

**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
July 21, 2021**

The Board of Directors of Pace, the Suburban Bus Division of the Regional Transportation Authority, met in public session on Wednesday July 21, 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, Claar, Guerin, Hastings, Marcucci, McLeod, Schielke, Smith, and Chairman Kwasneski.

Directors virtually present: Arfa, Soto, and Wells.

Directors absent: None.

SBD #21-44 – Resolution approving the minutes of the Open Session meeting of June 16, 2021.

Director Schielke moved, and Director Claar seconded a motion to approve the minutes of the open session meeting of June 16, 2021. The motion passed with unanimous vote.

Public Comment

Prior to public comment, Chairman Kwasneski discussed Pace's current efforts to electrify its fleet and system, which is a priority in Pace's strategic plan, *Driving Innovation*.

He reported that Pace is receiving two paratransit vehicles acquired with IDOT's help, working with downstate transit agencies to purchase more electric paratransit vehicles from an in-state manufacturer, and seeking opportunities to partner with an electric school bus company. Pace asked Senator Duckworth and Members of Congress for help securing funding for an electric bus and charging infrastructure to test the technology in our system. Pace also met with USDOT

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**

Secretary Buttigieg and advocated for funding for electric vehicles and infrastructure. As a board member of APTA, Chairman Kwasneski will work with other industry leaders on APTA's Zero Emissions Fleet Committee.

Chairman Kwasneski reported on 2022 capital and operating budget items pertaining to electrification. Pace is procuring no diesel buses in 2021 and 2022, and Pace is committed to CNG technology as a bridge to electric. Pace's 2022 capital budget will contain a sizable investment in the purchase of fully electric vehicles and associated infrastructure. Pace's 2022 operating budget will also include the hiring of a Chief Mechanic Officer-Electrification to help guide the agency in transitioning to electric vehicles.

Chairman Kwasneski stressed that Pace is committed to demonstrating the feasibility, cost-effectiveness, and environmental benefits of electric bus technology in the suburbs. Pace has always been on the forefront of implementing innovative, environmentally friendly technology.

While fully committed to electrifying the fleet and system, Pace faces funding and logistical challenges. An electric bus is nearly twice the cost of a CNG bus. Pace has one of the largest service areas of any transit system in the country, and facilities as well as community infrastructure need to be updated. While Pace works through these challenges, it still needs to serve riders, whose use of public transportation continues to have positive environmental impact.

Speaker Pamela Tate, a representative of the Climate Reality Project's Chicago Metro Chapter, expressed concern about Pace's investment in CNG buses which emit pollutants, as well as the timeline for electric fleet implementation outlined in *Driving Innovation* considering the urgency for zero emissions.

Speaker Mark Kraemer, a resident of Wilmette and transit supporter, voiced his support for electrifying the Pace fleet to eliminate fumes emitted by diesel buses out of a concern for health risks to residents and riders.

Speaker Jessica Beverly representing the Sierra Club's Illinois Chapter expressed concern that Pace's electrification plan was behind other transit systems, and disapproved of CNG expansion, citing the industry trends towards electric.

Speaker Donald Viecegli of the Climate Reality Project's Illinois and Chicago Chapters is concerned about Pace investing in fossil fuel technologies now which could be in use for a decade and offered long term financial benefits of electric vehicles.

Speaker Ray Ustricesk, a resident of Illinois, an environmental engineer, and a member of the Climate Reality Project Chicago Metra Chapter, stated natural gas vehicles have no place in the future and urged Pace to consider future generations by quickly investing in electric.

Speaker Adam Kirman, a member of Pace's Citizen's Advisory Board, acknowledged the long-term benefits of electric, but cautioned against the rapid adoption of electric vehicles without facility upgrades, and said more riders need to be recruited to public transit to have an impact.

Scott Reid submitted a comment by email, which was read by Linda Swedlund. Scott Reid is alarmed by the buildup of greenhouse gases and disapproved of Pace purchasing diesel buses instead of electric ones.

Speaker Leah Hartong, a steering committee member of Clean Power Lake County, spoke to her and her neighbors' experiences living in Waukegan, sharing effects of living near a coal plant, and breathing diesel bus fumes. She stated CNG is not fossil fuel free and mentioned funding opportunities to purchase electric vehicles.

G.K. and Joe Greco signed up for public comment but did not speak when called.

Chairman's Report

Chairman Kwasneski affirmed Pace's commitment to electric vehicles and directed viewers to find that reflected in Pace's 2022 capital plan with electric paratransit vehicle purchases. He said Pace will continue to look to peers like CTA on their electric fleet transition, and will pursue all green technologies as they emerge, whether the future is electric or something yet to be conceived. Chairman thanked public commenters and looks forward to working with them.

Chairman Kwasneski thanked all employees for their efforts during the pandemic, and congratulated Directors Canning, Carr, Guerin, Hastings, McLeod, and Wells for their reappointment to the Pace board for another term.

Chairman Kwasneski reported he, Rocky, and Melinda met with a Will County executive and staff to discuss paratransit service, and confirmed that he, Rocky, and Pace staff continue to do legislative outreach during veto session to see how they can advocate for Pace riders.

Directors' Reports

Director Claar said Pace supports the public commenters and is not against their ideas. He spoke about the responsibility Pace has to operate in a financially efficient and effective way, but that they are watching the technology closely. He mentioned how the Directors can draw on their mayoral experience when guiding Pace through this transition.

Director Marcucci expressed his thanks and appreciation for those who provided public comment. He cautioned about balancing the speed of electrification with financial concerns, but said it is not a matter of "if" it would happen but "when" and "how." He discussed Pace's new advertising campaign and ridership and his work promoting Pace's bike racks in Villa Park.

Director Arfa noted the thirty-first anniversary of the Americans with Disabilities Act, inviting those assembled to attend an anniversary event and to reflect on Pace's commitment to accessible transportation.

Director McLeod discussed an upcoming transportation-focused event with northwestern Cook County officials and remarked on the progress made towards transportation accessibility since the Americans with Disabilities Act was passed.

Director Schielke offered thanks to those who voiced public comments and appreciates their message. He discussed Kane County's efforts to transition to clean energy sources and some of the challenges posed by different power generation methods and alternative fuels.

Director Smith discussed meeting with McHenry County Department of Transportation officials to discuss their feedback on *Driving Innovation*. Director Smith thanked public commenters, who she assured influences her and the board's decisions. She reiterated the Board's commitment to electrification while acknowledging Pace's responsibility to work with stakeholders when making plans for the future.

Director Soto reported on her conversations with clean energy advocates and Lake County officials about electrification, noting her involvement in the *Driving Innovation* drafting process. She discussed in detail the challenges obtaining funding from state and federal authorities and asked the public to help by contacting their state legislators. She also reminded those assembled that even a diesel bus has positive environmental impacts, considering that bus trips keep cars off the road, and encouraged all to ride public transit. She discussed the tradeoffs that a more aggressive electrification timetable would pose. She clarified that transportation funding in the State of Illinois relies on a motor fuel tax and warned that a new funding mechanism must accompany the transition to electric vehicles. Director Soto thanked those who provided public comments and looks forward to working with them to improve air quality.

Chairman Kwasneski considered the usefulness of setting target dates for electrification, stressing that funding is still the most important factor in the transition process.

Executive Director's Report

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

Rocky reported on the Suburban Services and ADA budgets. Through May, both Suburban Services and ADA are approximately \$6 million positive to budget due to expenses tracking positive by nearly \$11 million and a stronger than expected sales tax, despite underperforming farebox revenue. Systemwide, ridership is up 33% over last year, serving 56,000 people daily. Ridership is down 40% compared to pre-pandemic levels in 2019, when Pace served 100,000 people daily.

Rocky, COO Melinda Metzger, and members of the budget team continue to draft the 2022 budget, which will include service expansion and a sizeable electric bus pilot. The budget will be released at the September board meeting, and public hearings will take place in October.

Rocky reported on his meeting with USDOT Secretary Pete Buttigieg and members of Congress. There, Rocky highlighted how innovation, equity, accessibility, green technology, and employment opportunities served as guiding themes for Pace's strategic plan, *Driving Innovation*. Rocky believes the Secretary's tour showed off our region well.

Lastly, Rocky discussed Pace's new marketing campaign, "We're Ready," and thanked Director Marcucci for his contributions to its development. The first phase of this campaign promoted safe riding, provided guidance to passengers riding during the pandemic, and showcased cleaning procedures Pace implemented to help slow the spread of COVID-19. The next phase

actively welcomes back riders and will be accompanied by announcements of route reinstatements. A few commercials were played for the audience's viewing.

Action Items

SBD #21-45 – Ordinance authorizing the award of a contract to Path Construction Company, Inc. for construction of the South Campus acceptance facility and office building in an amount not to exceed \$31,935,000.00.

Director McLeod moved, and Director Schielke seconded a motion to approve the Ordinance.

The motion passed with the following roll call: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, Schielke, Smith, Soto, Wells, and Chairman Kwasneski.
All Directors voted Aye.

Melinda Metzger provided background, and Director Canning asked her to clarify the Buy America grants requirement, for which one of the three bidders dropped out of consideration. Discussion ensued.

SBD #21-46 – Ordinance authorizing a change order to Contract No. 228539 with AskReply, Inc. dba B2Gnow for the Labor Compliance Program Tracker Prevailing Wage module. This action increases the contract total from \$135,250.00 to \$284,129.02, an increase of \$148,879.02.

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

SBD #21-47 – Ordinance authorizing a second amended 2021 Capital Budget to reallocate PAYGO, federal, and state bond funding towards the completion of priority capital construction projects at South Campus, River Division, and the Wheeling Garage. These actions have no net increase or decrease on the overall 2021 Capital Budget.

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

Kris Skogsbakken explained proposed funding reallocations and how deferring some projects to next year's budget will help fund the completion of priority projects now.

Issues/Discussions/Reports

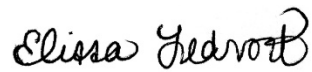
Chairman Kwasneski encouraged Directors to review the Suburban Service and Regional ADA Budget Results - May 2021, and the Financial Statement for the Month Ending May 2021, and to reach out to staff with questions.

Adjournment

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

Director McLeod moved, and Director Claar seconded a motion to adjourn the Pace Board of Directors meeting. The motion passed with unanimous vote. The meeting adjourned at 10:48a.m.

The next regular meeting of the Pace Board of Directors will be held on Wednesday, August 18, 2021 at 9:30 a.m. at Pace Corporate Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois.



Elissa Ledvort
Secretary, Board of Directors