



Thomas J. Ross
Executive Director

January 17, 2014

Ms. Ann Schneider
Secretary, Illinois Department of Transportation
Co-Chair, Northeastern Illinois Public Transit Task Force
2300 South Dirksen Parkway
Springfield, IL 62764

Mr. George Ranney
President & CEO, Metropolis Strategies
Co-Chair, Northeastern Illinois Public Transit Task Force
30 West Monroe Street
Chicago, Illinois 60603

RE: Pace, The Suburban Bus Division of the Regional Transit Authority, Answers to Supplemental
NEIL Inquiry

Dear Secretary Schneider & Mr. Ranney:

I received your correspondence dated December 24, 2013 inquiring about the use of Severance Agreements at Pace. Pace does not engage in the use of Severance Agreements, per se. On occasion, Pace may enter into a Separation Agreement with an employee.

Pace does not have a published "Separation Agreement" policy as it was determined that we would maintain flexibility as to both the circumstances for providing an "Agreement" and the provisions that would be contained in the "Agreement." The "Agreement" has specially been utilized in instances where we have determined to terminate the employment of an employee for cause; i.e., violations of the Employee Rules for Personal Conduct or Employee Handbook. It is not offered in every instance, and when used, is to ensure that Pace will be protected against any claims of adverse action while easing the transition for the employee into unemployment.

The "Agreement" is consistent in its patterned language, and specifically provides a defense against Pace being subject to any legal or regulatory claims arising from the termination of employment. The considerations that may be provided to the terminating employee include: (1) Pace records reflecting a voluntary resignation; (2) severance pay; (3) not contesting a claim made unemployment compensation;

(4) limited time coverage medical/dental coverage at employee rates; and (5) letter of recommendation. The first three are common provisions; the latter two are rarely included.

Separation pay varies from a minimum of two weeks and usually increases with length of service. There is no exact formula for determining this payout as it has varied from the minimum to matching one week's severance pay for each year of service.

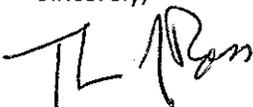
Factors which are taken into account in determining to offer a "Separation Agreement" include: (1) protecting Pace against claims and the expense of litigation; (2) employee length of service; (3) prior work history of employee; (4) nature of the violation, and (5) decision by the employee's department whether to provide the offer.

Department management, specifically the Deputy Executive Director, is the decision holder as to whether an "Agreement" will be offered and what considerations for the employee are to be provided. This occurs in consultation with Human Resources, General Counsel and reviewed by the Executive Director.

Attached please find a letter addressed to Joseph Costello, Executive Director at the RTA, pursuant to their recent request for similar documents. As noted in that correspondence, any agreement Pace enters into is binding between the parties involved and contains language outlining the terms of the agreement being confidential and establishes that neither copies of the agreements nor the terms of the agreements should be disclosed to nonparties. Therefore, Pace will not tender copies of the agreements.

Should the task force require additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'TJ Ross', written over a horizontal line.

T.J. Ross

Pace, Executive Director

August 9, 2013

Joseph G. Costello
Executive Director
Regional Transportation Authority
175 West Jackson Blvd.
Suite 1650
Chicago, Illinois 60604

Dear Mr. Costello:

Pace is in receipt of your letter of August 1, 2013 requesting certain documents. The legality of your request aside please be advised of the following.

Pace has no written policies or procedures for requesting, justifying or approving separation or severance payments. The process followed involves a conference of the Department Manager of Human Resources and the appropriate Deputy Executive Director on the terms of such payment followed by advising the Executive Director and obtaining his consent.

Pace had eight separations involving non-bargained for employees, from January 1, 2011 through July 1, 2013.

Employee A was involuntarily separated. There was a separation agreement and release to secure a release of any potential claims or cause of action the employee may have had arising out of their employment, or the separation. No demand was made by the employer for monies above accrued vacation/leave amount. No formal or informal complaints were filed by the employee before or after termination.

Employee B was involuntarily separated. There was a separation agreement and release to secure a release of any potential claims or cause of action the employee may have had arising out of their employment, or the separation. No demand was made by the employer for monies above accrued vacation/leave amount. No formal or informal complaints were filed by the employee before or after termination.

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Employee C was involuntarily separated. There was a separation agreement and release to secure a release of any potential claims or cause of action the employee may have had arising out of their employment, or the separation. No demand was made by the employer for monies above accrued vacation/leave amount. No formal or informal complaints were filed by the employee before or after termination.

Employee D was involuntarily separated. There was a separation agreement and release to secure a release of any potential claims or cause of action the employee may have had arising out of their employment, or the separation. No demand was made by the employer for monies above accrued vacation/leave amount. No formal or informal complaints were filed by the employee before or after termination.

Employee E was involuntarily separated. There was a separation agreement and release to secure a release of any potential claims or cause of action the employee may have had arising out of their employment, or the separation. No demand was made by the employer for monies above accrued vacation/leave amount. No formal or informal complaints were filed by the employee before or after termination.

Employee F was involuntarily separated. There was a separation agreement and release to secure a release of any potential claims or cause of action the employee may have had arising out of their employment, or the separation. No demand was made by the employer for monies above accrued vacation/leave amount. No formal or informal complaints were filed by the employee before or after termination.

Employee G was involuntarily separated. There was a separation agreement and release to secure a release of any potential claims or cause of action the employee may have had arising out of their employment, or the separation. No demand was made by the employer for monies above accrued vacation/leave amount. No formal or informal complaints were filed by the employee before or after termination.

Employee H was involuntarily separated. There was a separation agreement and release to secure a release of any potential claims or cause of action the employee may have had arising out of their employment, or the separation. No demand was made by the employer for monies above accrued vacation/leave amount. No formal or informal complaints were filed by the employee before or after termination.

It is not possible to provide copies of separation/severance agreements entered into between January 1, 2011 through July 1, 2013 as each agreement binds the parties to keep the terms of the agreement confidential and not provide copies of the agreement to, or disclose any terms and conditions to nonparties. Please see the attached spreadsheet.

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None of the agreements required a Board ordinance. Approval was given pursuant to 70 ILCS 3615/3A.05.

Only one individual at Pace has an employment contract, the Executive Director, with a current salary of approximately \$202,000.00. That contract has no termination date.

Sincerely,

Thomas L. Ciecko
General Counsel