

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, September 2, 2009, at 4:30 p.m. at Pace corporate headquarters, 550 West Algonquin Road, Arlington Heights, Illinois, pursuant to notice.

In the absence of the Chairman and Vice Chairman, the Board Secretary called the meeting to order. Director Schielke moved to elect Director Welton to serve as Chairman pro tem of the meeting. Director Pellegrino seconded the motion. The motion carried by acclamation:

7 Ayes Directors Larson, Marcucci, Mitchell, Pellegrino, Schielke, Tamley,
Director Welton

Nays

Director Welton led the assembly in the Pledge of Allegiance.

ROLL CALL

Present:

Kyle Hastings (arr. 4:47) Richard F. Pellegrino
Al Larson Jeffery D. Schielke
Thomas D. Marcucci Karen Tamley
Frank Mitchell Terry R. Wells (arr. 4:44)
Anna Montana (arr. 4:40) Richard Welton

Absent:

Vernon T. Squires
Aaron Shepley
Richard Kwasneski, Chairman

APPROVAL OF MINUTES

Director Schielke moved, and Director Pellegrino seconded, a motion to approve **Resolution SBD #09-100**, the minutes of the August 12, 2009 Open Session. The motion carried on the following roll call vote:

7 Ayes Directors Larson, Marcucci, Mitchell, Pellegrino, Schielke, Tamley,
Welton

0 Nays

PUBLIC COMMENT

Director Welton called on Ms. Brenda Trotter who expressed a complaint regarding SCR. She stated that her daughter was told by an SCR driver yesterday that they were no longer going to accept tickets or vouchers. Her daughter had recently purchased approximately \$100 worth of tickets. The driver called dispatch and they agreed with the driver but they did not say when this would become effective.

Ms. Trotter's second comment was that she would like to see a picture of the vehicles that Pace plans to purchase for paratransit. Finally, Ms. Trotter said that at last month's meeting, a Pace staff member reported that a rider in the city of Chicago has to pay \$2.25 every time they board a bus or train. She said the CTA has a 30 Day Pass which is \$86 and you can ride 24 hours for 30 days. They also have a one day Fun Pass which costs \$5.75 which you can ride for 24 hours; a

7-Day Pass for \$23.00 which lets you ride 24 hours a day for 7 days; a 7 Day Pace/CTA Pass for \$26.00 which allows you to ride 7 days for 24 hours; a one day pass with 3 transfers for \$2.50; and a one way \$2.25 ticket. She wanted the Board to be informed of the different passes and tickets the city services have available to riders.

Ms. Debbie Pittman, representing Concerned Citizens of Paratransit and the Pace ADA Advisory Committee Paratransit Advocates Committee to Equality, said that the \$2.25 fare is the fare that you pay when you put it on a card. The next trip is then only 25 cents. She also added that the book of \$2.25 tickets is what SCR is saying they are no longer accepting as of yesterday. Ms. Pittman stated that SCR then came back and said they would accept them until they ran out. Ms. Pittman said that people have already spent their money for those tickets. She believes that SCR is confusing this with the TAP vouchers and that Pace needs to clarify this for the riders. She also feels that the TAP voucher letter should have been sent to every rider, not just those who have a TAP card.

Ms. Venzelma Cotton said she agreed with all of the comments made by Ms. Trotter and Ms. Pittman and had nothing further to add.

Mr. Thomas Babbington commented that he was happy to see there was some kind of consensus at the RTA Board meeting to fund the ADA paratransit budget shortfall. He believes the Pace Board should begin now to find a permanent funding source for ADA paratransit service. He said that there was no permanent funding source set up, just a mandate to keep ADA paratransit running. Mr. Babbington suggested Pace look into setting up a "special authority", of which there many throughout the state, in order to ensure a permanent funding source for paratransit.

Mr. Arthur Tedei noted that all of his comments have been covered by others.

CHAIRMAN'S REPORT

There was no Chairman's report. As Chairman pro tem, Director Welton asked T. J. Ross, Executive Director, if the Chairman had passed anything on for him to present to the Board. Mr. Ross said he had not.

DIRECTORS' REPORTS

Director Tamley noted that she attended the recent Chicago ADA Advisory Committee meeting. Their discussions centered on routing and the TAP program. She indicated that two members of the committee have resigned for personal reasons and she would like to see the positions filled quickly. Director Tamley also said that she hopes the chairs of the two advisory committees will be reporting to the Board soon.

Directors Wells, Schielke, Pellegrino, Montana, Mitchell, Marcucci and Larson had no report.

Director Welton mentioned that he continues to work with Ike Magalis and Jim LaBelle of the RTA and Metra Boards, respectively, on issues important to Pace.

REPORT OF EXECUTIVE DIRECTOR

Mr. Ross asked for a motion approving the resolution honoring Mr. Robert Settefrati on his retirement from Pace West Division. Director Pellegrino moved and Director Schielke seconded, a motion to approve **Resolution SBD #09-101**. The motion passed by acclamation.

9 Ayes Directors Larson, Marcucci, Mitchell, Montana, Pellegrino, Schielke,
Tamley, Wells, Welton

0 Nays

Mr. Ross reported that year to date, ridership is 13% lower than 2008. This decline can be attributed to the recession, high unemployment, lower fuel prices and higher fares. August fixed route ridership at Pace divisions averaged about 22% less than August of 2009. Paratransit and ADA ridership was 2.4% less in August of 2009 than August of 2008.

In addition, Mr. Ross pointed out that Pace's fuel prices are still below budget. Revenues from the fare increase and lower fuel costs are keeping expenses within budget year to date.

During August, the FTA released the \$33 million stimulus grant to Pace. This allows Pace to purchase 58 transit buses and 192 paratransit buses. Delivery is projected for 2010. In addition, Pace is currently taking delivery of 25 transit buses purchased under a previous federal grant. Thirteen are delivered, with six of them in service at the Heritage facility in Joliet. All 25 buses will go to Joliet and the Joliet buses will go to contractors to replace 18 year old buses.

Mr. Ross noted that the Board is being asked to approve the purchase of 11 over the road coaches on this evening's agenda. These buses are scheduled for delivery in late 2010 or early 2011 and will be used to replace contractors' vehicles, thus allowing Pace to rebid and lower the contract costs for these services.

In conclusion, Mr. Ross reminded the Board that the Illinois Public Transit Association is holding their annual meeting the week of September 14th. Pace is the agency sponsor this year. In addition there is also a large bus industry show (BusCon) that same week at Navy Pier.

Director Wells asked about the new buses going to the North and Southwest garages. He understood that South had the oldest buses or the most mechanical problems. Mr. Ross responded that the South buses are only 10 years old whereas the North and Southwest buses are 18 years old. South Division is currently receiving engine retrofits on many of their ten year old buses.

Director Mitchell thanked Mr. Ross and Melinda Metzger, Deputy Executive Director, Revenue Services, for providing the Board members with documentation on the letters received from a person who gave public comment last month, as well as Pace's responses to those letters. He asked that these types of responses be included on future agendas or at least noted for public record.

He also asked about Ms. Trotter's comment that SCR is no longer accepting tickets. He asked for confirmation that these are different than the Taxi Access Program (TAP) vouchers. Ms. Metzger confirmed that it was a different issue. He then asked for clarification on the \$2.25 tickets. Ms. Metzger indicated that one of the concerns is what happens if there is a fare increase. She said this would be clarified in the weekly mailings.

Director Mitchell asked why not everyone has received their new TAP card. Ms. Metzger explained that everyone who uses the TAP program was issued a new card. However, cards were not sent out to every rider in the system. She noted that the cards are expensive to manufacture. Anyone else who is interested in using the TAP program can call Pace or go to the Pace website.

Director Marcucci appealed to the press to help Pace explain the fares to the public. He added that although Pace posts them in the buses and on the website and is also available to answer questions by phone, it is a complex structure. He asked members of the press to include current fares and possible fare increases in their news articles to help the public understand the issues as well as possible and to avoid misperceptions.

Director Welton asked Director Hastings if he had any report this evening. He did not.

APPROVAL OF CONSENT AGENDA

Director Welton asked if anyone wished to remove anything from the consent agenda. There being no comments, Director Schielke moved, and Director Larson seconded, a motion to approve the consent agenda. The motion carried on the following roll call vote:

10 Ayes Directors Hastings, Larson, Marcucci, Mitchell, Montana, Pellegrino,
Schielke, Tamley, Wells, Welton

0 Nays

Procurements**Ordinance SBD #09-102 - Ordinance authorizing a contract for the procurement of over the road (OTR) coaches**

Ordinance SBD #09-102 authorizes the award of a contract to Motor Coach Industries, for the procurement of over the road (OTR) coaches, in an amount not to exceed \$5,881,909.00.

Ordinance SBD #09-103 - Ordinance authorizing a contract for warranty/non-warranty repair of Detroit Diesel engines, Cummins engines, and Allison transmissions

Ordinance SBD #09-103 authorizes the award of a contract to Inland Power Group, Chandler Services, Inc., and Jimmy Diesel for warranty/non-warranty repair of Detroit Diesel engines, Cummins engines, and Allison transmissions, in an amount not to exceed \$800,000.00.

Ordinance SBD #09-104 - Ordinance authorizing a contract for bus turbocharger assemblies

Ordinance SBD #09-104 authorizes the award of a contract to Riteway Pump & Electric Motor for bus turbocharger assemblies, in an amount not to exceed \$298,750.00.

Ordinance SBD #09-105 - Ordinance authorizing a single bid contract for vanpool drivers classroom and behind the wheel training

Ordinance SBDS #09-105 authorizes the award of a contract to a-Adams School of Driving, for vanpool drivers classroom and behind the wheel training, in an amount not to exceed \$340,315.63.

Actions**Ordinance SBD #09-106 - Ordinance complying with House Bill 2296**

Ordinance SBD #09-106 authorizes the Executive Director to take necessary action to remain in compliance with 70 ILCS 3605/53.

ACTIONS

There were no additional Action items to come before the Board.

ISSUES/DISCUSSIONS/REPORTS**I-294 Service Plan**

Mike Bolton, Deputy Executive Director, Strategic Services, introduced Mr. Rocco Zucchero, Chief of Engineering for Planning at the Tollway Authority. Mr. Bolton explained that Pace and the Tollway have been working for the last six weeks on preparing a proposal seeking

approximately \$200 million in capital federal dollars under the Transportation Investment Generating Economic Recovery program (TIGER). The purpose of the TIGER grant program is to fund transportation infrastructure investments in which partnerships are formed to implement innovative projects with long term outcomes, jobs creation and economic stimulus benefits that can be implemented quickly. Mr. Bolton explained that the partnership with the Tollway Authority is to develop an interconnected system of High Occupancy Toll (HOT) lanes, Express Bus stations and park-n-ride lots at or near several interchanges and oases along I-294 between the southern Lincoln Oasis and the Oak Brook and O'Hare/Rosemont areas. The core route is approximately 35 miles one way. This network would significantly improve the housing and employment imbalance which currently exists in the south suburbs.

The proposal is due to the Federal Highway Commission by September 15th. Mr. Bolton stated that Pace and the Tollway hope to hear from the Federal Highway Commission in February of 2010, awarding the grant for this program. Pace and the Tollway Authority would then have 24 months in which to complete the project. Mr. Bolton noted that the Tollway Authority has used its consultants to staff the activity so far.

Mr. Bolton said that this project is consistent with Pace's Vision 2020, adopted some years ago. Proposed service at full build out would run from 4:00 a.m. to midnight, with service every 20 to 30 during the peak hours. At some point during the peak, buses would probably run 5 minutes apart on certain parts of the expressway because buses would originate from different southern points. Daily service hours are estimated at 724 with 52 vehicles needed. Pace plans to use CNG (compressed natural gas) powered vehicles for this service. Mr. Bolton noted that fare collection is still being discussed but it is most probable that they would be distance based fares.

Mr. Bolton indicated that even if the proposal is not funded through a TIGER grant, both Pace and the Tollway Authority feel it is a viable project and would still seek funding elsewhere to pursue the project.

There was a brief discussion regarding how it was being funded, the annual cost, revenue, and recovery ratio for the service, and other tollway options. Mr. Bolton noted that Pace and the Tollway understand these to be readily available funds. The annual cost is estimated at \$18 million, with revenue coming from fares and other options that are under discussion with the Tollway Authority. Mr. Bolton indicated that the assumption is that Pace would be dealing with its current recovery ratio. The working group is also looking at the potential number of users, currently estimated at 800-1,000 daily. Director Wells commended staff on the good design concept and putting this proposal together.

Mr. Zucchero complimented Pace staff on their involvement in the weekly planning process. Meetings are a few hours each week and homework is assigned at each meeting. He said staff has worked hard to come up with the plan and vision and it has been a good partnership. He added that Pace and the Tollway have been talking about this for approximately ten years. He added that there is no more land available to continue to add lanes to most of the tollways and alternative solutions have to be found.

Mr. Zucchero indicated that the inside lane would be used as a shared lane for HOT traffic, as well as HOV traffic. The lane would be priced so as to keep free flow of vehicle movement with the objective being to enhance throughput.

In response to questions, Mr. Bolton said that once the grant money disappears, they believe there will be enough usage of the service to sustain itself. He indicated that although this service is somewhat like BRT, it would not have the string of in-line stations to begin with. It is possible that the service could grow into full BRT service at some point down the line. He also

confirmed that the relationship established with Los Angeles transit would allow us to piggyback onto their production orders at the bus manufacturing plants.

Director Marcucci said the concept of getting people to work by public transportation is great. It is a way to get people without jobs to areas where there are jobs. He added that he is still very much behind the BRT concept that Pace has been working on, such as on I-55 and I-88 to get people out of cars and connect them to jobs, but is also supportive of the HOT lane project.

Director Pellegrino asked if the Tollway Authority had thought about adding a second level on the tollways for express service. Mr. Zucchero responded that system wide, the investment would be enormous and there is the noise factor which would have to be addressed.

Director Marcucci made a motion that the Pace Board pass its sense of approval of the plan. Director Larson seconded the motion. The motion carried by acclamation.

Harvey TSP Demonstration Project

Mr. Bolton reported that Pace is through with the first phase of the project. He indicated that some of the technical pieces are included in the Board's packets. He noted that the proof of concept was carried out a few months ago and it functioned very well. Milestone three is in progress and is expected to be completed by mid-September with equipment installation scheduled for completion on 49 buses by the end of September. The next build out is scheduled for January, 2010.

Mr. Ross noted that TSP allows Pace to increase speed, thereby controlling costs and becoming more competitive with the automobile. He said that the real-time information provided is another backup to the Intelligent Bus System currently in place. Once staff is trained on how to use this, it gives Pace one more tool to deal with the coming service and financial issues.

Director Mitchell asked if there are any statistics on the accident rate at intersections with TSP. Mr. Bolton said there are no statistics for this. He added that the driver has no control over the system and TSP simply prolongs the green, it does not preempt the system.

ADA Fare Increase Public Hearings

Rocky Donahue, Deputy Executive Director, External Relations, informed the Board that 13 public hearings will be held between September 21 and 25 on a proposal to potentially raise ADA fares, eliminate the monthly pass in the city of Chicago, look at potential surcharges or charges, and change the reservation hours. He noted that some slots for hearing officers are still open and asked the Board to participate if possible.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

EXECUTIVE SESSION

Director Welton asked each of the Board members to cite one of the reasons and section number for going into Executive Session, beginning with Director Hastings. The Board cited 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) as the reasons for moving into closed session. Director Pellegrino motioned to move into Executive Session, pursuant to the items and section numbers read, and as stated in the Open Meetings Act/Closed Sessions. Director Schielke seconded the motion. The motion carried on the following roll call vote:

10 Ayes Directors Hastings, Larson, Marcucci, Mitchell, Montana, Pellegrino, Schielke, Tamley, Wells, Welton

0 Nays

The meeting adjourned to Executive Session at 5:50 p.m.

RECONVENE

Director Welton reconvened the Open Session of the Pace Board of Directors Meeting at 6:07 p.m. with the following roll call:

10 Ayes Directors Hastings, Larson, Marcucci, Mitchell, Montana, Pellegrino, Schielke, Tamley, Wells, Welton

0 Nays

Pending Litigation Recommendations

Director Mitchell moved, and Director Larson seconded, a motion to approve **Resolution SBD #09-107** and **Resolution SBD #09-108**, two recommendations for settlement of pending litigation. The motion carried by acclamation.

10 Ayes Directors Hastings, Larson, Marcucci, Mitchell, Montana, Pellegrino, Schielke, Tamley, Wells, Welton

0 Nays

Executive Session Minutes

Director Mitchell moved, and Director Montana seconded, a motion to approve **Resolution SBD #09-109**, the minutes of the August 12, 2009 Executive Session meeting. The motion carried on the following roll call vote:

10 Ayes Directors Hastings, Larson, Marcucci, Mitchell, Montana, Pellegrino, Schielke, Tamley, Wells, Welton

0 Nays

ADJOURNMENT

There being no further business to come before the Board, Director Pellegrino moved, and Director Larson seconded, a motion to adjourn the Pace Board of Directors meeting at 6:08 p.m. The motion carried by acclamation. The next regular meeting of the Pace Board of Directors is scheduled for Wednesday, October 14, 2009, at 4:30 p.m. at Pace Corporate Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois.

Beth Kruse, Board Secretary