

AGENDA

**RTD Accountability Committee
Finance Subcommittee
Wednesday, February 3, 2021
11:00 a.m. - 12:00 p.m.
VIDEO/WEB CONFERENCE
Denver, CO**

1. Call to Order
2. January 20, 2021 Meeting Summary (5 minutes)
(Attachement A)
3. COVID Relief Funding Recommendations (25 minutes)
(Attachment B) Ron Papsdorf
4. COVID Trial Ridership (15 minutes)
(Attachment C) Rutt Bridges
5. RTD 2021 Fiscal Policy Statement (10 minutes)
(Attachement D) Ron Papsdorf
6. Member Comment/Other Matters (5 minutes)
7. Next Meeting: February 17, 2021
8. Adjournment

ATTACH A

MEETING SUMMARY
RTD ACCOUNTABILITY COMMITTEE-Finance Subcommittee
Wednesday, January 20, 2021
Note: Meeting held virtually via GoToMeeting

MEMBERS PRESENT:

Rutt Bridges
Dan Blankenship
Krystin Trustman
Rebecca White
Deya Zavala
Elise Jones
Lynn Guissinger
Troy Whitmore
Angie Rivera-Malpiede

Others Present: Ron Papsdorf, Matthew Helfant, Natalie Shishido, Rich Mauro, Debra Johnson, Barbara McManus, Monika Triepl-Harnke, Nicole Carey, Jordan Sanchez, Kathleen Bracke, Melanie Choquette, Doug MacLeod, Luke Palmisano, Alex Hyde-Wright, George Gerstle, Mac Callison, Kent Moorman, Bill Van Meter, Eden Gebru, Roger Sherman.

Call to Order

Rutt Bridges called the meeting to order at 11:02 a.m.

January 6, 2021 Meeting Summary

The meeting summary was accepted.

COVID Relief Funding

Ron Papsdorf introduced the topic with background on the additional federal COVID relief funding enacted in December 2020. Based on the apportionment information provided by FTA on January 11, RTD will receive approximately \$203 million of additional federal funds.

Debra Johnson, RTD CEO provided an update on RTD's approach to this additional COVID relief funding. RTD has convened an internal team to discuss strategies and priorities. RTD had previously laid off approximately 200 filled represented positions. RTD is now in the process of recalling represented positions (bus and rail operators to mechanics. Notices have been provided and responses are required within 15 days. RTD intends to use recalled employees to supplement service to address overloads, maintain social distancing on transit vehicles, and focus on school routes. They intend to supplement other transit service providers in the region. RTD also is eliminating furloughs for non-represented staff.

Doug MacLeod, RTD Interim CFO stated that they are still reviewing final 2020 figures and RTD's financial position and outlook going forward.

Elise Jones asked Ms. Johnson to clarify the number of positions eliminated in the 2020 budget.

Ms. Johnson responded that it was about 400 filled positions overall and they are working to bring back all laid off represented employees and some non-represented employees.

Brainstorming Discussion

Rutt Bridges referred the subcommittee to innovative ideas. He referenced some ideas for using COVID relief funding to help bring back riders to the system, including free parking and a day pass to travel to get a COVID vaccine and 15 day and/or 30 day pass for people that have gotten a vaccine.

Ms. Johnson stated that RTD is meeting with the Colorado Department of Public Health and Environment to discuss ideas for any role RTD can play in the state's COVID recovery and vaccine plans.

Elise Jones suggested other ideas such as pass and fare subsidies and/or a reduced flat fare program. Other ideas are to improve enrollment in RTD's existing pass programs and leverage new partnerships to supplement RTD services.

Ms. Johnson replied that she appreciates all of the ideas and is interested in sharing some COVID relief funding with other providers and looking at pass programs and fares.

Elise Jones asked if there is a process to formally send recommendations to RTD in the near term.

There was a discussion of focusing the ideas into a set of recommendations to take to the full Accountability Committee on February 8, 2021.

Rebecca White suggested including a transparency request for RTD's ultimate decisions on the use of COVID relief funding.

RTD Debt and Interest Obligations

Ron Papsdorf provided a summary of RTD's debt and interest obligations. RTD will pay approximately \$263 million in debt and interest payments in 2021. This is approximately 40% of RTD's estimated sales and use tax revenue. Debt and interest payments on the FasTracks system in 2021 will be over \$185 million, or over 70% of RTD's FasTracks sales and use tax revenue.

Rutt Bridges noted the negative impacts that debt has on RTD's ability to finish FasTracks.

Rebecca White asked if Base System debt retirement over the next few years will free up resources for additional service.

Doug MacLeod responded that this debt is mostly related to the T-Rex project and that unfortunately, RTD is impacted by TABOR's ratchet down effect, which may impact Base System revenues after the debt is fully retired in 2024. This has to do with property values in the District.

Member Comment/Other Matters

Rutt Bridges referred the subcommittee to a draft schedule of future issues for the Finance subcommittee. He reviewed the work that's been done so far and highlighted key upcoming issues, including finishing up the transparency and dashboard issue in March.

Rebecca White stated that it took CDOT several months to create its dashboard.

Lynn Guissinger said that the RTD Board Finance Committee has also been looking at some ideas related to a dashboard.

Doug MacLeod stated that RTD has also had some internal discussions about software for public transparency.

The next meeting will take place on February 3, 2021.

The meeting adjourned at 12:07 p.m.

ATTACH B

To: Members of the RTD Accountability Committee Finance Subcommittee

From: Ron Papsdorf, Director, Transportation Planning and Operations
(303) 480-6747 or rpapsdorf@drcog.org

Meeting Date	Agenda Category	Agenda Item #
February 3, 2021	Action	3

SUBJECT

COVID Relief Funding Recommendations

PROPOSED ACTION/RECOMMENDATIONS
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N/A

ACTION BY OTHERS

N/A

SUMMARY

On January 11, the Federal Transit Administration (FTA) released the apportionments for the \$14 billion in Federal funding through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA). The apportionment to RTD is approximately \$203.4 million.

RTD received approximately \$232 million in federal CARES Act funding in 2020. Along with service reductions, cost cutting measures including furlough days for non-represented staff, travel and training reductions, and deferred asset management projects, RTD was able to retain all employees during 2020 and add approximately \$80 million to reserve funds.

In anticipation of continued declines in ridership, farebox revenues, and sales and use tax receipts, RTD adopted its 2021 budget build on a continued service level of approximately 60% of pre-pandemic levels and a reduction of approximately 400 positions. The 2021 budget is \$1.66 billion, a reduction of \$125.3 million from the amended 2020 budget and did not assume any additional federal COVID relief funds beyond the CARES Act.

The Finance Subcommittee has discussed several ideas to consider as recommendations to RTD for use of the additional COVID Relief funds to stabilize RTD operations, restore services, rebuild trust, attract new and returning riders, and position the agency for strategic recovery from the COVID-19 pandemic.

DRCOG staff completed a draft equity assessment for the recommendations.

PREVIOUS DISCUSSIONS/ACTIONS

[December 16, 2020](#) – Finance Subcommittee Discussion: CARES Act Review
[January 6, 2021](#) – Finance Subcommittee Discussion: COVID Relief Funding
[January 20, 2021](#) – Finance Subcommittee Discussion: COVID Relief Funding

PROPOSED MOTION

Move to recommend the RTD Accountability Committee adopt recommendations to RTD for use of COVID-19 relief funds appropriated to RTD in the Coronavirus Response and Relief Supplemental Appropriations Act of 2021.

ATTACHMENT

1. Recommendations to RTD for use of COVID-19 Relief Funds
2. DRAFT Equity Assessment

ADDITIONAL INFORMATION

If you need additional information, please contact Ron Papsdorf, Director,
Transportation Planning and Operations, at 303-480-6747 or rpapsdorf@drcog.org.

RTD Accountability Committee: Finance Subcommittee

Recommendations to RTD for use of COVID-19 Relief Funds

Background

RTD received approximately \$232 million in federal CARES Act funding in 2020. Through service reductions and other cost cutting measures including furlough days for non-represented staff, travel and training reductions, and deferred asset management projects, RTD was able to retain all employees during 2020 and add approximately \$80 million to reserve funds. The Accountability Committee has reviewed RTD's use of those funds with the following findings:

- 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; roughly 64% of CARES funding drawn through September 2020.
 - Purchased Transportation – Bus OR CRT (“Commuter Rail Transit”): Externally contracted routes with Denver transportation partners; roughly 36% of CARES funding drawn through September 2020.
- 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.
- RTD's use of CARES Act funds was not transparent or easily understandable.

In anticipation of continued declines in ridership, farebox revenues, and sales and use tax receipts, RTD adopted its 2021 budget based on a continued service level of approximately 60% of pre-pandemic levels and a reduction of approximately 400 positions. The 2021 budget is \$1.66 billion, a reduction of \$125.3 million from the amended 2020 budget and did not assume any additional federal COVID relief funds beyond the CARES Act.

On January 11, the Federal Transit Administration (FTA) released the apportionments for \$14 billion in Federal funding appropriated by Congress through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA). The apportionment to RTD is approximately \$203.4 million.

Recommendations

The RTD Accountability Committee offers the following recommendations to RTD on the use of these additional federal relief funds. The recommendations are aimed at stabilizing RTD operations, restoring services, rebuilding trust, attracting new and returning riders, and positioning the agency for strategic recovery from the COVID-19 pandemic.

1. Provide a transparent process and make priorities clear

RTD should provide full transparency during its process to consider its use of CRRSAA funds so that stakeholders and members of the public can follow the tradeoffs and pros and cons of their decisions. RTD should clearly define its priorities for this funding, what issues are being addressed by additional funds, and the amount of funding allocated to each priority.

This transparency should continue as funds are spent so that the public can track expenditures.

2. Strategically recall previously laid off front line employees

The Committee acknowledges and supports RTD's decision to recall approximately 200 direct-service employees. However, in keeping with the above recommendation, RTD should explain the amount of CRRSAA funding needed to recall these workers and what amount of funding is available for additional priorities. The focus of these recalls should be to ensure that RTD has capacity to restore quality transit service, particularly to transit-dependent communities as quickly as possible.

3. Share federal stimulus funding with other transit service providers in the metro area There are several non-profit and community-based transit service providers in the RTD district. They supplement RTD's fixed-route and para transit services, often at lower cost than RTD could provide comparable service. As with RTD, these providers have been impacted by reduced ridership and revenues due to the COVID-19 pandemic and will benefit from CRRSAA funding.

4. Implement a reduced flat fare for 6 months to rebuild ridership and attract new riders

Market it as a simple, affordable, and easy to understand way to ride RTD and an incentive to attract returning and new riders. Offer half-off fare for seniors/people with disabilities, as necessary to comply with FTA requirements and consider extending half-off fares for youth riders. This will reduce costs for financially struggling essential workers who are still riding RTD. During the pilot program, use this time to explore other ways to improve affordability of existing and/or new pass programs, including LiVE, that can be put in place as a longer-term solution

5. Work to improve uptake and ease of use of passes

Allow flexibility in the EcoPass programs and contracts so that more neighborhoods and businesses can participate. For example, allow master EcoPass contracts to support county-wide affordable housing programs and create more options for businesses to obtain employee EcoPasses for a subset of their workers.

Help fund PEAK eligibility technicians/caseworkers at county HHS departments to help people through LiVE enrollment. Continuing to get the LiVE ID cards in qualified participant's hands is essential and counties can provide this customer assistance, but need funding to help support this function.

6. Offer free RTD parking and transit "Day Pass" benefits to anyone traveling to a COVID vaccination facility for a primary or 'second dose' shot

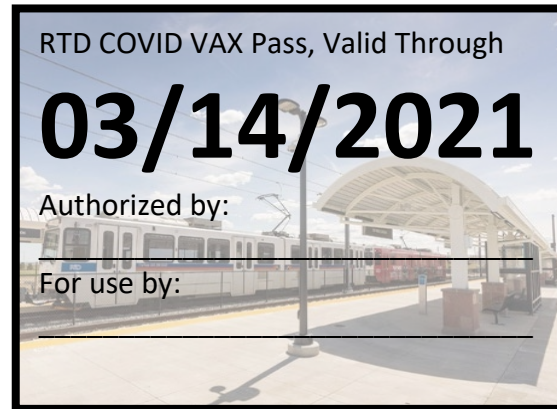
A printed a digital COVID immunization reservation acknowledgment would serve as an RTD "Day Pass" on the vaccine appointment day. No additional RTD staff effort is required other than notifying drivers and security staff of this benefit. A verbal "I am scheduled for (or I received) a COVID vaccination today" comment to the driver would be sufficient for boarding, though fare inspectors may ask for the printed or digital documentation.

7. Offer temporary free RTD rail or bus service for anyone receiving a COVID vaccination

Offer free RTD rail or bus service for anyone receiving a COVID vaccination, valid until three days after their second dose shot is due. After the second dose, they get another pass valid for 15 days of free rides. Those receiving a single-dose vaccine receive a 30-day pass.

People receiving vaccinations are required to remain on-site for 15 minutes to monitor for adverse reactions. With the cooperation of existing vaccine distributors, RTD would set up a table nearby to offer this special RTD COVID vaccination passes. The person issuing the pass and the recipient would both sign the pre-printed paper pass (see example).

The large text would ensure that drivers could easily read the expiration date through their plexiglass shields. A detailed embossed background image would help make them more difficult to counterfeit.



RTD would incur no cost for people who decline this benefit. If someone does give RTD a try, they may become regular customers, thus building ridership and generating revenue. If they are already RTD customers, we just added a *vaccinated* rider—increasing their safety and the safety of our buses, trains, and neighborhoods. For loyal customers who already have a monthly pass, RTD might allow a free pass renewal with proof of vaccination.

8. Leverage new partnerships

Develop, expand, and leverage existing and new partnerships to improve service efficiency and grow ridership. This can also provide cost-effective service in areas experiencing RTD service cuts and leverage local community investments in the transit system. For example:

- Partnerships with new job centers
- Expanded partnerships with communities and non-profits to grow local FlexRide and other similar on-demand services (ex. Boulder County operated Lafayette service) to serve more people during and post-COVID
- Lyons/Boulder taxi voucher program, co-funded with Boulder County
- Merge several FlexRide services (and a Boulder County operated Lafayette service) into a joint SE Boulder County/Broomfield SuperFlexRide service area
- A mini-grant program with RTD and local communities to incentivize co-funding existing and/or new services to build back from prior service cuts as well as to grow service in the future
- Potential new grant opportunities to advance new transit service (i.e., SH 119)

RTD Accountability Committee
Equity Assessment for Proposed COVID Relief Fund Recommendations
January 2021

There are seven distinct recommendations:

1. Provide a transparent process and make priorities clear
2. Strategically recall previously laid off front line employees
3. Share federal stimulus funding with other transit service providers in the metro area
4. Implement a reduced flat fare for 6 months to rebuild ridership and attract new riders
5. Work to improve uptake and ease of use of passes
6. Offer free RTD parking and transit “Day Pass” benefits to anyone traveling to a COVID vaccination facility for a primary or ‘second dose’ shot
7. Offer temporary free RTD rail or bus service for anyone receiving a COVID vaccination
8. Leverage new partnerships

This equity assessment addresses each recommendations 2 through 8 separately based on the *Operationalizing Equity in the Deliberation of the Committee and Subcommittees* guidelines adopted by the RTD Accountability Committee.

2. Strategically recall previously laid off front line employees

- 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 restoring employment for employees who may have not found other employment. Many of these front-line employees, such as bus and rail operators and mechanics, could be vulnerable without employment if they do not have sufficient savings to pay for their needs. It could also provide benefit to communities of concern more broadly if the re-employment of front-line workers also means additional transit service for transit dependent populations. This will likely create an increase in equity.

- a) How are we defining benefit and burden?

A benefit is something that can help improve the lives of front-line employees temporarily out of work and the mobility of transit dependent populations. A burden is something that can curtail it.

- b) How do we measure this impact?

This impact can be measured by assessing the number of front-line employees who are re-employed and the additional service for transit dependent populations.

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

This recommendation could benefit communities that have their transit service increased or restored because more front-line workers are re-employed and providing more service.

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

If service is restored or increased for routes serving low-income, veterans, older adults, individuals with disabilities, minorities, zero car households, and other communities of concern then there could be a benefit to those communities. Many of the front-line workers who would be re-employed could be members of one or more of these communities.

- 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?

A possible unintended consequence of this recommendation is that after the funding is expended, if there is no new revenue to replace it, employees may lose their employment again and any new services may have to be cut again. There could be an additional burden to RTD if front-line employees are laid off another time as there is significant cost associated with retraining front-line employees. This could be mitigated by reviewing revenue projections and rehiring based on conservative estimates.

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

This recommendation can address barriers by rehiring front-line employees who may belong to one or more vulnerable communities and restore or increase transit services for communities with transit dependent populations.

3. Share federal stimulus funding with other transit service providers in the metro area

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

This recommendation could benefit communities of concern, especially older adults and individuals with disabilities, by increasing revenue for transit agencies that serve those populations. There could be an additional benefit to RTD as the operating and maintenance costs for non-profits that provide mobility for older adults and individuals with disabilities typically is less than RTD's Americans with Disabilities Paratransit Service

(Access a Ride) and these agencies could provide services to people that otherwise would use Access a Ride. This will likely create an increase in equity.

- 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. A burden is something that can disadvantage communities of concern by reducing their access to mobility.

- b) How do we measure this impact?

The impact can be measured by how many more trips can be provided to transit dependent populations.

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

This recommendation could impact transit dependent populations, especially older adults and individuals with disabilities throughout the Denver region.

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

Older adults and Individuals with disabilities.

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

The impact of this recommendation would likely be distributed throughout the Denver region.

- C. Could there be unintended consequences? If so, can they be mitigated?

Funding provided to other transit agencies would reduce how much can be spent on RTD services. This can be mitigated by RTD studying the potential impact to their own services before making a decision on how funding to provide other agencies.

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

This recommendation addresses access to mobility for transit dependent populations, especially older adults and individuals with disabilities.

4. Implement a reduced flat fare for 6 months to rebuild ridership and attract new riders

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

This recommendation could benefit communities of concern in a few ways:

- *by making it more affordable to ride transit;*
- *an increase in ridership from reduced fares could have the potential to restore or increase services in communities with transit dependent riders; and*

- *a flat fare can reduce confusion over how much it costs to ride for all riders including communities of concern.*

This will likely create an increase in equity.

- 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 measuring the increase/decrease in ridership after implementation of the recommendation.

- 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.

Older adults and individuals with disabilities could see the most benefit as their fare cost could be reduced since RTD is federally obligated to offer a fifty percent discount to these communities based on the regular fare.

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

Several communities of concern could benefit from this recommendation.

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

This recommendation would carry equal benefit throughout the RTD district.

- C. Could there be unintended consequences? If so, can they be mitigated?

A reduction in fare revenue could result from this recommendation. That reduction in revenue could mean a reduction in services that RTD cannot afford to provide. RTD can mitigate this by studying its potential impact before implementation.

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

Fare cost and complexity (hard to understand how much it costs to ride) have been cited as barriers to ridership.

5. Work to improve uptake and ease of use of passes

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

Making it easier to obtain and use passes could make it easier for all populations to use transit. It could be especially beneficial for communities of concern as the challenges with obtaining passes and understanding how to use them may pose a greater difficulty for them. This will likely create an increase in equity.

- a) How are we defining benefit and burden?

A benefit is making it easier for communities of concern to rider transit. A burden could be making it more difficult.

- b) How do we measure this impact?

We can measure the increase/decrease in ridership, especially for communities of concern. Ridership for communities of concern may be discerned from rider surveys.

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

This recommended change would likely impact all areas of the RTD region similarly. Communities of concern could see greater benefit as the challenges with obtaining passes and understanding how to use them may pose a greater difficulty for them.

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

This recommendation could benefit all communities of concern across the RTD district although more benefit may come to those who live close to transit than those who do not.

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

As stated above, more benefit may come to those who live close to transit than those who do not.

- C. Could there be unintended consequences? If so, can they be mitigated?

An unintended consequence could be that money used to improve pass programs could otherwise have been used to provide more services. If the work done to address this recommendation is done efficiently, the impact to the operations and maintenance budget should be minimal.

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

The proposed recommendation can address barriers to accessing transit, a challenge that is possibly felt more by communities of concern.

6. Offer free RTD parking and transit “Day Pass” benefits to anyone traveling to a COVID vaccination facility for a primary or the ‘second dose’ shot

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

The proposed recommendation could benefit communities of concern by making it more affordable to travel to get their vaccination. This will likely create an increase in equity.

- a) How are we defining benefit and burden?

A benefit is making it more affordable to travel to get their vaccination. A burden could be that this policy may not help people who have challenges to get their vaccination other than transportation.

- b) How do we measure this impact?

We can measure the impact by counting the people who are members of communities of concern that get a day pass on the day of their scheduled vaccination.

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

The proposed recommendation could benefit communities of concern by making it more affordable to travel to get their vaccination. However, more benefit may come to those who live close to transit than those who do not.

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

This policy recommendation, if enacted, would impact communities throughout the RTD district although more benefit may come to those who live close to transit than those who do not. In particular, transit dependent populations including older adults, zero car households, individuals with disabilities, veterans, and other vulnerable populations, could benefit most as they have the greatest need to access transit to obtain their vaccination.

- 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.

- C. Could there be unintended consequences? If so, can they be mitigated?

An unlikely unintended consequence could be that a person could contract Covid-19 while traveling on transit to obtain their vaccination. RTD already takes precautions against the transmission of the virus for their riders and operators so the risk is minimal.

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

The recommendation addresses the barrier that transit dependent populations, especially those with low-income, have accessing their community for needed services. In this case, it is specifically targeted towards vaccination of a deadly and highly contagious virus. Additionally, since many communities of concern are impacted more by the spread of the virus, each person getting vaccinated can reduce the risk of the virus spreading in their community.

7. Offer temporary free RTD rail or bus service for anyone receiving a COVID vaccination

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

This recommendation could benefit communities of concern by incentivizing vaccination. More vaccinations for people in communities of concern would not only benefit the individuals directly but reduce the risk of transmission in their community. This will likely create an increase in equity.

- a) How are we defining benefit and burden?

A benefit is making mobility more affordable for people who get vaccinated. A burden could be loss of revenue for RTD to pay for direct services which could potentially result in lost service.

- b) How do we measure this impact?

We can measure the benefit by counting the number of people in communities of concern who receive a monthly pass for getting vaccinated. This could be done through a rider survey.

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

The proposed recommendation could benefit communities of concern by making it more affordable to travel after getting their vaccination. However, more benefit may come to those who live close to transit than those who do not.

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

This policy recommendation, if enacted, would impact communities throughout the RTD district although more benefit may come to those who live close to transit than those who do not. In particular, transit dependent populations including older adults, zero car households, individuals with disabilities, veterans, and other vulnerable populations, could benefit most as they have the greatest need to access transit. Their communities would also benefit from a decrease in the risk of contracting the virus.

- 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.

- C. Could there be unintended consequences? If so, can they be mitigated?

An unintended consequence could be that funding diverted to address this recommendation could mean less funding available for providing services. RTD can mitigate this by studying its potential impact before implementation.

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

Since many communities of concern are impacted more by the spread of the virus, each person getting vaccinated can reduce the risk of the virus spreading in their community. Further, this recommendation could make it more affordable for transit dependent persons to ride transit.

8. Leverage new partnerships

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

Some potential partnerships could benefit communities of concern by providing cost-effective service in areas experiencing RTD service cuts and leverage local community investments in the transit system. Many of these areas contain communities of concern and/or are places where people in those communities need to get to for employment, health care, or other needs. This will likely create an increase in equity.

- a) How are we defining benefit and burden?

A benefit is providing more mobility options for communities of concern by leveraging new partnerships. A burden could be a reduction in service or service frequency from the change in transportation provider and/or scope.

- b) How do we measure this impact?

We can measure cost savings for RTD, the service hours for any new service, and the people served/ boardings and other related data points.

- 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 providing more service options for those living in places where it is not as efficient to provide traditional fixed route such as suburban and exurban communities.

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

This policy recommendation, if enacted, could benefit those living in places where it is not as efficient to provide traditional fixed route such as suburban and exurban communities.

- 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 would likely benefit those living in places where it is not as efficient to provide traditional fixed route such as suburban and exurban communities more than others, but it could also help business in places hard to reach by transit in attracting employees who are transit dependent.

- C. Could there be unintended consequences? If so, can they be mitigated?

An unintended consequence could be a reduction in service or service frequency from the change in transportation provider and/or scope where partners provide a right sized service. This can be mitigated through assessing demand to "right size" the service.

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

The recommendation can address barriers by providing mobility for communities where traditional fixed route service is not the most appropriate or effective.

ATTACH C

Recommendation for an RTD Trial Ridership Program

RTD's sustainability depends on recovering the ridership that has been slashed by the COVID-19 crisis. But we need ideas that are also effective in the long term since RTD's ridership was declining even before COVID hit. Colorado has invested many billions of dollars in mass transit. RTD needs far more riders to justify this massive investment.

If our economy is to recover and grow, it should not be at the expense of our air quality or commute times. A 2017 study by the Texas A&M Transportation Institute estimated the [Denver-Aurora cost of congestion at \\$2.177 billion per year](#). When this pandemic passes, RTD needs to have ridership strategies in place to ensure a solid return on our taxpayers' investments.

There are two especially time-sensitive recommendations to drive greater ridership that we would like to quickly pass on to CEO Johnson and the RTD Board. They strongly support Gov. Polis and the Biden Administration's urgent desire to accelerate COVID vaccinations since transportation to Mass Clinic immunization sites has become a serious concern. The out-of-pocket cost to RTD should be relatively modest. Both ideas support the COVID vaccination cause while also encouraging new and lapsed customers to use RTD. Since restoring and growing ridership is essential to RTD's financial sustainability, these two recommendations also align with the RTD Accountability Committee's charter.

1. Recommendation #1: Offer free RTD parking and transit "Day Pass" benefits to anyone traveling to a COVID vaccination facility for a primary or 'second dose' shot.

Their printed or smartphone/digital COVID immunization reservation acknowledgment would serve as an RTD "Day Pass." No additional RTD staff effort, other than notifying drivers and security of this benefit, would be required. A verbal "I'm scheduled for [or "I got"] a COVID vaccination today" comment to the driver would be sufficient for boarding (e.g., an honor system), though security on the bus or train may as always ask to see proof.

2. Recommendation #2: Offer free RTD rail or bus service for anyone receiving a COVID vaccination, valid until three days after their second dose shot is due. If they show up for the second dose, they get another pass valid for 15 days of free rides. If they receive the single-dose Johnson & Johnson vaccine, they receive a 30-day pass.

Though RTD would decide the details, this is a recommendation for how it might work. People receiving vaccinations are required to remain on-site for 15 minutes to monitor for adverse reactions. With the cooperation of existing vaccine distributors, RTD would set up a table nearby to offer this special RTD COVID vaccination passes. The person issuing the pass and the recipient would both sign the pre-printed paper pass, which might appear as shown in Figure 1.

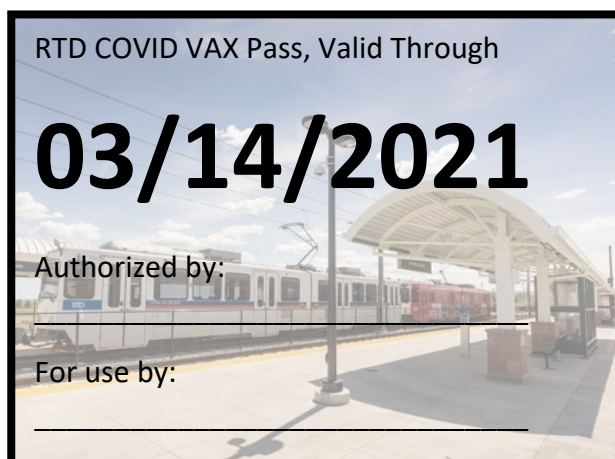


Figure 1: RTD COVID VAX Pass

The large text would ensure that drivers could easily read the expiration date through their plexiglass shields. A detailed embossed background image would help make them more difficult to counterfeit.

RTD would incur no cost for people who decline this benefit. If someone does give RTD a try, they may become regular

customers, thus building ridership and generating revenue. If they are already RTD customers, we just added a *vaccinated* rider—increasing their safety and the safety of our buses, trains, and neighborhoods. For loyal customers who already have a monthly pass, RTD might allow a free pass renewal with proof of vaccination.

Both these initiatives improve RTD's image as a valued Colorado asset while encouraging everyone to vaccinate, plus get the second dose—a critical consideration for the Governor and the new Biden Administration. This concept can create a low-cost and minimal effort trial ridership program for new and lapsed RTD customers, plus provide a “thank you” for existing and often transit-dependent customers.

RTD should create a promotional campaign for this program by including flyers in our buses and trains and encouraging coverage by TV, radio, print, social media, and word of mouth. It would also be a great way to introduce RTD's new CEO, Debra Johnson, to reporters, residents, and regional leaders. Board Members could also speak to local groups about RTD's plan to support vaccination efforts and the benefits to their communities. However, RTD would need to move quickly to make it happen.

Financial analysis: There will be some administrative but mostly labor costs associated with the issuing of passes, but this should fall within the CARES Act funding guidelines. It should also allow RTD to keep some employees that will be needed when ridership picks up. There should be an increase in paid ridership after the initial free pass period. Given the low current level of ridership, there should be sufficient empty seats to absorb this increase without much additional expense.

But there will be some loss of pass and ticket revenue from existing RTD customers for a month or so after their vaccinations. However, the benefits of having more vaccinated riders on transit should outweigh this temporary revenue loss and speed the lifting of the severe COVID capacity restraints.

After all, the pandemic is the greatest barrier to RTD's economic recovery. Anything we do to accelerate Colorado's economic recovery will drive sales tax, and those increased revenues are the true lifeblood of RTD.

ATTACH D

To: Members of the RTD Accountability Committee Finance Subcommittee

From: Ron Papsdorf, Director, Transportation Planning and Operations
(303) 480-6747 or rpapsdorf@drcog.org

Meeting Date	Agenda Category	Agenda Item #
February 3, 2021	Discussion	5

SUBJECT

RTD 2021 Fiscal Policy Statement

PROPOSED ACTION/RECOMMENDATIONS
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N/A

ACTION BY OTHERS

N/A

SUMMARY

RTD follows a fiscal policy approved by the Board of Directors annually or as necessary due to modification. The fiscal policy contains policies for revenue, investments, expenditures, capital improvements, fund balance, debt, budgeting, accounting and grants.

The 2021 Fiscal Policy also includes COVID-19 Response Policies that provide guidance for reductions and for restoration.

With this review of RTD fiscal policy, previous discussions of RTD debt obligations, and future discussions of revenue and expenditure trends, the Finance Subcommittee will be able to begin discussions on a number of focus areas including FasTracks, partnership opportunities, and transparency.

PREVIOUS DISCUSSIONS/ACTIONS

N/A

PROPOSED MOTION

N/A

ATTACHMENT

1. RTD 2021 Fiscal Policy Statement

ADDITIONAL INFORMATION

If you need additional information, please contact Ron Papsdorf, Director, Transportation Planning and Operations, at 303-480-6747 or rpapsdorf@drcog.org.

REGIONAL TRANSPORTATION DISTRICT 2021 FISCAL POLICY STATEMENT

REVENUE POLICIES

1. The Board of Directors may consider potential fare adjustments at the time of the development of the Mid-Term Financial Plan. As part of this process, staff will review potential fare adjustments to establish a fare structure to ensure that it:
 - is understandable
 - is implementable
 - addresses equity including social and geographical
2. Fare or other revenue streams and cost savings should aim to achieve financial levels equivalent to inflationary adjustments in fare revenue established in the Mid-Term Financial Plan.
3. Fare policies will take into account the special needs of all transit dependent patrons.
4. RTD will avoid dependence on temporary revenues to fund ongoing services. One-time revenues will be used for one-time expenditures.
5. RTD will continuously explore additional sources of revenue to help balance the budget.
6. When appropriate the Board will actively pursue legislation that would help ensure the continued accomplishment of RTD's goals and mission statement. The Board will support efforts to ensure that legislative intent is realized in allocation of state financial resources to public transit. The Board will actively oppose legislation that would limit or diminish revenue.
7. On an annual basis, staff will identify under- or un-utilized property and equipment and will make an ongoing attempt to monetize such property and equipment to enhance cash flow.
8. RTD will contract with a qualified third party to provide sales and use tax forecasting containing projections for the short-term (one year by quarter), mid-term (six-year Mid-Term Financial Plan period) and long-term (30-year Long Range Financial Plan period). The purpose is to provide RTD with expert economic analysis and sales and use tax forecasts using sophisticated financial modeling techniques not available internally.

INVESTMENT POLICIES

1. RTD financial assets are managed in accordance with the RTD Investment Policy Statement which is reviewed and approved by the RTD Board on an annual basis.

EXPENDITURE POLICIES

1. RTD will endeavor to manage expenditures to achieve service levels that will promote effectiveness through ease of use and improved travel times.
2. RTD will continue to look for and implement the most cost-effective and reliable methods of delivering transportation services.
3. RTD will endeavor to maintain its assets at a level that protects capital investment and minimizes future maintenance and replacement costs. See Asset Management Policy RTD-AMD-PLY-0001.
4. RTD maintains a risk management program which will provide protection against loss and mitigate exposure to liability.
5. A safety management system (SMS) will be maintained to minimize RTD's exposure to liability and thereby reduce the number of claims against RTD. See SMS Policy RTD-SFT-PLY-0004.
6. RTD will develop service changes that are matched to funding capacity using the system-wide and route-specific productivity measures that have been approved by the Board.

CAPITAL IMPROVEMENT POLICIES

1. As determined by the Board but not less than every two years, RTD will prepare and update a six-year Mid-Term Financial Plan including projected capital construction and improvements, service levels, operating costs, and revenues to fund the capital and operating programs.
2. Capital investments should further RTD's purpose of moving people, which is achieved when investments are aimed at established agency metrics or key performance indicators.

3. The asset investment decision making process will be data driven in accordance with the RTD Transit Asset Management (TAM) Plan.
4. Priority will be given to replacement of existing, backlog, and deferred assets before consideration of new assets except as allowed for in the FasTracks Mid-Term Financial Plan and/or Long Range Financial Plan.
5. After completion of design of a capital project, cost estimates will be revised. If the cost estimates exceed Delegation of Authority limits, the project will be brought to the Board for reconsideration.
6. RTD shall allow for multi-year capital projects to be carried forward in accordance with the carry-forward resolution adopted by the Board.
7. RTD will prepare an annual update of the Mid-Term Financial Plan incorporating the actual costs incurred and the most recent available projections of capital improvement costs, service levels, and operating costs and revenues.

FUND BALANCE POLICIES

1. RTD will strive to maintain a fund balance in the Base System and FasTracks to provide for unanticipated expenditures of a nonrecurring nature, to meet unexpected increases in costs or to mitigate service disruptions as a result of economic downturns affecting revenue. The Base System should strive to maintain a total fund balance at an amount approximately equal to three months of Base System operating expenses excluding depreciation among the following three reserve funds: the Board-appropriated fund, the unrestricted operating reserve, and the remaining unrestricted fund balance. For FasTracks, the total of the Board-appropriated fund and unrestricted fund balance should be maintained at an amount approximately equal to three months of FasTracks operating expenses excluding depreciation. RTD will consider and pursue resources that will be directed to fund balance replenishment. For example, non-recurring revenues and budget surpluses are an especially appropriate source for replenishing fund balance.

RTD will replenish fund balances as soon as economically practical.

2. In accordance with the adopted budget, RTD will designate a Board-appropriated fund balance on an annual basis. Use of the fund balance will be minimized and occur only in specific circumstances such as economic downturns. With Board approval, these funds may be used to avoid cash flow interruptions, reduce the need for short-term borrowing, assist in maintaining an investment-grade bond rating, and for other specific purposes. The source of replenishment of this fund will be identified and replenishment will take place in a prompt manner.

3. In accordance with the adopted budget, RTD will designate a capital replacement fund on an annual basis. With Board approval, these funds will be used for scheduled major vehicle replacements and other capital purchases. The source of replenishment of this fund will be identified and replenishment will take place in a prompt manner.
4. In accordance with the adopted budget, RTD will designate an unrestricted operating reserve on an annual basis. Use of the fund balance will be to mitigate service or project disruptions due to revenue fluctuations, unanticipated expenditures of a nonrecurring nature, or to avoid cash flow disruptions. The source of replenishment of this fund will be identified and replenishment will take place in a prompt manner.
5. RTD will maintain an emergency (TABOR) reserve equal to three percent of non-Federal revenues, as specified by Article X, Section 20 of the Colorado Constitution.
6. The FasTracks Internal Savings Account (FISA) will be used to provide funding to complete and operate additional FasTracks projects. Expenditures from the FISA will be subject to Board approval. Funding of the FISA will be provided from the sources identified in the Board approved Risk Allocation Matrix (RAM) and other sources approved by the Board.
7. All other FasTracks funds which have not been appropriated, or otherwise designated as reserved, in the current budget year will be maintained in a reserve for future FasTracks capital and operating expenditures and will not be used to fund the (non-FasTracks) Base System expenditures.

DEBT POLICIES

1. Debt financing will not be issued to support operating expenditures.
2. Capital projects funded through the issuance of bonds, Certificates of Participation (COPs) or other financial obligations shall be financed for a period not to exceed the lesser of the expected useful life of the asset or a maximum of 40 years.
3. Effective communication with credit rating agencies will be maintained, and a policy of full disclosure on every financial report and official statement will be followed.
4. Before long-term debt is issued, the impact of debt service on total annual expenditures and the net revenue coverage ratio will be analyzed.
5. It is the intent of RTD to maintain a high quality investment-grade credit rating. The benefit of maintaining RTD's credit ratings at the highest reasonably attainable level considering current economic conditions and availability of capital funding is to receive lower interest rates and lower debt insurance premiums than would be possible with lower credit ratings. RTD's current ratings are listed below:

Classification	Senior Bonds (0.6%)	FasTracks Bonds (0.4%)	Certificates of Participation
Standard and Poor's	AAA	AA+	AA-
Moody's Investors Service	Aa2	Aa2	A1
Fitch Ratings	AA	AA	AA-

6. RTD will maintain a minimum gross sales tax revenue bond coverage ratio for the Base System (annual non-FasTracks sales and use tax revenue to annual sales and use tax debt service for senior non-FasTracks debt) of 4.0 times for debt backed by the 0.6% sales and use tax. RTD will maintain a minimum gross sales tax revenue bond coverage ratio for FasTracks (annual FasTracks sales and use tax revenue to annual FasTracks sales and use tax debt service) of 2.0 times for debt backed by the 0.4% FasTracks sales and use tax.
7. RTD will maintain a minimum net revenue coverage ratio (all annual revenues remaining after operating and maintenance expenses to annual debt service requirements net of excess appropriations required for variable rate debt) of 1.2 times annual debt service.

BUDGET POLICIES

1. RTD shall comply with all requirements of the Colorado Local Government Budget Law.
2. As part of the budget development process, the Board will review the current goals, objectives, and performance indicators for use in preparing the budget for the following year. The Board will adopt the final performance indicators before the adoption of the annual budget.
3. The Board will review the adopted fiscal policies annually or on an as-needed basis to consider any changes that may be necessary.
4. There shall be a budgetary monitoring system that charges expenditures against approved budget appropriations.
5. The budget shall be summarized for adoption purposes. The actual level of detail required for adoption shall be determined by the Board.
6. The budget shall be prepared using Generally Accepted Accounting Principles with the following exceptions:

- inclusion of capital outlays and debt principal payments as expenditures
 - inclusion of asset sale proceeds and debt issuance proceeds
 - exclusion of gains and losses on disposition of property and equipment
 - exclusion of the non-cash portion of long-term unfunded pension accruals
7. The budget document shall be submitted to the Government Finance Officers Association annually for consideration for the Distinguished Budget Presentation Award, which evaluates the document as a communications device, financial plan, operations guide, and policy document.
 8. Quarterly performance reports will be presented to the Board of Directors to assess RTD's performance on the adopted performance indicators.
 9. A balanced budget in which beginning reserves plus total anticipated revenues is greater than or equal to expenditures will be prepared.
 10. Budgetary procedures that postpone the funding of necessary expenditures, such as preventive maintenance or replacement of equipment, will be avoided.
 11. RTD will provide conservative revenue estimates that take into consideration recent experience and reflect reasonable future growth.
 12. RTD will monitor revenue sources regularly and amend the budget, as necessary, to reflect the most current information available. RTD will also change the level of expenditures, as needed, to maintain a balanced budget.
 13. RTD will project revenues for at least six years and will update the projections annually as part of the Mid-Term Financial Plan. Each existing and potential revenue source will be re-examined annually.
 14. As part of the Mid-Term Financial Plan, RTD also will prepare a six-year operating expenditure plan that includes projections of annual service growth plus allowances for operating costs of new capital assets.
 15. A budget will be prepared that contains essential programs and projects needed to support the goals and objectives of RTD, responds to citizen demand, and reflects administrative evaluation of current needs.

ACCOUNTING AND FINANCIAL REPORTING POLICIES

1. The accounting system will maintain records on a basis consistent with Generally Accepted Accounting Principles for enterprise funds.

2. The accounts of RTD will be reported using the accrual basis of accounting. Revenues will be recognized when earned and expenses will be recognized when incurred.
3. RTD will establish and maintain a high standard of accounting practices to conform with uniform financial reporting in Colorado.
4. An independent firm of certified public accountants will perform an annual financial and grant compliance audit and will issue an opinion that will be incorporated into the Comprehensive Annual Financial Report.
5. RTD will submit the Comprehensive Annual Financial Report to the Government Finance Officers Association for consideration for the Certificate of Excellence in Financial Reporting.
6. The accounting system will record all financial activity including investment activity.
7. Internal control policies will be developed and maintained to include procedures that separate control of assets from accounting for those assets.
8. RTD will identify and account for all revenues, expenditures, assets and liabilities related to the FasTracks capital and operating program separately from the Base System operations.
9. A monthly financial status report shall be submitted to the Board.

GRANT POLICIES

1. All potential grants shall be carefully examined for matching requirements (both dollar and level-of-effort matches).
2. Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the capital improvement plan and RTD priorities and in which operating and maintenance costs have been included in operating budget forecasts.
3. RTD will program its federal grant funds to receive federal funds based upon eligible costs as quickly as possible and minimize the time between appropriation and drawdown.
4. RTD will use all eligible Section 5307 formula federal grant funds for capital maintenance projects to minimize the time between appropriation and drawdown of federal funds.

COVID-19 RESPONSE POLICIES

1. Guidance for Reductions:

- First consider reductions in administrative costs (overhead)
- Allowable to utilize reserves but limit use
- Allowable to utilize future FISA rubber tire service contributions
- Allowable to utilize future contributions from Credit Risk Premium (CRP) and project savings to offset FasTracks shortfalls
- Should not utilize existing FISA balances, except for Board identified and approved projects such as SH 119 BRT
- Do not reduce service levels below what is currently being offered

2. Guidance for Restoration:

- Restore reserves to three months if possible
- Do not utilize existing FISA balances
- Limit the use of, or do not use, future rubber tire service contributions to FISA
- Restore deferred projects related to compliance or safety
- Restore service as ridership allows