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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
March 16, 2022

The Board of Directors of Pace, the Suburban Bus Division of the Regional Transportation Authority, met in public session on Wednesday, March 16, 2022 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 9:32 a.m.

Roll Call

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

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

Directors absent: None.

SBD #22-15 – Resolution approving the open session meeting minutes of February 16, 2022.

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

Public Comment

Marcos Feldman of Jobs to Move America said that Pace should adopt the US Employment Plan for electric vehicle purchases. Bidders are evaluated on the location of factory jobs and the hiring of disadvantaged workers. Jobs to Move America could help Pace develop strategies to award contracts to manufacturers who contribute to the economic vitality of communities.

Bruce Mainzer of the Climate Reality Project said CNG buses are more concerning than diesel buses with regards to climate change and that Pace must purchase 56 electric buses per year to meet the 2040 all-electric fleet goal. He urged Pace to apply for grant funding from Illinois EPA to cover the cost of batteries, rendering the cost of an electric bus the same as CNG.

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

Melinda J. Metzger, *Executive Director*

Chairman's Report

Chairman Kwasneski reported on attending APTA's legislative conference in Washington D.C. last week where fleet electrification was discussed. At the APTA conference last November, it was clear electric bus manufacturers were overwhelmed with orders. Referring to today's agenda, the Chairman explained how Pace's purchase of electric buses through a procurement with another state agency would help Pace secure vehicles as quickly as possible. Pace can then deploy and test vehicles in tandem with a systemwide facilities plan and a fleet transition plan.

Chairman Kwasneski then reported on a transportation appropriations bill approved this week, allowing the FTA to administer grants. He reviewed available funding opportunities. Of FTA's \$6 billion allotment for 2022-2025, 30% is in formula funding for transit agencies and \$1.5 billion is for zero emission bus facilities grants. About 40% of discretionary funding will be obligated for transit infrastructure in underserved areas, creating an opportunity for Pace to improve facilities in the South suburbs. The FHA's carbon reduction fund contains money for bus fleet electrification. Doug Sullivan and Melinda Metzger are working with Members of Congress to obtain earmarks. Chairman Kwasneski said there's a lot of synergy among transit agencies to electrify their fleets; everybody is coming to the table at the same time.

Directors' Reports

Director Arfa commended Melinda's leadership at a meeting with disability community members, praising Melinda's clear communication, Pace knowledge, preparation, and thoughtful answers. She said through Melinda's leadership, we can build inclusive communities and relationships.

Director Canning reported on last week's Planning Committee meeting. There, Ryan Ruehle discussed metrics to evaluate *Driving Innovation* progress, Charlotte Obodzinski provided rapid transit updates, and Erik Llewellyn reported that Pace is seeing heavier ridership on Tuesdays, Wednesdays, and Thursdays. The systemwide facilities plan is moving faster than anticipated.

Director Carr reported on his meeting with Colette Thomas Gordon and Baker Tilly, Pace's external auditor, to answer questions for the annual audit review of 2021.

Director Schielke reported on a 16-month delay in the delivery of a fire engine for his town due to microchip production backlogs in China, wondering if Pace will experience similar delays for our electric bus orders. He said America should manufacture its own chips.

Director Smith appreciated Melinda consulting her on two benefits-related items on the consent agenda. Director Smith believes prices are fair and was pleased to see Pace has a great strategy for controlling cost and providing appropriate levels of service to employees.

Director Soto reported that she will present on transportation issues and the new Ride Lake County paratransit service to the BEST organization in Round Lake. She said demographically,

residents of central and western Lake County need public transit options to travel to good jobs and to the College of Lake County, the only option for higher education for many in the area.

Director Wells said the new Harvey Transit Center project with Metra will really enhance the area. Director Wells, Chairman Kwasneski, and Melinda discussed working with Senator Duckworth to secure the final \$25 million of the \$69 million needed.

Executive Director's Report

Melinda began her report by acknowledging the events unfolding in Ukraine and noting that transit has continued to operate there. She said she was proud of Pace for providing critical services our region relies on. We provide essential service to people, especially in times of need.

Melinda presented her 2022 goals to the Board, stressing opportunities for growth, with a need for greener vehicles and more flexible service options as 9-5 commute patterns shift.

- **Melinda's first initiative** is to lead the agency into the era of zero emissions. Pace has always been a leader in deploying green technologies, starting with hybrid electric vehicles in 2012, CNG vehicles in 2016, and electric vehicles in 2022.
- **Second**, Pace will implement new and innovative services by expanding microtransit and TNCs, and express services such as Pulse and Bus on Shoulder.
- **Third**, Pace will expand infrastructure. Thanks to historic investments from the state and federal governments, Pace can move forward on garages in Plainfield and Wheeling, a South Campus, and ADA transfer facilities in Harvey, Schaumburg, and Homewood.
- **Fourth**, Pace will create the Office of Diversity, Equity, and Inclusion with the goal of expanding DBE participation and ensuring that diversity, equity, inclusion, and accessibility play critical roles in every decision the agency makes.
- **Fifth**, Pace will prioritize hiring and retaining employees. Pace is working with local workforce development boards, municipalities, and others to attract candidates. Pace collaborated with Olive-Harvey College to pay the tuition for individuals taking a CDL permit course, and will expand the program to other colleges. Pace's work with communities in need of economic development helps Pace get fully staffed, and it also also brings good-paying jobs to areas that need them most.

Melinda reported the January 2022 unaudited budget results. Suburban service is about \$4 million favorable to budget. However, beyond January, Pace has experienced an unanticipated increase in fuel prices, with diesel coming in at \$3.07/gallon versus the \$2.31 budgeted and unleaded gas coming in at \$2.70/gallon versus the \$2.41 budgeted. ADA service is \$1.7 million favorable to budget. February 2022 systemwide ridership is up 24.9% over February 2021.

Items removed from the Consent Agenda

None.

Director Hastings left the meeting at 10:22 am.

Approval of Consent Agenda

SBD #22-16 – Ordinance authorizing the filing and execution of 2022 grant applications and agreements with Pace’s funding agencies. This action authorizes the filing and execution of grant applications.

SBD #22-17 – Ordinance authorizing a change order to Contract No. 229579 with W.W. Grainger, Inc. for facilities maintenance, repair, and operating supplies. This action increases the contract total from \$470,000.00 to \$625,000.00, an increase of \$155,000.00.

SBD #22-18 – Ordinance authorizing a change order to Contract No. 219823 with DemandTrans Solutions for the Demand Response Transport Call-n-Ride Pilot Project. This action increases the contract total from \$233,300.00 to \$290,900.00, an increase of \$57,600.00.

SBD #22-19 – Ordinance authorizing a change order to Contract No. 226131 with Benefit Express Services, LLC for third-party administration services for employee benefit programs. This action increases the contract total from \$774,774.55 to \$844,774.55, an increase of \$70,000.00.

SBD #22-20 – Ordinance authorizing a change order to Contract No. 225969 with Great West Life & Annuity Insurance Company for RTA 401(k) Plan and Trust recordkeeping services. This action increases the contract total from \$266,100.00 to \$328,100.00, an increase of \$62,000.00.

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

Action Items

SBD #22-21 – Ordinance authorizing Amendment No. 1 to the License Agreement with Metra for improvements to the bus boarding area and construction of a new Pace driver’s welfare facility at the Homewood Metra Station.

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

SBD #22-22 – Ordinance authorizing a change order to Contract No. 231981 with Mythics, Inc. for managed database services. This action extends the contract for eight months and increases the contract total from \$733,450.00 to \$1,222,416.64, an increase of \$488,966.64.

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

SBD #22-23 – Ordinance approving Pace’s participation in APTA’s two-year Racial Equity Commitment Program.

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

SBD #22-24 – Ordinance authorizing Pace to tag on to the State of Georgia’s existing contract with Proterra, Inc. and authorizing the award of a contract to Proterra, Inc. in the amount of \$26,475,413.00 for the purchase of battery electric buses, charging stations, and ancillary equipment.

Director Schielke moved, and Director Carr 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, Wells, and Chairman Kwasneski. All Directors voted Aye.

Issues/Discussion/Reports

Director Claar requested that future ridership reports include comparisons to 2019 pre-pandemic ridership and 2020 or 2021 pandemic ridership to better see how Pace is recovering. Melinda said ADA ridership is close to pre-pandemic numbers, which is difficult because there are less drivers in the system. Fixed route ridership is about 50% and systemwide ridership is about 65% of pre-Covid ridership. Melinda said Pace will compile a report that is clear and concise.

Director Marcucci commended staff for innovative service concepts despite staffing issues. Melinda said the slow return of workers necessitates more innovative transit options, like the TNC pilot in DuPage, which Pace has found cost less than traditional service. Pace will always provide the ADA paratransit service required by law but will continue to expand alternative options. Pace is currently evaluating bids for TNC programs in North and South Cook. Chairman Kwasneski said Pace may also use TNCs to transport riders to Metra stations or park-n-rides in lieu of fixed routes. Director Marcucci praised the idea, saying pre-Covid feeder routes were popular with mayors but the worst performing relative to recovery ratios. He said we should prioritize cost efficient services so dollars could be redeployed elsewhere in the system.

Mark Youngquist, Manager of Design and Construction, presented on the proposed amendment to a License Agreement with Metra and reviewed the renovations to the Homewood Metra Station bus boarding facility that the amendment authorizes. Chairman Kwasneski commended the project for improving accessibility at the station.

Scott Kinsella, Chief Information Officer, presented on a change order to extend a contract with Mythics, Inc. for managed database services. A year ago, Pace moved its database monitoring and support functions to a managed service provider. Pace is renewing the service until the end of the year, after which management will evaluate cooperative contract alternatives. Director Canning asked Scott to outline and evaluate Mythics’ previous work. Scott reported that Mythics was first hired about five years ago to rebuild Pace’s Oracle infrastructure, did an excellent job, and have a wide range of expertise.

Lorri Newson, Chief Financial Officer, presented on Pace's participation in APTA's two-year Racial Equity Program, which will formalize Pace's commitment to diversity, equity, and inclusion ("DEI"). She provided definitions to these guiding principles:

- **Diversity**: Characteristics and experiences, both seen and unseen, that make one unique.
- **Equity**: Ensuring fair access to opportunities and resources, while considering an individual's barriers or privileges, and eliminating systemic barriers and privileges.
- **Inclusion**: Actions taken to understand, embrace, and leverage the unique identities and perspectives of all individuals so that all feel welcomed, valued, and supported.

Lorri illustrated Pace's demonstrated record in promoting DEI. Several major positions including the Executive Director, General Counsel, Chief Procurement Officer, and Chief Financial Officer are held by women, and 70% of all Pace staff are people of color. Pace's participation in the pilot program will help weave DEI into the fabric of Pace's mission, vision, goals, and strategies.

Chairman Kwasneski commended Lorri on her report and said adopting APTA's program is the right thing to do. The objective is for agencies to report DEI data to APTA, and to use APTA to share information and resources. Director Smith said she was thrilled Pace was making this commitment. She is interested in learning more about the intersection of DEI, accessibility, and race, and seeing Pace employ more people with disabilities. Melinda thanked Director Arfa for advising Pace that DEI should include accessibility, which is an important part of Pace's work.

Melinda Metzger presented on a contract award to Proterra, Inc., via an existing contract with the State of Georgia, for Pace's first order of battery electric buses, charging stations, and equipment. The vehicles charge in only 4-6 hours and will have the largest available onboard energy system to provide maximum running time. Auxiliary heating and advanced telematics allow the garage to monitor energy and rate of consumption so buses can be charged or switched appropriately. Vehicles are anticipated in the first half of 2023. The fast production turnaround, along with the information collected through Pace's fleet plan, will allow Pace to quickly convert operating divisions and route structures to support a zero emission fleet. Melinda thanked the procurement, legal, and maintenance staff for their work to secure and expedite this opportunity.

Chairman Kwasneski said one of our objectives was to get electric buses in our system by the time the fleet plan study completes in June 2022, to test throughout the region and to prepare for the next phase of electrification. After this procurement, Pace and CTA will have a comparable amount of electric buses. Chairman Kwasneski thanked Melinda for demonstrating that Pace is making an investment in electrification, which will help with future funding opportunities.

Adjournment

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

The meeting adjourned at 10:44 a.m.

Reconvene

Chairman Kwasneski reconvened the open session at 10:58 a.m.

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

Directors virtually or telephonically present: Arfa.

Directors absent: Hastings and Soto.

SBD #22-25 – Resolution approving the closed session meeting minutes of February 16, 2022.

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

Director Soto rejoined the meeting at 10:59 a.m.

SBD #22-26 – Ordinance appointing Melinda Metzger as Executive Director of the Suburban Bus Division of the Regional Transportation Authority (Pace), effective April 1, 2022 at a salary of \$295,000 for 2022-2023.

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

Adjournment

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

Director Schielke moved, and Director Canning seconded a motion to adjourn the meeting. The motion passed with a unanimous vote. The meeting adjourned at 11:02 a.m.

The next regular meeting of the Pace Board of Directors will be held on Wednesday, April 20, 2022 at 9:30 a.m. at Pace Corporate Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois.



Elissa Ledvort
Secretary, Board of Directors