



**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 18, 2024**

The Board of Directors of Pace, the Suburban Bus Division of the Regional Transportation Authority, met in open session on Wednesday, September 18, 2024 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: Arfa, Canning, Carr, Guerin, Marcucci, McLeod, Schielke, Smith, Soto, Wells, and Chairman Kwasneski.

Director Soto moved, and Director McLeod seconded a motion to allow Director Hastings and Noak to attend via phone. The motion passed with a unanimous vote. Director Hastings and Noak joined the meeting via phone immediately following the vote.

Directors absent: None.

**SBD #24-63 – Resolution** approving the open session meeting minutes of August 21, 2024.

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

### **Public Comment**

None.

### **Chairman's Report**

Richard A. Kwasneski, *Chairman*

Rachel Arfa Christopher S. Canning Terrance M. Carr David B. Guerin Kyle R. Hastings Thomas D. Marcucci  
William D. McLeod John D. Noak Jeffery D. Schielke Erin Smith Linda Soto Terry R. Wells

*Board of Directors*

Melinda J. Metzger, *Executive Director*

Chairman Kwasneski thanked Pace staff for working well with board members on Pace's 2025 budget. He reported that the 2025 budget allows Pace to advance projects like the North Division electrification, the ADA transfer facility in Schaumburg, and the South Campus Acceptance Facility, and allocates dollars for additional service to support counties and municipalities.

Chairman Kwasneski reported on making good progress continuing discussions on governance. Doug Sullivan, Manager of External Relations, is meeting with 1-2 legislators daily before the spring session. Everybody says good things about Pace, but we still need to figure out solutions to funding transit and where the dollars are going to come from. A house committee has been formed and will likely hold small group meetings. Pace staff is reaching out to those members. Speaker Welch believes that the legislature will not address transit issues until the spring session.

### **Directors' Reports**

Director Arfa shared that she is speaking at the City Club of Chicago on September 26 and invited Directors to attend. She voiced appreciation to Pace staff for their hard work sharing complex information during the budget process.

Director Guerin reported that he joined Director Canning, Director McLeod, Pace staff, and Cook County officials at a transportation town hall hosted by Cook County Commissioner Trevor. He said Melinda did a great job highlighting Pace services and responding to complaints.

Director McLeod also reported on Commissioner Trevor's transportation town hall. He observed that Pace received complaints about routing. He commented on Pace's unique and difficult challenge to resolve everybody's individual transportation problems. He complimented Melinda's presentation on the panel.

Director Smith reported on attending an Illinois Senate Transportation Committee hearing in Elgin. She praised Pace's presentation and said that the four hours flew by because the content was valuable. She encouraged Directors who have not attended a hearing to attend a future one.

Director Soto reported that the Illinois Senate Transportation Committee hearing for Lake County and North Cook County is tomorrow at a permit facility in Libertyville. She encouraged Directors to attend because the hearing is expected to have an array of different opinions.

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

Melinda Metzger recognized Hispanic heritage month, Chicago's Hispanic neighborhoods, and Pace's Hispanic employees. She said Pace is fortunate to have a diverse workforce and region.

Melinda thanked the board for their participation in the development of Pace's 2025 budget.

Melinda reported that Pace's Community Relations Department attended a sustainability expo in Morton Grove. Many riders reported they were happy with the frequency of Pulse Dempster service.

Melinda reported on collaborating with the CTA and Metra to offer free rides to students on August 26, the first day of school for CPS and many regional schools. This initiative encourages students to experience public transit as a sustainable and reliable transportation option.

Melinda reported that the next Illinois Senate Transportation Committee hearing will take place tomorrow for Lake County and North Cook. She thanked Director Smith for attending the last hearing, and Director Schielke for speaking at that hearing on behalf of Kane County on the importance of Pace services and suburban representation.

Melinda reported on participating on Commissioner Trevor's transportation panel, where she shared information about the ReVision initiative, funding needs, and services. Residents indicated that more services are needed in the suburbs, which echoes what Pace has advocated all along. We need more funding for more service and will continue to work towards that goal.

Melinda reported on attending the RTA's September board meeting to present on the State of Pace. She focused on how nimble and innovative Pace has been coming out of the pandemic, and the need for more funding in the future. The CTA and Metra presented on the state of their agencies also.

Melinda reported on initiatives of Pace's Inclusion Committee. North Division staff participated in the Zion-Benton Labor Day parade. Headquarters staff volunteered to pack 750 lunches during their lunch break through the NFP Connections for the Homeless; Melinda thanked lunch volunteers and Karen Aguilar, Senior Operations Analyst, for organizing that event.

Melinda reported that Pace worked with the Village of Rosemont to film a promotional video about comprehensive transit options offered in Rosemont.

Melinda reported on recruitment. Since the last board meeting, Pace extended 92 offers to candidates. Pace Southwest Division is hosting a Hire-on-the-Spot event on October 9<sup>th</sup>.

Melinda reported on the year-to-date budget through July; performance is favorable for suburban service and slightly overbudget for ADA. In August, the Pace carried 2 million riders, the third highest month this year. Average weekday ridership is up 10.3% over last year. Ridership for some garage divisions that carry riders into Chicago was down this month, which Pace attributes to the DNC and people working from home. Overall ridership still trended upward.

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

None.

### **Approval of Consent Agenda**

**SBD #24-64 – Ordinance** authorizing Change Order No. 12 to Contract No. 217069 with Bloom Companies, LLC for additional professional architectural and engineering services for the South

Campus Master Planning, Acceptance Facility, and Office Building project. This change order extends the contract for 15 months, and increases the contract total from \$3,293,871.10 to \$3,422,654.39, an increase of \$128,783.29.

**SBD #24-65 – Ordinance** authorizing Change Order No. 5 to Contract No. 229336 with TranSystems Corporation for additional architectural and engineering services for Pace’s Pulse Dempster Line on-road stations. This change order increases the contract total from \$1,995,808.09 to \$2,284,032.97, an increase of \$288,224.88.

Director Schielke moved, and Director Smith seconded a motion to approve the Consent Agenda. The motion passed with a unanimous vote. All directors voted aye.

### Action Items

**SBD #24-66 – Ordinance** authorizing Board Member travel and business expenses for August 2024 pursuant to Public Act 099-0604 Local Government Travel Expense Control Act – Richard Kwasneski.

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

**SBD #24-67 – Ordinance** authorizing the award of a contract to Mansfield Oil Company of Gainesville, Inc. for a tax-exempt fuel card program in an amount not to exceed \$30,836,433.60.

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, Guerin, Hastings, Marcucci, McLeod, Noak, Schielke, Smith, Soto, Wells, and Chairman Kwasneski. All directors voted aye.

**SBD #24-68 – Ordinance** authorizing a change order to Contract No. 231656 with STV Construction, Inc. for professional project management oversight services for Pace priority capital projects. This change order increases the Maximum Fee Basis amount from \$15,000,000.00 to \$25,000,000.00, an increase of \$10,000,000.00.

Charlotte Obodzinski, Department Manager of Priority Project Management Office, presented.

- Chairman Kwasneski explained that the PMO office was created to expedite and report on capital project progress after receiving historic funding from the Springfield capital bill. Moving this program forward proves that Pace is following through on the projects we said we were going to do. He praised Charlotte’s work in the PMO office.
- Director Canning acknowledged that \$10 million seems daunting, but Pace has more capital money and projects than ever before, which led to the creation of the PMO. He believes the change order is money well spent as we continue to modernize our system.
- Director Wells and Melinda discussed the new Harvey Multimodal Transportation

Center, a huge project which will begin next year in collaboration with Metra.

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

**SBD #24-69 – Ordinance** amending the 2024 Operating and Capital Program Budget (Amendment #3).

Kris Skogsbakken, Dept. Mgr. of Capital Grants, presented. Director Marcucci raised concerns that the amendment to incorporate a “low-no” emissions grant for 33 EV hybrid buses is not enough to cover the cost. He asked where Pace will secure buses because there have been issues with suppliers. Melinda explained that Pace will tack on to another transit agency’s order.

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

### **Issues/Discussion/Reports**

Melinda Metzger highlighted Pace’s accomplishments in 2024. Pace continued implementing:

- Innovative service pilots, bringing ridership back up to 75% of pre-Covid levels.
- Capital projects to improve efficiency, like the driver training facility at South Campus
- Technology advancements, like the TripCheck for paratransit riders and the Transit App.
- Pace is working with IDOT to implement TSP more broadly using IDOT boxes.
- Partnerships with community colleges on subsidized CDL training and with Congress to secure grants for TSP and electric vehicles.
- Advocacy for more funding to meet the needs of our riders.

Melinda reported that Pace’s proposed 2025 budget will make a strategic investment in putting more service on the street.

Melanie Castle, Department Manager of Budget Planning & Analysis, presented Pace’s proposed 2025 budget and 2025-2029 preliminary capital budget proposal:

- Total revenue is expected to decrease. Increases in farebox revenue caused by a 6.1% increase in ridership are offset by decreases in other revenue: 1) Pace is proposing increasing the reimbursement that Pace provides to municipalities for dial-a-ride services from \$3 to \$7/ride, thus reducing Pace’s local share revenue and 2) Interest revenue is expected to decrease as interest rates drop between 5.2%-4.5%.
- Operating expenses are expected to increase 13.2% - but that is good news because the bulk of that is wrapped up in service increases. Pace plans to add an annualized total of 225,000 hours of service, focusing on improving frequency and adding trips. This is a 4.3% increase over 2019 pre-pandemic fixed route vehicle hours.

- Pace will provide \$200,000 to each collar county to support countywide demand response service, which can be used to expand service, improve service, or apply towards their participation in the RAP subsidy for TNC partnerships with Uber and UZURV.
- Decreasing revenue and increasing expenses will result in an approximately \$41 million shortfall which will be filled with positive budget variance from the federal coronavirus relief funding. Pace expects coronavirus relief funding to be exhausted in late 2026.
- In 2026, Pace is planning significant service increases as a result of the recommendation expected from the ReVision process. The service increases follow the RTA's "Transit is the Answer" and CMAP's "PART" calls for transformative investment in public transit.
- ADA budget – Pace will end 2024 with \$12.4 million unfavorable to budget, partly due to increased ridership, which is beneficial for revenue but results in higher expenses. Any shortfall will be taken from the ADA paratransit reserve fund. The most recent Governor's budget increased state funding for ADA from \$9.1 million to \$10 million.
- Capital budget – One of the highlights is Pace will use RTA ICE funding to test 3 hydrogen paratransit buses at River Division in Elgin.

Director Marcucci discussed the shocking capital costs of electrifying garages; he asked about the costs of piloting hydrogen fuel cell and how likely that technology will pan out. Melinda said that Pace's South Division is equipped for CNG, so it is well suited to transition to hydrogen. In five years, South Division vehicles will reach the end of their useful life and Pace must determine what technology to pursue. Hydrogen-fueled buses can run for long periods, similar to diesel buses. Pace wants to test smaller paratransit buses before fixed route buses; hydrogen can be trucked in for small vehicles, but larger vehicles require hydrogen pumped in on a line, like CNG. Nobody knows the future, and technology is evolving quickly. Pace must remain agile, experiment with new technologies, and report back to the board to make final determinations.

Chairman Kwasneski commented on hydrogen fuel cell technology. Currently there are disagreements between the Department of Energy and the IRS on tax incentives to build hydrogen fuel plants, which require a huge demand from multiple customers to make it worthwhile. Hydrogen piping is difficult and can cost \$2-3 billion to construct. A small agency in California is currently piloting an all-hydrogen fleet, as it is located near a hydrogen supply. Chairman Kwasneski believes it is worth it to try hydrogen technology, and applauded Pace for moving forward on zero emissions gradually. He believes that for the next 15 years, Pace's fleet will utilize a variety of bus technologies like electric, CNG, and hydrogen as we experiment. None of these technologies are going away soon. Director Marcucci appreciated Pace's forward-thinking and reminded everyone that Pace is not committed to an all-electric fleet, Pace is committed to a zero-emissions fleet and is figuring out how to reach that goal.

## Adjournment

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

The meeting was adjourned at 10:38 a.m.

### **Reconvene**

Acting Chairman Marcucci reconvened the open session of the Pace Board of Directors meeting at 11:19 a.m.

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

Directors telephonically present: Hastings and Noak.

Directors absent: Chairman Kwasneski.

Director Marcucci served as the Acting Chairman in Chairman Kwasneski's absence.

**SBD #24-70 – Resolution** approving the closed session meeting minutes of June 26, 2024.

Director Schielke moved, and Director McLeod seconded a motion to approve the Resolution. The motion passed with a unanimous vote. All directors voted aye.

**SBD #24-71 – Ordinance** approving action on Charmayne Prince vs. Pace, the Suburban Bus Division of the Regional Transportation Authority; Cook County Case No.: 2023 L 02817.

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, Guerin, Hastings, McLeod, Noak, Schielke, Smith, Soto, Wells, and Acting Chairman Marcucci. All directors voted aye.

### **Adjournment**

There being no further business, Acting Chairman Marcucci asked for a motion and second to adjourn the meeting. Director Soto moved, and Director Wells seconded a motion. The motion passed with a unanimous vote; all Directors voted aye. The meeting adjourned at 11:21 a.m.

The next regular meeting of the Pace Board of Directors will be held on Wednesday, October 16, 2024 at 9:30 a.m. at Pace Corporate Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois.

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Elissa Ledvort  
Board Secretary, Board of Directors