



1           CO-CHAIRPERSON SCHNEIDER: The hour of  
2 1:00 o'clock having arrived, I'd like to call this  
3 meeting of the Northeastern Illinois Public Transit  
4 Task Force to order. I want to again recognize the  
5 efforts of every member of this task force. I know  
6 that everyone on this task force is very busy in their  
7 day jobs, and they're doing this voluntarily. And the  
8 efforts to date have been tremendous. I think it's a  
9 very learned group, and they have taken the task at  
10 hand very seriously. And I'm proud to be associated  
11 with the people on this task force because I think  
12 that they took to heart what the governor was trying  
13 to get at in coming up with meaningful recommendations  
14 for reform for Northeastern Illinois public transit.

15                       And with that, I do also want to say that  
16 we are nearing the home stretch for our process and  
17 again thank all of the task force members for your  
18 time and all of your efforts that you've put into  
19 this.

20                       I also want to thank the members of the  
21 public and others in the audience for your interest in  
22 our work. And I'm happy to see a lot of the same  
23 faces at all of our task force meetings because it  
24 does show a level of interest in what we're trying to



1 CO-CHAIRPERSON SCHNEIDER: Dr. Ashish Sen.

2 DR. SEN: Here.

3 CO-CHAIRPERSON SCHNEIDER: Don Tantillo is -- by  
4 the way, informed us that he could not make today's  
5 meeting, so we knew that in advance.

6 Kathy Tholin.

7 MS. THOLIN: Here.

8 CO-CHAIRPERSON SCHNEIDER: Sonia Walwyn.

9 MS. WALWYN: Here.

10 CO-CHAIRPERSON SCHNEIDER: Ann and George are  
11 here. Very good.

12 We will start with some housekeeping today.  
13 I want to remind the task force members that we have a  
14 court reporter here, so it's going to be really  
15 important for you to speak up and also for you to  
16 state your name as you begin any conversation that you  
17 have or any comments that you would like to make. So  
18 I appreciate your help with that so that we can have  
19 an accurate record of what happened here today.

20 Also, for the members of the public that  
21 are with us here today, know that we welcome any and  
22 all public comments. There are a number of ways for  
23 you to share your thoughts with us. You can speak  
24 today during the public comment forum, or you can

1 provide written comments. There are comment cards  
2 available. They're at the table here. Or as you came  
3 in the door, you could provide written comments; or  
4 you can log onto the web site. We have palm cards  
5 here with the web site where you can access the  
6 comment portion of the web site. So we encourage you  
7 to do so. Your comments are extremely important to  
8 our deliberations, and I thank you in advance for  
9 helping us with that.

10                   With that, we have received a summary of  
11 our January 27th meeting, and I ask members of the  
12 task force if there are any comments or corrections?

13                                   (No response.)

14           CO-CHAIRPERSON SCHNEIDER: Seeing none, I would  
15 entertain a motion to adopt the minutes.

16           MR. GUY: So moved.

17           DR. JENKINS: Second.

18           CO-CHAIRPERSON SCHNEIDER: All in favor?

19                                   (Ayes heard.)

20           CO-CHAIRPERSON SCHNEIDER: So having received the  
21 majority, the minutes are adopted.

22                   Moving on to the next item on the agenda, I  
23 think this is where we're really going to get into the  
24 meat of a lot of the work that we've been doing.

1 During our last meeting, we received some very  
2 thoughtful and informative insights from Kathy Tholin  
3 and the Performance Working Group -- System  
4 Performance Working Group as we discussed that group's  
5 preliminary recommendations. We're going to continue  
6 with that approach today. So we will be having first  
7 a presentation from Patrick Fitzgerald, who is  
8 chairing the Ethics Working Group, about their  
9 findings and potential recommendations and then from  
10 Carole Brown -- Am I going backwards?

11 MS. BROWN: The attendance says "Finance," and  
12 then --

13 CO-CHAIRPERSON SCHNEIDER: Sorry. No. We're  
14 going to start with Carole Brown. We will start with  
15 Carole Brown, chair of the Finance Working Group. And  
16 she will also present for us those findings and  
17 initial recommendations. And then we will move on to  
18 the Ethics Group with their recommendations.

19 The goal for the task force of today's  
20 discussion is to help us to craft the final report to  
21 be delivered at the end of March. And as we mentioned  
22 at the last meeting, we expect the recommendations in  
23 that report to be fairly high level, emphasizing  
24 policies, structures, and practices. And, of course,

1 I believed the Ethics recommendations will be more  
2 detailed due to the subject matter, the nature of that  
3 subject area.

4 At this point, I'd like to go ahead and ask  
5 George Ranney, our assistant co-chair or co-chair  
6 here, to give us his thoughts.

7 MR. RANNEY: We're expecting another good day  
8 with a lot of information which will provide the basis  
9 for the hard work and writing that's going to occur in  
10 this coming month. We've benefited, I think, from the  
11 clarity of purpose that we've had so far, and it's  
12 appropriate that we're going to end up with a pretty  
13 focused discussion of ethics from that point of view.  
14 So I think I'll let Carole start, with those remarks.

15 CO-CHAIRPERSON SCHNEIDER: Carole.

16 MS. BROWN: Well, thank you. And I want to just  
17 say thank you to the members of the working -- Finance  
18 Working Group and also all of the assistance that we  
19 got from a variety of people and the information that  
20 we got from all of the service boards, RTA, and  
21 transit agencies all across the U.S. They really  
22 helped to inform kind of what we're going to talk  
23 about today. And also would like to especially  
24 acknowledge the support that we received from Delcan

1 and their work and also from Metropolis Strategies.

2           So the subject -- We're going to start with  
3 kind of the framework of what the Working Group -- how  
4 the Working Group approached the project, and that was  
5 around the guiding principles of the task force. And  
6 because the finances of the system are so interrelated  
7 to what -- the work that was -- is being done by the  
8 systems performance by ethics, by governance, really  
9 all of the guiding principles really helped to inform  
10 the deliberations of the Working Group. But we wanted  
11 to highlight four that we thought were particularly  
12 relevant to the work of Finance, and that is to  
13 promote economic vitality by matching development with  
14 transit service, connecting communities, employment  
15 centers, and other designations throughout the region;  
16 plan ambitiously and adapt to change, continually  
17 refining transit services and investments to increase  
18 ridership, relieve congestion, and provide an  
19 abundance of transportation choices; embrace  
20 innovative technology and systems in finance,  
21 communications, vehicles, infrastructure, and customer  
22 service; and be adequately, predictably, equitably,  
23 and sustainably funded to provide high levels of  
24 performance and maintain a state of good repair.

1                   And with those, I would like to kind of  
2 just summarize -- with those as a framework, I'd like  
3 to kind of summarize the findings of the Working  
4 Group. And the first is that -- which really is  
5 consistent with what we heard from System Performance  
6 last month, is that the region lacks a strategic  
7 financial plan that does more than show funding gaps  
8 based on the status quo.

9                   I want to first acknowledge that we were  
10 presented with kind of robust planning from all of the  
11 service boards and RTA, particularly from CTA and from  
12 Pace. But what we identified was that even though  
13 they have robust capital planning and budgeting  
14 processes, that there's a limited coordination across  
15 the service boards more than just each reporting in.  
16 There's limited coordination for planning, for  
17 strategic financial planning; and so, therefore, you  
18 end up with a kind of fragmented result. The transit  
19 funding for operations, because it is allocated  
20 according to historical or statutory formulas, they  
21 bear little relation to kind of the planning needs of  
22 the region. And there are -- We could not identify  
23 any objective measures to optimize regional mobility.

24                   And please stop me if there are any

1 questions along the way as opposed to just waiting to  
2 the end.

3           The second finding was that -- which I  
4 think people might be surprised by, is that the system  
5 actually is working really well for the resources  
6 available to it; that it's currently sized for those  
7 available resources. Just as a refresher, most of you  
8 know that there are three kind of major funding  
9 sources for the system. They are farebox revenue,  
10 sales tax revenue, and then the state funding match  
11 through the PTF fund. And those operating funds are  
12 distributed based on a fixed formula that was set by  
13 statute in 1983 and then revised and augmented in  
14 2008.

15           In the report that we provided to you,  
16 there is a very complicated chart about the funding  
17 formula, which I'm sure you've all seen. But the  
18 statute also requires that 50 percent of the operating  
19 revenue of the system come from system-generated  
20 revenues. That's known as the farebox recovery ratio.  
21 It's not 50 percent just from farebox. The service  
22 boards are allowed to use revenues such as advertising  
23 revenue, lease revenue if they have it, parking,  
24 things like that. But it must be recovered by 50

1 percent. And based on that batch of services or that  
2 batch of revenue, the system provides services. So  
3 what tends to happen is that there's a disincentive to  
4 add service or expand the system because they have a  
5 limited amount of resources to operate the system.  
6 And so it's operating pretty well for the resources  
7 available to it.

8               So what do I mean by "It's operating really  
9 well for the resources available to it"? What we  
10 generally identify as the funding gap is what -- the  
11 cost of the system in excess of what is generated by  
12 system-generated revenue. And you will see that -- in  
13 the report that the difference between the operating  
14 costs and fare revenues has grown rapidly from 1991 to  
15 2012. And that just means the amount of money that's  
16 needed from the government subsidy to support the  
17 system is outpacing the growth in fare revenues and  
18 the growth in the operating expenses of the system.  
19 Even though revenues have improved in recent years due  
20 to fare increases and ridership growth, the funding  
21 gap is still pretty wide. And though it's stabilized  
22 and hasn't grown, it's a significant -- a significant  
23 contribution is required from the government subsidies  
24 to support the system. Therefore, there's not an

1 incentive of the service boards or the RTA system to  
2 expand or grow the service on the system because  
3 there's no way to pay for it unless there is  
4 additional revenues from government sources.

5           Our third finding, which is -- also should  
6 be no surprise, is that the assistant funding sources  
7 do not meet the current capital needs of the system.  
8 According to the RTA, the primary emphasis of their  
9 five-year capital program is to bring the system to a  
10 state of good repair. Because our system includes  
11 some of the oldest transit facilities in the country,  
12 there is a need for a significant investment into the  
13 capital assets of the system just to get to a state of  
14 good repair. And again, that's a recurring thing that  
15 you're going to hear. We're trying to maintain the  
16 status quo. And when we talk about investment in the  
17 system, we're not talking about -- or the focus hasn't  
18 been on expansion. It's just been kind of to maintain  
19 what we currently have because the resources needed to  
20 just do that fall short. In fact, RTA estimated that  
21 14 billion more is needed to address the state of good  
22 repair backlog and an additional 12.4 billion is  
23 required to meet the ten-year need from normal capital  
24 reinvestment.

1                   I think this should look familiar to you,  
2 but most of the funding sources for the Northeastern  
3 Illinois capital program is federal dollars in the  
4 form of FTA grants. There's a large amount that is  
5 contributed by the Illinois Department of  
6 Transportation -- thank you very much -- RTA, through  
7 bonds mostly. And CTA also has a bonding program  
8 where they leverage their federal grant money and also  
9 their sales tax receipts. Metra and Pace both have  
10 bonding authority but today have not used it.

11                   So the breakout from the capital program,  
12 you'll see, again, most of the money is coming from  
13 federal sources -- federal and state sources. The  
14 state, through their Illinois Now bond program,  
15 contributed, I think, 2.7 billion across the last  
16 three years. RTA and then CTA bonds you'll see as  
17 part of the funding.

18                   So the federal funding, it has been the  
19 largest source of capital for the system. And the  
20 region competes nationally for those funds. There's  
21 also a limited amount of money coming out of the  
22 federal sources because there is a shortfall in the  
23 Highway Trust Fund, and that is what is used to fund  
24 transportation projects nationally.

1 DR. JENKINS: Can I ask a question?

2 MS. BROWN: Uh-huh.

3 DR. JENKINS: You mentioned that regionally we  
4 compete against each other for those federal funds?

5 MS. BROWN: The service boards compete -- Well,  
6 yes and no. So there's a pot of money that is done  
7 based on ridership -- grant money that's applied based  
8 on ridership, and it's applied to the RTA and then  
9 allocated to the service boards based on ridership.  
10 And that's what people would normally call formula  
11 money. And then there are certain projects for --  
12 from New Starts or other grants that they compete for  
13 with one another for the projects. But they have to  
14 come through the regional planning assoc- -- so CMAP.  
15 So that competition happens first, and then we compete  
16 nationally with all of the other national  
17 transportation agencies. But our regional planning  
18 group puts forth those projects.

19 DR. JENKINS: Thank you.

20 CO-CHAIRPERSON SCHNEIDER: Would it be helpful to  
21 have the different federal funding categories and how  
22 those work just for background information?

23 MS. BROWN: We definitely have it, so we can  
24 provide it.

1 CO-CHAIRPERSON SCHNEIDER: Because there are  
2 different categories. And I know you're probably  
3 referencing, like, CMAP dollars that go through CMAP.  
4 Acronyms are fun. And then TIGER grants, really  
5 that's just independent competition there, and that's  
6 a federal program. So I think if we can provide that  
7 kind of background just so everybody has that same  
8 information ...

9 MR. RANNEY: Carole, can you amplify on that last  
10 point about the tollway?

11 MS. BROWN: Sure. I was going to get to that.

12 So for most of the competitive federally  
13 funded grants, the federal government requires a local  
14 and state match to make the grant application or the  
15 potential grant be more competitive. And what a lot  
16 of local communities do -- The minimum is 20 percent.  
17 But if a project has more of a state and local support  
18 -- so if they have 30 or 40 percent, it becomes a more  
19 competitive grant application on the federal level.  
20 But minimally, in order to access those monies, the  
21 agency must demonstrate at least a minimum 20 percent  
22 match from state and local sources. Historically,  
23 Illinois has used what they call toll credits from the  
24 Illinois Toll Highway to demonstrate the 20 percent

1 local match. So what they'll do is they'll apply --  
2 say just for illustrative purposes it's a  
3 hundred-million-dollar grant -- 20 million of toll  
4 credits, they'll say, were applied to that project so  
5 that it demonstrates that the agency had the  
6 \$20 million contribution from their local source.

7                   Unfortunately, it's just a tollway credit.  
8 It's not actual cash. And so the agency would then  
9 have a \$20 million shortfall in their funding sources  
10 because they don't actually receive the \$20 million in  
11 cash.

12                   CO-CHAIRPERSON SCHNEIDER: And, typically, what  
13 happens with toll development credits -- and Carole is  
14 absolutely right -- they're generated because of  
15 investments by the tollway into the federal highway  
16 system count towards federal match, either on the  
17 highway side or on the transit side. Because of that  
18 ability to do that on the transit side, they're able  
19 to essentially get projects funded a hundred percent  
20 federally. And she's correct that it's not cash.  
21 It's just showing that we have made a match somehow  
22 for those federal dollars. And, typically, it's --  
23 the request for those come from the local system. So  
24 we get those statewide. We get them from CTA, Metra,

1 and Pace in this area, and then we get a number of  
2 downstate agencies that ask for toll development  
3 credits to make their federal match. So that's how  
4 we've managed that -- administered that program on our  
5 side.

6 MR. RANNEY: Are you saying that it's a way of  
7 getting us further and further into a hole?

8 CO-CHAIRPERSON SCHNEIDER: No.

9 MS. BROWN: Well, one of the -- So it's a  
10 double-edged sword, one, because it may allow the  
11 region to compete in those times where the resources  
12 otherwise would not be there. And so it's not a total  
13 negative because it allows the region to compete for  
14 federal dollars because it could demonstrate the  
15 match. The downside of it was it wasn't actual  
16 dollars. And so those agencies still had to have that  
17 20 percent funding from someplace or they weren't  
18 going to be able to proceed with the project.

19 MR. RAYMUNDO: Carole, at some point the  
20 acceleration of the gap funding, which is now reaching  
21 \$18 billion, is increasing probably more significantly  
22 than before. I'm not sure if you're going to get to  
23 that kind of finding, but it would be interesting to  
24 understand, given the lack of resources, to where do

1 we -- what trajectory are we on. If the disrepair  
2 continues to be this wide and it gets wider, my sense  
3 is that these costs begin to escalate faster.

4 MS. BROWN: Great question. I think what you  
5 would find is part of that identified need, and there  
6 is a lot of debate on really what that is. Like, so  
7 if you talk to two parties on the same -- interested  
8 parties on the same subject, you might get two very  
9 different answers on what that need really is. But I  
10 think that the acceleration is built into this is how  
11 we're getting to the 14 billion or whatever the number  
12 is because as -- the longer we go without the  
13 investment we need, the greater the need. And so it  
14 is kind of a snowballing effect.

15 And so I think that's built into a lot of  
16 the numbers that you see already when they say what  
17 we (unintelligible) the system to a state of good  
18 repair is the acknowledgement that you're still using  
19 the system every day, and so there's still continuing  
20 deterioration of the asset.

21 The other thing that I wanted to point out  
22 that is part of our finding on -- about the capital is  
23 kind of the -- you'll see kind of the inconsistency of  
24 the funding available for the last ten years, and that

1 has been an issue for planning and also -- for the  
2 service boards and for the region. It's just that  
3 there hasn't really been kind of a consistent trend of  
4 contribution to funding for capital. You'll note the  
5 increase in funding from the State in 2009 and 2014.  
6 But before that, because the State is dealing with its  
7 own issues, that there were some -- there was limited  
8 kind of investment from the State in transit projects.

9 I think I've hit all these points about the  
10 inconsistency. In addition to kind of the overall  
11 resources available, the mechanism kind of for  
12 allocating the resources that are available is both  
13 flawed and complicated, and that's our fourth finding.  
14 Neither the operations funding nor the capital funding  
15 is really allocated with an overall goal of improved  
16 regional mobility. As we stated before, the operating  
17 funding was based on historical formulas or a  
18 statutory formula established in '83 and then revised  
19 and augmented in 2008. And then capital has been  
20 allocated on what I describe as kind of an arbitrary  
21 historical practice. Again, it really has been kind  
22 of a negotiated -- this percentage to CTA, this  
23 percentage to Metra, this percentage to Pace. It was  
24 negotiated a long time ago and held firm over the

1 years.

2 DR. JENKINS: Who negotiated that and who decides  
3 that?

4 MS. BROWN: It was --

5 CO-CHAIRPERSON SCHNEIDER: That's done through  
6 appropriations.

7 MS. BROWN: -- a consensus of kind of all of the  
8 parties, I'll say: RTA, CTA, Metra, and Pace.

9 CO-CHAIRPERSON SCHNEIDER: And then how it's  
10 actually enacted whenever there is a capital program,  
11 there is an allocation for CTA, an allocation for  
12 Metra, and an allocation for Pace within the  
13 appropriation. So that's -- That formula is spelled  
14 out via that mechanism.

15 MS. BROWN: But as -- And, like I said, but as  
16 far as we can tell, that's based on kind of a  
17 historical agreement, not based on any kind of a  
18 regular assessment or review of what's the plan and  
19 what's the need.

20 So this is the funding formula for  
21 operations. It is -- So sales tax is distributed  
22 first to -- There's the sales tax 1, which is from the  
23 1983 Act; sales tax 2 and PTF 2, both from the 2008  
24 Act; PTF 1 from the 1983 act; and the real estate

1 transfer tax, which was a new funding source  
2 identified for -- 100 percent for CTA out of -- in the  
3 2008 Act. And what I hope you take away from this  
4 chart is that it has very little to do with any kind  
5 of regional consensus of what the operating need is of  
6 the system.

7           And the other really major point from all  
8 this for -- that I wanted to talk about is, in all of  
9 this there is a pot of what -- and you heard the  
10 service boards talk about it -- what they call  
11 discretionary funding. And, really, it does not  
12 reflect really how it has functioned in operations  
13 since the 1983 Act, meaning it hasn't really been a  
14 discretionary funding pot. It is operating funding  
15 that is needed almost a hundred percent to fund the  
16 operation -- or has been used almost a hundred percent  
17 historically to fund the operations of CTA, of the  
18 small percentage going to fund Pace and Paratransit.  
19 But it has, over the years, been a huge kind of point  
20 of contention among the service boards on how it  
21 should be allocated and whether or not it truly is a  
22 discretionary pot of money for capital and operations.

23           And so one of the findings that we talk  
24 about when we talk about this is that part of the

1 issue is that the service -- this region, the system  
2 could benefit from a lack of variability in what their  
3 operating funding is going to be. And so part of the  
4 finding is that it's arbitrary and it's variable and  
5 it impacts the ability to plan when you aren't sure  
6 that -- the level of funding that you're going to get  
7 from operations.

8                   So that leads me to my -- or the  
9 recommendations of the Working Group. And the first  
10 recommendation that we really come with is that the  
11 region needs to have a multiyear integrated regional  
12 strategic financial plan that's tied to kind of short-  
13 and long-term goals of the region and would inform  
14 kind of the allocation of resources going forward.

15                   We also recommend that the region consider  
16 timed distribution of PTF monies to competitive and  
17 performance-based programs for transit providers. And  
18 we'll talk about that a little bit more as we get into  
19 the recommendations of what that means.

20                   Secondly -- this is a really important one  
21 for me -- is one of the things that is overarching all  
22 of our recommendations is that we need to have more  
23 funding for transit. And that's -- it's going to be a  
24 later recommendation; but it really is, the resources

1 aren't there. The resources aren't there on a capital  
2 basis and they're not there on an operating basis to  
3 kind of meet the objectives that we (unintelligible).  
4 But one of the things that we really think is  
5 important is that we need to have a greater public  
6 buy-in for the investment and what that investment is  
7 before we decide kind of what are the revenues, what  
8 increases in revenues and what should they be. And so  
9 our second recommendation, after "have a plan," is  
10 develop a public outreach program, ensure that we're  
11 meeting equity considerations that are necessary for a  
12 transit system, and create a greater public advocacy  
13 for increased investment in transit throughout the  
14 region.

15 MR. PALMER: Just a quick question. The equity  
16 considerations, what was your discussion around that?

17 MS. BROWN: So the equity considerations are --  
18 one of the things that I hope we show on our report,  
19 on our finances, that transit doesn't pay for itself.  
20 All right? And so -- But access- -- Things that  
21 Kathy's group talked about -- accessibility,  
22 mobility -- are important for kind of quality of life  
23 and part of the quality of a region. And so before  
24 you decide where you're going to put that dollar

1 investment, you have to overlay the consideration --  
2 the kind of social and equity considerations around  
3 where you provide transit. And we think that that  
4 should be part of any kind of discussion about where  
5 the next investment should be. So it's about regional  
6 mobility, but it's also about accessibility and  
7 connectivity.

8           The second -- Our next recommendation was  
9 around -- really around the funding formula, and  
10 that's to identify a new framework for funding  
11 operations that supports the guiding principles in the  
12 most effective manner, generates adequate resources to  
13 meet the investment needs of the system, and make sure  
14 that that allocation is done on a consistent and  
15 sustainable basis. And kind of the subset of that is  
16 just we would recommend simplifying the formula,  
17 eliminating it entirely, and allocating it based on  
18 kind of yet to be identified performance metrics. But  
19 for the benefit of planning and service -- providing  
20 service over, let's say, this transition period, we  
21 would also recommend that the current bucket be  
22 distributed on -- and allocated in the historic  
23 funding split that it is, which includes the  
24 discretionary money, so that the service boards can

1 plan effectively for operations.

2 CO-CHAIRPERSON SCHNEIDER: So, Carole, the  
3 suggestion there is that -- to allow for proper  
4 planning to move towards that through a transitional  
5 period to allow the boards to plan appropriately?

6 MS. BROWN: Exactly. So not to -- So instead of  
7 creating greater uncertainty, to do just the opposite  
8 and create greater certainty going forward. We would  
9 also recommend that any new funds invested in the  
10 system be divided between a competitive program and a  
11 performance-based program. What does that mean? We  
12 believe -- One of the things that the Working Group  
13 believes is that if interested stakeholders were  
14 allowed to compete on a set of agreed upon metrics for  
15 dollars, then we would be able to perhaps have a more  
16 efficient and effective kind of system that met the  
17 needs and kind of tapped some of the innovation  
18 available around technology.

19 So if we had greater involvement from the  
20 private sector and the other nontraditional  
21 transportation providers and they could compete along  
22 with the existing transit agencies for new dollars for  
23 delivering services, that we might create a more  
24 robust, competitive, reactive, innovative transit

1 transportation network. And so to the extent that  
2 there were new funds introduced into the system,  
3 divide those new funds through some kind of  
4 competitive mechanism and also performance-based  
5 mechanism where metrics that were regionally agreed  
6 upon were used to allocate implements for operations.

7 Kind of similar recommendations are on  
8 capital: Stop using the historic formulas for capital  
9 over time; again, come up with a set of performance  
10 measures for the allocation of capital that are  
11 aligned with the regional transit goals as identified  
12 in the yet to be completed plan -- strategic plan;  
13 allocate the bulk of capital dollars from the current  
14 sources through a formula based on the funding needs  
15 to reach a state of good repair; establish a pool of  
16 funds that could be divided between competitive and  
17 performance-based programs described earlier for  
18 capital.

19 And this recommendation, Recommendation 5,  
20 kind of dovetails into the competitive programs part,  
21 and that's, kind of eliminate the barriers to entry  
22 for the private sector, create a more open system that  
23 can capitalize on new and innovative mobility  
24 solutions from private transit providers to kind of

1 complement our existing system, work toward a regional  
2 goal that allows for everyone to compete for  
3 competitive funds where practicable, you know,  
4 encourage private sector partnerships.

5 CO-CHAIRPERSON SCHNEIDER: Carole, do you know if  
6 there are existing barriers to innovative funding or  
7 financing techniques available generally to  
8 transportation that prevents transit here to approach  
9 or try those approaches of public-private  
10 partnerships?

11 MS. BROWN: I don't know if it's barriers as much  
12 as disincentive. I don't think there's an incentive  
13 or an easy mechanism under the current operation to  
14 encourage that. I think -- I know that, for example,  
15 the CTA a couple years ago identified -- actually  
16 hired an outside contractor to help them identify ways  
17 in which they could encourage private sector  
18 partnerships and investment. But I think -- I'm not  
19 sure what they have completed, but it has been done on  
20 more of a piecemeal basis than it has kind of on a  
21 regional kind of basis. And there's certainly, I'll  
22 say, collective bargaining agreements and things like  
23 that that make it harder for the private sector.

24 MR. RAYMUNDO: What was the thinking behind or

1 the assumptions on how the process will evolve for  
2 reaching consensus of the competitive metrics and the  
3 performance metrics given everything else we've  
4 discussed?

5 MS. BROWN: I think -- I laugh because it's, you  
6 know, yes. But I think the part of what we kept  
7 concluding was that finance -- maybe finance should  
8 have gone last, right? Because finance -- the  
9 recommendations around finance are so kind of  
10 dependent on what comes out of the system performance  
11 recommendations and the governance recommendations and  
12 -- because how do you fund whatever this is going to  
13 look like at the end? And so I think the assumption  
14 was that out of this process what's going to come is a  
15 greater collaboration among -- I know. Nirvana,  
16 right? -- a greater collaboration among all of the  
17 stakeholders for -- toward kind of regional goals and  
18 regional planning. And from that, that process would  
19 inform kind of where do we want to allocate our  
20 resources.

21 And so I think a little bit of it was  
22 optimism. But that was the assumption, the assumption  
23 that the other work that's being done around that  
24 would inform kind of where should the dollars go.

1 MR. RAYMUNDO: Thank you.

2 DR. SEN: Capital projects, by their nature, are  
3 big ones.

4 MS. BROWN: Right.

5 DR. SEN: How would we handle something like  
6 that, you know, a big project that costs half a  
7 billion dollars? One of the agencies presumably would  
8 be doing that.

9 MS. BROWN: Right.

10 DR. SEN: How do you see that happening?

11 MS. BROWN: So I think that to your point, I hope  
12 that we're not communicating that we think that they  
13 aren't being done, where they're being done well,  
14 right? So I think if you look at the Red Line project  
15 that the CTA did or -- So -- And we think that those  
16 are still -- would still happen and be necessary and  
17 things like that. What we're saying is that there's  
18 not enough money. Right? There are not enough  
19 resources applied to either state of good repair  
20 projects or expansion projects. And we're not -- We  
21 didn't really talk about kind of the prac- -- how, in  
22 practice, do you spend this money, sort of compete for  
23 those dollars or things like that. What we were  
24 saying was, as we -- as we -- because we think that

1 the state of good repair projects have to get done and  
2 will continue to get done and we think that that's  
3 important, but as you start to kind of prioritize when  
4 you're doing those projects for expansion, that you  
5 would apply a set of performance measures to decide  
6 whether or not the dollar that you have to spend  
7 should go to spend the project -- fund Project A or  
8 fund Project B and what's the metrics for determining  
9 where you invest that [sic] dollars.

10 CO-CHAIRPERSON SCHNEIDER: And I think to that  
11 point, I would like to use the analogy of what the  
12 State currently does for its multiyear program for  
13 highways, and that's where we do a financial plan on  
14 the front end and understand what the available  
15 resources will be for that program. And then we know  
16 what our priorities are based on the number of metrics  
17 that are used that helps us to prioritize projects,  
18 and then they fit within that financial plan of the  
19 program. And I think what's missing on the transit  
20 side is they don't have that regular financing piece  
21 to project what resources would be available to them  
22 because they don't have any regular resources as far  
23 as what we call pay-as-you-go programs available to  
24 them to make those programming decisions in that type

1 of format.

2 DR. SEN: I have another question.

3 I like performance measurement for  
4 professional interests. The one catch with the  
5 performance-based budgeting, which you know very well,  
6 is that if someone is not performing well, their  
7 budget keeps declining, and they perform less well and  
8 so on. Is there something that you see as handling  
9 that?

10 MS. BROWN: So one of the things -- One of the  
11 reasons that you don't see in any of these  
12 recommendations what are the right measures is because  
13 that I think that that is a really important topic  
14 that requires people a lot more informed and smarter  
15 than me --

16 DR. SEN: Not smarter than you.

17 MS. BROWN: -- to do because, to your point, if  
18 you look at vehicle miles or you look at route, you  
19 know, it's going to change the performance. And we  
20 have to be really careful -- we have to be very  
21 careful about what are the appropriate metrics? How  
22 do we evaluate those metrics? How do we set the  
23 benchmarks for them? And how does that inform the  
24 allocation decision. And that -- I mean, you know, I

1 just look at budgeting for results. I mean, we spent  
2 a year just kind of talking about what we were going  
3 to do because it's such an important -- and it impacts  
4 so much. So I don't -- So that's a really nice way of  
5 saying, I don't know.

6 I know that -- You know, I know that that's  
7 the direction that we should go in. But the actual  
8 devil being in the details, I think, you know -- And  
9 that's why we said, short-term, we think just get rid  
10 of this formula; tell the service boards, This is how  
11 much money you're getting from an operating standpoint  
12 and this is how it's going to grow and spend it as  
13 efficiently as possible, and we're going to move  
14 toward this more performance -- But we're not saying,  
15 "Turn on the switch tomorrow," because I think it  
16 requires a lot more deliberation and discussion.

17 MR. PAULAUSKI: Carole, the bottom line is, we're  
18 really not talking about any significant new  
19 resources, just moving resources around performance  
20 based. So I think that's problematic.

21 MS. BROWN: Well, actually -- So Kathy is  
22 probably ready to hit me. But no, we're not. That's  
23 not what we're talking about. We're talking about two  
24 steps. We're saying, in order to have a world-class

1 system, we need more resources. We need more  
2 resources on the operating side. We need more  
3 resources on the capital side. We understand that in  
4 order to prove out what -- that we need those  
5 resources to all of the interested stakeholders, that  
6 it's going to have to be a staged process and that  
7 we're not saying, Give us a whole -- or give the  
8 system a whole new pot of money tomorrow.

9           So we're saying, Let's kind of piecemeal  
10 establish -- first, let's establish that we have a  
11 regional plan, establish what our regional goals are;  
12 let's show to the public what the investment in  
13 transit does for the region and what it can do for the  
14 region and how it improves the region; and then let's  
15 go identify the appropriate new funding sources, how  
16 much that is and how to fund it so that it's done in a  
17 consistent kind of predictable, sustainable basis so  
18 that we can expand the system.

19           So we very much are saying, We need more  
20 money; we need more resources.

21           I think we're just realistic in  
22 understanding that that's not going to happen  
23 overnight and probably shouldn't happen overnight and  
24 that the system bears some responsibility in proving

1 out that it can be good stewards of the additional  
2 resources that it needs.

3 MR. PAULAUSKI: Yeah, I think I agree with you a  
4 hundred percent except for the last comment there  
5 that -- you know, I don't see us -- Why shouldn't we  
6 take the opportunity? It is time, you know. We need,  
7 you know, X-Y-Z different choices of revenue today.  
8 We don't need to prove to anybody that there's a need  
9 there. I mean, it's good to say that, but in  
10 reality -- Yeah, I -- It's all about money. And the  
11 reality is, is that unless we do something in terms of  
12 new revenue, we're going nowhere.

13 MS. BROWN: So -- And I guess I -- Because I --  
14 You know, I agree. I think the system is underfunded  
15 from a capital and operating standpoint. I guess the  
16 pragmatist in me is -- says that the conversation is  
17 an easier conversation to have if you do it along with  
18 kind of what -- how are you going to make the system  
19 better operationally.

20 CO-CHAIRPERSON SCHNEIDER: And I think -- And I  
21 think if we look at other examples where they were  
22 able to generate additional revenues for systems, it's  
23 based on this type of model where you had that plan.  
24 Then you have the outreach that goes around that plan

1 so people understand what they're getting when they  
2 do -- when they are asked to pay more for that  
3 service. And so I think it's really important to  
4 follow that model because it's been successful in  
5 other places. And it doesn't have to be something  
6 that stretches out over many years. It could be a  
7 very compressed time frame. But I think to be  
8 successful, I think that's very helpful.

9 MS. BROWN: And I want to be clear: I agree with  
10 you.

11 MR. PAULAUSKI: I would disagree. What I would  
12 say is that somebody did a good job. All of a sudden  
13 we saw a significant input from State dollars looking  
14 at the capital grant there. You know, I just picked  
15 that up from the graph. We are appointed here, and we  
16 should be doing bold moves. And to me, a bold move is  
17 not one that says, Well, let's wait and let's --  
18 sorry -- be pragmatic; you know, be bold.

19 You know, when we're done, we're done. So  
20 let's make this a report that has some meaning rather  
21 than just sitting back and saying, Well, we need to  
22 prove ourself first.

23 MS. BROWN: Okay. I appreciate that.

24 MR. PALMER: Can I make a comment? I think we

1 all probably agree there's -- the funding needs to be  
2 increased. The 2040 plan calls for doubling transit  
3 ridership, but it -- I don't know -- I don't know if  
4 it does call for doubling the funding for transit.  
5 But it definitely needs to be increased, and I think  
6 it does call for that. But I agree and we all agree  
7 on the funding being increased, but I think -- to your  
8 point, Carole, I think we do have to prove something  
9 because if you're going to go back to the region and  
10 ask everybody to pay more, the first question they're  
11 going to say is, What am I getting?

12           And when we talk here, at CMAP, or anywhere  
13 else, there's a shortage just to keep state of good  
14 repair or even get to good repair, and that means  
15 we're not going to expansion, possibly, if our goal is  
16 just good repair. So I know for the areas where there  
17 is limited service and maybe it isn't the densely  
18 populated areas that we talked about last meeting  
19 where it can be served by multiple modes, what are we  
20 saying to those people? Pay more and get what?  
21 Because right now, they're going to pay more and  
22 probably not get much more than what they're already  
23 getting. It's just maintaining what they get.

24           So I think that's -- Not to be depressing,

1 but it's like -- part of it's just maintaining what we  
2 have and getting above that to increase the ridership.  
3 And we have to sell a lot of those people who are  
4 paying a lot and aren't getting much, unless they're  
5 coming into the central areas where the transit  
6 options are widely available.

7                   So I think that -- Just from where I come  
8 from, where I live personally, there is no option for  
9 me. I would have to walk quite a distance to get  
10 access to any system. Now, maybe shame on me for  
11 living out there, but I lived in the city. I took  
12 transit. But that's going to be a challenge, I think,  
13 for coming from the outlying areas is where is it --  
14 where is my value in getting it, beyond just being a  
15 good citizen of the region. So I'm sorry for the long  
16 comment.

17                   CO-CHAIRPERSON SCHNEIDER: Kathy.

18                   MS. THOLIN: Quick comment. I agree with you  
19 that -- I think you're illustrating the reason why  
20 arguing for more money just to keep what we've got is  
21 not a good enough argument. It's not good enough to  
22 get what we need for transit in the region. I think  
23 the Performance Group wanted to say, Look, we need to  
24 size transit to meet our regional goals, and we need

1 to think about what the economics of that are and  
2 how -- you know, what the benefits are that we're  
3 going to get.

4                   But it's not -- To be able to say we need  
5 money just -- you know, we need -- we can only keep  
6 what we have is not a sellable argument, and it is not  
7 going to serve the long-range goals of the regions. I  
8 agree with you.

9           MR. FITZGERALD: I'll just add one thing, which  
10 will lead into the next discussion when we switch to  
11 Ethics. I think part of being bold is we have to  
12 recognize that what got us here isn't -- it wasn't the  
13 impetus that someone woke up one day and said, Let's  
14 have a world-class transportation system and create a  
15 task force.

16                   It was a reaction to certain scandals where  
17 people felt like their needs weren't being served.  
18 And if we're going to go to folks and say, What  
19 brought us here were things that happened at the  
20 service boards that shouldn't have happened and now we  
21 want to ask, you know, to make this not happen again,  
22 to say the answer is, We will collectively decide to  
23 have everyone open their wallets more, they're going  
24 to look at us and say, How do we know this money

1 doesn't get mismanaged for either intentional reasons  
2 or mismanaged because people haven't thought the way  
3 Carole outlines what we want to be strategic?

4                   And so, to me, to be bold, I think we need  
5 to earn the same trust that Carole is talking about  
6 before you go to people and say, Pay more.

7                   They need to know that first you have a  
8 plan in mind; and second, that they can trust the  
9 agencies. That's why I think it all blends  
10 together as one. But I do think we owe folks an  
11 explanation and an assurance, or the folks that ask  
12 for money, that this will be used wisely before we ask  
13 them for another dime.

14                  CO-CHAIRPERSON SCHNEIDER: Carole, George  
15 whispered into my ear we're not going to get through  
16 this --

17                  MS. BROWN: I know. I'm sorry. I'm sorry.

18                  CO-CHAIRPERSON SCHNEIDER: No. This is good  
19 conversation.

20                  MS. BROWN: So the last two recommendations were,  
21 one, there was a lot of talk earlier about  
22 efficiencies, performance-based management practices  
23 across the agencies, joint procurements, things like  
24 that. And so what we said was establish a way to look

1 at those across the system to see if there were ways  
2 to generate savings and then establish milestones to  
3 achieve the savings that -- and again with kind of  
4 showing that we're good stewards of the system. And  
5 finally, I know it's Recommendation 7, but it's not  
6 meant to be kind of prioritized because we all  
7 acknowledge we need more money. But use the time and  
8 public outreach to create a broad-based buy-in for  
9 increased investment in transit across the region,  
10 designate new revenues as a funding source for capital  
11 and for operations, and make sure that that new  
12 funding source is used for long-term expansion of the  
13 system. And I'm sorry that I ate into your time.

14 MR. FITZGERALD: I ate into my time.

15 CO-CHAIRPERSON SCHNEIDER: Dr. Jenkins, I think,  
16 had a real quick question.

17 DR. JENKINS: No. My comment was going to be  
18 similar to what Patrick said that the word "prove"  
19 sometimes can throw people off. I think we all agree  
20 that the system needs to be funded at a higher level.  
21 But at the same time, we need to show the public that  
22 it's not just money that we're asking for, but what we  
23 want to provide is a better transportation system and  
24 a more responsible transportation system. So that was

1 my only comment.

2 CO-CHAIRPERSON SCHNEIDER: With that, we will  
3 move on to the Ethics presentation. Nice segue there.

4 MR. FITZGERALD: So what I thought I'd talk  
5 about -- and, actually, the last section dovetailed  
6 well -- is the notion that in looking at the ethics  
7 piece, I think the ethics piece is wrapped up real  
8 well here. And we all want a world-class  
9 transportation system. I think it's fair to say that  
10 we don't have a world-class ethics systems right now.  
11 And if we're going to go out and ask people to put in  
12 world-class dollars and we're going to put in a  
13 government structure and assistance performance  
14 measures and financial measures to do that, I think we  
15 owe it to the people that we're going to ask to pay  
16 the money to tell them that we worked hard at doing  
17 things to make sure that everything is done right from  
18 an ethical point of view.

19 And one of the things I wanted to do is  
20 walk through a couple of inflection points where, in  
21 terms of drafting the ethics part of the report, there  
22 were some forks in the road and just lay out for  
23 people what the options are and sort of what motivates  
24 it for questions and comments from the task force, but

1 also the public can write in afterward if they think  
2 on this and have different questions. And part of  
3 what we'll be talking about in the report, just to  
4 give a sense of at least how we're looking at drafting  
5 it, is -- there will be a narrative section and a  
6 proposal section. And to me, the task force has never  
7 been an investigative body. We're not here to say,  
8 Smith did wrong or James did not.

9           But at the same time, we're trying to  
10 address problems that exist, and we can't address  
11 problems that exist without getting level set on what  
12 they are and putting them in perspective. And I have  
13 to say, in looking at some of the materials of what  
14 the issues have been over the years and how often  
15 they've arisen and how often they've been looked at  
16 and how often they've not been fixed, I think we have  
17 a lot of work to do to give people both real ethics  
18 and the perception that there's ethics out there.

19           And the reason I say that is, some of the  
20 proposals are different than what I would say we might  
21 put forward if someone said, Why don't we all sit in a  
22 room and design a world-class transportation system  
23 that would fit any model city.

24           And you might say it in any given city,

1 fill in the blank, the rules are to be X.

2                   And I think we need to look at where we  
3 are, where this particular system is, and what the  
4 history has been and, at times, consider doing things  
5 that we wouldn't do in another city because of what  
6 the history is here. And so I think we want to be up  
7 front and say, Some of these rules are being proposed  
8 because of the past history here, not that we would  
9 recommend it necessarily in another environment.

10                   So I think the first inflection point that  
11 comes up is the appointment process. And I'll say in  
12 advance that if you look up the regulations where you  
13 see the prior correspondence with the service boards,  
14 the appointment processes and lots of things described  
15 in these slides are complicated. So this is a  
16 shorthand version. I don't warrant it's a hundred  
17 percent accurate, but it's good enough to understand  
18 what we're doing here.

19                   And if you look at the appointment  
20 requirements for RTA or Metra, they're predominantly  
21 residential. When you look at Pace, there's a unique  
22 requirement that the appointees be chief executive  
23 officers of the municipalities within the counties by  
24 which they're appointed. That's somewhat unique. And

1 there's obviously a reservation for an ex officio  
2 member from the mayor's office for people with  
3 disabilities.

4                   And then the CTA has appointments by the  
5 governor and by the mayor, and they must approve each  
6 other's appointments with certain residential  
7 requirements. And looking forward, if we actually  
8 look at the bottom one first, you know, there have  
9 been disappointments in some of the appointments that  
10 have been made in the past. And we could walk out  
11 with a recommendation of just saying, "Do better,"  
12 and I'm not sure how much that accomplishes to say,  
13 "Do better."

14                   One of the things we could do is put on  
15 certain qualifications and requirements. And I don't  
16 mock those. I mean, you might say to a certain  
17 service board, There ought to be people with a  
18 financial background or not, with a transportation  
19 background or not and those requirements or  
20 qualifications.

21                   So an accounting or a law degree or  
22 deep experience, I don't make light of that at all.  
23 But it doesn't mean that that will be satisfactory  
24 enough. And I think, to go back to my talk about what

1 you would do if you were doing it for a generic  
2 service board in any city, the bottom proposal might  
3 well work; just sort of specify whatever structure we  
4 end up deciding makes the best governance structure,  
5 whether it's four boards or three or one, whatever it  
6 is, fitting a bunch of requirements for it.

7           What I wanted to tee up is something  
8 different than the first bullet is the notion that if  
9 we're going to make bold moves and we're going to ask  
10 elected leaders to ask the public to put in money --  
11 significant money for a system in which they lack full  
12 trust, that we do something a little different, which  
13 is not just to have a person who is an elected  
14 official appoint who they would like but to think  
15 about involving some sort of independent panel or  
16 commission in the process. And I know that elected  
17 officials like their appointments. That's a part of  
18 what -- You know, elections matter. People who get  
19 elected are chosen by the people to appoint people to  
20 important jobs, and that usually works. But, frankly,  
21 sometimes we read about what the media thinks of  
22 appointments after they happen when they write stories  
23 saying, How did this happen?

24           And one thought would be to think about a

1 commission that involves people who are independent,  
2 either from civic groups or organizations that we  
3 would agree don't have an ax to grind but for the  
4 government to be on the front end. And one parallel I  
5 think about here is, you know, federal judges. I  
6 mean, U.S. senators get to nominate federal judges to  
7 presidents. That's an incredibly important  
8 position. And yet, the senators usually designate it  
9 to a panel, often a bipartisan panel, where they vet  
10 folks in advance. And the Senate makes the final  
11 call. He or she owns that pick and is politically  
12 accountable, but those candidates don't get to the  
13 Senate unless some folks who are usually from the  
14 civil side of litigation and the criminal defense side  
15 or the prosecution side and other independent members  
16 vet those folks. And I think it might go a long way  
17 toward restoring public confidence in the appointees  
18 if there was more buy-in on the front end and if there  
19 were a commission created to vet candidates before it  
20 would go to an elected official; that people felt more  
21 confident that this was not politics but people  
22 picking the best candidate.

23                   And I'd just note that, you know, this is  
24 something that I think will be particularly important

1 in the context of what we see in terms of patronage  
2 and some of the misconduct of boards. I think a reset  
3 button that showed folks that we've got a panel that  
4 has been vetted by people outside the process might go  
5 a long way.

6 So I was going to turn to something else,  
7 but I don't know if you had questions or comments on  
8 that.

9 DR. HOLLOWAY: Just a quick question as far as  
10 terms are concerned and instituting a panel that would  
11 review other processes where the terms may be very  
12 different from what the service boards are using and  
13 also uniforming the timing of the (unintelligible)  
14 across those boards so that you don't have the panels  
15 that are operating year-round (unintelligible).

16 MR. FITZGERALD: I'm smiling because we had  
17 talked about terms in the earlier draft of this slide  
18 and took it out thinking that, Number 1, we should get  
19 to the governance understanding of whether it's one,  
20 two of four boards -- one, three of four. And I think  
21 that really is more of a governance issue of whether  
22 or not you have people with term limits and whether or  
23 not you have revolving terms. But whatever it is, I  
24 think the idea of appointment or, frankly,

1 reappointment would be governed by this commission, if  
2 there were a commission, which itself might have  
3 terms.

4           But I think the idea of term limits and  
5 staggered terms goes to governance issues, and I could  
6 see why there could be an ethics component. And  
7 sometimes you might fear that if someone's in a  
8 position too long, you have greater risk. I think  
9 there's a counterargument that people who have great  
10 experience, there's help. But from an ethics point of  
11 view, we thought that the terms probably fit more into  
12 the governance bucket, but do think that if we had  
13 more confidence in how people were appointed and  
14 reappointed, that that would go a long way toward  
15 public confidence.

16           And the removal process has come up a lot  
17 in the wake of recent events. And, again, in a  
18 shorthand that I will warrant is not always precise  
19 but gives you the ballpark, Metra, Pace, and RTA allow  
20 for removal by a concurrence of eight directors --  
21 it's 11 for the RTA -- with a formal finding of  
22 incompetence, neglect of duty, or malfeasance of  
23 office. On the other hand, the governor responds to a  
24 summary report received in the offices of the

1 inspector general provided the governor or the person  
2 being removed has an opportunity to be publicly  
3 defended in person by counsel prior to  
4 removal. Then independently, a board's position is  
5 deemed violated if the member is convicted of a  
6 felony.

7           And if you looked at the CTA, it is slightly  
8 different. The governor and the mayor each have the  
9 ability to remove the person that he or she appointed  
10 in the case of incompetence, neglect, or malfeasance  
11 in office. And then the governor again in a parallel  
12 provision may remove any board member in response to a  
13 summary report received from OEIG, provided the sort  
14 of due process concern. And, again, the board  
15 member's position is vacated -- deemed vacated if  
16 they're convicted of a crime, recognizing there are  
17 some gaps in there. For example, most of the  
18 malfeasance is in office, and so if a person does  
19 something that's pretty egregious outside of office,  
20 they can remain on those boards prior to being  
21 convicted, and recognizing that some of these  
22 processes, like a summary report from the OEIG, may  
23 take time.

24           And I know that recently many elected

1 officials and appointed officials have said, Why can't  
2 we just remove them ourselves?

3           And so some of the changes that we need to  
4 think about -- And in this menu, I think this is one  
5 where we can provide more than one option. The  
6 easiest one and the cleanest one from the appointing  
7 official's point of view is to say they can simply be  
8 removed at the pleasure of the appointing authority.  
9 So if the governor puts you on in any regime or the  
10 mayor puts you on, they can remove you.

11           I would say that one of the concerns with  
12 that is whenever you look at a situation where an  
13 appointee has done something apparently wrong and  
14 there's a hue and cry about why are they still on the  
15 service board, it might look very attractive to say,  
16 Why don't we have a very easy removal process?

17           But there are downsides to that. One of  
18 the downsides is, I think -- one of the things we will  
19 be collectively asking for is a greater sense of  
20 regionalism and not parochialism. And at times,  
21 people may be asked to make unpopular decisions, and  
22 they may vote against the interest of your appointing  
23 authority if they actually buy into the fact that we  
24 need to be more regional. And so we wouldn't want to,

1 in the quest for good governance and ethics, make  
2 people appointed to the board feel more vulnerable if  
3 they did what they thought was the right thing.

4           Secondly, it does either allow for people  
5 to be removed for political reasons if it's at the  
6 pleasure of the appointing authority or create the  
7 appearance that they're removed for political reasons.  
8 When I worked at the Department of Justice, U.S.  
9 attorneys were -- served at the pleasure of the  
10 president. And at the end of one term, when a number  
11 of U.S. attorneys were relieved, it was a huge  
12 scandal. And so the ability to remove people became a  
13 concern that it was political. So we have to be  
14 careful that the cure isn't worse than the disease.

15           And the other part about removal at the  
16 pleasure of the appointing authority is often those  
17 provisions may allow a mayor or governor, who is not  
18 reelected or steps down -- the new mayor or governor  
19 may come in and say, I want all new people.

20           So having people easily removed sounds like  
21 a good thing in the wake of a scandal, but stepping  
22 back, I think there's some downsides that would  
23 concern us.

24           MS. BROWN: But the other side of that is the

1 removal at the pleasure of the appointing authority  
2 creates accountability that has also been something  
3 that people have had concern about. And so, for  
4 example -- So if the appointing authority has the --  
5 then they can be held accountable for how the board  
6 member performs. And the person who is elected, you  
7 know, has that accountability to the ultimate  
8 (unintelligible).

9 MR. FITZGERALD: Exactly. So if there's someone  
10 on the board that the public is upset with, if the  
11 appointing authority doesn't remove that person, then  
12 they own that in the court of public opinion. So I'm  
13 not advocating for or against it. But merely, I've  
14 heard a lot of advocacy for it in recent times, and I  
15 think there's a risk on the other side that we just  
16 need to be mindful of. But that's one of the ones  
17 that I think is an inflection point that we need to  
18 get to a consensus at some point as a group.

19 CO-CHAIRPERSON SCHNEIDER: I have a question. In  
20 your experience or in the research that you've done,  
21 is there some way that you've seen somewhere else  
22 where they've been able to address some of the issues  
23 you raised regarding regionalism versus parochialism  
24 but yet still allowing that accountability?

1           MR. FITZGERALD: I think we have, and I think we  
2 had an attachment or maybe it was a technical  
3 memorandum. But earlier, we had a chart of the -- you  
4 know, the eight largest transportation systems that  
5 have a variety of different proposals in here. I  
6 don't know that any of them were particularly directed  
7 at regionalism. But they were directed at, you know,  
8 sort of protecting the independence of folks. And  
9 that's why in this menu, you know, the second one down  
10 is removal by the government based upon a  
11 recommendation of the super majority of the board,  
12 which is a little bit of insulation that you better  
13 have the board on board with you. Pardon the pun.  
14 But, you know, whether that makes it better or, to  
15 Carole's point, whether that removes the  
16 accountability for the governor, it is a question.

17                       And then I'll just quickly go through these  
18 before you comment. There also is removal for cause  
19 including official misconduct or conviction of a  
20 felony crime, but noting that the conviction can take  
21 a while, and then there were those standards that  
22 inefficiency look like, breach of duty. And then  
23 there's -- also can be, as there is in some of the  
24 boards now, a combination of the above.

1                   It seems to me that most -- the issue we  
2 should most focus on is No. 1, whether we want to give  
3 a sort of clear -- or grant authority to the governor  
4 or any other appointed authority that ends up being  
5 involved to make them more accountable for doing it  
6 but at the risk of people -- making people less  
7 protected.

8           MR. PAULAUSKI: A similar situation that we're  
9 faced with here had to do with -- I believe it was the  
10 University of Illinois where, you know, we saw some  
11 pretty nasty things there. And I'm trying to figure  
12 out how -- they did remove -- many people self-removed  
13 themselves. We didn't blow up the entire university  
14 governance system, but people were removed. I'm  
15 wondering what process they used. That's what I'm  
16 trying to get at. Or was that even discussed?

17           MR. FITZGERALD: My vague recollection -- and I'm  
18 on the U of I board now, but I wasn't then -- I  
19 thought they were just a -- I think they were --  
20 people were asked to resign publicly. And I may be  
21 wrong in that. And I think the majority of folks  
22 resigned. And so it was not part of a statute. I  
23 thought if it was just -- if you're asked to resign,  
24 many people do. I could be wrong on that.

1 CO-CHAIRPERSON SCHNEIDER: And, Sylvia, did you  
2 have --

3 MR. PAULAUSKI: So there wasn't really a -- like  
4 a process like we're talking about here?

5 MR. FITZGERALD: I don't know if they had a  
6 process, but I thought that it was a request for  
7 resignations.

8 CO-CHAIRPERSON SCHNEIDER: Silvia, did you have a  
9 question?

10 DR. JENKINS: Well, I just want to make the  
11 comment, again, this is going to cross over to the  
12 governance conversation depending on which way the  
13 task group decides that the governance of all of the  
14 systems should be, that this will have a great impact  
15 on that.

16 MR. FITZGERALD: Yes. And so having people think  
17 on this and form any comments from this group but also  
18 from the public I think would be very worthwhile  
19 because we have to make a recommendation in this area  
20 before we get to the final report.

21 And, actually, the next area has to do with  
22 employment actions where we talk about hiring, firing,  
23 promotion. And the current structure prohibits  
24 discrimination based upon political affiliation or

1 support. But, frankly, we've seen that it hasn't  
2 worked, and it has not worked in a number of agencies  
3 in Chicago and Cook County and Illinois historically.  
4 And so one of the things, if you look at the first  
5 bullet there, is we should consider whether in these  
6 circumstances we would propose a complete firewall  
7 between elected officials or the representatives and  
8 agencies regarding the matters of hiring, firing,  
9 promotion, and demotion and a mandatory public  
10 disclosure following a policy violation. And I  
11 believe that's modeled on what happened at U of I  
12 after the controversy over admissions where they then  
13 passed a rule that says you can't contact the school  
14 about admissions of particular candidates, and if  
15 someone is contacted, they need to make public  
16 disclosure.

17           And what I wanted to point out there is,  
18 obviously, by putting a complete firewall up, if you  
19 put that in effect and it's followed, you take away  
20 the risk of elected officials influencing hiring  
21 decisions. The other side of the coin, however, is  
22 there's nothing inherently, per se, wrong with people  
23 making recommendations for things. And the concern  
24 that has come up isn't that people -- you know, if

1 someone wrote a reference letter that they knew  
2 someone well and worked with someone well and they're  
3 extremely well qualified, it may be a great thing to  
4 get a good employee into a system. The concern that  
5 we've seen from the background is that people are not  
6 making decisions based upon the quality of the  
7 reference in terms of how well a person knew them but  
8 the assumption of clout by the person who referenced  
9 them. And so while, ordinarily, reference letters are  
10 a good thing, they've led to a lot of abuse. And how  
11 do we clean up the system so that people have a real  
12 chance, a fair chance at a job or a promotion? And  
13 the public has a failed perception that people are  
14 being hired on their merits.

15           A secondary proposal would be to allow  
16 contact by elected officials with representatives but  
17 to require public disclosure of the contact. So  
18 great; if you want to write a letter recommending X or  
19 Y for a job in a position, put it in writing, make it  
20 transparent so that if anyone wanted to, under the  
21 Freedom of Information Act, look and say, you know,  
22 "How often have you written letters," and you say, "I  
23 wrote one for this person I knew well," and if someone  
24 wrote 35, they could account to the public for it.

1                   But I do think this is an extremely  
2 important area for us because I think patronage has  
3 been a longstanding and serious issue. And I think if  
4 we're going to go forward, people are going to want to  
5 know that hiring and firing leads to fairness, leads  
6 to competence, and leads to people who are going to do  
7 the job for the right reasons.

8                   So any questions or comments?

9                   CO-CHAIRPERSON SCHNEIDER: I have one question  
10 about that. And I know you covered this a little bit  
11 later on, as I read through it. In the instance where  
12 there are, you know, a certain number of what we call  
13 double-exempt positions, would the firewall attach to  
14 those political appointments or just to the --

15                  MR. FITZGERALD: That's a good question. And,  
16 you know, to the extent that they're exempt positions,  
17 which for folks who -- in the audience who may not  
18 know what that is, if you -- under the laws currently  
19 in effect where you can't have political hiring, there  
20 are exempt positions that say a certain number are  
21 needed. And my understanding of the theory, which  
22 makes sense, is, if you're the governor elected for a  
23 particular party or a particular platform and the  
24 voters expect you to go left or right or north or

1 south, you've got to carry out that policy. And,  
2 therefore, if you have everyone who is a civil servant  
3 and no one with your same philosophy, then you can't  
4 carry out your mission.

5 I think one of the issues that's important  
6 for that later is the size because looking at  
7 (unintelligible), I think there's, you know, hundreds  
8 of exempt positions at the service boards. In federal  
9 agencies that are larger, there's a far smaller number  
10 of local appointees. And so one would wonder -- you  
11 know, you might need three or four people around you  
12 as your deputies to carry out your agenda and your  
13 mission for the policy, you need 400. And if the  
14 number gets so big that it's a back door, it could be  
15 treated differently for the exempt positions. The  
16 idea is the mayor is going to have his own folks. And  
17 so this is really the firewall for contacts where a  
18 liberal (unintelligible).

19 MS. THOLIN: Your point, though, does strike me  
20 that that question, how many -- if there's a policy  
21 like this, how many people should be exempt from it,  
22 is a very important part of what we should be  
23 recommending. And my personal opinion would be in  
24 this case, we're looking for professionalism in

1 transit operations, and that number should be as small  
2 as possible.

3 MR. FITZGERALD: Yes. I think there's -- A very  
4 large number right now are falling in politically  
5 exempt, which would -- You know, if 3 percent of your  
6 workforce is picked for political reasons, if that's  
7 what it is, not just policy, then that's an awful lot  
8 of folks.

9 MR. RANNEY: Do we have those numbers available  
10 to us?

11 MR. FITZGERALD: I think we can get them, and we  
12 can include that in the report.

13 And then the second half of this, which I  
14 think is sometimes easy to overlook, is that  
15 procurement is an equally important area. And, in  
16 fact, if you look to the allegations involving  
17 Mr. Clifford that brought us here, one of the  
18 allegations was about hiring. The other one was about  
19 a procurement issue involving a contract and a  
20 disadvantaged business enterprise.

21 And so one of the things we want to think  
22 about is in dealing with whether or not there should  
23 be similar firewalls parallel to hiring, what's  
24 different about procurement than hiring, and there are

1 different factors. Procurement can involve huge  
2 amounts of money, so there can be temptations for  
3 corruption. On the other hand, there are often policy  
4 interests in elected officials involving procurement.

5           So one of the issues that comes up is DBE,  
6 disadvantaged business enterprises. And if you're  
7 trying to make sure that diverse communities get their  
8 fair share of contracts, we want, you know, you to  
9 understand why input would be important.

10           On the other hand, the one thing I'd like  
11 to point out is that the U of I where they banned  
12 contact about applicants, there's nothing wrong with  
13 folks asking public questions about what is the  
14 diversity of your student body. So it's one thing to  
15 ask someone how many minority students you're taking  
16 in versus calling up someone and saying, I'd like to  
17 talk about Applicant A.

18           And so I think procurement is an important  
19 issue, and we ought to think about how much of a  
20 firewall we would like to create between elected  
21 officials and procurement officials and whether we  
22 draw the line at sort of policy and aggregate numbers  
23 of how much we're spending and how many disadvantaged  
24 business enterprises there are versus particular

1 businesses.

2                   And, in fact, we saw the issue that came  
3 out last week from the former RTA official where the  
4 office of the inspector general wrote a report about  
5 alleged inappropriate contacts with regard to a  
6 particular bank that he had a personal relationship  
7 with. And so I just think we shouldn't assume that  
8 the same answer for hiring is the same answer for  
9 procurement, but I think they're both very important  
10 questions.

11           MS. BROWN: My recollection is that they have  
12 very stringent procurement rules in place at service  
13 boards and at the RTA, and the matter that you are  
14 raising was a violation of existing policy rules. And  
15 so did you look at, like, whether or not you thought  
16 that the existing rules were -- Because it's one thing  
17 about whether people violate the existing rules, and  
18 the other, are the rules there?

19           MR. FITZGERALD: I think we'll be addressing that  
20 in the report. I guess my point is, we're having two  
21 places where people can weigh in. And this has a  
22 different consideration than hiring. But I thought we  
23 could easily -- if we answered the question of the  
24 firewall, we might be tempted to just take

1 that answer, cut and paste, and say, That is on  
2 procurement; should we apply the same standard?

3           And I think, recognizing what you're saying  
4 is, there are different policies at play here, and I  
5 think we want to make sure that if we're adopting  
6 something, we measure it specifically -- fit it to  
7 procurement, not just hiring.

8           And then I think this is less difficult. I  
9 think one thing that I would just throw out, that  
10 there are certifications. And, for example, currently  
11 the president certifies the board of the CTA that  
12 at-will positions do not exceed 3 percent of agency  
13 employees. So, again, there's a large number. And  
14 Metra recently, I think, in the last response we  
15 received in January began to include in certificate  
16 form certifying that hiring managers did not take  
17 political reasons or factors into consideration. I  
18 know that the city -- many city agencies for a long  
19 time have been filling out certifications pursuant to  
20 shackling. I know the City would like to stop doing  
21 that because of the burden, and that's an issue before  
22 the courts at times.

23           But this is an example of something that I,  
24 frankly, think would not be necessary in other cities

1 at other times. But I think one of the things we need  
2 to do is hold people accountable, and if we're going  
3 to say we're going to reform this, that we'd have  
4 people hired on their merits without political  
5 unfairness. Often having someone put their name down  
6 on a piece of paper saying that it's true can be an  
7 effective means to prevent that.

8 MR. RANNEY: Are you saying that you'd like to  
9 get away from Shackman?

10 MR. FITZGERALD: No, no. I said the City would  
11 like to get away from Shackman so that -- what I'm  
12 actually saying here is we should consider taking the  
13 equivalent certifications and requiring them, as part  
14 of this process. The CTA requires that already, and  
15 Metra has moved toward that. And whatever government  
16 structure we have, to me, requirement certifications  
17 make sense. I just wanted to flag that there will be  
18 people who will make a counterargument. Essentially,  
19 the City doesn't like the Shackman certifications.

20 Similarly, we have the same issue here  
21 about -- just in terms of other issues about, you  
22 know, making sure that whatever the percentage is or  
23 number of employees that are exempt be complied with  
24 and have folks include the certification, that then

1 other issues don't play a role in hiring. And so we  
2 would add the political factors not playing a role in  
3 procurement.

4           Lastly, on lobbying, the last page here is  
5 lobbying. And to give credit to the RTA -- I think it  
6 was the current chairman of RTA, Mr. Gates, who  
7 pointed out that the Illinois Lobbyist Registration  
8 Act does not apply to transit agencies currently since  
9 they're considered municipal agencies. And one thing we  
10 think would make sense is to apply that layer of  
11 protection to the service boards and to consider  
12 whether or not if there are contacts, that we make  
13 sure that contacts were publicly disclosed so that  
14 people have a sense that if a contact is being made  
15 with a service board, that that is transparent.

16           The areas that will also be discussed in  
17 the report is a review of the prospective board  
18 members that would include background checks,  
19 financial disclosure, and conflict of interest review  
20 prior to appointment. There are varying requirements  
21 on the boards. I won't put them in a chart, but we  
22 see little downside in getting this all vetted up  
23 front before people get on board.

24           And board member compensation: I will tell

1 you that the current inkling or inclination --  
2 inkling, inclination, absent other folks disagreeing,  
3 will be to recommend that board members not be  
4 compensated for their service other than basic  
5 expenses. We note that the board members of other  
6 large cities have never been compensated. And, you  
7 know, No. 1, not compensating board members saves  
8 money. That's not the principle concern. I do think  
9 there ought to be a sense that service on the board is  
10 service to the board, and having folks understand that  
11 this is not about drawing a salary or, in the past,  
12 drawing a pension where it's not necessary, sends the  
13 right message. And I also think that it also makes  
14 folks independent. And if people are uncomfortable  
15 with someone going on the board, it's easier for them  
16 to walk away if they don't have financial  
17 compensation. But I wanted to air that and see if  
18 folks have contrary views or input.

19 DR. JENKINS: I would say I fully support that  
20 last recommendation. And it also ties back to the  
21 appointments. You know, sometimes when people are  
22 being paid for a position and then they're being  
23 dismissed, that could bring on a different level of  
24 litigation, you know, based on what they think that

1 they are due. And if you're in an unpaid position and  
2 asked to leave, there's nothing lost there.

3 MR. FITZGERALD: And then, lastly, board member  
4 training: I think this is a clear -- We want to make  
5 sure that members receive training on ethics matters  
6 that include the patronage of hiring on an annual  
7 basis. When we looked at the various materials over  
8 the various boards, certainly, the path -- It seems  
9 like people got trained in pretty clear terms on what  
10 we would hope in the 21st century would be obvious.  
11 It's really based upon, you know, race, age, gender,  
12 sexual orientation, religious orientation. But the  
13 issue that's troubled us most, the training was more  
14 indirect and not explicit, and we think it should be  
15 explicit. And we also think if we're going to hold  
16 board members accountable, we owe the board members a  
17 clear direction on what a bright-line rule is and what  
18 you're allowed to do vis-à-vis contracts or  
19 procurement or hiring, what you aren't allowed to do,  
20 what needs to be documented, and we should follow  
21 through with that.

22 So I think to sum up, I think what should  
23 emerge from the report is that we have, you know,  
24 serious issues we need to remedy, and that we need to

1 remedy them in a way that allows folks to go forward  
2 and make bold proposals for governance change and  
3 funding. And to do that, we need to think a bit more  
4 boldly about doing things that sometimes may be a  
5 little bit more than is required in other cities, but  
6 I think the public expects us to restore the  
7 confidence in the system and how we work.

8 MS. BROWN: I just want -- And this is not a  
9 popular position. I'm going to acknowledge that. But  
10 one of the things about the transit board services  
11 that is different from some other appointing is, one,  
12 the time commitment that board members, especially the  
13 chairs, are expected. So when I was CTA chair, I --  
14 there were whole weeks that I spent at CTA, and I used  
15 to always say, I'm very thankful that my boss is in  
16 New York; he has no idea.

17 And it was truly a part-time job for me.  
18 And I understand the controversy around that, but I  
19 think there should be -- that's why I think it's  
20 important to make sure that you have board members  
21 with the appropriate background and profession because  
22 you are -- it is a quasiprofessional agency that  
23 you're running because you're -- and it's a business  
24 that you're running, and you're talking about

1 multimillion-dollar contracts and things like that.  
2 And so I know that it's not a popular position to pay  
3 the board members. And I know -- But there is another  
4 side too that these people do contribute an incredible  
5 amount of their time and effort, and it's -- And  
6 asking -- to get quality members to do that, sometimes  
7 nominal compensation helpful.

8 MR. RANNEY: Carole, would you comment on what  
9 use of that time was for you as CTA chair and whether  
10 it really -- whether that was a chair -- rightly a  
11 chair's responsibility or it could have been a CEO, if  
12 that were the president or some other --

13 MS. BROWN: I can only, you know, speak for my  
14 relationship with my presidents. And, obviously, the  
15 presidents ran the agency, and they did the  
16 day-to-day. But there's a lot of policy things that  
17 the board weighs in on, that the board and the chair  
18 -- as chair of the board has to weigh in. And so you  
19 spend a lot of time, especially -- Unfortunately,  
20 during my tenure, we were always talking about service  
21 cuts and fare increases, and that was something that  
22 was done by the board. So it was a lot of meetings  
23 evaluating that. There are a lot of public hearings  
24 on budget and things like that.

1                   So service -- It's a huge -- It's a  
2 challenge because you want people that are qualified  
3 to serve in these very important positions. But it's  
4 a huge, huge time commitment, and I just felt like I  
5 would be a hypocrite if I was like, Yeah, don't pay  
6 for it.

7                   CO-CHAIRPERSON SCHNEIDER: Dr. Holloway.

8                   DR. HOLLOWAY: I had made the same note that  
9 there might be a challenge with trying to recruit  
10 individuals who have a level of expertise to  
11 participate at the level that they may be asked to be  
12 on the board without receiving some sort of  
13 acknowledgement and financial sense of that  
14 commitment, and that the president (unintelligible)  
15 may set across boards at the local level beyond just  
16 the transit service boards. It can also be  
17 challenging for local members to consider, well, we're  
18 not going to have any type of compensation; are we  
19 going to have anyone to be able to sit on the  
20 (unintelligible) board at the local level.

21                   So though I don't believe it's a position  
22 that should garner a salary that supports a household,  
23 I think that maybe (unintelligible).

24                   MR. PALMER: Just to echo some of those same

1 thoughts, this is a tricky situation because I agree  
2 it shouldn't be this plum that's a reward for a  
3 political appointment, per se; however, if we're  
4 limiting it to certain individuals who have either the  
5 financial wherewithal to take time away from whatever  
6 they do, their livelihood, or -- I guess if you're a  
7 governmental appointee, you have a governmental job  
8 that -- Maybe I shouldn't say it. I mean, I get paid  
9 if I'm here or if I'm at my job. But someone else,  
10 they're not at work; they're not getting paid. And  
11 we've had public comment previously about having  
12 riders. Those riders may be in that same situation.

13           So I think it's something we have to  
14 consider very strongly, but it does have a flip side  
15 to it that you could limit it to only a certain select  
16 group of individuals who have that ability to take  
17 significant times away from their day job that does  
18 provide their income.

19           MR. PAULAUSKI: Yeah. My basic question, too,  
20 does everybody that sits on every service board  
21 receive compensation?

22           MS. BROWN: On the transit service boards. So  
23 RTA -- See, I know RTA, CTA, our board members are  
24 paid. I'm not sure if Pace --



1 the others are talking about. Unfortunately, I think  
2 this is a case where some board members on some of the  
3 boards have -- you know, there -- a few bad apples  
4 have gotten us into that pickle where we were talking  
5 about that. As Pat said before, if you want to regain  
6 the public trust, I think if they see that you have  
7 board members that are serving at their own -- you  
8 know, without compensation other than just their costs  
9 and whatnot, I think that adds validity to the entire  
10 process.

11 Now, for a chairman, I would be open to  
12 that discussion absolutely because they put in more  
13 time and hours in the entire process itself. But I  
14 think because of a few, you know, lack of oversight,  
15 lack of duties, lack of guidance, I think that's why  
16 we're all here.

17 DR. JENKINS: I guess for me, the level of time  
18 that Carole put in is something that is unusual for --  
19 in my experience, you know, if you have a board of  
20 trustees, I mean, I do all the work. So I guess  
21 that's the difference.

22 MS. BROWN: But then again, remember that for CTA  
23 -- and this is not different -- they have board  
24 meetings that sometimes last all day. I mean, there

1 are other boards like that. Chicago Public Schools is  
2 like that. They can have a board meeting that lasts  
3 all day. And so that is -- When I was on RTA, there  
4 were board member meetings that lasted all day.

5 DR. JENKINS: My board prides itself on 20-minute  
6 meetings.

7 MR. FITZGERALD: That concludes my presentation.  
8 And, seriously, I'm very open to input and also to  
9 public input through the web site.

10 CO-CHAIRPERSON SCHNEIDER: Absolutely. Thank you  
11 very much. Both of those presentations were extremely  
12 helpful. Just briefly wanted to discuss our upcoming  
13 schedule, and there might be a little conversation  
14 around this. We have a meeting currently scheduled  
15 for Thursday, March 27th at 1:00 o'clock. And we  
16 expect at that meeting we would be discussing the  
17 final report. And I want to talk to the task force  
18 and get consensus. There is thinking that perhaps we  
19 have another meeting in about two weeks to have the  
20 final presentation by the governance groups and just  
21 wanted to get a sense from the board or the task force  
22 -- excuse me -- what their thinking is on that. We  
23 were looking at dates -- What were the dates again?

24 MR. FITZGERALD: 12th, 13th, and 14th.

1 CO-CHAIRPERSON SCHNEIDER: Yeah, around the 12th,  
2 13th, and 14th of March. So comments or --

3 MR. GUY: I would be gone.

4 CO-CHAIRPERSON SCHNEIDER: If we set it up -- We  
5 had talked about potentially for that one, because  
6 it's so important, we'd like to get as much task force  
7 participation as possible, that we would set it up so  
8 there could be remote participation. Is that  
9 something --

10 DR. JENKINS: On the 12th?

11 CO-CHAIRPERSON SCHNEIDER: Yeah, the 12th, 13th,  
12 or 14th, somewhere in that area.

13 MR. FITZGERALD: Would you want us to perhaps  
14 each e-mail someone --

15 CO-CHAIRPERSON SCHNEIDER: Yeah.

16 MR. FITZGERALD: -- on the task force with which  
17 dates work, and then someone can total up --

18 CO-CHAIRPERSON SCHNEIDER: That would be perfect.  
19 If you could do that. Can you set one of those up?  
20 What are they called? Meeting Doodles?

21 MR. PAULAUSKI: You know, Outlook does that too.

22 CO-CHAIRPERSON SCHNEIDER: If you have other  
23 dates -- In the meeting Doodle, if you have other  
24 dates you'd like to suggest, please do so. But I

1 think it's important for us --

2 DR. SEN: Is the following week any better?  
3 Because I have a CTA. That will take me almost half a  
4 week or so talking about (unintelligible).

5 CO-CHAIRPERSON SCHNEIDER: We just wanted to make  
6 sure that there was plenty of time between that  
7 discussion and the final report to draft whatever  
8 report came out of that discussion. So if we can do  
9 it early that next week, that would probably work too.

10 MR. RANNEY: I think people need to send dates  
11 in, and we'll try to work with what we can. And this  
12 is a tough thing to ask of people. But, you know, I  
13 had a discussion just before this meeting. We thought  
14 it was probably worth trying to do.

15 MR. PAULAUSKI: Am I missing something? What  
16 about the governance report?

17 CO-CHAIRPERSON SCHNEIDER: That's what we're  
18 talking about. We would meet in a couple weeks to  
19 discuss that.

20 MR. PAULAUSKI: And then the final?

21 CO-CHAIRPERSON SCHNEIDER: And then the final  
22 report would be on the 27th.

23 MR. RANNEY: Obviously, what we're trying to do  
24 today in these two very good and wide-ranging

1 presentations is get a whole raft of issues out there.  
2 And so it's very important for you to give us  
3 feedback. I've already had some from some of you.  
4 But get it in to us, because otherwise, Carole and Pat  
5 and others have nothing to go on. This is a critical  
6 moment in the next two or three weeks.

7 CO-CHAIRPERSON SCHNEIDER: Yes. And so the  
8 governance presentation would be in a couple weeks.

9 MR. RAYMUNDO: I would agree it's important that  
10 we do have some kind of meeting to learn about the  
11 governance. But because it's only governance, are we  
12 looking at a two-hour meeting? That might help  
13 coordinating schedules.

14 MR. RANNEY: You mean a shorter meeting?

15 MR. RAYMUNDO: If we're looking at an hour  
16 meeting --

17 CO-CHAIRPERSON SCHNEIDER: Yeah, we could do  
18 that. Absolutely.

19 MR. PAULAUSKI: And, Ann, I don't mean to  
20 micromanage here, but, you know, another way to do  
21 this -- Because I'm going to leave here, and I've got  
22 25 other -- and everybody else has as well. Could  
23 you, like, assign maybe staff members to talk to us  
24 and say, Okay, here's what you heard; are there any

1 further recommendations that you have?

2 I'm going to be more inclined to participate  
3 that way rather than all of a sudden have to sit down,  
4 and I may comment on one thing. It would be easier  
5 for me. I should speak for myself.

6 CO-CHAIRPERSON SCHNEIDER: We can look and see  
7 how we can get -- make sure that everybody has that  
8 opportunity to have that kind of --

9 MR. PAULAUSKI: Because you assigned some staff  
10 members to our work group.

11 CO-CHAIRPERSON SCHNEIDER: Right. Right.

12 MR. RANNEY: Remember, you've got Ann and me, who  
13 are going to talk to people. You've got Ann and me as  
14 well to encourage feedback. And you've got the  
15 working group chairs. We'll ask them to be  
16 particularly responsive. It's very important for you  
17 to take the initiative.

18 MR. PAULAUSKI: Okay.

19 MR. PALMER: I just have a question. We've heard  
20 three really good presentations. Hopefully, the next  
21 will be good too. But the question, I guess, is there  
22 some --

23 CO-CHAIRPERSON SCHNEIDER: Don't put the pressure  
24 on.

1 MR. PALMER: I hope he can --

2 DR. SEN: He's going to do it.

3 MR. PALMER: I guess my question is, there were  
4 some issues that were kind of left somewhat unresolved  
5 as far as what -- the consensus of our group as far as  
6 recommendation, and some of those are very tricky  
7 issues. And I guess my question is, as a group, are  
8 we going to -- is that what the last -- after the next  
9 presentation, then we're going to try to --

10 CO-CHAIRPERSON SCHNEIDER: Right.

11 MR. PALMER: -- all through either, first, very  
12 prescriptive or not so much, just option menus? Is  
13 that -- I guess -- Because I'm not sure what the rest  
14 of the members up here are thinking.

15 CO-CHAIRPERSON SCHNEIDER: I think at that last  
16 meeting, after we've had a chance to gather all that  
17 input, and then when we present what that report would  
18 look like, that still leaves us a little bit of time  
19 if there is a difference of opinion to incorporate any  
20 additional thoughts into the process.

21 MR. RANNEY: I'd just probably reinforce the  
22 importance of one-on-one conversation.

23 MS. BROWN: But not necessarily one-on-one  
24 conversation as opposed to consensus, right? So it's

1 like all of the inflection points that Peter pointed  
2 out; it's coming up with a consensus of which way we,  
3 as a task force, think we should end up. And the same  
4 thing around the final financial recommendations. So  
5 it's not just the one on one. It's the consensus to  
6 the final, right?

7 CO-CHAIRPERSON SCHNEIDER: Right.

8 MS. BROWN: That's what I thought.

9 MR. PALMER: Right. I think that's how we get to  
10 a consensus where we all can be happy and we can put  
11 our name on and --

12 CO-CHAIRPERSON SCHNEIDER: Exactly. Exactly. If  
13 there's no other discussion around that, we'll look  
14 for your dates.

15 We do -- The next item on the agenda is  
16 general discussion. And I have had a conversation  
17 with the Metropolitan Planning Council and Peter  
18 Skosey and agreed that what they had to add to the  
19 process would be important for us to hear.

20 MR. SKOSEY: Thank you so much, Secretary. I  
21 appreciate your indulgence this afternoon as well. I  
22 think what I have to say -- what we have to say is  
23 quite supportive of everything that the task force has  
24 really said thus far. And I guess the big point to

1 make here today is that we aren't the only ones  
2 holding our breath and waiting for this important  
3 report to come out. And we want to embolden you guys  
4 to be as bold as you can be in your recommendations.  
5 But I think the balance with pragmatism so that it is  
6 well public -- received by the public is equally  
7 important as well.

8                   So I've just got -- And there's a handout  
9 in front of you that gives you the slides that I'm  
10 going to do -- three real points to make. The first  
11 point, though -- The first point is on our regional  
12 goal -- it was already raised earlier today by Nick --  
13 that our region has said, We want to double transit  
14 ridership by 2040.

15                   Well, we are on path right now, adding  
16 about 12 million new riders annually. If we wanted to  
17 double that ridership, we'd have to do about 21  
18 million riders annually. So it doesn't necessarily  
19 require a doubling of dollars. And we're going to  
20 talk about one option in here that actually gets new  
21 riders without any new investment in transit. But it  
22 does require some concerted effort. And so we really  
23 are looking for the task force and its recommendations  
24 to help us with that.

1                   The three areas that we really wanted to  
2 focus on today were the notion of governance, the  
3 notion of land use, which I'll describe and define,  
4 and then the notion of funding. Governance has been  
5 well covered here today. I think again just to  
6 reiterate that the public does demand a wise use of  
7 the funds that we are going to ask them for. And so  
8 it's important that we instill and provide a  
9 governance structure that provides that confidence.

10                   I will say on behalf of MPC, we don't have  
11 the solution to a governance model, per se. As we've  
12 looked at governance models across the country, we've  
13 seen how models of varying size and shape have  
14 actually produced better results than we've seen here  
15 in this region. But we do stand ready and willing to  
16 support the recommendations of the task force, and  
17 we're excited to see what those come out as.  
18 Certainly, some of the ethics reforms that dovetail in  
19 with the governance, not necessarily structures, but  
20 how it operates are equally important.

21                   There are some near-term governance -- call  
22 them governance recommendations that I think the task  
23 force could support and, I think, the agencies perhaps  
24 are already moving towards. The notion of combining

1 and coordinating capital and operations planning can  
2 be something, again, reinforced by this report. And  
3 we can see progress towards that goal even without a  
4 completely restructured governance model: The  
5 implementation of a transportation demand management  
6 program for the region which coordinates not only the  
7 services of the service boards, but also other TDM  
8 types of services in the region: car sharing, bike  
9 sharing, emergency ride home, and whatnot.

10 And, in fact, we are engaged right now in  
11 conversations with the RTA and IDOT on just how to do  
12 that for this region. That's a terrific way to  
13 include and weave together some of the functions of  
14 the various agencies.

15 Already talked about performance-based  
16 programming for capital investments and budgeting.  
17 That can be -- We can begin those conversations and  
18 that can be started even in advance of a complete  
19 overhaul of a governance structure.

20 I want to spend a few slides on land use.  
21 But I think this is really an important one because,  
22 really, better land use, that is to say more  
23 transit-oriented development, is going to lead people  
24 living near -- living and working near transit, and

1 that's going to lead to higher ridership. And all of  
2 that can be done without any investment in the transit  
3 system itself. It's a land use decision. Now, you  
4 might wonder, of course, what power the transit task  
5 force has on land use, but I think you can make some  
6 recommendations in that regard. And I know that  
7 system performance task force has already sort of made  
8 steps in that direction. As I said, it maximizes the  
9 existing capacity that already exists on this system;  
10 reduces the housing and transportation index, so  
11 there's a strong component to this land use equation.

12 I think you've seen this map already. The  
13 blue dots are quarter-mile -- half-mile radii around  
14 transit stations in the region. The red dots are some  
15 of the larger employment blocks. You see the existing  
16 mismatch, how we can start to bring those two dots  
17 closer together so we can have better parity between  
18 transit resources and land use resources.

19 Clearly, developing new transit lines is an  
20 expensive proposition. Clearly, moving office towers  
21 is also an expensive proposition. And this situation  
22 didn't arise overnight. It arose over literally a  
23 couple, three decades. And so it's going to take some  
24 time to redress it. But it is one -- a goal that we

1 should keep clearly in our sights.

2           Just looking at this one little map in  
3 particular, there is excess capacity on some of the  
4 rail lines on the south and west side of our system,  
5 and you also see just by the red splotches in this map  
6 where you have higher vacancy in terms of housing  
7 stock near transit. So just zero in on the little leg  
8 on the right. If you know the south Chicago line, you  
9 can see there's been some terrific opportunities for  
10 infill development on the Metra service right there,  
11 bringing more population into the south Chicago  
12 community. That obviously would be a boom and a goal  
13 for them, something that they desire. But, again,  
14 taking advantage of that existing service that's  
15 already there without any greater capital investment.

16           The Rock Island line, the other electric  
17 extension all has opportunities for that same kind of  
18 redevelopment to drive ridership near transit. On the  
19 CTA blue and green lines, on the west side we see that  
20 those can accommodate about two and a half times their  
21 current peak ridership. So looking even on the CTA  
22 system, there's opportunities, again, just to increase  
23 ridership through changes in land use.

24           On a -- Across the region, you see really

1 in all of those nodes -- those half-mile nodes across  
2 transit stations the opportunity for about a half  
3 million new residents and more than a million square  
4 feet of commercial development. This particular  
5 example here from Tinley Park shows a proposed  
6 development around its Metra station, 167 apartments  
7 with some businesses in it. And those, of course,  
8 folks moving into that development would then avail  
9 themselves of that Metra service. And, again, at no  
10 cost to Metra.

11           So TOD must be a priority. How the task  
12 force can start to really reinforce that conversation,  
13 I think drive the region towards that, perhaps there  
14 are ways to look at reforming the financial  
15 incentives, if you will, that the State and/or CMAP  
16 can provide, maybe repairs to stations can be -- or,  
17 you know, state funds that are allocated towards  
18 improvements in stations of the rail lines can somehow  
19 be matched with some level of development near transit  
20 or some level of population or employment near  
21 transit. Those are metrics that, again, I think  
22 system performance has already begun to look at. And  
23 we would really, really encourage that, the task force  
24 to embrace that recommendation, because, again,

1 driving more people near transit drives the ridership  
2 increases and at little cost to the transit system  
3 itself. I think I already covered that.

4           The funding issue, we hit this one again  
5 today in particular with the report from the revenue  
6 committee. Go To 2040's goal of double daily  
7 ridership would put us at a per capita level similar  
8 to Washington, D.C., today. But Washington, D.C.,  
9 spends more than we do on both capital and operating  
10 dollars already. And that's just Washington. It was  
11 a sort of close -- you know, close in terms of the  
12 numbers. But we're still far less than London and San  
13 Francisco, New York, a whole range of systems. And I  
14 think you've seen those charts in the Delcan reports  
15 previously. So that's an important -- You know,  
16 obviously funding is important.

17           New funding operations can provide  
18 extensions for -- expansions for capital and  
19 operations. There are a host of sources that we could  
20 talk about. None of them are particularly politically  
21 exciting. If you are a legislator in Springfield or a  
22 county board president in the region, you know, a  
23 member, you don't want to vote for any of these  
24 things, I'm sure. But they have to be. And, again,

1 we need to provide them the support in this report to  
2 come out and really emphasize that we are providing a  
3 better-managed transit system that does deserve and  
4 need more revenue. And, you know, we're looking at  
5 this task force to really provide that level of  
6 guidance.

7                   So again, governance, stronger land use  
8 policies in the form of TOD and new revenues are  
9 really the critical linchpins as we see them. I thank  
10 you so much for the time to reinforce those comments  
11 from the task force. Thank you.

12           DR. SEN: Do we have time for questions? Very  
13 quick ones?

14           CO-CHAIRPERSON SCHNEIDER: Very quick one.

15           DR. SEN: You're saying that the blue and green  
16 line is running 40 percent of capacity in peak?

17           MR. SKOSEY: Sounds like it, yes.

18           DR. SEN: Do you have the equivalent of these  
19 maps for other cities?

20           MR. SKOSEY: No.

21           DR. SEN: I looked. I couldn't find any. I was  
22 wondering --

23           MR. SKOSEY: We haven't generated them. We might  
24 be able to. We drove out to -- I'm looking at Kathy

1 (unintelligible) for some of the data. We could look  
2 at that. I don't have them offhand.

3 DR. SEN: Okay. Perhaps we can talk -- we can  
4 correspond outside.

5 MR. SKOSEY: Okay. That would be great. Thank  
6 you.

7 CO-CHAIRPERSON SCHNEIDER: Very good. Any other  
8 questions?

9 (No response.)

10 CO-CHAIRPERSON SCHNEIDER: If not, the next item  
11 on the agenda is our public comment period, and we  
12 have three people wishing to give public comment  
13 today. Let's start with Eric Poders. Is that  
14 correct? Eric.

15 MR. PODERS: I'll be very brief. My name is Eric  
16 Poders. I live in Morton Grove. I'm a fourth  
17 generation Chicagoan and used to be down the street  
18 from Union Station -- well, actually, across the  
19 street from Union Station, down the street from Metra  
20 offices. And I just want to thank everybody for  
21 allowing me to speak and the other two people as well.

22 I think a lot more input needs to be  
23 undertaken by the public. The public are the people  
24 that feed the system. Everybody is nodding their

1 heads. And I have personal experience riding trains  
2 since I was seven years old. I took the CTA down here  
3 today.

4                   And I'd just like to just ask, if I could,  
5 just a show of hands just the people in the audience,  
6 not the people here on the board, who took the Metra  
7 to come down here today?

8                   Who took the CTA to come down here today?

9                   Who took a Pace bus to get down here?

10                   Now, I don't know how you people came here  
11 today and who might have been paying for your parking  
12 and what have you, but I really think that public  
13 input is probably the most important aspect of this  
14 task force. You were talking about e-mails and what  
15 have you. I think a public forum should be held,  
16 jotting notes down, both countywide and  
17 municipality-wide. I live in Morton Grove. And  
18 because of the -- I guess, the outlot by the Metra  
19 station has caused an influx in the area, as the  
20 gentleman from MPC was talking about, creating transit  
21 areas. If you look at areas around where I live in  
22 Morton Grove, like Des Plaines, Ashton Park, Arlington  
23 Heights, what have you, he hit the nail on the head. But  
24 there's got to be checks and balances. I've been on several

1 trains since I was seven years old where conductors  
2 were not collecting revenue from anybody on the train.  
3 And if you people are going to try to raise the rates  
4 and the fees and everything else that's associated and  
5 not have accountability as far as credit card receipt  
6 and what have you -- With the Metra scandal that  
7 happened last year, I'll tell you right here, right  
8 now, bottom line, I was behind that. And that became  
9 international. I've had media practitioners  
10 contacting me facilitating information. It needs  
11 to stop. There needs to be accountability by zip  
12 code, and infrastructure repairs need to be done by a  
13 station by station with Metra or by outlots with CTA  
14 and Pace and other, I guess, entities. And the  
15 revenue from a certain area needs to be contained in  
16 that area for infrastructure improvement.

17 Morton Grove needs to excel. We cannot  
18 excel until Mr. Orseno, who now has a great  
19 relationship with our village administrator, comes to  
20 the table and says, Look, we can move this outlot, and  
21 you guys can create a downtown and -- like everybody  
22 is saying. I mean, everybody is nodding their heads.

23 We don't have a downtown. And until we  
24 have a downtown, I'm going to keep coming to these

1 meetings. So I apologize for being late. I was held  
2 up downstairs for about 20 to 25 minutes by your  
3 security. This is a public meeting. This is a public  
4 building. And I'm sorry I'm not in a suit. I'm off  
5 right now. I'm on sabbatical. So I'll be here next  
6 month. I'd like to see the findings.

7           And I'm going to tell you I've got a lot of  
8 experience, and I've got a lot of people behind me  
9 that are going to give you a lot of input. But I  
10 really think it needs to be in a public forum like  
11 this where people can come to speak. The gentleman  
12 here in the third row on the end knows me from the  
13 Metra meetings. I've had letters drafted by  
14 Mr. Orseno with Metra. I've had conversations with  
15 Mr. Orseno. I think Metra's on the right track. I'm  
16 not so sure about the CTA.

17           But if you people start raising rates in  
18 the economy that we're living in and start going off  
19 with idealism from -- I don't want to say centuries  
20 ago, but a hundred, 150 years ago and laws that are  
21 attacked -- We need to basically change everything.  
22 We need to look at business models. We need to look  
23 at checks and balances. Everything basically needs to  
24 be changed. This is 2014. This is not the '50s and

1 '60s. The schools -- The trains that I've been  
2 sitting on are the same trains that I've been sitting  
3 on since the mid '70s. We're talking almost 30 years.

4 So I appreciate the time. I know I'm a  
5 little bit over three minutes. I know there's two  
6 other people that want to speak. Thank you.

7 CO-CHAIRPERSON SCHNEIDER: Thank you very much.  
8 Good comments.

9 Jamal Powell.

10 MR. POWELL: Yes. Thank you for availing me of  
11 this opportunity to speak. I have very interesting  
12 comments I heard at this task force meeting. And I  
13 must say when it comes to the issue of bold ideas and  
14 revenue, just saying, for example, that, Well, we  
15 don't know how we're going to solve the capital needs  
16 isn't going to cut it, or we may not have the money  
17 for service expansion in the future isn't going to cut  
18 it. Maybe if you want a bold idea -- and they  
19 actually -- this was actually attempted in  
20 Pennsylvania, but I think it ought to be looked at  
21 here and maybe refined a little bit -- Maybe take a  
22 look at some of the highways in the northern part of  
23 the state where the transit issues are and convert  
24 some lanes of major interstates like I-57 or I-55 or

1 I-94, the Bishop Ford Expressway, into tollways with  
2 the proceeds going to upgrade mass transit. So we can  
3 encourage more expansion, thus encouraging more people  
4 to ride.

5 I also agreed with the gentleman from the  
6 Metropolitan Planning Council when he talked about  
7 land use. Certainly more transit-oriented development  
8 in these municipalities is necessary to encourage more  
9 people to use mass transit.

10 And the third thing about ethics, slash,  
11 governance, now, I heard a comment today where people  
12 were saying, Well, we don't necessarily want to take  
13 the appointing authority away from the elected  
14 officials; however, it is the appointing authority of  
15 the elected officials, whether it's the county board  
16 or even giving it to the mayor of Chicago or governor,  
17 which got us, frankly, in this mess in the first  
18 place. You want to solve the issues of appointing  
19 authority? I'll say this. I, frankly, think the RTA  
20 board should be elected, and they, the elected board,  
21 should have the power to appoint the members of the  
22 service boards under them. That way, you have one set  
23 of accountability via the public. And the riders,  
24 those of us who ride, feel we have input, because,

1 quite frankly, if we let county board chairmen or even  
2 the governor appoint service boards or even the RTA,  
3 those members aren't accountable to anybody but the  
4 politicians. And until the politicians are  
5 neutralized, we're still going to be arguing about  
6 this 10, 20, 30 years down the road. But I thank you  
7 for your time.

8 CO-CHAIRPERSON SCHNEIDER: Thank you very much.

9 And, finally, Spencer Statton.

10 MR. STATTON: Just -- You know, I've come here  
11 before, and I just want to review, from my  
12 perspective, where we stand based on what I've heard  
13 and read from the committee. And I'll just go through  
14 it in the order of your committee structure.

15 First, with ethics, the question is, has  
16 the ethics committee developed or proposed any  
17 legislation or reforms that would have prevented or  
18 detected the two most egregious public trust betrayals  
19 to date? To be clear, the two instances I'm aware of  
20 are the recent pilfering of funds by Metra chief and  
21 the insider trading scandal of Mr. Belcaster and other  
22 top CTA executives from the 1980s.

23 In both these instances, top executives of  
24 varying transit agencies used their positions

1 illegally to increase their personal wealth. So has  
2 the committee examined the particulars of these cases  
3 and identified what positive measures can be taken to  
4 assure the public that all reasonable steps have been  
5 taken to prevent their recurrence? And if so, I will  
6 just say I have not seen that so far discussed or  
7 documented.

8           In terms of finance, from the documentation  
9 and what I've heard, everyone seems to agree that the  
10 current funding levels are not adequate and that the  
11 funding scheme is too complex. This is a problem  
12 we've had for decades. Again, in reading the  
13 materials, I have not really seen or heard one  
14 proposal that really begins to seriously address the  
15 issue. I did ask at one meeting if we could get a  
16 study to see what -- a financing scheme similar to  
17 Washington, D.C.'s where the surrounding communities  
18 paid into the system of transit and for what that  
19 would look like in our area. And I believe Ms. Brown  
20 also was very interested in that idea as well.

21           I also testified at the initial meeting  
22 that the current funding system is not a progressive  
23 tax structure. And, again, I haven't seen anything  
24 that begins to address the fairness of the funding

1 structure or identify any alternative tax revenue  
2 streams that might support transit.

3           And just to repeat, you know, if we're  
4 talking about a world-class system, we need revenues.  
5 And it's silly to talk about a world-class system  
6 without talking about seriously a 50, 60, 70, 80  
7 percent increase in the revenues we're talking about  
8 for this system.

9           For governance, I recall the testimony of  
10 Mr. Prendergast, our distinguished speaker from New  
11 York. He said that the governance structure of the  
12 MTA was established in 1965 and is largely unchanged  
13 today. In 1980, the state of the transit system was a  
14 disgrace. Yet today, the MTA is tracking record  
15 ridership after an investment of nearly \$100 billion  
16 in capital. What he did not say was that the  
17 governance structure of the MTA had any material  
18 impact for affecting the change of fortunes of the  
19 transit agency and the transit system. To quote  
20 Mr. Downey, who also spoke that day, "To make  
21 effective changes, you need, quote, cooperation and a  
22 basis of support from a wide variety of stakeholders."

23           To me, it would seem that in order to  
24 develop a governance model, that first we need to

1 identify and describe those stakeholders. And that --  
2 From my perspective, I think this work still remains  
3 largely incomplete.

4                   And then, finally, system performance --  
5 And I apologize if there was a presentation on this  
6 earlier. I didn't see it. I came a little bit late.

7           CO-CHAIRPERSON SCHNEIDER: No. It was actually a  
8 couple meetings ago.

9           MR. SPENCER: Okay. There's really currently one  
10 and only one key performance metric that affects  
11 performance system, and that's the 50 percent farebox  
12 recovery ratio that was imposed by the legislature in  
13 1983. Our friend from Delcan brought color charts and  
14 graphs about various aspects of system performance,  
15 but nowhere in the document did it identify and  
16 address the impact of the farebox recovery ratio  
17 requirement. In short, much of the decline in  
18 ridership comes from the elimination of CTA bus routes  
19 because the CTA is forced to cut service to maintain a  
20 recovery ratio. Doesn't affect Metra. Pace's farebox  
21 recovery ratio is in the 20 percent range. But  
22 because CTA is such a large part of the system, they  
23 must maintain a farebox recovery ratio of very close  
24 to 50 percent.

1                   This is the biggest threat to overnight  
2 service. To maintain the 24/7 system, more bus routes  
3 are eliminated. The bus routes we are cutting would  
4 be at the top of Pace's utilization. And this also  
5 effectively kills any new or innovative services that  
6 cannot achieve a recovery ratio right off the bat.  
7 Why do we have a 50 percent farebox recovery ratio? I  
8 think it's four simple words: They should pay half.  
9 If tax dollars came -- are coming from Cairo or Cairo,  
10 Effingham, Galena and sent to Chicago to pay for  
11 public transportation, they should pay half. I  
12 believe that was the discussion that was happening in  
13 1983 when this was passed in the legislature. Can't  
14 find it in the documents. It's not in the written  
15 testimony. I believe it was there. I think it's  
16 foolish to believe it's not there.

17                   This has been one of the most insidious  
18 things driving public transportation policy in this  
19 region for 30 years. We need to understand it and  
20 deal with it. The idea they should pay half in order  
21 to receive taxpayer assistance is a fundamentally  
22 racist idea which came from the legislature in funding  
23 public transportation in Chicago, and we need to  
24 eliminate it. Thank you very much.

1 CO-CHAIRPERSON SCHNEIDER: Thank you. Any other  
2 comments?

3 (No response.)

4 CO-CHAIRPERSON SCHNEIDER: Okay. Seeing no other  
5 public comments, I would entertain a motion to  
6 adjourn. And before I do so, thank you to both  
7 Patrick and Carole and their groups for all of the  
8 hard work that they put into the presentation.

9 Any motion to adjourn?

10 MR. FITZGERALD: So moved.

11 DR. SEN: Second.

12 CO-CHAIRPERSON SCHNEIDER: All in favor?

13 (Ayes heard.)

14 CO-CHAIRPERSON SCHNEIDER: We're adjourned.

15 (Which were all the proceedings.)

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1 STATE OF ILLINOIS )  
2 ) SS.  
3 COUNTY OF COOK )

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5 Erin D. Mitoraj, being first duly sworn, on  
6 oath says that she is a Certified Shorthand Reporter,  
7 doing business in the City of Chicago, County of Cook  
8 and the State of Illinois;

9

10 That she reported in shorthand the  
11 proceedings had at the foregoing meeting;

12

13 And that the foregoing is a true and correct  
14 transcript of her shorthand notes so taken as  
15 aforesaid and contains all the proceedings had at the  
16 said meeting.

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ERIN D. MITORAJ, CSR

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