

**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  
September 15, 2021**

The Board of Directors of Pace, the Suburban Bus Division of the Regional Transportation Authority, met in public session on Wednesday, September 15, 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, Marcucci, and Chairman Kwasneski.

Directors virtually or telephonically present: Hastings, McLeod, Schielke, Smith, and Soto.

Directors absent: Arfa and Wells.

**SBD #21-54 – Resolution** approving the open session meeting minutes of August 18, 2021.

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

Director Arfa joined the meeting virtually at 9:33 a.m.

**Public Comment**

John Kovalunas of Lakewood, Illinois said he was pleased that the latest version of the Driving Innovation strategic plan prioritizes a zero emissions bus fleet but wants Pace to accelerate electrification efforts by not investing in any CNG buses or infrastructure.

Pamela Tate of Oak Park and the Climate Reality Project Chicago Metro Chapter said she was glad Pace committed to a zero emissions fleet by 2040 but suggested the 2022 funds allocated to

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*

new CNG buses and garages could be used to install electric charging infrastructure instead. She urged Pace to move directly to electric without a costly transitional period of CNG investments.

Ray Ostrowski of Glenview and the Climate Reality Project Chicago Metro Chapter supported the comments of prior speakers and said the climate crisis makes the bus electrification issue urgent, sharing concerns about Hurricane Ida flooding on the east coast and wildfires out west. He asked Pace not to take half measures towards electrification.

### **Chairman's Report**

Chairman Kwasneski thanked employees for their hard work as ridership increases. He plans to attend Illinois' October veto session to provide legislators updates on Pace's Rebuild Illinois capital projects. Chairman Kwasneski said he was excited about Pace's future after previewing the proposed 2022 budget, which will be presented at this meeting. He highlighted items in the budget that support Pace's commitment to electric vehicles, including a \$10 million allocation for an electric pilot in Waukegan and a \$50 million allocation to purchase electric buses over the next five years. The latter matches CTA's allocation for electric buses in their five-year plan.

### **Directors' Reports**

Director Canning reported on the September 8<sup>th</sup> Planning Committee meeting, also attended by Directors Smith and Soto. There, the return of school trip service, ridership increases, Pulse progress, and Driving Innovation feedback were discussed.

Director Carr attended a meeting with a property group hired by the RTA to address audit practices in the transportation agencies.

Director Marcucci followed up on his report last month about Ride DuPage complaints and staff shortages. He highlighted news reports about the effects of national labor shortages across various industries, particularly the Massachusetts Governor calling on the National Guard to drive school buses. Director Marcucci thanked riders for bringing service issues to Pace's attention, and for their understanding as Pace finds solutions. He put out a call for job applicants.

Director Schielke echoed Director Marcucci's comments, adding that some ADA riders cannot book rides because slots are filled for the day. He commended Pace staff for being supportive and responsive in a moment of challenge.

Director Smith will meet with McHenry DOT on September 29<sup>th</sup> to report on Pace's accomplishments in 2021, and she thanked Mary Donner and COO, Melinda Metzger, for their help on the presentation. Referring to the Optum contract on the Consent Agenda, Director Smith offered staff her help to keep insurance costs down on future contracts.

Director Soto discussed the ShuttleBug program, suspended after the onset of Covid, and the joint efforts of Pace and Lake County's Transportation Management Association ("TMA") to restore service. After a meeting with TMA board member Dan Hughes and Pace staff Melinda Metzger and Anthony Rubino, Pace will market Vanpool to major employers. Director Soto

thanked Director Canning and Pace staff for their work on Driving Innovation. She addressed public comments about CNG buses, saying CNG equipment can be sold if electrification happens faster than anticipated.

### **Executive Director's Report**

Rocky thanked employees for ensuring people have access to transit and their communities. He reported on how Pace continues to outperform budget expectations with both suburban and ADA services under budget. Rocky also shared statistics from the August ridership report, which showed a 10% growth in fixed route from a year ago, 45% growth in dial-a-ride, 50% growth in Vanpool, and 36% growth in ADA. Pace is now serving 60% of pre-pandemic passengers.

Rocky provided updates on priority capital projects. Mechanical, engineering, and plumbing work continue on schedule and within budget for both the Plainfield Garage and the Joliet Transit Center. Rocky anticipates these facilities will be in use by spring of 2022.

Rocky expressed his gratitude to Ryan Ruehle for developing Driving Innovation, Pace's first strategic vision plan since 2002, fulfilling a goal Rocky held since becoming Executive Director in 2018. Rocky thanked Directors Canning, Smith, and Soto for their leadership, feedback, and encouragement during the planning process.

Rocky reported that Pace was honored by the National Association of Fleet Administrators ("NAFA") with a Green Fleet Award, which recognizes sustainability efforts and positive impacts on the environment. He said NAFA ranked Pace #48 of 38,000 government and commercial fleets in North America, and Pace was one of four transit systems to receive the honor.

### **Items removed from the Consent Agenda**

None.

### **Approval of Consent Agenda**

**SBD #21-55 – Ordinance** authorizing a change order to contract no. 227854 with OptumRx, Inc. for Preferred Provider Organization (PPO) employer group pharmacy benefits. This action increases the contract total from \$4,711,200.00 to \$6,668,044.00, an increase of \$1,956,844.00.

**SBD #21-56 – Ordinance** authorizing the award of a contract to Central States Bus Sales, Inc. for 10 high-roof, lift-equipped supervisor vans in an amount not to exceed \$544,990.00.

Director Soto 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, and Chairman Kwasneski. All Directors voted Aye.

## Action Items

**SBD #21-57 – Ordinance** adopting Driving Innovation as Pace’s current strategic vision plan, which will serve as the agency’s primary guiding document that establishes major planning and policy initiatives and priorities for the coming years.

Director Claar moved, and Director Canning 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, and Chairman Kwasneski. All Directors voted Aye.

Ryan Ruehle described how the input of municipalities, councils of government, partners, stakeholders, and activists during the public comment period helped shape the version of Driving Innovation being presented. Ryan highlighted the new priority goal of operating 100% zero-emission vehicles by 2040. He reviewed the four categories of the plan’s initiatives and directed all to find the full plan or summary at [PaceBus.com/Driving-Innovation](https://PaceBus.com/Driving-Innovation). Pace will accept public comment on the document in perpetuity and revise it regularly to ensure its continued relevance.

Director Smith commended staff on the plan’s revision and public comment compilation. She asked that some McHenry comments submitted in alternative formats be added to the packet.

Chairman Kwasneski commended how the plan embraces emerging technologies and multiple types of public transit to adapt to the changing landscape of communities.

## Issues/Discussion/Reports

Rocky introduced the proposed 2022 budget noting no fare increases and the largest service expansion in Pace history:

- \$15 million in new and restored service, reversing cuts necessitated by Covid and securing funds for the Pulse Dempster debut in 2022.
- \$5 million to invest in regional TNC projects and pilots.
- \$3 million to expand dial-a-ride service. Pace’s dial-a-ride partners will each receive a 15% increase in their funding, and Each collar county will receive a \$200,000 grant to implement or enhance county-wide dial-a-ride service.
- \$10 million to implement an electric bus pilot at North Division in Waukegan, and \$50 million capital dollars over the next five years to convert North Division to an all-electric fleet – a start towards Pace’s zero-emission goal.
- Projects continue on the \$300+ million infrastructure investment the state made in Pace through Rebuild Illinois.
- The budget will also create nearly 100 new jobs related to service expansion and fill 40 vacant administrative positions.

Rocky said the 2022 budget represents a positive direction for Pace after some difficult years. He thanked Melanie Castle, Kris Skogsbakken, Crissy Pucillo, Lorri Newson, and the many Pace staff who helped them draft such a strong budget proposal.

Melanie Castle presented the 2022 suburban operating budget, drawing comparisons to the 2021 budget actual. Operating revenue is expected to increase slightly to \$30.9 million due to farebox revenue growth from restored services. Operating expenses are expected to increase 13%; after major expense reductions in 2020 and 2021, 2022 will see the full impact of service restoration, hiring, and rising fuel expenses. Melanie described RTA and CMAP grants for specific projects built into forecasted budgets through 2024.

Melanie reported that Pace hopes to use federal CARES funding to make up the 2022 shortfall of operations to projected expenses, though higher than anticipated sales tax funding decreased Pace's need for federal coronavirus relief funding in 2021. This funding will be exhausted in 2023, leaving a projected \$6.2 million shortfall in 2023 and a \$62.1 million shortfall in 2024. RTA has not yet allocated the third round of coronavirus relief funding from the American Rescue Plan act and is planning on using 2022 budget submittals to determine need.

In response to questions about the 2022 suburban operating budget, Director Marcucci, Rocky Donahue, and Nancy Zimmer, General Counsel, discussed right-of-way disputes related to Pulse Dempster station construction. Chairman Kwasneski said despite so many negative effects of Covid, Pace's challenges have given counties an opportunity to appreciate the innovative and essential service Pace provides to their communities.

Melanie reported that the 2021 ADA operating revenue is expected to end the year \$1.5 million under budget due to a large shift in ridership from RTA certification trips to TAP, where fare collection has been suspended and single rides are guaranteed. This has benefits on the expense side because the cost per passenger is lower helping offset a 15.4% increase in the local minimum wage for Chicago and South Cook vendors effective July 1, 2021. The expense savings were not enough to offset revenue loss, resulting in a \$934,000 budget shortfall. However, the RTA will resolve with sales tax funding as the program is required to be fully funded before the remaining funding is allocated to other service boards.

In 2022, ADA operating revenue is budgeted to grow \$2.7 million from the 2021 estimate and reach 80% of pre-pandemic ridership. Operating expenses are also budgeted to grow as a result of wage increases and ridership increases. The funding requirement at \$216.4 million is fully funded in the 2022 ADA Budget proposal with sales tax and state funding for ADA operations.

In response to questions, Melinda provided an update on recruitment efforts by Pace's ADA carriers, who continue to partner with community colleges on training programs and hope for increased applicants as unemployment benefits end and children return to in-person instruction. She pointed out that there is also a shortage of taxi drivers who provide ADA TAP service, and that carriers are competing in the same market of applicants as other industries.

Kris Skogsbakken presented on Pace's five-year capital outlook and 2022 capital budget, which totals \$57 million and is comprised of 70% rolling stock and 19% support facilities. Funding comes from 75% federal and 20% Paygo sources. Kris noted that \$284 million in state bond funds for Rebuild Illinois projects were applied to prior years and not included in this budget. The 2022 capital budget covers electric bus pilot and charging infrastructure for Waukegan,

CNG buses for Wheeling, security system replacement for headquarters, a new fire suppression system for South Division, and Intelligent Bus System upgrades.

Rocky announced the 2022 budget hearing schedule for the public to submit comment. A total of eight hearings will be offered, some of which are in-person, virtual, or pre-recorded. The budget will be presented to the board for a vote at the October meeting.

### **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 property sale (2-C-6). Director Claar moved, and Director Carr seconded the motion. The motion passed with the following roll call: Directors Arfa, Canning, Carr, Claar, Guerin, Hastings, Marcucci, McLeod, Schielke, Smith, Soto, and Chairman Kwasneski.

All Directors voted Aye.

The meeting adjourned at 10:49 a.m.

### **Reconvene**

Chairman Kwasneski reconvened the Open Session of the Pace Board of Directors meeting at 11:10 a.m.

Directors physically present: Canning, Carr, Claar, Guerin, Marcucci, and Chairman Kwasneski.

Directors virtually or telephonically present: Arfa, Hastings, McLeod, Schielke, Smith, and Soto.

Directors absent: Wells.

Director Hastings left the meeting at 11:11 a.m.

**SBD #21-58 – Resolution** approving the minutes of the Closed Session meeting of August 18, 2021.

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

Director Smith abstained. All other Directors voted Aye.

**SBD #21-59 – Ordinance** approving action in the case of Olivia Delgado, a minor, by and through her mother, Elisette Delgado v. Sharon M. Brown and Pace Suburban Bus; Cook County case number 2019 L 001921.

Director Smith moved, and Director Canning seconded a motion to approve the Ordinance.

The motion passed with the following roll call vote: Directors Arfa, Canning, Carr, Claar, Guerin, Marcucci, McLeod, Schielke, Smith, Soto, and Chairman Kwasneski.

All Directors voted Aye.

### **Adjournment**

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

Director Claar moved, and Director Canning seconded a motion to adjourn the Pace Board of Directors meeting. The motion passed with a unanimous vote. The meeting adjourned at 11:12 a.m.

The next regular meeting of the Pace Board of Directors will be held on Wednesday, October 20, 2021 at 9:30 a.m. at Pace Corporate Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois.



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Elissa Ledvort  
Secretary, Board of Directors