

ITEM II

**MINUTES OF A PUBLIC MEETING OF THE PACE BOARD OF DIRECTORS
SUBURBAN BUS DIVISION OF THE REGIONAL TRANSPORTATION AUTHORITY**

The Board of Directors of Pace, the Suburban Bus Division of the Regional Transportation Authority, met in public session on Wednesday, November 11, 2009, at 4:34 p.m. at Pace corporate headquarters, 550 West Algonquin Road, Arlington Heights, Illinois, pursuant to notice.

The Chairman led the assembly in the Pledge of Allegiance. He then turned the meeting over to Director Pellegrino to say a few words about Veterans Day. Director Pellegrino, a veteran himself, asked for a moment of silence in remembrance of those who gave their lives for our freedom. He acknowledged those veterans present and those serving in uniform throughout the world who protect our freedom. Director Pellegrino said we may disagree with the aspects of war but we must all agree to honor the service of all those who wear the uniform of the United States.

ROLL CALL

Present:

Kyle Hastings (arr. 4:55)	Aaron Shepley
Thomas D. Marcucci	Vernon T. Squires
Frank Mitchell	Karen Tamley
Anna Montana	Terry R. Wells
Richard F. Pellegrino	Richard Welton
Jeffery D. Schielke	Richard Kwasneski, Chairman

Absent:

Al Larson

APPROVAL OF MINUTES

Director Mitchell moved, and Director Shepley seconded, a motion to approve **Resolution SBD #09-131**, the minutes of the October 14, 2009 Open Session. The motion carried on the following roll call vote:

11 Ayes Directors Marcucci, Mitchell, Montana, Pellegrino, Schielke, Shepley, Squires, Tamley, Wells, Welton, Chairman Kwasneski

0 Nays

PUBLIC COMMENT

Chairman Kwasneski prefaced public comment by informing everyone that just prior to the Board meeting, he attended Governor Quinn's meeting and press conference downtown with Executive Director T. J. Ross and Deputy Executive Director Rocky Donahue of External Relations. A Memorandum of Understanding (MOU) was signed by the transit agencies and the State of Illinois, whereby the State will provide additional transit funding. For Pace, this means an \$8.5 million for 2010 budget and an additional \$8.5 million for 2011 for paratransit. This allows Pace to hold off on the fare increase proposed in the 2010 budget.

Chairman Kwasneski said that although it is good news, it is temporary. Going into 2010, Pace will be able to concentrate on service improvements and Blue Ribbon Committee recommendations. However the funding is not a permanent solution.

Ms. Debbie Pittman thanked the Chairman for his report. She is an advocate for Concerned Citizens of Paratransit and the Pace ADA Advisory Committee Paratransit Advocates Committee to Equality. Ms. Pittman asked how this additional funding affects the fare increase due to go into effect on Sunday.

Chairman Kwasneski said that the paratransit fare increase to \$3.00 is still scheduled to go into effect on November 15. This was part of an agreement with the RTA in order to close the gap on the budget shortfall. The \$8.5 million in State money allows Pace to maintain fares at their current level for the next two years.

Ms. Pittman noted that the majority of riders are on a fixed income, with many receiving just \$600 a month. Since the fare is going up on Sunday, she requested that the monthly pass be reinstated to help riders curtail their costs. She said that many are currently not going to necessary appointments since the monthly pass was discontinued.

Ms. Brenda Trotter thanked the Chairman for his comments. She added that when Pace held its first public hearing to listening to Chicago paratransit riders' comments, they promised to make paratransit riders a priority. She said the riders are still waiting. Ms. Trotter commented that the initial rider requests were to extend reservation hours, shorten times in transit, and treat the riders with respect. She hopes everyone can get back to addressing those requests.

Ms. Darlene Hale stated that she is glad the fares will not be going up any higher but commented that the 75 cent fare increase for city riders is still too much. She added that it is more than the increase suburban riders will face. She also suggested that the monthly pass should be reinstated to help disabled riders afford their rides. Ms. Hale said the federal mandate is for Pace to provide affordable transportation and this is not affordable. She suggested that the RTA audit did not require Pace to increase fares but rather said this would be one way to save money if other solutions were not found to balance the budget.

In addition Ms. Hale commented that paratransit administration is looking for monetary gain at the expense of the Chicago paratransit riders. She said they are denying riders their human and civil rights and that implementing the zone system is just carving up the city to resemble the suburbs, making it harder for disabled riders to travel around the city.

Ms. Evelyn Graves said that if Route 696 is eliminated, paratransit service will be eliminated in Arlington Heights. She said that she and her family may end up homeless because of it.

CHAIRMAN'S REPORT

The Chairman made no additional comments.

DIRECTORS' REPORTS

Director Marcucci attended approximately five public hearings over the last six weeks in the city of Chicago and in DuPage County.

He indicated that the news from the Governor is good, however it does not solve all of Pace's budget problems or his issues. He said that DuPage County and other counties are very unhappy about the next round of Pace service cuts and what shape that leaves transit in. He noted that staff is doing a terrific job of trying to address all of these issues and looking at all the alternative options.

Director Marcucci indicated that he has tried to help everyone understand that Pace is not a taxing body and cannot create a sales tax. Pace is only charged with putting the maximum amount of service on the streets with the funding it receives. He reiterated that any service cuts in fixed route also affect the paratransit service area. Director Marcucci said that when people

lose their jobs because they no longer have the means to get to work, that puts more on welfare. He believes that the legislature needs to step up and bridge transit to the end of the recession through additional funding.

Director Schielke conducted the Kane County hearings and said several messages came across loud and clear, similar to those mentioned by Director Marcucci. He believes it is worthwhile for the Directors to conduct the public hearings and see the people who are directly impacted by service changes.

Director Schielke has also been very involved in conversations with General Assembly members from his area recently. In addition he spoke with Mayor Daley regarding the RTA funding. Director Schielke commended Mr. Donahue, Mr. Ross, Mr. Doug Sullivan and other Pace associates who have been at the forefront in Springfield to present Pace's case to the legislators and the leaders in the General Assembly. He believes that Pace got their attention.

Director Squires reported that he was the hearing officer for the northern Cook County public hearing. The audience, made up predominantly of Harper College riders, offered to meet with Pace to try and work something out for their transportation needs. He noted that the process is underway and Director Squires remains hopeful that something will be worked out to everyone's satisfaction.

Director Squires also attended the Cook County budget presentation. Mr. Donahue presented the budget and took questions from the commissioners. Several commissioners were very upset with routes disappearing in their area. Director Squires said they need to be shown that the routes are not performing and Pace does not have the ability to generate the money to keep them going and cover the deficit. He hopes staff is following up with these commissioners.

Director Tamley reported that her activities for the month centered on the paratransit funding situation. She participated in today's press conference with the Governor and spoke on behalf of paratransit riders in the region. Director Tamley was able to convey the dramatic effect steep fare increases would have on the lives of paratransit riders. The service is a life line for many in the region.

She thanked Chairman Kwasneski and fellow Board members who have worked on this issue. She also thanked Mr. Ross and Mr. Donahue for working on this issue locally and in Springfield, and the Governor and his staff for their support. Director Tamley looks forward to refocusing on improving the paratransit system and implementing more efficiencies in the paratransit service.

Director Wells thanked the Governor, the Board and the riders who put pressure on legislators to find a solution to the funding problem. He noted that there is still much more to be done.

Director Wells represented Pace last week at a ribbon cutting at Thornton High School in Harvey. Navistar has teamed with the high school to open a three year diesel mechanic program. He said this is a huge investment by Navistar and he sees it as an opportunity to employ the next generation of diesel mechanics in the south region. He thanked Melinda Metzger, Deputy Executive Director, Revenue Services, and Cecil Crum, Regional Manager, South Region, for participating in this project.

Director Welton was the hearing officer for the Lake County public hearing. He said there is a dramatic difference in what happened at each of the public hearings throughout the region. He had only five attendees but noted that Lake County has very little service. Director Welton said it is a tremendous task to pull all of the information together from the public hearings in order to look at the routes that need to be cut. He added that it is a major challenge for staff to present a final plan for fixed route and paratransit service and it is hard to be optimistic at these times.

Director Hastings thanked everyone for their participation in capturing funding for Pace. He hopes to see those in Springfield work together to do the right thing for transit.

He also wished everyone a great Veteran's Day and encouraged them to reflect on what the day is all about. Director Hastings is scheduled to visit West Point Military Academy this coming weekend to talk about local leadership. He will also include points on what the Pace Board does in working with local leaders and municipalities.

Directors Mitchell, Montana, Pellegrino and Shepley had no reports.

REPORT OF EXECUTIVE DIRECTOR

Mr. Ross commented that he hopes today's events are part of a turnaround in funding. He noted that ridership continues to be significantly lower than a year ago, with much of that due to unemployment. Mr. Ross said that the RTA and the State have recognized that it is easier to keep a customer than to get a new one and have found a way to hold the fares at a level that will not drive customers away. As the economy gets better, the hope is that there is a significant payback without having to put a great deal of money into drawing riders back to the service.

Mr. Ross reported that he presented the budget to the DuPage and McHenry County Boards. There were no questions regarding the budget situation. The prime concern at each meeting was the list of proposed service cuts.

In conclusion, Mr. Ross asked the Board to personally thank Rep. Elaine Nekritz should they run into her at future events. He said that without her help, as an advocate to find funding for ADA paratransit service in the region, Pace could not have gotten as far as it did with the legislature. He is indebted to her for her work in securing funding.

APPROVAL OF CONSENT AGENDA

Chairman Kwasneski asked for a motion to approve the consent agenda. Director Schielke moved and Director Montana seconded, a motion to approve the consent agenda. The motion carried on the following roll call vote:

12 Ayes Directors Hastings, Marcucci, Mitchell, Montana, Pellegrino, Schielke,
Shepley, Squires, Tamley, Wells, Welton, Chairman Kwasneski

0 Nays

Procurements

Ordinance SBD #09-132 - Ordinance authorizing a joint procurement contract for the purchase of non-revenue sedans

Ordinance SBD #09-132 authorizes the award of a joint procurement contract to Bill Jacobs Joliet, LLC. for the purchase of non-revenue sedans, in an amount not to exceed \$231,026.40.

Ordinance SBD #09-133 - Ordinance authorizing a joint procurement contract for the purchase of non-revenue sedans

Ordinance SBD #09-133 authorizes the award of a joint procurement contract to Morrow Brothers Ford, Inc. for the purchase of non-revenue sedans, in an amount not to exceed \$565,250.00.

Ordinance SBD #09-134 - Ordinance authorizing a change order to exercise options to the contract for bus line inspection services and post delivery Buy America audits

Ordinance SBD #09-134 authorizes a change order to exercise options to the contract with Vehicle Technical Consultants, Inc. for bus line inspection services and post delivery Buy America audits. This action raises the contract total from \$171,427.80 to \$200,079.80, an increase of \$28,652.00.

Ordinance SBD #09-135 - Ordinance authorizing a change order to the contract for fleet vehicle maintenance services

Ordinance SBD #09-135 authorizes change order to the contract with Lease Plan USA for fleet vehicle maintenance services. This action raises the contract total from \$5,167,786.34 to \$5,943,786.34, an increase of \$776,000.00.

Ordinance SBD #09-136 - Ordinance authorizing a contract, or contracts, for the purchase of diesel fuel for the calendar year 2010

Ordinance SBD #09-136 authorizes the award of a contract, or contracts, to various suppliers for the purchase of diesel fuel for the calendar year 2010, in an amount not to exceed \$16,129,400.00.

Ordinance SBD #09-137 – Ordinance authorizing a sole source contract for non-warranty repair and replacement of Pace’s Safety Vision DVR equipment

Ordinance SBD #09-137 authorizes the award of a sole source contract to Safety Vision LP for non-warranty repair and replacement of pace’s Safety Vision DVR equipment, in an amount not to exceed \$255,000.00.

Ordinance SBD #09-138 - Ordinance authorizing a contract for coach filters

Ordinance SBD #09-138 authorizes the award of a contract to Vehicle Maintenance Program, Inc., International Filter Manufacturing Corp., Muncie Transit, and Mohawk Mfg. and Supply Company for coach filters, in an amount not to exceed \$424,849.98.

Actions**Ordinance SBD #09-139 – Ordinance reappointing a Citizens Advisory Board member**

Ordinance SBD #09-139 reappoints Joe Harrington to the Citizens Advisory Board for a two year term effective December 1, 2009.

ISSUES/DISCUSSIONS/REPORTS**Final Report on Public Hearings**

Mr. Donahue reported that thirteen budget public hearings were held with 357 people in attendance. Most of the comments were on the proposed route cuts. In addition, over 1,000 written and electronic pieces of correspondence were received along with fourteen letters from public entities, including the Department of Homeland Security. Eight letters were received from businesses, and four petitions, referencing four specific routes also were submitted. Mr. Donahue noted that staff is reviewing all of the information received at the public hearings and compiling it into a report. He also invited the Board to review the public comments if they are interested in doing so.

OTHER ACTIONS

Terrance Brannon, Deputy Executive Director, Internal Services, informed the Board that the final 2010 budget is essentially the budget that was reviewed at the October meeting. On the Suburban Services side, \$6.5 million in budget balancing actions will have to be made in order to close the gap between RTA funding and Pace's projected deficit. \$2.7 million has been identified in non-service reductions, thereby minimizing the impact on service reductions to \$3.8 million. The list of service cuts totaling \$3.8 million was taken to public hearing. Staff is recommending that they come back to the Board in December with a final list of the route reductions scheduled for 2010. At the same time, any other balance budgeting actions will be provided to the Board for their review.

Mr. Brannon said that staff is asking the Board to approve the budget ordinance presented. When submitted to the RTA, staff will inform them that there may be further adjustments and amendments to the budget. Mr. Brannon said this is not an uncommon practice.

On the ADA side, Mr. Brannon indicated that the budget deficit is \$28.9 million. The \$8.5 million in new funding received from the State today contributes greatly to closing the gap. Pace will also receive \$6.2 million in funding as a result of the fare increase that goes into effect on Sunday, \$9 million in RTA ICE funding, and if necessary, up to \$5.2 million in RTA working cash. Mr. Brannon projects that the MOU will put the ADA budget in good shape for the next two years.

Mr. Brannon pointed out that the final budget document includes a ten year outlook, a requirement of the RTA's budget plan and call. He noted that the RTA's outlook for funding over the next ten years is fairly conservative. It projects a 2.9% funding growth over the next ten years. Pace's budget deficit tends to grow in the range of 4-5%. Mr. Brannon said that the gap this year only grows as we move forward. In 2011 the gap is \$11.1 million. Making service cuts now puts Pace in a better position when it faces a greater shortfall in 2011.

Mr. Ross reiterated that the ordinance does not include any specific service cuts. He and Michael Bolton, Deputy Executive Director, Strategic Services, will be putting a reasonable packet of service cuts together as a result of the public hearing comments.

Chairman Kwasneski said that the door is open for partnership opportunities with municipalities and other entities. It is also important to review the routes to see if they can simply be restructured or operated differently. He added that there are certainly a number of routes which he believes the Board realizes do not work and therefore need to be discontinued. In those cases it will be important to look at alternative means to get riders to other routes.

Director Mitchell asked if the ICE funds were guaranteed funds. Mr. Brannon confirmed that the RTA agreed to this provision in the MOU. Director Mitchell also asked about the fuel contract which is larger than the budget number. Mr. Brannon said the contract includes a 10% contingency factor and that he is comfortable with the fuel budget for 2010.

Director Squires commended Mr. Brannon and his staff on assembling the budget document. He said that if anyone takes the time to go through the document, they will know what Pace is all about. Chairman Kwasneski said there was a lot of last minute work on this document and Mr. Brannon and his staff were able to get it done on time.

Director Tamley added that as Pace moves forward on any proposals, she expects everyone to remember the impact that service cuts will have on paratransit service.

Director Squires moved and Director Shepley seconded, approval of **Ordinance SBD #09-140**, the acceptance of Pace's 2010 Operating Budget and Capital Program, 2010-2019 Financial

Business Plan for Operations, the 2010-2019 Capital Business Plan, and appropriation of funds in accordance with the Program and Budget, and approving it for submittal to the RTA. The motion carried on the following roll call vote:

12 Ayes Directors Hastings, Marcucci, Mitchell, Montana, Pellegrino, Schielke, Shepley, Squires, Tamley, Wells, Welton, Chairman Kwasneski

0 Nays

ADDITIONS TO THE AGENDA

There were no additions to the agenda. Director Squires apologized that he did not note Mr. Joe Harrington's presence at tonight's meeting. Mr. Harrington's reappointment to the CAB was included in the consent agenda vote this evening. He and Chairman Kwasneski thanked Mr. Harrington for attending the meeting.

EXECUTIVE SESSION

Chairman Kwasneski requested a motion to adjourn to Executive Session for the purpose of discussing executive session minutes (Section 2-C-21), pending litigation (Section 2-C-11), collective bargaining (Section 2-C-2), employment matters (Section 2-C-1), real estate purchase (Section 2-C-5), real estate sale (Section 2-C-6), security/criminal matters (Section 2-C-8) and review and discussion of risk management information and advice (Section 2-C-12) of the Open Meetings Act/Closed Sessions.

Director Pellegrino moved, and Director Montana seconded the motion to adjourn to Executive Session. The motion carried on the following roll call vote:

12 Ayes Directors Hastings, Marcucci, Mitchell, Montana, Pellegrino, Schielke, Shepley, Squires, Tamley, Wells, Welton, Chairman Kwasneski

0 Nays

The meeting adjourned to Executive Session at 5:15 p.m.

RECONVENE

Chairman Kwasneski reconvened the Open Session of the Pace Board of Directors Meeting at 5:35 p.m. on the following roll call vote:

12 Ayes Directors Hastings, Marcucci, Mitchell, Montana, Pellegrino, Schielke, Shepley, Squires, Tamley, Wells, Welton, Chairman Kwasneski

0 Nays

Executive Session Minutes

Director Mitchell moved, and Director Montana seconded, a motion to approve **Resolution SBD #09-141**, the minutes of the October 14, 2009 Executive Session meeting. The motion carried on the following roll call vote:

12 Ayes Directors Hastings, Marcucci, Mitchell, Montana, Pellegrino, Schielke, Shepley, Squires, Tamley, Wells, Welton, Chairman Kwasneski

0 Nays

Pending Litigation Recommendations

Director Pellegrino moved, and Director Schielke seconded, a motion to approve **Resolution SBD #09-142**, a recommendation for settlement of a pending litigation item. The motion carried on the following roll call vote:

12 Ayes Directors Hastings, Marcucci, Mitchell, Montana, Pellegrino, Schielke,
Shepley, Squires, Tamley, Wells, Welton, Chairman Kwasneski

0 Nays

ADJOURNMENT

There being no further business to come before the Board, Director Montana moved, and Director Pellegrino seconded, a motion to adjourn the Pace Board of Directors meeting at 5:38 p.m. The motion carried by acclamation. The next regular meeting of the Pace Board of Directors is scheduled for Wednesday, December 9, 2009, at 4:30 p.m. at Pace Corporate Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois.

Beth Kruse, Board Secretary