from the committee of overall approval to proceed with the draft outline as presented.

#### CARES Act Discussion

Matthew Helfant provided a brief overview of the CARES Act financials to the committee. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law in late March. The package included funds for transit agencies to help them prevent, prepare for, and respond to the COVID-19 pandemic and RTD received an award of approximately \$232 million. North Highland was contracted to perform a high-level review of RTD's CARES Act expenditures, examine documents, and interview key RTD staff. Tanya Eydelman and Derek Pender of North Highland provided a [presentation of their findings to the committee](#). There was a request from the committee that North Highland provide a one-page summary of their findings to deliver to RTD, in lieu of the fully detailed presentation, which can be provided as additional information.

### ADMINISTRATIVE ITEMS

#### Member comment/Other matters

Rutt Bridges commented on how RTD's ridership is going to be severely impacted by the economic ramifications of COVID-19, due to a large portion of companies switching to telework during and after the pandemic.

Deya Zavala suggested that the Operations subcommittee receive a presentation from RTD regarding their EcoPass structure and what projections are for 2021, as it may not be a viable option in the future, due to teleworking. Jackie Millet added that RTD should start looking into other options to replace the EcoPass moving forward.

#### Adjournment

The meeting adjourned at 10:02 a.m.

**ATTACH B**

To: Members of the RTD Accountability Committee

From: Douglas W. Rex, Executive Director  
(303) 480-6701 or [drex@drcog.org](mailto:drex@drcog.org)

Meeting Date	Agenda Category	Agenda Item #
January 11, 2021	Action	6

**SUBJECT**

Interim Report

**PROPOSED ACTION/RECOMMENDATIONS**

Approve the Preliminary Report.

**ACTION BY OTHERS**

N/A

**SUMMARY**

The RTD board, in collaboration with the Governor of Colorado and the Transportation chairs of the General Assembly, created the independent RTD Accountability Committee. The Committee's mission is to provide feedback and a set of recommendations for improvement to the operations of and statutes related to RTD, to the board and staff of the RTD, the Governor, the General Assembly, and the public.

The Committee was given the option to issue a preliminary report to RTD, the Governor, and the General Assembly at the end of 2020. The draft report includes background information about the Committee, status reports on each of the three subcommittees, and proposed legislative recommendations adopted by the committee for consideration by the Governor and General Assembly that can be enacted on in the 2021 Legislative Session. These recommendations are focused on statutory restrictions that, if modified or deleted, have the potential to provide RTD with greater flexibility and opportunity to improve its finances and/or ridership.

**PREVIOUS DISCUSSIONS/ACTIONS**

N/A

**PROPOSED MOTION**

Move to approve the RTD Accountability Committee Preliminary Report and submit to the RTD Board, the Governor of Colorado, and the Transportation Chairs of the General Assembly.

**ATTACHMENT**

Preliminary Report

**ADDITIONAL INFORMATION**

If you need additional information, please contact Douglas W. Rex, Executive Director, at [drex@drcog.org](mailto:drex@drcog.org) or (303) 480-6701; or Matthew Helfant, Senior Transportation Planner, at 303-480-6731 or [mhelfant@drcog.org](mailto:mhelfant@drcog.org).





# **RTD Accountability Committee**

**Draft  
Preliminary Report**

January 2021



## Membership

### Co-Chairs

Elise Jones (co-chair) - Local Government served by RTD

Crystal Murillo (co-chair) - Local Government served by RTD

### Members

Dan Blankenship – Multimodal Expertise

Rutt Bridges – Financial Planning Expertise

Chris Frampton – Economic Development Expertise

Jackie Millet – Local Government served by RTD

Julie Duran Mullica – Local Government served by RTD

Kathy Nesbitt – Human Resources Expertise

Krystin Trustman – Expertise on Issues Facing Transit Riders with Disabilities

Rebecca White – Urban Planning Expertise

Deyanira Zavala – Transportation Equity Expertise

### Ex-officio Members

Lynn Guissinger (ex officio) – RTD Board Director

Troy Whitmore (ex officio) – RTD Board Director

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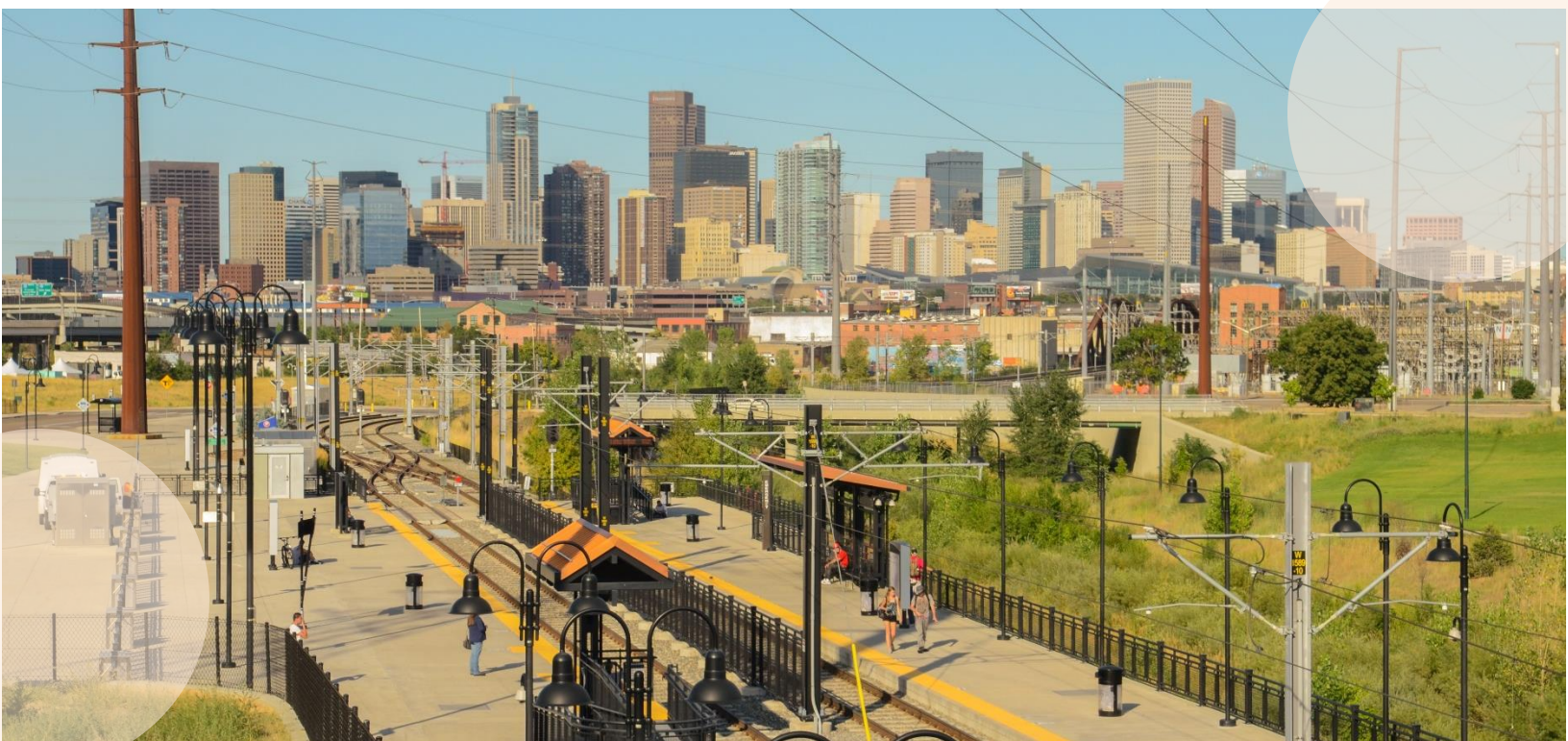


## Executive Summary

The Regional Transportation District (RTD) is a vital part of the Denver region's multimodal transportation system, connecting people to jobs, schools, shopping, medical care and recreation. It helps reduce transportation-related climate emissions and provides an equitable mobility alternative for people who cannot afford, are not able, or choose not to drive. It also represents independence for so many and is an important stimulant for the region's economic development. The region's transit system must also increasingly address major trends, such as a rapidly growing population and employment base, new technology, an evolving economy, and changing residential and workplace preferences.

Understanding the important role RTD plays in the success of the Denver region, in the summer of 2020, the RTD Board in collaboration with Governor Polis and the transportation committee chairs of the Colorado General Assembly created the RTD Accountability Committee. The purpose of the Committee is to provide feedback and develop a set of recommendations for improvement to the operations and statutes related to RTD. The Committee is independent of RTD and hosted by the Denver Regional Council of Governments (DRCOG).

As referenced in the RTD Accountability Committee Scope of Work ([Appendix 1](#)), the membership has elected to provide this optional preliminary report to the collaborating partners. The report highlights areas of discussion by the Committee to date, future investigations, and some initial legislative recommendations for consideration by the Colorado General Assembly.



## Duties

As identified in the Committee's scope of work, the RTD Accountability Committee shall perform a comprehensive review of the district, taking into account the perspectives of staff, Board, and the public. Specifically, the work of the Committee should include a review of at least the following:

- A review of recent financials from the district, including any recent audits and a thorough review of the agency's use of CARES Act stimulus funds.
- The structure of RTD governance and executive leadership.
- A review of the district's short-term and long-term prioritization of resources to maximize the agency's limited dollars for the benefit of taxpayers.
- How it can better serve all riders including those with disabilities, how it can better serve transit-dependent populations, a review of the district's plans for how to expand ridership, how the district is addressing coverage gaps, how the district is prioritizing route planning, and how the district is serving its entire service area.
- A determination of the long-range financial stability of the agency, and how the agency can achieve stability and growth while still meeting its core mission.

## Initial Activities

From its earliest meetings, Committee members discussed the importance of establishing an organizational structure that would allow for an effective evaluation of RTD functions. First, the Committee formalized its meeting rules through the adoption of RTD Accountability Committee Guidelines ([Appendix 2](#)) and the election of Boulder County commissioner Elise Jones and Aurora council member Crystal Murillo as the Committee's co-chairs.

The Committee also agreed that social, financial, and environmental equity shall be at the forefront as they consider and finalize recommendations. As a result, the Equity Assessment Mission Statement ([Appendix 3](#)) was adopted, which ensures that an equity lens will be applied to the Committee's recommendations to make certain that benefits are shared across the RTD service area and that no one group bears a larger burden of environmental or financial impact, especially communities of concern (including, but not limited to minority, low-income, individuals with disabilities, older adult, and veteran populations).

## Subcommittee Formation

Understanding the complexity and time-sensitive nature of the Committee's work, three subcommittees were formed so that a "deeper dive" on specific issues could be undertaken: Governance, Finance, and Operations. Additionally, the Committee created the following focus areas for the subcommittees, aligned with its scope of work, for initial inquiry and development of recommendations.

## Initial Subcommittee Focus Areas\*

Governance Subcommittee	Finance Subcommittee	Operations Subcommittee
Explore and develop an alternative governance structure and deployment of transit services that follow a regional/subregional model in partnership with local governments.	Review and make recommended changes to RTD to achieve a more sustainable financial model, including review of investment policies, debt, regional/subregional funding allocation, and statutes that limit opportunities for revenue generation, cost savings and increased ridership.	Assess and make recommendations on how RTD fares and pass programs can be improved to increase equity, ridership, affordability, and ease of access.
Explore how to enable partnerships with other transit agencies and nonprofits to provide for better service outside and inside RTD boundaries.	Review FasTracks spending and make recommendations on how to achieve an equitable resolution of the unfinished FasTracks corridors.	Make recommendations on how RTD can enhance service delivery to transit-reliant, vulnerable populations through different models of service delivery and reflecting changing travel trends post COVID-19.
Assess whether the size and structure of RTD's service area is appropriate relative to its ability to provide transit service.	Make recommendations on how to improve financial transparency to restore public trust and demonstrate RTD accountability to voters and policy-makers, such as the development of a public online dashboard to show how RTD money is generated and spent.	Focus on proactive, community-based transit service planning and operations. Strengthen and formalize coordination between RTD and cities/counties with development review/approval of project and design of transit service for key developments.
Assess whether the RTD Board would be more effective with a different size or structure.	Examine partnership opportunities to enhance mobility services and allow RTD to focus on delivering the types of services it can do most effectively and efficiently.	Undertake an overall organizational assessment (HR, work culture, management and governance of district, organizational and Board structure).
		Emphasize social/environmental justice and equity analyses to influence transit services provided.

- Focus Areas are not mutually exclusive and may be discussed by one or more subcommittees



## Subcommittees

### Governance Subcommittee

The Governance Subcommittee was formed to review the structure of RTD governance and executive leadership. The subcommittee has identified three areas of improvement it wishes to address:

1. The need for local communities and residents to have an elevated voice in transit service decision-making
2. Equity (social and geographic) considerations in RTD service delivery
3. Importance of restoring trust and confidence in RTD

Julie Duran Mullica (chair)

Jackie Millet (primary)  
Kathy Nesbitt (primary)  
Dan Blankenship (secondary)  
Elise Jones (secondary)  
Crystal Murillo (secondary)  
Deyanira Zavala (secondary)



GOVERNANCE

## Summary of Subcommittee Activities

### September

In order to effectively pursue opportunities for improvement to RTD's governance model, the subcommittee was briefed on the legal structure and governance model of RTD. Then the subcommittee embarked on a peer review of other public transportation governance models. Thirteen models have been evaluated to date and are summarized as [Appendix 4](#).

### October

The subcommittee began to focus its attention on models that would increase local community participation in decision-making. Many subcommittee members were familiar with DRCOG's new regional/subregional Transportation Improvement Program (TIP) process that resulted in improvements to collaborative outcomes, including increased problem-solving capacity, enhanced relationships among the region's agencies, and significantly more trust in the funding allocation process. The subcommittee was fully briefed on DRCOG's model in hope that there were elements that could be utilized in its work. The subcommittee was also briefed on a similar governance concept at LA Metro where five local service councils throughout its service area are used to better coordinate bus service changes and improve public involvement opportunities for its residents. Additional information about LA Metro's local service councils can be found at the following link: [Local Service Councils](#).





## November

The subcommittee began to develop its own governance concept, building on the theme of enhancing local community involvement in RTD's decision-making process. A draft model concept was presented for discussion purposes only at the November 9 RTD Accountability Committee meeting. The concept, illustrated below, provided two options for local community involvement: the formation of a Local Advisory Council or the formation of Subregional Transit Councils. Conversations at both the full RTD Accountability Committee meeting and subsequent discussions at the Governance Subcommittee indicated a clear affinity for further exploration of the Subregional Transit Council concept.

### **Draft RTD Governance Structure Concept** For Discussion Purposes Only

#### **RTD Board of Directors**

- Sets RTD policy, adopts RTD budget, sets overall district service goals and objectives.
- Allocates resources to "regional" transit services: light rail, commuter rail, regional bus, ADA services, other district-wide services.
- Reviews/approves subregional transit council **or** local advisory council's "local" transit service plans and resource allocations.

#### *Discussion Topics:*

- Define "regional" transit services
- Determine amount of resources needed for regional transit services
- Determine process for RTD Board adjustments to local service plan recommendations (e.g., would it require a super-majority vote of the Board?)

#### **Local Involvement Options:**

##### **Option #1: Local Advisory Council**

- Similar to [Utah Transit Authority's model](#)
  - The standing Local Advisory Council provides a voice for local governments.
  - Reviews and approves service plans, capital development plans and projects, and TODs before final RTD Board approval.
  - Represents and advocates the concerns of citizens to the RTD Board.

##### **Option #2: Subregional Transit Councils**

- Similar to LA Metro's [Local Service Council model](#)
  - Membership: each local jurisdiction within RTD service area.
  - Develops local transit service plans within RTD service goals and objectives.
  - Allocates resources to local transit service.
  - Can supplement services with local resources, if desired.

### December

The subcommittee continued its vetting of the regional/subregional governance concept. The subcommittee convened a group of technical staff from communities within the RTD service area to get their thoughts/feedback on the governance concepts being investigated. A summary of the roundtable discussion was provided at the December 21 subcommittee meeting.

The subcommittee was also briefed on an initiative known as community-based service planning that has been implemented around the country to address social equity issues. The subcommittee applauded the opportunity it presented to better understand and mitigate transportation deficiencies, especially in low-income communities through extensive involvement with residents and community-based organizations. Subcommittee members felt it could ultimately be a policy directive of the RTD Board and carried out by the subregional service councils.

### Initial Findings and Areas for Further Investigation

The Governance Subcommittee has expressed optimism for the Subregional Service Council governance concept, but fully recognizes more research and investigation is needed. In this exploratory phase, the model appears to address many of the identified problems expressed by the subcommittee. For example, the model increases local involvement in the RTD decision-making process and has the potential to greatly reduce geographic equity concerns because funding and service level decisions would be made at the subregional level, thereby ensuring a minimum level of service. The subcommittee also believes the model has the opportunity to restore trust and confidence in RTD because local governments and users of the system will play a larger role in the decision-making process. The following table describes initial research and potential future investigations and issues.



Focus areas	Initial research	Potential future investigations and issues
Alternative governance structure	Expressed interest in Subregional Service Council model and a willingness to move further in the exploratory phase.	<ul style="list-style-type: none"> <li>• Geography of service councils. <ul style="list-style-type: none"> <li>◦ County, RTD Board districts, other?</li> </ul> </li> <li>• Define “regional” and “local” transit service.</li> <li>• Determine amount of resources for “local” transit service.</li> <li>• Determine allocation of resources for Subregional Service Councils. <ul style="list-style-type: none"> <li>◦ Share of taxable sales?</li> <li>◦ Share of population?</li> <li>◦ Share of employment?</li> <li>◦ Share of vulnerable population?</li> <li>◦ Combination of above?</li> <li>◦ Other?</li> </ul> </li> </ul>
Partnerships with other transit agencies	TBD	<ul style="list-style-type: none"> <li>• Initiate conversations with VIA Mobility, CDOT and other service providers about partnership opportunities and synergies.</li> </ul>
Size of RTD service area	TBD	<ul style="list-style-type: none"> <li>• Is RTD’s service area too large?</li> <li>• Are constituents receiving adequate service?</li> <li>• What would be the optimal service size?</li> <li>• What are the transit service options if communities are removed from the RTD district?</li> </ul>
RTD Board Structure	The subcommittee has initiated conversations about the Board structure.	<ul style="list-style-type: none"> <li>• What problem is the subcommittee attempting to solve?</li> <li>• Optimal number of Board members.</li> <li>• Elected vs. appointed.</li> <li>• At-large or district level representation. <ul style="list-style-type: none"> <li>◦ Hybrid approach?</li> </ul> </li> </ul>



## Finance Subcommittee

The Finance Subcommittee was formed to focus on issues related to the funding and financial stability of RTD. Topics that this subcommittee has addressed or will take up include RTD's pre- and post-COVID-19 budgets, debt and pension obligations, financial transparency, fare and pass programs and farebox recovery, use of CARES Act funding, and RTD's potential role in COVID-19 recovery.

Rutt Bridges (chair)

Dan Blankenship (primary)  
Rebecca White (primary)  
Chris Frampton (primary)  
Elise Jones (secondary)  
Crystal Murillo (secondary)  
Krystin Trustman (secondary)

## Summary of Subcommittee Activities

### September

The subcommittee engaged in a conversation to refine its objectives and review and discuss RTD financial documents and information to ground their future work. This included a review of RTD's 2019 and 2020 budgets, 2019 Annual Financial Report, and previous state audits.

### October

During October, the subcommittee discussed Colorado's COVID-19 crisis and associated risks and opportunities for RTD, particularly RTD's potential role in vaccine distribution and other recovery efforts. The subcommittee also began a discussion of comparisons to peer transit agencies and a review of state statutes that affect RTD's finances.

### November

In November, the subcommittee received a presentation on CDOT's financial dashboard as a potential model for increasing RTD's financial transparency. The subcommittee also began its review and discussion of FasTracks unfinished corridors, refined potential finance-related legislative concepts, and reviewed RTD's updated near-term, mid-term, and long-term revenue forecasts.

### December

During December, the subcommittee reviewed and discussed RTD's 2021 budget, use of CARES Act funds, and began a discussion of administrative overhead issues. As noted below, the subcommittee has reviewed and discussed an analysis of RTD's use of CARES Act funding ([Appendix 5](#)), which was used to retain employees and pay for purchased transportation services.

## Initial Findings and Areas for Further Investigation

The Finance Subcommittee has been focused on research and investigation to inform future recommendations to the Accountability Committee. The subcommittee also played a significant role in reviewing and developing the Accountability Committee's legislative proposals. The proposals represent an opportunity to provide RTD flexibilities that may help it attract and increase ridership and contribute to developing a more sustainable financial future. The following table describes initial research and potential future investigations and issues.

Focus areas	Initial research	Potential future investigations and issues
Financial Stability	Ridership was trending down, and operating expenses were outpacing revenue growth prior to the coronavirus pandemic. Debt obligations are a significant cost driver and limit RTD's ability to expand service or complete unfinished corridors. The pandemic exacerbated this situation, with ridership down 60% and fare revenue down 50% from pre-COVID-19 levels. As a result, RTD reduced service by 40% and implemented other cost-cutting measures during 2020 to manage expenses. Federal relief funding (\$232 million) through the CARES Act enabled RTD to retain employees during 2020. RTD added \$80 million to reserves. RTD's adopted 2021 budget represents staff reductions of approximately 400 positions. RTD's finances will not stabilize until the pandemic has subsided and customers have returned to the system.	<ul style="list-style-type: none"> <li>Continued monitoring of revenue forecasts.</li> <li>Debt load, debt service payments, contracted services, and RTD's mid-range financial plan.</li> <li>Administrative overhead and other cost drivers.</li> <li>Use of additional federal COVID-19 relief funding.</li> <li>Fare structure, pass programs, and other issues to increase ridership and revenues.</li> <li>RTD's underutilized assets that could potentially play a role in addressing the pandemic, in particular for mass vaccination clinics as vaccines become more readily available.</li> </ul>
FasTracks	RTD has completed 75% of the FasTracks program. Four corridors are unfinished (Central Rail Extension, North Metro Completion, Northwest Rail, Southwest Extension) with a total capital cost estimate of almost \$2.8 billion (2018) and inadequate resources to complete them before 2050. A thirty-year delay is not a practical alternative.	<ul style="list-style-type: none"> <li>Opportunity to leverage Front Range Passenger Rail to provide equivalent service in some corridors.</li> <li>The role of emerging alternative technologies.</li> <li>Other options to complete unfinished corridors.</li> </ul>
Financial Transparency	<p>A project and financial dashboard used by CDOT is a potential model for RTD, though a simpler solution may be needed.</p> <p>There are significant costs and challenges to integrating RTD's financial system information.</p>	<ul style="list-style-type: none"> <li>RTD financial system integration and the need for a publicly accessible dashboard.</li> <li>If public access to RTD financial data is the goal, can a less maintenance-intensive solution be found?</li> </ul>
Partnership Opportunities	RTD should have additional flexibility and clear authority to contract with nonprofits and local governments for service delivery to ensure cost-effective and efficient transit services.	<ul style="list-style-type: none"> <li>Effective models for contracted services.</li> <li>Mass transit's challenge for first- and last-mile station access.</li> </ul>




## Operations Subcommittee

The Operations Subcommittee was formed to focus on issues related to operations and maintenance of the RTD transit system and develop draft recommendations for consideration by the full committee. Topics this subcommittee has addressed or will take up include pass and fare programs, service planning, and the provision of complementary paratransit required by the Americans with Disabilities Act (ADA) of 1990.

Deyanira Zavala (chair)

Elise Jones (primary)  
Crystal Murillo (primary)  
Krystin Trustman (primary)  
Chris Frampton (secondary)  
Jackie Millet (secondary)  
Rebecca White (secondary)



Passengers board RTD rail at Union Station in downtown Denver. Among the RTD Accountability Committee's considerations are the fare and pass programs available to passengers.

Photo by: urbanlight/BIGSTOCK



## Summary of Subcommittee Activities

### September

Refining the subcommittee's focus areas received most of its attention in September. The subcommittee also received an overview of RTD's service planning. This was followed by a discussion on the role of equity and service planning.

### October

The subcommittee continued examining the equity in service planning topic in October with more in depth discussions on content from *Best Practices in Service Planning* (Center for Urban Transportation Research at the University of South Florida, 2009) and an article from Jarrett Walker entitled: [The Transit Ridership Recipe](#).

By the end of the month, the subcommittee turned its attention to pass and fare programs, receiving a number of presentations on the subject. First, RTD staff provided a briefing on its [LiVE program](#) that provides a discount for low-income riders and then later in the month the subcommittee heard two briefings on Kansas City's decision to go fare-free and on Portland, Oregon's decision to implement an [equitable fare program](#).

### November

Fare structure and pass program discussion and education continued in November with a briefing on the administration and management requirements of RTD to deliver its fare and pass program. Additionally, the subcommittee heard a presentation on pass programs at the following peer agencies: Houston Metro, Dallas Area Rapid Transit (DART), Metro Atlanta Rapid Transit (MARTA), King County Metro (Seattle), and Massachusetts Bay Transit Authority (MBTA-Boston).

### December

After some additional presentations in December, the subcommittee was poised to begin developing a strategy for future recommendations. The conversation centered around the development of goals to improve operational performance and potential strategies for implementation. The following table reflects the goals and strategies discussed to date.

## Goals

## Possible Strategies

*Create fare and pass structures that are easy to understand*

- Align all discount fares (seniors, youth, persons with disabilities, and low-income)
- Create a simple fare and pass structure for customers and operators
- Minimize cost burden to equity populations
- Deliver communications through easy-to-access channels and easy-to-use tools

*Ensure regional and subregional coordination  
(Purpose: Operationalize the governance work;  
Connects to Governance Subcommittee work)*

- Implement strategy for RTD to support suburban communities with equitable Transit Oriented Development (eTOD)
- Align the percent of affordable housing and frequent service routes
- Explore strategic partnership to optimize bus priority lanes

*Improve and promote operational efficiency  
(Purpose: Operationalize the governance work;  
Connects to Governance Subcommittee work)*

- Ensure equitable distribution of service via equity population access within 15-20 minutes
- Community-based transit planning

*ADA Accessibility and Service Delivery*

- Explore strategies to make fares more affordable for paratransit clients
- Find ways to improve client experience: reduce trip durations, make booking easier and more flexible, investigate other needs for clients and possible strategies to address them

## Initial Findings and Areas for Further Investigation

The Operations Subcommittee has been focused on developing its first set of recommendations based on the goals and strategies shown above. These goals are a working compilation, and it is expected goals will be added or revised throughout the process. The following table summarizes the initial research conducted by the subcommittee and potential future investigations and issues.

Focus areas	Initial research	Potential future investigations and issues
<b>Fare and pass programs</b>	<p>DRCOG staff provided a high-level synopsis of RTD's pass and fare programs. This was followed by a presentation by RTD staff on the administration of their pass and fare program. RTD staff also briefed the subcommittee on the LiVE program that provides a discount for low-income riders. Staff from TransitCenter briefed the committee and answered questions on their report entitled <i>Overview of a Fare Framework: How transit agencies can set fare policy based on strategic goals</i>. The RTD Chief of Police briefed the subcommittee on fare evasion enforcement policy to follow up on the TransitCenter presentation. One of TransitCenter's discussion points was that many pass and fare programs coincide with a review of fare evasion enforcement policy. Adjustments to this policy have helped other transit systems increase involvement in low-income fare programs and educate riders on how to purchase the correct fare among other benefits.</p> <p>Also, a CDOT Fellow assisting with the RTD Accountability Committee provided an overview on pass programs at the following peer agencies: Houston Metro, Dallas Area Rapid Transit (DART), Metro Atlanta Rapid Transit (MARTA), King County Metro (Seattle), and Massachusetts Bay Transit Authority (MBTA-Boston).</p>	<ul style="list-style-type: none"> <li>• Identify models to simplify pass and fare programs.</li> <li>• Formulate policies for fare enforcement that can be integrated into pass and fare programs.</li> <li>• Review RTD's costs of fare collection (expenses for security/fare enforcement, purchase and maintenance for fareboxes/TVMs, increased operating costs from increased dwell times, staff/administrative costs, etc.)</li> </ul>
<b>Service delivery for transit-reliant populations</b>	<p>A brief presentation on transit service planning with an emphasis on equity. This presentation included background from <i>Best Practices in Service Planning</i> (Center for Urban Transportation Research at the University of South Florida) and an article from Jarrett Walker entitled: <i>The Transit Ridership Recipe</i>.</p>	<ul style="list-style-type: none"> <li>• Determine integration points between service delivery and planning with governance model (possible synergy with Governance Subcommittee).</li> <li>• Identify bus priority lane strategies.</li> <li>• Review Reimagine RTD optimization recommendations.</li> <li>• Explore opportunities to increase ridership.</li> </ul>

<b>Community-based transit service planning</b>	A presentation was provided to the Governance Subcommittee.	<ul style="list-style-type: none"> <li>• Review Reimagine RTD optimization recommendations.</li> <li>• Explore opportunities to increase ridership.</li> <li>• Determine integration points between service delivery and planning with a focus on facilitating local stakeholder input (possible synergy with Governance Subcommittee).</li> </ul>
<b>Overall organizational assessment</b>	TBD	<ul style="list-style-type: none"> <li>• Learn more about conditions that influenced operator shortage prior to Covid-19 pandemic.</li> <li>• Learn more about current situation with operators and maintenance staff during pandemic.</li> <li>• Review best practices for operator and maintenance staff management and retention at peer transit agencies.</li> </ul>
<b>Social/environmental justice to influence transit service</b>	TBD	<ul style="list-style-type: none"> <li>• Learn more about RTD equity practices.</li> <li>• Review best practices at peer transit agencies related to Title VI, Environmental Justice, ADA, and other equity regulations.</li> <li>• Equity in fare evasion (review costs associated with parking violations vs. fare evasion)</li> </ul>





## Initial Legislative Recommendations

Key among the RTD Accountability Committee's assignments is the examination of how RTD can better serve its riders, expand ridership and achieve financial stability and growth while still meeting its core mission. The emergence of the COVID-19 pandemic has resulted in a 60% reduction in ridership and a major decline in current and projected sales and use tax revenue, further exacerbating RTD's financial situation.

As the RTD Accountability Committee explores potential recommendations for improvement, it has determined that some of the suggestions it may want to propose for RTD would be blocked by the language of Colorado statutes (Title 32, Article 9) first put in place when RTD was founded over 50 years ago and amended periodically thereafter.

In particular, the RTD Accountability Committee has identified several statutory restrictions that, if modified or deleted, have the potential to provide RTD with greater flexibility and opportunity to improve its finances and/or ridership. The Committee acknowledges up front, however, that such changes aren't silver bullets and their effects — while positive — are likely to be modest. Nonetheless, if the Denver metro area is to have the world-class transit system it deserves, we will collectively need to pursue a range of improvements that maximize flexibility and innovation at RTD. An equity assessment of the recommendations can be found as [Appendix 6](#).



### 1. CRS 32-9-119.7 Farebox recovery ratios – plans

This provision requires that 30% of RTD's operating costs be funded by revenues collected (all non-sales-tax revenue generated through the operation and maintenance of the mass transit system, except ADA services). Although this provision doesn't appear to provide a current limitation on RTD, it would in the future, if RTD wanted the opportunity to significantly decrease fares as a way to restore ridership lost during the COVID-19 pandemic, expand ridership beyond pre-pandemic levels, or improve the equity of mobility services.

One of the specific charges to the RTD Accountability Committee was "A review of the district's plans for how to expand ridership." RTD's systemwide ridership had already been declining in recent years when the COVID-19 crisis resulted in a dramatic reduction in ridership on existing routes and the complete elimination of some other service as well. Recovery and expansion of ridership will necessitate flexibility to consider some out-of-the-box measures to regain lost riders and attract new riders. Additionally, equity considerations for transit-reliant populations, especially low-income households, is a major focus for the RTD Accountability Committee; ensuring transit affordability through an analysis of fare levels will also be a critical component of our work.

There are many potential examples of how maximum fare flexibility could be beneficial. RTD could offer a free one-month transit pass to people in the district who are immunized against COVID-19 as a way to simultaneously defeat the virus and rebuild pandemic-affected ridership. Other transit agencies around the country, and several local governments in the RTD service area, are experimenting with low-fare or fare-free transit to attract new riders or bring former customers back. RTD needs the flexibility to explore options around fares and incentive programs to recover from the damage done by COVID-19 and to expand ridership beyond pre-COVID-19 levels. A \$6 billion rail system that carries a quarter of the passengers it carried in 2019 is a poor return on taxpayers' investment. This must be rectified.

The goal of mass transit should be to provide the most rides for the most people at the lowest total cost. Farebox recovery ratios fail to tell the whole story. A better and simpler measure of return on investment is the system's operating cost divided by total ridership. RTD needs to focus on delivering the greatest value for our infrastructure investment. The more people carried on mass transit, the less our region will suffer from congestion and the less polluted its air will be.

Proposed edits:

### 1. CRS 32-9-119.7 Farebox recovery ratios — plans Cost efficiency of transit services provided – Maximizing ridership

*(1) The general assembly hereby finds and declares that surface transportation in the Denver metropolitan area is a major problem confronting not only the citizens of the metropolitan area but also the citizens of the entire state of Colorado. The general assembly further finds that, although mass transportation is one component of an effective surface transportation system, the allocation of resources to mass transportation must be made in light of all surface transportation needs. The general assembly further finds that the district should be organized*

efficiently, economically, and on a demand-responsive basis and that the district should consider least-cost alternatives in discharging its responsibilities. ~~The general assembly further finds that the farebox recovery ratio of the district must be improved so that resources once allocated for mass transportation can be made available for other surface transportation needs.~~

(2) For the purposes of this section, “operating costs” means all expenditures, including depreciation, except for those incurred in long-term planning and development of mass transportation and rapid transit infrastructures and those costs incurred as a result of providing transportation service mandated by the federal “Americans with Disabilities Act of 1990”, 42 U.S.C. sec. 12101 through 12213, ~~and “revenues collected” means all non-sales tax revenue generated through the operation and maintenance of the mass transit system, except for those revenues generated as a result of providing transportation service mandated by the federal “Americans with Disabilities Act of 1990”.~~

(3) The district shall provide in its financial reporting operating cost, ridership, and operating costs divided by ridership as measures of the cost efficiency of services provided. ~~take whatever measures it deems necessary to ensure that the following percentages of its operating costs are funded by revenues collected, as follows:~~

~~(a) For the fiscal year 1990, twenty-seven and one-half percent;~~

~~(b) For the fiscal year 1991, twenty-eight and one-half percent;~~

~~(c) For the fiscal year 1992, twenty-nine and one-half percent;~~

~~(d) For the fiscal year 1993 and each fiscal year thereafter, thirty percent.~~

(4) ~~The district shall prepare annual budgets based on the percentages required by subsection (3) of this section.~~ The district shall submit copies of its annual budget to the transportation legislation review committee created in section 43-2-145, C.R.S

~~(5) No later than August 1, 1989, the district shall submit to the highway legislation review committee optional plans which shall address the following objectives:~~

~~(a) To make the mass transportation operations of the district more demand-responsive;~~

~~(b) To demonstrate that the district has considered least-cost options for performing its service;~~

~~(c) To make recommendations regarding farebox recovery ratios; and~~

~~(d) To demonstrate improved commuter and to-and-from-work service.~~

## **2. CRS 32-9-119.8 Provision of retail and commercial goods and services at district transfer facilities – residential and other uses at district transfer facilities permitted – definitions**

RTD may negotiate and enter into agreements with other entities to provide retail and commercial goods and services to the public or provide housing at its transit stations and park-n-rides, but cannot provide retail and commercial goods and services itself, except for transit-related transactions. There are restrictions on such uses, however: the use may not reduce transit services, reduce the availability of adequate parking for the public, or, for uses involving the provision of retail or commercial goods or services, result in a competitive disadvantage to



a private business near the facility providing similar goods or services. In addition, retail and commercial goods and services or residential uses at RTD facilities must be designed to offer convenience to transit customers and be conducted in a manner that encourages multimodal access from all users.

RTD-owned land and facilities are valuable transit-oriented development assets and can play a beneficial role in generating additional revenues and increasing use of the transit system. Eliminating restrictions related to parking and business competition could further enhance equitable transit-oriented development (TOD) on RTD properties and allow RTD to derive more revenue from the use of its properties.

Specifically, 32-9-119.8(4) contains overly broad language that invites litigation from surrounding businesses “reasonably near a transfer facility.” Furthermore, 32-9-119.8(5) may prevent RTD’s ability to encourage development of affordable, transit-focused residences due to restrictions on allowable parking ratios. For example, according to a study by Seth Goodman and others, the median two-bedroom U.S. city code requirement of 1.5 parking spaces consumes more than half the area of a typical two-bedroom apartment and adds \$375 per month in rent. This unnecessary parking requirement puts the development of transit-focused residences at a significant financial disadvantage and makes no sense for residents who rely on transit for mobility rather than personal vehicles.

Proposed edits:

*(4) The use of a transfer facility for the provision of retail or commercial goods or services or for the provision of residential uses or other uses shall not be permitted if the use would reduce transit services, ~~would reduce the availability of adequate parking for the public, or, for uses involving the provision of retail or commercial goods or services, would result in a competitive disadvantage to a private business reasonably near a transfer facility engaging in the sale of similar goods or services.~~ The provision of retail and commercial goods and services or the provision of residential uses or other uses at transfer facilities shall be designed to offer convenience to transit customers and shall be conducted in a manner that encourages multimodal access from all users.*

*(5) Any development of any portion of a transfer facility made available by the district for the provision of retail or commercial goods or services or for the provision of residential uses or other uses shall be subject to all applicable local zoning ordinances, except for parking requirements, which will be established by RTD. RTD may also at its option charge fees for parking at district parking facilities.*

**3. CRS 32-9-119.9 Limited authority to charge fees for parking – reserved parking spaces – penalties – definitions**

RTD has spent millions of dollars providing structured park-n-ride parking garages and surface parking lots throughout its system but is restricted from requiring in-district residents to pay to park, unless they park for more

than 24 hours. This section limits the flexibility of RTD to manage the parking facilities that RTD has built and is seen as unnecessarily restrictive at a time when RTD faces a financial crisis. Removing this restriction would provide RTD with the ability to generate some revenues from parking if it so desired – although it would be important to not depress ridership by charging too much – and/or to use parking revenues to decrease fares, which could yield equity benefits and enhance ridership. Having more flexibility with regards to parking would also allow RTD to use parking spots and subsidies to incentivize desired outcomes, e.g., giving electric vehicle drivers, carpoolers, and vulnerable populations cheaper parking or parking spots closer to the platform.

Proposed edit: The Committee recommends working with RTD and Legislative Legal Services staff to refine section 32-9-119.9 to remove limitations on RTD's ability to manage their parking facilities to achieve the objectives identified above.

Note: RTD's option to charge fees for parking is now established in 32-9-119.8(5), but otherwise, management of RTD parking facilities is left to RTD.

#### **4. CRS 32-9-119.5 Competition to provide vehicular service within the regional transportation district**

RTD is allowed to implement a system by which up to 58% of the district's vehicular service is provided by qualified private businesses. Statute sets out the processes and parameters for these privately provided services.

Ideally, RTD would use qualified service providers for transit service when that is the most cost-effective option, assuming quality of service and safety are ensured. Expanding this provision to include nonprofit and local government service providers could be beneficial by increasing the pool of alternative cost-effective providers.

##### Proposed edits:

*(1) The general assembly hereby finds, determines, and declares that: Public transportation services are provided to assist the transit-dependent and the poor, to relieve congestion, and to minimize automotive pollution; public transportation service should be provided at the lowest possible cost consistent with desired service and safety; private transportation providers have been effectively used under competitive contracts to provide public transportation services at lower costs and with lower annual cost increases; obtaining cost-competitive public transportation services requires the establishment of a mechanism for competitive contracting; facilities and vehicles purchased for public transportation service are public assets which are held in the public trust; contracting for services has historically provided opportunities for minority, women, and disadvantaged business enterprises; and it is the intent of the general assembly that disadvantaged business enterprises, as defined in part 23 of title 49 of the code of*

*federal regulations, as amended, shall have the maximum opportunity to participate in the performance of contracts.*

*(2) (a) The district may implement a system under which ~~up to fifty-eight percent~~ some of the district's vehicular service is provided by qualified private businesses, nonprofit organizations, or local governments, pursuant to competitively negotiated contracts.*

*(XI) No provision specifying wages, benefits, work rules, work conditions, or union organization of the employees of the provider beyond compliance with applicable regulation and law, including compliance with the "Federal Transit Act", 49 U.S.C. sec. 5333(b).*

*(3) (a) (I) Subject to the requirements of the "Federal Transit Act", as amended, the district may request proposals from private providers to provide ~~up to fifty-eight percent of all~~ some of the vehicular service of the district as measured by vehicle hours or vehicle hour equivalents. The district's decision as to which vehicular services are subject to requests for proposals must represent the district's total vehicular service operations; except that each individual request for proposals may designate one type of vehicular service. Service provided by private businesses, nonprofit organizations, or local governments, pursuant to this section shall be accomplished through attrition of the district's full-time employees. Layoffs shall not occur solely as a result of the implementation of this section. If the director of the division of labor standards and statistics in the department of labor and employment orders an arbitration pursuant to section 8-3-113 (3), C.R.S., the arbitrator shall not have the power to establish a level of vehicular service to be provided by private businesses, nonprofit organizations, or local governments, in accordance with this section.*



## Appendices

Appendix 1 - RTD Accountability Committee Proposal (Scope of Work)

Appendix 2 - RTD Accountability Committee Guidelines

Appendix 3 - RTD Accountability Committee Equity Assessment Mission Statement

Appendix 4 – Peer Review Governance Matrix

Appendix 5 - CARES Act Spending Review Summary

Appendix 6 - Equity Assessment for Proposed Legislative Changes

## Appendix 1 - RTD Accountability Committee Proposal (Scope of Work)

The Regional Transportation District (RTD) board, in collaboration with the Governor of Colorado and the Transportation chairs of the General Assembly, will create the RTD Accountability Committee (the “Committee”). The Committee will be fully independent from RTD.

The Committee’s mission is to provide feedback and a set of recommendations for improvement to the operations of and statutes related to RTD, to the board and staff of the RTD, the Governor, the General Assembly, and the public. The Committee will be appointed by July 15, 2020 and will hold its first meeting by July 31, 2020 and will continue for one year. If the Committee decides additional work is needed, the Committee may continue its work for a second year or may recommend other action to continue this work.

Pending additional arrangements, the Committee will be hosted by an independent agency. The Committee will be staffed with resources provided by RTD. Using resources, the Committee may contract with services of a third-party consultant with expertise in transit authority operations.

RTD, the Governor’s office, and the leadership of the General Assembly will jointly announce and commit to the process through a joint press release and/or press conference.

The Committee may issue a preliminary report by December 31 of 2020 and shall issue a report with recommendations no later than July 1, 2021. It shall submit the report to the Governor, the chairs of the transportation committees in the Senate and House of Representatives and the RTD Board of Directors. The Committee will hold one or more public hearings on the report and will consider public comment and adopt these recommendations as appropriate.

The District shall make each report issued by the Committee available to the public on its website. The RTD Board shall, within 45 days of issuance of the report, either adopt the recommendations or issue a report stating its reasons for not adopting specific recommendations.

The Committee will consist of eleven members. Appointing authorities may receive suggested names and input for the committee from RTD, DRCOG, Metro Mayors, community organizations and members of the public; however, it is essential that the committee is perceived as independent, and free to do its work without interference. The Governor will appoint five members of the Committee and the transportation chairs of the House and Senate will appoint six members of the Committee. The Committee composition should reflect the diverse political views and partisan makeup of RTD’s service area. The RTD board chair will appoint two ex officio members from the RTD board.

The table below shows the recommended expertise for the board, although the goal is to appoint qualified, respected community members; actual members' expertise may vary.

## Accountability Committee Makeup (11 members)

Members
Four Local Government Representatives within District
At least one member with economic development expertise
At least one member with expertise on issues facing transit riders with disabilities
At least one member with human resources expertise, preferably for transit agencies
At least one member with transit services expertise or multi-modal expertise
At least one member with transportation equity expertise
At least one member with financial planning and management expertise
At least one member with urban planning expertise

The Governor will make the following appointments:

- 1 member with financial planning expertise
- 1 member with transportation equity expertise
- 1 member with urban planning expertise
- 1 member with economic development expertise
- 1 member who represents a local government served by RTD

The chairs of the House and Senate transportation committees will make the following appointments:

- 1 member with expertise on issues facing transit riders with disabilities
- 1 member with human resources expertise, preferably for transit agencies
- 1 member with transit services or multi-modal expertise
- 3 members who represent a local government served by RTD



## Committee Scope and Organization:

The parties will enter into an interagency agreement or letter agreement that allocates up to \$200,000 for staffing and resources such as consulting for the committee. The committee will endeavor to use existing resources when possible. If \$200,000 is determined by the committee to be inadequate to fulfill the work, the committee and RTD will work in good faith to find other potential funding sources.

The Committee shall elect a Chair and Vice-Chair at their first meeting and shall meet as often as necessary to complete its tasks.

The Committee shall perform a comprehensive review of the District, taking into account the perspectives of the staff, board, employees and the public. The District will provide the Committee access to board members, employees, consultants and documents.

The work of the committee should include a review of at least the following:

- A review of recent financials from the district, including any recent audits and a thorough review of the agency's use of CARES Act stimulus funds;
- The structure of RTD governance and executive leadership
- A review of the district's short-term and long-term prioritization of resources to maximize the district's limited dollars for the benefit of taxpayers;
- How RTD can better serve all riders including those with disabilities, how it can better serve transit-dependent populations, a review of the district's plans for how to expand ridership, how the district is addressing coverage gaps, how the district is prioritizing route planning, and how the district is serving its entire service area;
- A determination of the long-range financial stability of the agency, and how the agency can achieve stability and growth while still meeting its core mission.

In issuing its report and recommendations, the Committee may consider but is not limited to including the following topics:

1. District's partnerships with local governments;
2. Use of CARES Act and other pandemic-related funds to support RTD's mission;
3. ADA compliance and accessibility of District services and facilities, including paratransit;
4. Equity in services provided to the District, analyzed in terms of geography, social equity, fare structures, and needs of transit-dependent populations;
5. Organizational assessment (financial health, human resources, work culture, management and governance of the District);
6. Services provided by the District, plans and criteria for expansions or reductions in service;



7. Review of current state audit, including with respect to staff management, retention, and hiring;
8. District's efforts to address the state's climate change goals;
9. District's role in fostering economic development.

## Appendix 2 – Regional Transportation District (RTD) Accountability Committee Guidelines

**Type:** Ad Hoc Committee

**Authority:** Jointly created by the Governor of Colorado, the transportation chairs of the General Assembly and the Regional Transportation District (RTD) board. The Committee is fully independent from RTD.

### Membership

The Committee consists of eleven (11) members.

The Governor appoints the following members:

- 1 member with financial planning expertise
- 1 member with transportation equity expertise
- 1 member with urban planning expertise
- 1 member with economic development expertise
- 1 member who represents a local government served by RTD

The chairs of the House and Senate transportation committees jointly make the following appointments:

- 1 member with expertise on issues facing transit riders with disabilities
- 1 member with human resources expertise, preferably for transit agencies
- 1 member with transit services or multi-modal expertise
- 3 members who represent a local government served by RTD

Two (2) ex officio members of the RTD board appointed by the RTD board chair.

### Officers

At its first meeting upon appointment of its members, the RTD Accountability Committee shall elect co-chairs.

### Responsibilities

The Committee shall perform a comprehensive review of RTD, taking into account the perspectives of the staff, board, employees, and the public. RTD will provide the Committee access to board members, employees, consultants, and documents.

The following duties and responsibilities are vested in the RTD Accountability Committee:

- A review of recent financials from the district, including any recent audits and a thorough review of the agency's use of CARES Act stimulus funds.
- The structure of RTD governance and executive leadership.
- A review of the district's short-term and long-term prioritization of resources to maximize the district's limited dollars for the benefit of taxpayers.
- How RTD can better serve all riders including those with disabilities, how it can better serve transit-dependent populations, a review of the district's plans for how to expand ridership, how the district is addressing coverage gaps, how the district is prioritizing route planning, and how the district is serving its entire service area.
- A determination of the long-range financial stability of the agency, and how the agency can achieve stability and growth while still meeting its core mission.

The Committee may issue a preliminary report by December 31 of 2020 and shall issue a report with recommendations no later than July 1, 2021. It shall submit the report to the Governor, the chairs of the transportation committees in the Senate and House of Representatives and the RTD Board of Directors. If there are any dissenting opinion(s) to any of the recommendations, the Committee shall publish a minority report that contains those opinion(s).

The Committee will hold one or more public hearings on the report and will consider public comment and adopt these recommendations, as appropriate. Up to 20 minutes shall be allocated for public comment at each meeting of the full committee and each speaker will be limited to 2 minutes. The RTD Accountability Committee requests that the public comment be limited to an item on the Committee's current agenda. Public comment may also be submitted in writing to DRCOG. Comments received will be shared promptly with RTD Accountability Committee members.

In issuing its report and recommendations, the Committee may consider, but is not limited to including the following topics:

- District's partnerships with local governments.
- Use of CARES Act and other pandemic-related funds to support RTD's mission.
- ADA compliance and accessibility of District services and facilities, including paratransit.
- Equity in services provided to the District, analyzed in terms of geography, social equity, fare structures, and needs of transit-dependent populations.
- Organizational assessment (financial health, human resources, work culture, management, and governance of the District).

- Services provided by the District, plans and criteria for expansions or reductions in service.
- Review of current state audit, including with respect to staff management, retention, and hiring.
- District's efforts to address the state's climate change goals and strategies and tactics to contribute to improving the Denver region's air quality.
- District's role in fostering economic development.

**Quorum**

A quorum for the transaction of RTD Accountability Committee business shall be two-thirds of its members.

**Voting**

A majority of those present and voting shall decide any question brought before the committee, except those questions eligible for electronic voting.

*Electronic Voting*

Due to the time-sensitive nature of the Committee's work, electronic voting will be allowed, but limited to those items specifically determined by the Committee. Examples may include approval of policy questions and/or the Committee's final report.

The committee shall establish the electronic voting method and process for each action item the committee deems appropriate for electronic voting.

**Meetings**

The committee may meet as needed. Committee co-chair will consult with DRCOG on staffing and meeting room/virtual meeting platform availability. Committee members shall always have the option to participate remotely. It will be the responsibility of DRCOG staff to maintain membership lists of the committees.

Meeting notices will be distributed through DRCOG.



## Appendix 3 - RTD Accountability Committee Equity Assessment

### Mission Statement

Social, economic, financial, and environmental equity is a paramount consideration for the RTD Accountability Committee. The Committee will consider the needs of communities of concern, including but not limited to minority, low-income, individuals with disabilities, older adult, and veteran populations. Effort will be made through the Committee's work to ensure benefits are shared across the RTD service area and that no one group bears a larger burden of environmental or financial impacts.

Actions that include spatial and other forms of analysis, community engagement, and consulting experts will be used at appropriate times to inform the work and final recommendations of the Committee.

### Operationalizing Equity in the Deliberation of the Committee and Subcommittees

Each subcommittee will engage community organizations with expertise in equity such as the Center for Community Wealth Building, the Denver Institute of Equity and Reconciliation, and Mile High Connects during their initial deliberations as part of the research phase. During the formation and consideration of issues and policy options, an equality lens will be applied. This lens should include the following questions:

- 1) How could this recommendation benefit or burden communities of concern? Is there likely to be an increase or decrease in equity?
  - a) How are we defining benefit and burden?
  - b) How do we measure this impact?
- 2) Could this recommendation impact specific communities or geography more than others? If so, which communities and how?
  - a) What are the demographics of the most impacted areas?
  - b) Are neighborhoods equally required to help achieve the policy recommendation? If not, does this raise issues of equity and justice?
- 3) Could there be unintended consequences? If so, can they be mitigated?
- 4) Does this policy/strategy address historic, systemic, environmental, or institutional barriers that have impacted this community?

DRCOG staff and/or the on-call consulting team will assist subcommittees and the Committee to conduct appropriate equity assessments of draft recommendations. Draft recommendations, along with the assessments, will be made available for public review and input. Each subcommittee will consider the assessment and any input obtained through public engagement before making final subcommittee recommendations to the full committee.

The full committee will consider subcommittee recommendations and finalize draft recommendations to bring to a public hearing. Input received from the public hearing will be considered before the committee makes final recommendations. As needed, dissenting opinions will also be included with the final recommendations.

## Appendix 4 – Peer Review Governance Matrix

Region*	Model	Boundary	Board	Funding	Community-Based Opportunities
Dallas/Fort Worth (DART)	<ul style="list-style-type: none"> <li>Bus</li> <li>Light rail</li> </ul> <p>Commuter Rail operated by third party</p>	<ul style="list-style-type: none"> <li>Boundary is formed by cities who join the system – city by city basis</li> <li>Not necessarily a contiguous boundary</li> </ul>	<ul style="list-style-type: none"> <li>15 appointed Board (members determined by population)</li> </ul> <p>No single member can appoint more than 65% of board</p> <p>Combination of cities can aggregate population to be entitled to member</p> <p>May be elected officials</p>	<p>One-cent local sales tax from all member cities</p>	<p>Since members are appointed from communities within the service area, local perspectives are prevalent in the Board discussions</p> <p>Municipalities making more than one appointment must select persons who accurately reflect the racial and ethnic composition of the municipality</p>
Phoenix (Valley Metro)	<p>Unified public brand with two boards – one for bus and one for rail</p> <p>Valley Metro coordinates bus service but cities operate</p> <p>Only those cities with rail service fund and operate</p>	Established by cities and counties with transit operations	<p>Two Appointed Boards:</p> <p>(1) RPTA (all modes except LR) 16 members – 15 cities and Maricopa County</p> <p>(2) METRO (LR/high capacity transit) – 5 cities</p>	<p>Varies from city to city for bus</p> <p>Cities contribute to RTA for coordination services but separately fund their own local service</p> <p>Rail cities pay based on the amount of rail in their city (sales tax)</p>	<p>Since bus service operations occur at the local level, local perspectives are prevalent in RPTA discussions.</p> <p>Local appointments also ensure a local voice on METRO Board.</p>
Portland (TriMet)	<ul style="list-style-type: none"> <li>Bus</li> <li>Light rail</li> <li>Commuter Rail</li> </ul> <p>Third party operates Portland streetcar</p>	Seven districts within the Portland area	<p>7-member board appointed by governor to represent geography.</p> <p>Streetcar is governed by</p>	District-wide payroll tax (0.7737% of the wages paid by an employer and the net earnings from self-	TriMet has an internal 5-member <b>accountability committee</b> appointed by and report recommendations to the general manager.

			Portland Dept. of Transportation.  City and TriMet govern according to Master Agreement	employment for services performed within the TriMet District boundary)	Purpose of the accountability committee is to increase public access to TriMet information
San Diego (SANDAG/MTS)	SANDAG does not operate transit. Serves as a public forum for regional decision-making and allocation of funding.  Operations provided by two transit operators: (1) San Diego Metro Transit System; (2) North County Transit District	SANDAG region: 18 cities and San Diego county	MTS Board: 15 members selected from mayors, council members and other elected officials  Each member gets one appointment except for the city of San Diego which gets two  Also, advisory members	one-cent local sales tax  \$1.1 billion in transportation funding from federal, state and local sources	Since members are appointed from communities within the service area, local perspectives are prevalent in the Board discussions  Extra layer of community-based input is provided by SANDAG, the MPO for the area.
Salt Lake City (UTA)	RTA operates all modes: bus, light rail, CR, and streetcar	Members join with voter approval by city or county which establishes the boundary	3-member Board of Trustees appointed by the governor. Governor appoints from nominations submitted from counties in the service area.	Varies between 1-cent and 1 ¼ - cent	9-member <b>Local Advisory Council</b> provides an advisory voice for local governments. Reviews and approves service plans, capital development plans and projects, and TODs before final Board approval. Represent and advocate the concerns of citizens to the Board and thereby assume the responsibilities of the previously required Citizens' Advisory Board.



Detroit (RTA)	RTA does not operate transit. It performs a coordinating role to plan for public transportation in the four-county southeast region	Four-county boundary including city of Detroit established by enabling legislation	<p>10 members – 9 voting</p> <p>2 members appointed from each (4) county</p> <p>1 appointed by mayor of largest city within largest county</p> <p>1 appointed by governor, who serves as chair without a vote</p>	<p>\$400,000 state appropriation and federal sources used for admin.</p> <p>RTA has the authority to levy property tax or vehicle registration fee if approved by voters (none presently in place)</p>	Local collaboration evident through the Board make-up
Los Angeles (LA Metro)	<ul style="list-style-type: none"> <li>• Bus</li> <li>• Light rail</li> <li>• Commuter Rail</li> <li>• Bus Rapid Transit</li> </ul> <p>Also provides funding and planning for freeway projects</p> <p>Funds many local transit agencies</p>	LA County and 88 local governments	<p>14 member – 13 voting</p> <ul style="list-style-type: none"> <li>• The 5 LA County supervisors</li> <li>• LA mayor</li> <li>• 3 LA mayor appointees</li> <li>• 4 city council members other than LA</li> <li>• Non-voting appointee by governor</li> </ul>	<p>Four separate county sales tax measures (each ½ cent)</p> <p>Funding shared with other agencies according to requirements of the applicable ordinance</p>	<b>Local Service Councils</b> actively involved in decision-making of local service operations.

Appendix 5 - CARES Act Spending Review Summary



# **CARES ACT SPENDING REVIEW**

**RTD Accountability Committee**

December 29, 2020

## EXECUTIVE SUMMARY

At the request of the Denver Regional Transportation District (RTD), the Governor of the State of Colorado, and the Transportation Chairs of the General Assembly, and in collaboration with Denver Regional Council of Governments, the independent RTD Accountability Committee is pleased to submit this report summarizing the findings of RTD's use of funds associated with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as prepared by the RTD Accountability Committee consultant, North Highland.

The CARES Act was passed by Congress and signed into law by President Trump on March 27<sup>th</sup>, 2020. This relief package, valued at more than \$2 trillion, provided economic assistance for several facets of the American economy. It included \$25 billion in direct relief for transit agencies to help them prevent, prepare for, and respond to the COVID-19 pandemic. RTD received an award of approximately \$232 million.

Investigation that informed this report included examination of documents and interviewing key RTD staff. North Highland provided a briefing at the December 14 Committee meeting. North Highland observed the following as it pertains to RTD's use of CARES Act funding:

- These monies appear to have been spent in alignment with FTA intentions
- RTD appears to have balanced provision of transportation options with responsibility for its workforce and regional economic stability in its funding decisions
- RTD appears to have worked to implement cost cutting measures to reduce the funds required for continued operations as buoyed by CARES funding

As the Federal government considers additional funding to provide aid to residents, businesses, and governments impacted by the COVID-19 pandemic, opportunities exist to assist RTD in stabilizing itself and moving toward a 'new normal.' In the meantime, RTD is considering the following to sustain operations in the near term:

- Maintaining operations for the region and those served by RTD
- Continuing to analyze service needs
- Prioritizing adaptable route systems
- Ensuring that cuts are logical and sustainable
- Considering lower cost uses of employees



## CARES ACT SPENDING FINDINGS

At the request of the RTD Accountability Committee, North Highland performed a very high-level review of the Regional Transportation District's (RTD) use of Coronavirus Aid, Relief, and Economic Security (CARES) Act stimulus funds. The purpose of this review was to evaluate the distribution of funding according to staffing and service.

Information reviewed suggests that RTD's spend of CARES funding appears to be in alignment with the funding intentions of the Federal Transit Administration (FTA). Additionally, RTD implemented other cost saving initiatives to support continuing operations within the region. Finally, when making funding decisions, RTD balanced the need to deliver transportation services with the responsibility RTD holds to its workforce and region.

### Approach

To complete this evaluation, North Highland used the approach outlined in [Figure 1](#).

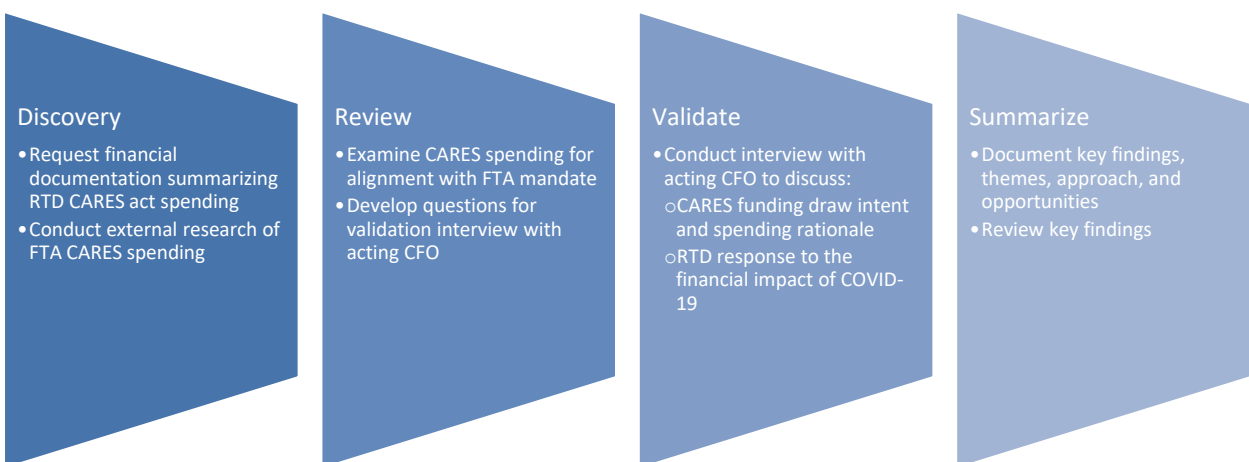


Figure 1: CARES Act Spending Approach

In its *Discovery* and *Review* phases, North Highland obtained and examined the following documents:

- [\*"Copy of Cares Draw Summary thru 93020.xlsx"\*](#): Use of CARES Act funding, providing detailed statements and explanation of each draw.
- [\*"Copy of CARES Draw Summary.pdf"\*](#): One-page summary detailing each draw against CARES Act funding.

During the *Validate* phase, North Highland spoke with RTD Acting Chief Financial Officer and Controller Doug MacLeod on December 8, 2020. The purpose of the discussion was to further understand RTD's spending associated the \$232 million in emergency grants the Federal Transit Administration (FTA) authorized through the CARES Act. In addition to Mr. MacLeod, Ron Papsdorf (DRCOG), Matthew Helfant (DRCOG), Anna Danegger (North Highland), Tanya Eydelman (North Highland), and Derek Pender (North Highland) attended the meeting. This conversation expanded upon the understanding gleaned through review of RTD financials documenting the spend of CARES Act funding.

Based on the above approach, this document addresses the *Summarize* phase as it details the key findings and opportunities moving forward as RTD continues to grapple with challenges associated with COVID-19.

## Findings

In reviewing CARES funding, we found:

- Funding appears to have been spent in alignment with FTA intentions
- RTD appears to have balanced provision of transportation options with responsibility for its workforce and regional economic stability in its funding decisions
- RTD appears to have worked to implement cost cutting measures to reduce the funds required for continued operations as buoyed by CARES funding

### *CARES Act Funding Allocated in Alignment with FTA Intention*

RTD utilized CARES funding in alignment with the earmarked intention for spending – to support operating costs and employee salaries in the interest of avoiding layoffs. Funds were reimbursed by the Federal government for the following two expense types:

- *Represented and Non-Represented Wages and Benefits*: Employee wages for both unionized and non-union employees; this accounts to roughly 64% of CARES funding drawn to date
- *Purchased Transportation – Bus OR CRT* ("Commuter Rail Transit"): Externally contracted routes with Denver transportation partners; this accounts to roughly 36% of CARES funding drawn to date.

In total, \$208 million of the \$232 million in funding has been drawn. The additional \$24 million is earmarked for use by the end of 2020. While there is some chance that CARES Act funding will remain available into 2021, existing guidelines state that unused funds will revert to the Federal government on December 30, 2020. It is RTD's intent to use all funding available prior to this deadline. Accounting of this spending is detailed in [Figure 2](#).

<b>Regional Transportation District</b> <b>CARES Grant Draws</b> <b>Through September 30, 2020</b> <b>As of October 19, 2020</b>			
	Actual Draw	Paid Date	Comments
LOC 63.20	\$ 9,410,160.00	Feb-April 2020	Purchased transportation - Bus
LOC 65.20	39,010,411.00	Feb-April 2020	Represented wages and benefits - Payrolls 4 - 9
LOC 66.20	21,304,873.00	Feb-April 2020	Non-Represented wages and benefits - Payrolls 4 - 9
LOC 73.20	13,408,726.00	May 2020	Represented and Non-Represented wages and benefits excluding those
LOC 74.20	4,605,149.00	May 2020	Purchased transportation - Bus
LOC 80.20	4,430,454.00	June 2020	Purchased transportation - Bus
LOC 83.20	13,542,429.00	June 2020	Represented and Non-Represented wages and benefits excluding those
LOC 90.20	4,440,880.00	July 2020	Purchased transportation - Bus
LOC 93.20	14,260,541.00	July 2020	Represented and Non-Represented wages and benefits excluding those
LOC 99.20	11,887,753.00	April - May 2020	Purchased Transportation - CRT
LOC 100.20	12,315,084.00	June - July 2020	Purchased Transportation - CRT
LOC 102.20	4,543,717.00	Aug-2020	Purchased transportation - Bus
LOC 105.20	12,390,380.00	Aug-2020	Purchased Transportation - CRT
LOC 106.20	13,310,109.00	Aug-2020	Represented and Non-Represented wages and benefits excluding those
LOC 02.21	4,461,096.00	Sept-20	Purchased transportation - Bus
LOC 03.21	6,389,367.00	Sept-20	Purchased Transportation - CRT
LOC 07.21	18,376,290.00	Sept-20	Represented and Non-Represented wages and benefits excluding those
Total Drawn	\$ 208,087,419.00		89.6%
Total CARES Award	232,253,946.00		
Remaining to Draw	\$ 24,166,527.00		10.4%

Figure 2: CARES Draw Summary

### *A Responsibility to Employees, the Region, and Unions*

RTD officials expressed a responsibility to the region and its employees and stated that it was important for the organization to have a measured response to the pandemic and not respond too quickly with drastic layoffs. Acting as a partner to the region, the organization realized this kind of response could have had impacts on the economy that were not necessary, particularly in the context of early COVID-19 uncertainty. Furthermore, a reduction-in-force would likely have affected roles that are already in demand (e.g., mandatory overtime for certain positions already underway due to retention challenges) or high acquisition costs (e.g., CDL training costs for operators). Finally, compliance with represented employee collective bargaining agreement (CBA) restricted the options available to RTD to reduce staff.

### *Other Measures of Cost Savings Enacted*

RTD has enacted additional activities to reduce costs, such as a suspension of non-FTA required training initiatives (certification training continued as required and were advanced as appropriate), salary cuts, furloughs for non-represented employees, reduction of discretionary spending, a hiring freeze, service cuts, and a hold on capital construction initiatives (e.g., resurfacing parking lots, etc.). RTD also worked cooperatively with the union to redeploy frontline employees from regular job responsibilities that were not required due to service cuts to new

responsibilities required as a result of the pandemic. For example, treasury employees were diverted to cleaning and sanitation work in lieu of cash counting responsibilities.

## Looking Forward

As the Federal government considers additional funding to potentially provide aid to citizens and some businesses impacted by the COVID-19 pandemic, opportunities exist for RTD to maintain stability. A Federally approved and widely distributed vaccine and fairer weather of next summer may positively affect both RTD demand and provide some return to normalcy. In the meantime, RTD is considering the following to sustain operations in the near term:

- *Seek to Maintain Operations for the Region and those Served by RTD:* Public transit often finds itself in a position of debating equity vs. equality when determining service needs for certain regions, populations, and routes. Vulnerable populations and essential workers need transit services more than ever during these times. Pursuing options to maintain operations continues RTD's service to the community and its employees.
- *Continue to Analyze Service Needs:* Route usage will continue to fluctuate as public and private institutions respond to the pandemic. Maintaining unused routes both adversely affects revenue and impacts margins due to increased costs from more stringent sanitation procedures and lost revenue. Continuing to analyze service needs will allow RTD to right-size the service as the region returns to a new normal.
- *Prioritize Adaptable Route Systems:* Fixed route systems, such as LRT or CRT, provide limited flexibility and lower responsiveness to service changes. While some of these maintain relatively healthy ridership (such as the A Line), others do not. Further, social distancing mandates increase the need for additional vehicles and "loop extras" (stand-by on-call buses) to provide float coverage. Buses can respond to these challenges more readily than rail.
- *Ensure that Cuts are Logical and Sustainable:* RTD is a major employer in the Denver region; layoffs could have a notable effect on the economy. Furthermore, there could be significant costs to rehiring trained staff if they were cut and needed to be rehired.
- *Consider Lower Cost Uses of Employees:* RTD has discussed the possibility of reducing the use of higher-cost security firms in exchange for reskilling difficult-to-replace Operators and Mechanics as "conductors." Moves like these mirror those under consideration at similarly-sized transit systems. Not only do they reduce costs, but they retain roles with a high cost of replacement, better positioning RTD to fill these positions when they are once again needed.

RTD recently announced a reduction in force totaling roughly 400 positions. These positions are a combination of Operations and Administrative functions. These layoffs, however, come with the expense of severance packages and unemployment insurance. Also, RTD recognizes the difficulty and costs associated with filling certain operational roles such as Bus Operators and Mechanics. It is RTD's hope that, through a call-back provision in the union contract, these employees will be able to return to work as the region's economy stabilizes.



## Appendix 6 - Equity Assessment for Proposed Legislative Changes

### RTD Accountability Committee Equity Assessment for Proposed Legislative Changes December 2020

The proposed legislative changes address four distinct issues: fare box recovery ratios; provision of retail and commercial goods and services at RTD facilities; parking fees at RTD lots; and transit services contracted to non-profits and local governments. This equity assessment addresses each provision separately based on the *Operationalizing Equity in the Deliberation of the Committee and Subcommittees* guidelines adopted by the RTD Accountability Committee.

#### 2. CRS 32-9-119.7 Farebox recovery ratios – plans

- a) How could this recommendation benefit or burden communities of concern? Is there likely to be an increase or decrease in equity?

*This recommendation may benefit communities of concern by making fares more affordable for them since removing the required fare recovery ratio could provide RTD more flexibility in how much it charges riders. This recommendation may burden communities of concern since it could reduce fare revenue that would otherwise go toward operating and maintaining the transit system. This could result in reduced services and breakdowns. There is more likely to be an increase in equity than decrease because the lower fares would make transit services more affordable for communities of concern. The potential negative impact is less likely because farebox revenues do not cover most of the costs to operate and maintain the system.*

How are we defining benefit and burden?

*A benefit is something that can help improve the mobility of communities of concern. A burden is something that can curtail it.*

- a. How do we measure this impact?

*This impact can be measured by assessing travel time to key destinations for communities of concern as well as frequency of service for those communities.*

- b) Could this recommendation impact specific communities or geography more than others? If so, which communities and how?

*This recommendation could benefit many communities, but it would likely benefit individuals with low income the most because of the potential to make riding transit more affordable. While there are concentrations of low-income individuals in certain places, there are individuals with low-income living across the entire RTD district.*

- a. What are the demographics of the most impacted areas?

*While people of any demographic could have low-income, certain groups may be more vulnerable: veterans, older adults, individuals with disabilities, minorities, zero car households, and other communities of concern.*

- b. Are neighborhoods equally required to help achieve the policy recommendation? If not, does this raise issues of equity and justice?

*This recommendation is for an action district wide. It is not anticipated that any disproportionate impacts or requirements will fall upon any neighborhoods.*

- c) Could there be unintended consequences? If so, can they be mitigated?

*As previously mentioned, there is a possibility that lower fare revenue may reduce RTD's ability to fully fund operations and maintenance for the transit system. This could disproportionately impact communities of concern since they rely more heavily on transit for their mobility and access to opportunity than the general public. This unlikely impact can be mitigated in several ways including charging higher fares from individuals not within communities of concern to make up for a deficit, finding new revenue sources, or an increase in volume due to higher ridership individuals not within communities of concern lower fares that may bring in off-setting revenue.*

- d) Does this policy/strategy address historic, systemic, environmental, or institutional barriers that have impacted this community?

*This recommendation can address barriers to providing affordable fares for low-income riders by removing the farebox recovery requirement. This will provide RTD flexibility to reduce fares, especially for low-income riders.*

**4. CRS 32-9-119.8 Provision of retail and commercial goods and services at district transfer facilities – residential and other uses at district transfer facilities permitted – definitions**

- a) How could this recommendation benefit or burden communities of concern? Is there likely to be an increase or decrease in equity?

*RTD-owned land and facilities are valuable transit-oriented development opportunities and can play a beneficial role in generating additional revenues and increasing use of the transit system. Eliminating restrictions related to parking and business competition could further enhance equitable Transit-Oriented Development (TOD) on RTD properties and allow RTD to derive more revenue from the use of its properties. Another potential benefit could be an opportunity for RTD to work with disadvantaged small business owners giving them access to retail properties on RTD sites. A potential burden for communities of concern could be that TOD properties may not be affordable for them.*

- a. How are we defining benefit and burden?

*A benefit is something that can help improve the mobility of communities of concern by giving them greater access to their community by living on a TOD property or having access to retail opportunities for disadvantaged small businesses. A burden is something that can disadvantage communities of concern through TOD development that is not affordable for them to own or rent.*

- b. How do we measure this impact?

*The impact can be measured by the affordability of TOD properties for communities of concern.*

- b) Could this recommendation impact specific communities or geography more than others? If so, which communities and how?

*This recommendation impacts areas at and near RTD properties more than other places in the RTD district as the policy is focused on those areas.*

- a. What are the demographics of the most impacted areas?

*The demographics of the most impacted areas vary based on the locations of the RTD facilities.*

- b. Are neighborhoods equally required to help achieve the policy recommendation? If not, does this raise issues of equity and justice?

*The neighborhoods abutting the RTD sites will equally be required to help achieve the policy recommendation.*

- c) Could there be unintended consequences? If so, can they be mitigated?

*As previously stated, there is a possibility that TOD sites on RTD properties may be unaffordable for communities of concern to rent or own. A mitigation strategy could be for RTD to require that all TOD developments on RTD property be affordable.*

- d) Does this policy/strategy address historic, systemic, environmental, or institutional barriers that have impacted this community?

*This recommendation addresses access to frequent transit and there is the opportunity to focus on improving that access for communities of concern.*

## **5. 32-9-119.9 Limited authority to charge fees for parking – reserved parking spaces – penalties – definitions**

- a) How could this recommendation benefit or burden communities of concern? Is there likely to be an increase or decrease in equity?

*Having more flexibility with regards to parking would also allow RTD to use parking spots and subsidies to incentivize desired outcomes, e.g., giving electric vehicle drivers, carpoolers, and vulnerable populations less expensive parking or parking spots closer to the platform. A potential benefit to communities of concern could be that increases in parking fee revenue could help subsidize more affordable fares for communities of concern, especially individuals with low-income. A potential burden for communities of concern could be an increase in parking fees may not be affordable for low-income riders who live too far from transit to make anything but parking and riding feasible. Also, persons with disabilities may have no other feasible way to connect with transit than parking and riding as well and they too may be impacted by higher parking fees. Since RTD would control parking fees and regulations, they could mitigate these negative impacts by offering reduced or free parking and/or parking closer to the platform to low-income customers and those with disabilities.*

- a. How are we defining benefit and burden?

*A benefit is something that can help improve the mobility of communities of concern. A burden is something that can curtail it.*

- b. How do we measure this impact?

*The impact can be potentially measured by how much increased parking fees reduce fares for communities of concern. Studying how many vulnerable people are impacted by higher parking fees may also help measure a potential impact.*

- b) Could this recommendation impact specific communities or geography more than others? If so, which communities and how?

*This could impact communities of concern but not necessarily any specific geography except perhaps members of that community that due to where they live have no other viable option than parking and riding to use transit.*

- a. What are the demographics of the most impacted areas?

*Low-income and disabled riders could be the most impacted either with a benefit, a burden or maybe both.*

- b. Are neighborhoods equally required to help achieve the policy recommendation? If not, does this raise issues of equity and justice?

*As previously stated, there may be more impact to communities of concern that due to where they live have no other viable option than parking and riding to ride transit.*

- c) Could there be unintended consequences? If so, can they be mitigated?

*A mitigation strategy to reduce unaffordability for communities of concern that due to where they live have no other viable option than parking and riding to use transit could be to offer a reduced fees or free parking for members of that community.*

- d) Does this policy/strategy address historic, systemic, environmental, or institutional barriers that have impacted this community?

*Allowing RTD more flexibility in choosing parking fee policies can give them the opportunity to generate additional revenue. This recommendation can potentially address barriers by using parking revenues to decrease fares, which could yield equity benefits and enhance ridership.*

**6. CRS 32-9-119.5 Competition to provide vehicular service within the regional transportation district**

- a) How could this recommendation benefit or burden communities of concern? Is there likely to be an increase or decrease in equity?

*The proposed change would make the statute clearer on who RTD may contract with to provide transit service. Adding non-profit and local government service providers to the statute could be beneficial by stating in the affirmative that non-profit and local government service providers are a potentially cost-effective option that RTD may choose.*

- a. How are we defining benefit and burden?

*A benefit is providing more mobility options for communities of concern and additional funding to non-profits and local governments. A burden could be loss of contracts for for-profit service providers.*

- b. How do we measure this impact?

*We can measure cost savings for RTD and additional funding for non-profits and local governments.*

- b) Could this recommendation impact specific communities or geography more than others? If so, which communities and how?

*This recommendation can benefit communities of concern by potentially generating savings for RTD that could be invested in operating and maintaining the transit system which could help communities of concern since they are the most likely to rely on transit. It can also benefit communities of concern by generating more revenue for non-profits and local governments since those entities would have the option to invest that funding in programs that help those populations.*

- a. What are the demographics of the most impacted areas?

*This policy recommendation, if enacted, would impact communities throughout the RTD district although there can be some localized impact to communities served by any non-profits and local governments through the services provided by those entities and through the additional revenue. Communities of concern could benefit if those additional funds are invested in programs targeted at helping them.*

- b. Are neighborhoods equally required to help achieve the policy recommendation? If not, does this raise issues of equity and justice?

*As stated above, the impact could be district wide with the possibility of some additional impact in certain communities based on who provides the contracted service and where it is provided.*

- c) Could there be unintended consequences? If so, can they be mitigated?

*An unintended consequence could be a loss of jobs at for profit service providers if their contracts are not renewed in favor of contracting with non-profits and local governments. This can be mitigated by the non-profit or local government offering jobs to workers who lost their jobs as a result of their employer not having their contract renewed.*

- d) Does this policy/strategy address historic, systemic, environmental, or institutional barriers that have impacted this community?

*The proposed legislative change can address barriers by making it clearer that RTD may contract with non-profit and local government service providers. This could potentially save money for RTD which*

*could be reinvested in operations and maintenance of the transit system, providing benefit for the community, especially communities of concern who rely on public transportation for their mobility. This could also provide additional revenue for non-profits and local governments and an opportunity to invest that revenue in programs that help communities of concern.*



A photograph of a high-speed train, possibly a Shinkansen, stopped at a station platform. The train is silver with blue and red accents. A person in an orange jacket is visible near the open door, holding a blue suitcase. The image is overlaid with several semi-transparent orange circles of varying sizes. The text "Preliminary Report" is centered within one of these circles.

## Preliminary Report

**ATTACH C**

To: Members of the RTD Accountability Committee

From: Douglas W. Rex, Executive Director  
(303) 480-6701 or [drex@drcog.org](mailto:drex@drcog.org)

Meeting Date	Agenda Category	Agenda Item #
January 11, 2021	Informational Briefing	7

**SUBJECT**

CARES Act Spending Review

**PROPOSED ACTION/RECOMMENDATIONS**

N/A

**ACTION BY OTHERS**

N/A

**SUMMARY**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27th, 2020. This over \$2 trillion economic relief package provides direct economic assistance for several facets of the American economy.

The package included \$25 billion in direct relief for transit agencies to help them prevent, prepare for, and respond to the COVID-19 pandemic. RTD received an award of approximately \$232 million. One of the items this Committee was tasked with is a review of recent financials from the district, including any recent audits and a thorough review of the agency's use of CARES Act stimulus funds.

At the December 14<sup>th</sup> meeting, RTD Accountability Committee consultant, North Highland, provided an overview of RTD's CARES Act expenditures and presented findings. North Highland staff also discussed their findings with the Finance Subcommittee. An updated draft of the CARES Act Spending review which includes findings is provided for review and consideration by the full committee.

**PREVIOUS DISCUSSIONS/ACTIONS**

N/A

**PROPOSED MOTION**

N/A

**ATTACHMENT**

CARES Act Spending Review

**ADDITIONAL INFORMATION**

If you need additional information, please contact Douglas W. Rex, Executive Director, at [drex@drcog.org](mailto:drex@drcog.org) or (303) 480-6701; or Matthew Helfant, Senior Transportation Planner, at 303-480-6731 or [mhelfant@drcog.org](mailto:mhelfant@drcog.org).



# **CARES ACT SPENDING REVIEW**

**RTD Accountability Committee**

December 29, 2020



# RTD Accountability Committee Research Summary

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## EXECUTIVE SUMMARY

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- Maintaining operations for the region and those served by RTD
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- Ensuring that cuts are logical and sustainable
- Considering lower cost uses of employees



## RTD Accountability Committee Research Summary

### CARES ACT SPENDING FINDINGS

At the request of the RTD Accountability Committee, North Highland performed a very high-level review of the Regional Transportation District's (RTD) use of Coronavirus Aid, Relief, and Economic Security (CARES) Act stimulus funds. The purpose of this review was to evaluate the distribution of funding according to staffing and service.

Information reviewed suggests that RTD's spend of CARES funding appears to be in alignment with the funding intentions of the Federal Transit Administration (FTA). Additionally, RTD implemented other cost saving initiatives to support continuing operations within the region. Finally, when making funding decisions, RTD balanced the need to deliver transportation services with the responsibility RTD holds to its workforce and region.

### Approach

To complete this evaluation, North Highland used the approach outlined in [Figure 1](#).

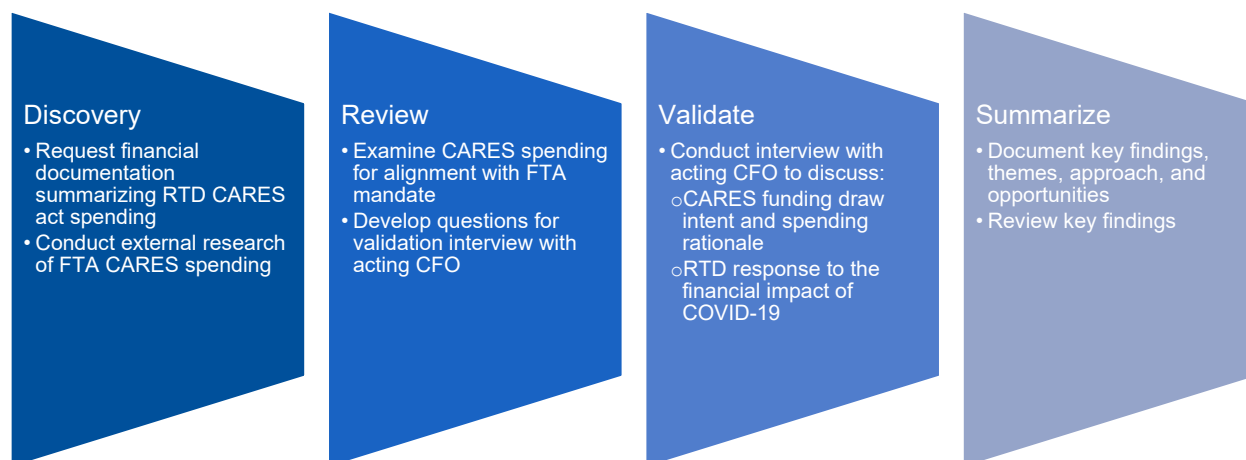


Figure 1: CARES Act Spending Approach

In its [Discovery](#) and [Review](#) phases, North Highland obtained and examined the following documents:

- [“Copy of Cares Draw Summary thru 93020.xlsx”](#): Use of CARES Act funding, providing detailed statements and explanation of each draw.
- [“Copy of CARES Draw Summary.pdf”](#): One-page summary detailing each draw against CARES Act funding.

During the [Validate](#) phase, North Highland spoke with RTD Acting Chief Financial Officer and Controller Doug MacLeod on December 8, 2020. The purpose of the discussion was to further understand RTD's spending associated the \$232 million in emergency grants the Federal Transit

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Administration (FTA) authorized through the CARES Act. In addition to Mr. MacLeod, Ron Papsdorf (DRCOG), Matthew Helfant (DRCOG), Anna Danegger (North Highland), Tanya Eydelman (North Highland), and Derek Pender (North Highland) attended the meeting. This conversation expanded upon the understanding gleaned through review of RTD financials documenting the spend of CARES Act funding.

Based on the above approach, this document addresses the *Summarize* phase as it details the key findings and opportunities moving forward as RTD continues to grapple with challenges associated with COVID-19.

### Findings

In reviewing CARES funding, we found:

- Funding appears to have been spent in alignment with FTA intentions
- RTD appears to have balanced provision of transportation options with responsibility for its workforce and regional economic stability in its funding decisions
- RTD appears to have worked to implement cost cutting measures to reduce the funds required for continued operations as buoyed by CARES funding

#### *CARES Act Funding Allocated in Alignment with FTA Intention*

RTD utilized CARES funding in alignment with the earmarked intention for spending – to support operating costs and employee salaries in the interest of avoiding layoffs. Funds were reimbursed by the Federal government for the following two expense types:

- *Represented and Non-Represented Wages and Benefits*: Employee wages for both unionized and non-union employees; this accounts to roughly 64% of CARES funding drawn to date
- *Purchased Transportation – Bus OR CRT* (“Commuter Rail Transit”): Externally contracted routes with Denver transportation partners; this accounts to roughly 36% of CARES funding drawn to date.

In total, \$208 million of the \$232 million in funding has been drawn. The additional \$24 million is earmarked for use by the end of 2020. While there is some chance that CARES Act funding will remain available into 2021, existing guidelines state that unused funds will revert to the Federal government on December 30, 2020. It is RTD’s intent to use all funding available prior to this deadline. Accounting of this spending is detailed in [Figure 2](#).

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Regional Transportation District CARES Grant Draws Through September 30, 2020 As of October 19, 2020			
	Actual Draw	Paid Date	Comments
LOC 63.20	\$ 9,410,160.00	Feb-April 2020	Purchased transportation - Bus
LOC 65.20	39,010,411.00	Feb-April 2020	Represented wages and benefits - Payrolls 4 - 9
LOC 66.20	21,304,873.00	Feb-April 2020	Non-Represented wages and benefits - Payrolls 4 - 9
LOC 73.20	13,408,726.00	May 2020	Represented and Non-Represented wages and benefits excluding those
LOC 74.20	4,605,149.00	May 2020	Purchased transportation - Bus
LOC 80.20	4,430,454.00	June 2020	Purchased transportation - Bus
LOC 83.20	13,542,429.00	June 2020	Represented and Non-Represented wages and benefits excluding those
LOC 90.20	4,440,880.00	July 2020	Purchased transportation - Bus
LOC 93.20	14,260,541.00	July 2020	Represented and Non-Represented wages and benefits excluding those
LOC 99.20	11,887,753.00	April - May 2020	Purchased Transportation - CRT
LOC 100.20	12,315,084.00	June - July 2020	Purchased Transportation - CRT
LOC 102.20	4,543,717.00	Aug-2020	Purchased transportation - Bus
LOC 105.20	12,390,380.00	Aug-2020	Purchased Transportation - CRT
LOC 106.20	13,310,109.00	Aug-2020	Represented and Non-Represented wages and benefits excluding those
LOC 02.21	4,461,096.00	Sept-20	Purchased transportation - Bus
LOC 03.21	6,389,367.00	Sept-20	Purchased Transportation - CRT
LOC 07.21	18,376,290.00	Sept-20	Represented and Non-Represented wages and benefits excluding those
Total Drawn	\$ 208,087,419.00		89.6%
Total CARES Award	232,253,946.00		
Remaining to Draw	\$ 24,166,527.00		10.4%

Figure 2: CARES Draw Summary

### *A Responsibility to Employees, the Region, and Unions*

RTD officials expressed a responsibility to the region and its employees and stated that it was important for the organization to have a measured response to the pandemic and not respond too quickly with drastic layoffs. Acting as a partner to the region, the organization realized this kind of response could have had impacts on the economy that were not necessary, particularly in the context of early COVID-19 uncertainty. Furthermore, a reduction-in-force would likely have affected roles that are already in demand (e.g., mandatory overtime for certain positions already underway due to retention challenges) or high acquisition costs (e.g., CDL training costs for operators). Finally, compliance with represented employee collective bargaining agreement (CBA) restricted the options available to RTD to reduce staff.

### *Other Measures of Cost Savings Enacted*

RTD has enacted additional activities to reduce costs, such as a suspension of non-FTA required training initiatives (certification training continued as required and were advanced as appropriate), salary cuts, furloughs for non-represented employees, reduction of discretionary spending, a hiring freeze, service cuts, and a hold on capital construction initiatives (e.g., resurfacing parking lots, etc.). RTD also worked cooperatively with the union to redeploy frontline employees from regular job responsibilities that were not required due to service cuts to new responsibilities required as a result of the pandemic. For example, treasury employees were diverted to cleaning and sanitation work in lieu of cash counting responsibilities.

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### Looking Forward

As the Federal government considers additional funding to potentially provide aid to citizens and some businesses impacted by the COVID-19 pandemic, opportunities exist for RTD to maintain stability. A Federally approved and widely distributed vaccine and fairer weather of next summer may positively affect both RTD demand and provide some return to normalcy. In the meantime, RTD is considering the following to sustain operations in the near term:

- *Seek to Maintain Operations for the Region and those Served by RTD:* Public transit often finds itself in a position of debating equity vs. equality when determining service needs for certain regions, populations, and routes. Vulnerable populations and essential workers need transit services more than ever during these times. Pursuing options to maintain operations continues RTD's service to the community and its employees.
- *Continue to Analyze Service Needs:* Route usage will continue to fluctuate as public and private institutions respond to the pandemic. Maintaining unused routes both adversely affects revenue and impacts margins due to increased costs from more stringent sanitation procedures and lost revenue. Continuing to analyze service needs will allow RTD to right-size the service as the region returns to a new normal.
- *Prioritize Adaptable Route Systems:* Fixed route systems, such as LRT or CRT, provide limited flexibility and lower responsiveness to service changes. While some of these maintain relatively healthy ridership (such as the A Line), others do not. Further, social distancing mandates increase the need for additional vehicles and "loop extras" (stand-by on-call buses) to provide float coverage. Buses can respond to these challenges more readily than rail.
- *Ensure that Cuts are Logical and Sustainable:* RTD is a major employer in the Denver region; layoffs could have a notable effect on the economy. Furthermore, there could be significant costs to rehiring trained staff if they were cut and needed to be rehired.
- *Consider Lower Cost Uses of Employees:* RTD has discussed the possibility of reducing the use of higher-cost security firms in exchange for reskilling difficult-to-replace Operators and Mechanics as "conductors." Moves like these mirror those under consideration at similarly-sized transit systems. Not only do they reduce costs, but they retain roles with a high cost of replacement, better positioning RTD to fill these positions when they are once again needed.

RTD recently announced a reduction in force totaling roughly 400 positions. These positions are a combination of Operations and Administrative functions. These layoffs, however, come with the expense of severance packages and unemployment insurance. Also, RTD recognizes the difficulty and costs associated with filling certain operational roles such as Bus Operators and Mechanics. It is RTD's hope that, through a call-back provision in the union contract, these employees will be able to return to work as the region's economy stabilizes.