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**Pace, the Suburban Bus Division of the Regional Transportation Authority
550 West Algonquin Road
Arlington Heights, Illinois
Minutes of the Open Session Meeting of the Pace Board of Directors
June 16, 2021**

The Board of Directors of Pace, the Suburban Bus Division of the Regional Transportation Authority, met in public session on Wednesday June 16, 2021 at 9:30 a.m. at Pace corporate headquarters, 550 West Algonquin Road, Arlington Heights, Illinois, pursuant to notice.

Chairman Kwasneski led the assembly in the Pledge of Allegiance.

Chairman Kwasneski called the meeting to order at 9:30 a.m.

Roll Call

Directors physically present: Canning, Carr, Guerin, Marcucci, McLeod, Schielke, Smith, Soto, Wells, and Chairman Kwasneski.

Directors virtually present: Arfa, and Hastings.

Director Claar joined the meeting virtually at 9:31 a.m.

No Directors were absent.

SBD #21-25 – Resolution approving the minutes of the Open Session meeting of May 19, 2021.

Director Schielke moved, and Director McLeod seconded a motion to approve the minutes of the Open Session meeting of May 19, 2021. The motion passed with a unanimous vote.

Public Comment

No public comments were received related to items on the agenda.

Chairman's Report

Chairman Kwasneski thanked employees for their continued efforts during the pandemic.

Richard A. Kwasneski, *Chairman*

Rachel Arfa Christopher S. Canning Terrance M. Carr Roger C. Claar David B. Guerin Kyle R. Hastings

Thomas D. Marcucci William D. McLeod Jeffery D. Schielke Erin Smith Linda Soto Terry R. Wells

Board of Directors

Rocky Donahue, *Executive Director*

Chairman Kwasneski spoke about the continued efforts that he, Doug Sullivan, and Rocky Donahue are making with our federal members of Congress on the Federal Transportation Reauthorization Bill.

Chairman Kwasneski reported he and Rocky met with Will County Executive, Jennifer Bertino, to discuss ADA service in that region.

Chairman Kwasneski and Rocky met with APTA Chairman, Jeff Nelson to discuss how Pace can help APTA. Chairman Kwasneski attended his first APTA meeting after being appointed to the APTA Board in April. One main topic of discussion in the meeting was COVID and how transit organizations are managing through the pandemic. Funding, specifically the Federal Transportation Reauthorization Bill, was another main topic. Chairman Kwasneski learned about different areas of the country, such as Austin, Texas, that have had referendums passed for massive dollars for transit.

Directors' Reports

Director Canning reported that he and Directors Smith and Soto will meet as the Planning Committee next Tuesday, where fall school service and the Driving Innovation plan will be discussed. He will provide a report on that meeting at the July Board meeting.

Director Guerin reported that the Infrastructure Committee met last month where he and Director Claar received an update on several Pace projects which included the Plainfield I-55 garage, Wheeling garage, River Division expansion, Harvey Transportation Center, and the South Campus. The committee also received information from the PPMO office that project planning on the Pulse Dempster Line was successful. Director Guerin thanked Melinda Metzger and Charlotte Obodzinski for keeping these projects moving.

Director Soto stated she has been working very closely with the RTA on Lake County projects such as the return of the Shuttlebus program. Director Soto attended meetings with members of the RTA, Metra, Lake County, and the Department of Transportation that strengthened Pace's efforts. She urged fellow Directors to do the same if they are not already doing so.

Director Soto remarked that even though the state has opened—entered Phase 5 of the Restore Illinois Plan—we are experiencing issues with passengers who do not want to wear masks. She would like to extend efforts such as sending the message that it is a federal order to wear masks on mass transit.

Director Smith stated she has made similar efforts with the RTA and Metra as Director Soto mentioned in her report. Director Smith spoke of a letter sent out by the McHenry County of Government outlining concerns with the funding formula. She stated she likes the suggestion to use more communication for cities and counties to enforce masks on transportation.

Chairman Kwasneski commented that there are many new legislators, but we have not had an opportunity to meet them. Chairman Kwasneski stated Rocky and Melinda have asked Pace government relations staff to begin setting meetings now that the state is open.

Executive Director's Report

Rocky Donahue thanked employees for their continued efforts during the pandemic.

Rocky spoke about the April Suburban Services and ADA budgets. Through April, Suburban Services is over \$5 million positive to budget due to cost containment of over \$10 million on the expense side. ADA is positive to budget by \$4.6 million. Overall, ridership from a year ago is up approximately 50%, but it is still down about 45% from 2019 levels. Chicago and suburban ADA service are up more than 100% from this time last year.

On May 31, the Illinois General Assembly passed a \$42.3 billion FY2022 state budget. The Governor proposed a 10% cut to our funding; however, the budget passed by the General Assembly contained no reductions. The state will fully match 30% of the total sales tax generated by the RTA in state FY2022. This will result in approximately \$20 million more in funding to our region. In addition to the full PTF funding, the FY2022 budget contained a \$17.57 million reduced fare reimbursement, and a \$8.394 million ADA paratransit grant—all consistent with FY2021 funding levels.

Last week, the House Transportation and Infrastructure Committee passed the new INVEST in America Act. The \$547 billion five-year surface transportation reauthorization bill directs federal investments in roads, bridges, transit, and rail. The legislation had nearly \$2.6 million of earmarks for Pace projects from Congressmen Quigley, Schakowsky, Rush, and Garcia.

Staff has distributed Pace's Driving Innovation plan to our partner agencies and incorporated comments and suggestions from staff at these organizations. We will be posting the plan to the Pace website on or around June 22, after the Board Planning Committee meets. We will be sending the document to staff at each of the counties, councils of governments, and civic organizations for a courtesy preview in the near future.

Rocky reported Pace is enacting enhancements to our system to correspond with the state's reopening including lifting capacity limits and social distancing restrictions on both fixed route and ADA Paratransit by allowing full passenger loads on our vehicles, working to restore school tripper service this fall, restoring several suspended and reduced routes, and restoring Special Event Service.

Rocky reiterated that masks are still required on all our vehicles and facilities. We are also facing a shortage of drivers, mechanics, and call center operators for both our fixed route and ADA Paratransit service.

Rocky introduced Melanie Castle who is now the Department Manager of Budget. Melanie replaces Renaldo Dixon who retired on May 31.

Rocky introduced Lorri Newsome. Lorri replaces Dominick Cuomo as our agency's Chief Financial Officer.

Rocky concluded his report by stating he attended a Celebration of Life for former Pace Board Director Aaron Shepley. It was a very moving and emotional celebration, and Rocky was honored to provide comments on behalf of our agency.

Director Marcucci reiterated to share and work with local governments regarding the federal mask mandate on mass transit. He stated that as the world moves towards electric cars, he wonders how moving to electric buses will affect Pace's budget.

Rocky indicated that moving to electric buses and how it affects the budget is on Pace's radar. He stated that there are cost concerns of the price of electric buses. The infrastructure and costs thereof are also of concern. As Pace started seeing the diminishing return of funding for fuel, staff has had numerous conversations with leadership in both the House and Senate discussing the need for vehicle mileage tax or electricity tax that might assist with funding.

Director Soto shared she has had communications with municipalities and environmentalist groups stating that Pace should move to electric vehicles and some even suggested canceling our order for CNG buses. Director Soto stated there would be a dynamic change in infrastructure requiring many players besides Pace.

Approval of Consent Agenda

Director Schielke moved, and Director McLeod seconded a motion to approve the Consent Agenda. The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, McLeod, Schielke, Smith, Soto, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #21-26 – Ordinance authorizing the disbanding of the standing Audit Committee.

SBD #21-27 – Resolution honoring Richard Bascomb on his retirement from the Boards of Pace Advisory Committees.

SBD #21-28 – Resolution honoring Diana Brzuchowski on her retirement from Pace.

SBD #21-29 – Resolution honoring Dominick Cuomo on his retirement from Pace.

SBD #21-30 – Resolution honoring Renaldo Dixon on his retirement from Pace.

SBD #21-31 – Resolution honoring Nancy Grove on her retirement from Pace.

SBD #21-32 – Resolution honoring Domenic Marzullo on his retirement from Pace.

SBD #21-33 – Resolution honoring Lawrence Sitkiewicz on his retirement from Pace.

SBD #21-34 – Ordinance authorizing the award of a sole source contract to Drive Construction, Inc. for a roofing retrofit for the North Shore Division in an amount not to exceed \$2,214,570.00.

SBD #21-35 – Ordinance authorizing a change order to Contract No. 228373 with Cabconnect, Inc. for the Taxi Access Program and Mobility Direct Program (TAP) services on City of Chicago taxi cabs. This action increases the contract total from \$2,107,021.86 to \$3,621,521.86, an increase of \$1,514,500.00.

SBD #21-36 – Ordinance authorizing a change order to Contract No. 231656 with STV Construction, Inc. for e-Builder support services. This action increases the contract total from \$1,189,120.64 to \$1,740,127.23, an increase of \$551,006.59.

Action Items

SBD #21-37 – Ordinance authorizing acceptance of the Annual Year End Financial Audit Reports for the year ended December 31, 2020.

Director Schielke moved, and Director McLeod seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, McLeod, Schielke, Smith, Soto, Wells, and Chairman Kwasneski. All Directors voted Aye.

Melinda Metzger and Jason Coyle of Pace's outside auditing firm Baker Tilly, commented on the result of our 2020 annual financial audit—there were no findings and it was a clean audit.

SBD #21-38 – Ordinance authorizing various change orders to Contract Nos. 224298, 224299, 224301, 224849, 229400, 229401, and 231240 with Government Consulting Services of Illinois, LLC; Brent Hassert Consulting, LLC; Miguel A. Santiago Consulting, Inc.; Liz Brown-Reeves Consulting, Inc.; Rory Group, LLC; Capitol Hall Partners, LLC; and GR Consulting, LLC for state and local legislative services. This action extends the contract term for two (2) years and increases the contract total from \$1,214,700.00 to \$1,706,700.00, an increase of \$492,000.00.

Director Schielke moved, and Director McLeod seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, McLeod, Schielke, Smith, Soto, Wells, and Chairman Kwasneski. All Directors voted Aye.

Issues/Discussions/Reports

Kris Skogsbakken gave a report on Performance-Based Capital Allocations. With the adoption of the 2020 budget, the RTA's ordinance contained language that beginning in 2025, capital funding allocations to each of the three Service Boards will be performance-based, rather than traditional funding percentages. The allocations are based on each of the Service Boards' respective proportions of funds needed to bring their assets into a State of Good Repair in 20 years. For Pace, this equates to 7.5% and is based on data from the RTA's 2016 Capital Asset Condition Assessment. To incentivize spending performance, the allocations can be reduced up to 20% based on average age of funds and percent of funds spent each year. These funds would be withheld into a regional set-aside. Pace has objected to the application of this penalty to 2025 and 2026 since the criteria and data is retroactive and because the set-aside fund parameters have not yet been determined.

Pace's historical allocation for federal formula funding is 8%; therefore, a 7.5% allocation would result in a slight decrease in these funds. However, Pace's historical 5% allocation of state funds (in this case Paygo) would increase to 7.5%, which would more than offset the reduction of federal formula capital funds and result in a projected net positive for Pace's capital budget of approximately \$2.8 million in both 2025 and 2026. The Performance-Based Capital Allocations proposal will be open for public comment until July 1. The RTA Board will consider this new capital allocation process for adoption at its July 15 meeting, and if approved, will be used in the upcoming budget process which will allocate funding for 2025 and 2026.

Rocky Donahue stated our historical share of federal capital money is 8%, and our historical share of state capital money is 5%. Through this RTA formula, for at least 2025 and 2026, we would get 7.5% of both of those pots of money based on their data. It has nothing to do with what they call the "critical needs assessments" as related to CRRSSA funding. Over a two-year period, we would be in line, if this were to pass as is, about \$6 million more than what we would have received historically. Regionally, this presents more money to the city of Chicago and less money for the suburbs as a whole.

Adjournment

Chairman Kwasneski asked for a motion to adjourn into Closed Session for the purposes of discussing closed session minutes (2-C-21), pending litigation (2-C-11), and employment matters (2-C-1). Director Smith moved, and Director Schielke seconded the motion. The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, McLeod, Schielke, Smith, Soto, Wells, and Chairman Kwasneski. All Directors voted Aye.

Reconvene

Chairman Kwasneski reconvened the Open Session of the Pace Board of Directors meeting at 11:25 a.m.

Directors physically present: Canning, Carr, Guerin, Marcucci, McLeod, Smith, Soto, Wells, and Chairman Kwasneski.

Directors virtually present: Arfa, Claar, and Hastings.

Director Schielke was absent.

SBD #21-39 – Resolution approving the minutes of the Closed Session meeting of March 17, 2021.

Director Smith moved, and Director Canning seconded a motion to approve the Resolution. The motion passed with a unanimous vote.

SBD #21-40 – Ordinance approving the release of Closed Session Minutes of February 13, 2019, February 19, 2020, April 15, 2020, September 16, 2020, December 16, 2020, and January 20, 2021 for public inspection as discussed in Closed Session.

Director Marcucci moved, and Director McLeod seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, McLeod, Smith, Soto, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #21-41 – Ordinance approving the destruction of verbatim records of Closed Sessions of June 19, 2019, August 21, 2019, September 18, 2019, October 16, 2019, and November 13, 2019 as discussed in Closed Session.

Director Soto moved, and Director Wells seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, McLeod, Smith, Soto, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #21-42 – Ordinance approving action in the case of Devona Perkins v. Pace; Cook County Case No. 18 L 5784 as discussed in Closed Session.

Director Smith moved, and Director McLeod seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, McLeod, Smith, Soto, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #21-43 – Ordinance approving action in the case of RTA v. Dean A. Johnson et al.; Kane County Case No. 19 ED 000004 as discussed in Closed Session.

Director McLeod moved, and Director Smith seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin,

Hastings, Marcucci, McLeod, Smith, Soto, Wells, and Chairman Kwasneski. All Directors voted Aye.

Adjournment

There being no further business, Chairman Kwasneski asked for a motion and a second to adjourn the meeting.

Director Soto moved, and Director Wells seconded a motion to adjourn the Pace Board of Directors meeting. The motion passed with a unanimous vote. The meeting adjourned at 11:28 a.m.

The next regular meeting of the Pace Board of Directors will be held on Wednesday, July 21, 2021 at 9:30 a.m. at Pace Corporate Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois.

Karen Kase
Secretary, Board of Directors

Linda Swedlund