

1 BEFORE THE
2 NORTHEASTERN ILLINOIS PUBLIC TRANSIT TASK FORCE

3 MEETING HELD ON MARCH 17, 2014
4 ILLINOIS DEPARTMENT OF TRANSPORTATION
5 160 North LaSalle Street
6 Suite N505
7 Chicago, Illinois

8 Met, pursuant to notice, at 10:30 a.m.

9 APPEARANCES:

10 ANN SCHNEIDER, Co-Chairperson/Secretary
11 GEORGE RANNEY, Co-Chairman
12 CAROLE L. BROWN, Member
13 PATRICK FITZGERALD, Member
14 SONIA M. WALWYN, Member
15 DR. SYLVIA JENKINS, Member
16 NICK PALMER, Member
17 RAUL I. RAYMUNDO, Member
18 TONY PAULAUSKI, Member
19 DR. ADRIENNE M. HOLLOWAY, member
20 DR. ASHISH SEN, Member
21 KATHRYN THOLIN, Member (via telephone)

22 GUEST SPEAKERS:

23 MR. RICARDO MEZA

24 MIDWEST LITIGATION SERVICES, by
Kristi Landolina, CSR, RPR
Illinois CSR No. 084-004611

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1 CO-CHAIRPERSON SCHNEIDER: Let's go ahead and get
2 started. I know people are still wandering in. We've
3 got a big agenda today and a short time frame to discuss
4 everything we're here to discuss.

5 First of all, thank you and welcome everybody
6 to the Northeastern Illinois Public Transit Task Force
7 meeting. I think I would be remiss if I didn't say
8 happy St. Patrick's Day to everybody. I was telling
9 someone I think I have about a 16th Irish blood flowing
10 in my veins, so I can claim that today. And I know we
11 have a lot of people of Irish decent here today, so
12 happy St. Patty's Day. I'm glad to see you're not all
13 at home on your computer trying to fill out that bracket
14 for that billion-dollar challenge. Thank you Warren
15 Buffet.

16 This is our next-to-last meeting of the Task
17 Force. And I really, again, want to recognize the
18 efforts of the members of the Task Force. I want to
19 show my appreciation to the coach here, George Ranney.
20 His thoughtful leadership has really been insightful and
21 helpful throughout this process. And to the Task Force
22 members, I know you all voluntarily gave your time, so
23 thank you all for that. I also want to thank the
24 members of the public that have joined us throughout the

1 process and for those of you who are joining us here
2 again today.

3 Real quickly, I'm going to call off the roll
4 and then we'll move into the next order of business.

5 Carol Brown.

6 MS. BROWN: Here.

7 CO-CHAIRPERSON SCHNEIDER: Patrick Fitzgerald.

8 MR. FITZGERALD: Here.

9 CO-CHAIRPERSON SCHNEIDER: Robert Guy.

10 Dr. Adrienne Holloway.

11 Sylvia Jenkins.

12 DR. JENKINS: Here.

13 CO-CHAIRPERSON SCHNEIDER: Nick Palmer.

14 MR. PALMER: Here.

15 CO-CHAIRPERSON SCHNEIDER: Tony Paulauski.

16 MR. PAULAUSKI: Here.

17 CO-CHAIRPERSON SCHNEIDER: Raul Raymundo.

18 MR. RAYMUNDO: Here.

19 CO-CHAIRPERSON SCHNEIDER: Bob Reiter.

20 MR. REITER: Here.

21 CO-CHAIRPERSON SCHNEIDER: Dr. Ashish Sen.

22 DR. SEN: Yes.

23 CO-CHAIRPERSON SCHNEIDER: Don Tantillo is ill, so
24 he won't be making it.

1 Kathryn Tholin.

2 Kathryn, are you on the phone? I think she
3 is.

4 Sonia Walwyn.

5 MS. WALWYN: Here.

6 CO-CHAIRPERSON SCHNEIDER: Myself and George. Very
7 good. I want to start with just some basic housekeeping
8 today. Again, as we have at our previous meetings, we
9 have a court reporter here. For their benefit I ask
10 that please make sure you speak up and provide your name
11 each time you speak and if you're going to be providing
12 comment during the public comment period, please make
13 sure you also give your name before you speak and to
14 speak so that the court reporter can hear you.

15 Also, for the members of the public, if you
16 are wanting to make comment today, we certainly
17 encourage you to do so. There were comment cards as you
18 came in. You could fill out a card. There you could
19 identify whether or not you wanted to speak or if you
20 just wanted to provide written comments. We also
21 provided palm cards as you entered, which contain the
22 Web site and would allow you to go online and also
23 provide comment. I think over the last week we received
24 one public comment via the Web site but that is

1 certainly a venue that we think is appropriate and
2 encourage you to do so if you would like to do so.

3 With that, I think the next order of business
4 is approval of meeting transcript. I know we have
5 received some changes from Patrick Fitzgerald for the
6 February 28th meeting.

7 Are there any other comments, corrections or
8 notes that anybody would like to make regarding those
9 transcripts?

10 If not, I think we would entertain a motion to
11 approve the transcripts once the comments and
12 recommendations and edits from Patrick Fitzgerald are
13 made. I would entertain a motion to the approve once
14 those changes are made.

15 DR. JENKINS: So moved.

16 MR. PAULAUSKI: Second.

17 CO-CHAIRPERSON SCHNEIDER: All in favor?

18 TASK FORCE MEMBERS: Aye.

19 The transcripts as amended will be adopted.

20 The next item on the agenda is the Office of
21 the Executive Inspector General statement. We're very
22 pleased that the Inspector General for the executive
23 agencies and also for the transit boards who is joining
24 us here today. He provided some written comments late

1 last week and that information is available on the Web
2 site. I think we've distributed it to the Task Force
3 members. We're very pleased that the Inspector General
4 has joined us here today and we look forward to hearing
5 his comments and then we will open the floor up to
6 questions. I would say having read through the document
7 that was prepared for us late last week, there was some
8 solid recommendations in there that I think we should
9 consider as part of our report.

10 With that, Inspector General.

11 INSPECTOR GENERAL MEZA: Thank you, Ms. Schneider.
12 I, too, wish a happy St. Patrick's Day to my two
13 daughters, Irish dancers; I'm very happy about that.

14 I wanted to thank the members of the
15 Northeastern Illinois Public Transit Task Force for the
16 opportunity to provide comments. I do not intend to
17 repeat any of my written comments today but would rather
18 just make some general observations and additional
19 comments.

20 First, I think it's important to note that
21 prior to July 2011 other than the Chicago Transit
22 Authority, none of the RTAs had their own internal
23 Inspector General. Second, while the RTBs did have and
24 may still have employees, auditors, and outside parties

1 who conduct internal investigations review, RTB
2 operations, or employee misconduct, we believe this is
3 and was continuously insufficient RTB oversight. First,
4 although an RTB employee may look into allegations of
5 wrongdoing, ultimately that employee reports to their
6 supervisor, not to the public.

7 Second, although internal auditor findings may
8 identify deficiencies, these findings are generally not
9 subject to public disclosure and these employees also
10 ultimately report to their supervisor, not the public.

11 Third, although outside parties hire --
12 Although sometimes outside parties are hired, such as
13 law firms, to review or investigate misconduct and may
14 seem to be objective and, in fact, may in fact identify
15 wrongdoing, these vendors or contractors are ultimately
16 also reporting to their employer or the particular RTB
17 who hired them, not the public. While the OEIG believes
18 that employees, auditors, and those hired by RTBs and
19 very well seek to uncover wrongdoing and misconduct, our
20 experience over the last couple of years, certainly the
21 OEIG reveals that oversight is still critically needed.

22 The expenditure of public funds and the
23 conduct of employees deserves independent oversight and
24 ultimately public accountability. We intend to continue

1 these things as the Inspector General for the RTBs so
2 long as we serve in this position.

3 I'm happy to answer any questions. I
4 understand the Task Force is the agenda and I have no
5 other comments.

6 MR. FITZGERALD: Thank you. Rick, just to make
7 sure I understand three of the key things in your
8 letter. I understand that after the office of the
9 Executive Inspector General began oversight of the RTBs,
10 that RTA opposed your current auditor positions to look
11 at some of the books and records?

12 INSPECTOR GENERAL MEZA: That's correct.

13 MR. FITZGERALD: Also, without telling you, wrote
14 to the legislature to suggest that your budget be cut.

15 INSPECTOR GENERAL MEZA: That's correct. Because
16 our RTB division is funded by public transportation
17 funds. That's correct.

18 MR. FITZGERALD: Has any other agency sought to
19 oppose or fill your positions during that time if there
20 was a budget cut from the legislature?

21 INSPECTOR GENERAL MEZA: Not since I served in this
22 position.

23 MR. FITZGERALD: The second question that came out
24 of your letter is it appears to me -- and let me see if

1 I understand this correctly -- the office of the
2 Executive Inspector General for good reason conducts its
3 investigation in confidence, right?

4 INSPECTOR GENERAL MEZA: Yes, in confidence without
5 public disclosure.

6 MR. FITZGERALD: So if a person was under
7 investigation by the office of the Executive Inspector
8 General without any finding, for good reason you would
9 make no public comment on that, correct?

10 INSPECTOR GENERAL MEZA: That's correct.

11 MR. FITZGERALD: But the underlying documents that
12 may be provided to you, they themselves are not
13 protected from the disclosure by the agency, the full
14 disclosed record.

15 INSPECTOR GENERAL MEZA: That's correct. In other
16 words, during the course of an investigation we would
17 seek numerous documents from an agency, what's referred
18 to as requests for documents. Those documents are
19 documents that are generally in the possession of a
20 state agency. Those documents are subject to disclosure
21 to our office the same way they would be subject to
22 disclosure to members of the public through a FOIA
23 request, although we often receive additional documents
24 for information through -- from a particular regional

1 transit board.

2 MR. FITZGERALD: It's your understanding in the
3 past, specifically in July of 2013, the fact that there
4 was an OEIG investigation was used as a reason for Metra
5 not to produce certain documents to a House Mass Transit
6 Committee hearing?

7 INSPECTOR GENERAL MEZA: Right. What happened,
8 Mr. Fitzgerald, is there was a hearing by a House Mass
9 Transit Committee in July of 2013. We attended that
10 hearing as a member of the public and during that
11 hearing representatives from Metra stated that certain
12 documents had been turned over to our office and thus
13 were confidential. I was then asked to comment on that
14 statement and assured the members of the Task Force that
15 that statement was not correct; in other words, simply
16 because documents are tendered to our office does not
17 quote them confidentiality.

18 MR. FITZGERALD: What then happened, were the
19 documents produced or not?

20 INSPECTOR GENERAL MEZA: The next day -- It's my
21 understanding the next day those documents were publicly
22 released.

23 MR. FITZGERALD: The last question I had is,
24 there's a reference in here that if you seek documents

1 from one of the regional transit boards and an assertion
2 is made that those documents are covered by
3 attorney-client privilege, do you have any recourse to
4 determine whether or not that assertion of privilege is
5 valid?

6 INSPECTOR GENERAL MEZA: At this point we don't.
7 The way the system was set up and the Ethics Task Force
8 was set up in the administrative rules, I think there
9 was -- The drafters of the administrative rules
10 envisioned a request by our office to a particular
11 agency seeking documents and that that agency would
12 object on the grounds of confidentiality or
13 attorney-client privilege.

14 The rules were set up in such a way as to
15 allow that particular agency to then seek a
16 determination from the Executive Ethics Commission to
17 decide whether or not those documents are, in fact,
18 confidential or not. However, if a request is made by
19 our office to an agency and the agency asserts an
20 attorney-client privilege but takes no action, we --
21 there's nothing in the statute that allows us to then
22 proceed to the Executive Ethics Commission and similarly
23 seek a determination. In other words, they can sit on
24 that objection and there's no mechanism at this point in

1 the Ethics Act that would allow us to proceed directly
2 to the EEC, so that we can obtain that determination,
3 whether it's valid or not.

4 MR. FITZGERALD: I just have one last question that
5 you may or may not be able to answer.

6 Has that been an issue specifically with
7 regard to the RTBs?

8 INSPECTOR GENERAL MEZA: I can say that when we --
9 you know, when we conduct investigations in our office,
10 we're probably -- we're probably more conservative in
11 how we interpret the rules than perhaps others wish we
12 were. My comments -- I think the fact we made the
13 comments in relation to this Task Force would indicate
14 that those are challenges that we face with regard to
15 some of the investigations that we do conduct relating
16 to the RTBs.

17 CO-CHAIRPERSON SCHNEIDER: Carole.

18 MS. BROWN: I apologize. I have not had an
19 opportunity to review your letter, so this question
20 might be housed in your letter. When your office was
21 established as -- Did -- The regional transit boards
22 that did have Inspector General functions internally,
23 were those transferred to your office or is your
24 function kind of incremental to what they are doing

1 internally?

2 INSPECTOR GENERAL MEZA: So the only regional
3 transit board that had an Inspector General was the
4 Chicago Transit Authority. And when the legislation was
5 drafted, we were allowed to comment with regard to how
6 we wanted to interact with the Inspector General for the
7 CTA. And basically the way the statute was drafted the
8 Inspector General for the CTA would provide us copies of
9 any investigation they're conducting or investigations
10 of complaints they received. We would have sort of a
11 right of first refusal to then take over that
12 investigation if we wanted to. About a year and a half
13 into our -- into the legislation, which appointed us the
14 Inspector General, CTA abolished the Inspector General's
15 office; and therefore, that's not an issue anymore.
16 There's still a provision that allows the CTA to seek
17 the RTBs to establish their own IG but that IG would
18 then be required to cooperate with our office and
19 provide us information with regard to complaints that he
20 or she receives and we would also have a right of first
21 refusal to take over the investigation.

22 MS. BROWN: Your office does both the investigative
23 work for all of the transit boards and the, I'll say,
24 ongoing audits, different kind of functions or just kind

1 of investigations?

2 INSPECTOR GENERAL MEZA: The audits are continued
3 to be done by the inspector of the regional transit
4 board and they each have their own audit function.

5 CO-CHAIRPERSON SCHNEIDER: Inspector General, just
6 real quickly, you had some very specific recommendations
7 included in your letter. Since everybody hasn't really
8 had a chance to read it, can you just generally cover
9 those? I think they were all worth noting.

10 INSPECTOR GENERAL MEZA: Well, one of the
11 recommendations that we made involved what I was just
12 asked about by Mr. Fitzgerald, that is the ability of
13 our office to seek a determination before the Executive
14 Ethics Commission relating to a claim of privilege. We
15 think our office should be entitled to the same rights
16 as those parties who, we seek documents from, to the
17 extent that we believe that they are asserting a
18 privilege that is otherwise -- they are not entitled to
19 receive. We also believe that there needs to be some
20 clarification with regard to the confidentiality of
21 documents within our possession. We receive over -- We
22 receive nearly 3,000 complaints every year. We only
23 open about 150 investigations. And out of those 150,
24 less than 50 percent are actually founded. So there's

1 good reason for the need to have complaints that we
2 investigate remain confidential. A lot of them are
3 unfounded. The problem is that when we issue requests
4 for documents of agencies, those agencies may then
5 receive requests, Freedom of Information requests, FOIA
6 requests, from newspapers seeking requests for
7 documents. And by releasing those documents, I think,
8 would basically result in the disclosure of nearly every
9 single investigation that we have ongoing in our office.
10 So we're seeking to clarify those provisions of the
11 confidentiality provisions for release of our
12 investigative files.

13 CO-CHAIRPERSON SCHNEIDER: Thank you. If there are
14 no other questions, George.

15 CO-CHAIRMAN RANNEY: We're going to go into
16 discussion of work in the Governance Committee. As you
17 all know, we have reports from the system performance,
18 finance, and ethics would be the first real bracket,
19 governance. And we'll begin with the presentation of
20 Dr. Sen. This committee consisted of Nick, Dr. Sen, and
21 me. I'm sure Dr. Sen will be willing to provide
22 additional detail.

23 Our hope is to agree in some degree a
24 consensus about the model of governance that we wish to

1 recommend and to move as well as we can. We'll dress
2 any -- After our -- The other two members of the
3 committee were Nick and me and I'm sure we'll have --
4 Our hope is to get a consensus as we think we did with
5 others of what should be recommended.

6 After governance we'll discuss any outstanding
7 issues and previous working group recommendations. Some
8 of that discussion is likely to focus on ethics and
9 we'll ask Pat to comment and highlight for us issues
10 that he thinks require additional attention. So we want
11 to move along as best we can here.

12 This obviously is a very critical meeting.
13 We're coming to the end of our process, one more
14 meeting. And so we need to channel our recommendations
15 into clear ideas for the future.

16 Let me just take a minute and comment on what
17 it is I think we're after here. We're looking for clear
18 recommendations, of course. We are not looking for --
19 necessarily for the result that we think will emerge
20 from legislation. So I think it's very important for us
21 to say to ourselves at this juncture that what we're
22 trying to do is to come up with the best solution that
23 possibly we can. Some of the politics will inevitably
24 occur later, so let's not try to outsmart the

1 legislature and do its job. Let's be focused on the
2 substance of the results we want to achieve.

3 Now there are no easy answers here. Our
4 recommendations aren't going to please everyone. We
5 know that. But we need to be bold and we need to be
6 actionable. I encourage all of you to actively
7 participate in today's discussion.

8 Dr. Sen, would you please begin your
9 presentation.

10 CO-CHAIRPERSON SCHNEIDER: Before you do, can I
11 jump in real quick. I just want to recognize that
12 Dr. Adrienne Holloway has joined us as a member of the
13 Task Force. And I forgot to mention after the Inspector
14 General's conversation that both Metra and RTA have
15 letters in response to the Inspector General's comments.
16 Those will be made available to the Task Force members
17 and on our Web site. Dr. Sen.

18 DR. SEN: Thank you and thank you, George. First
19 of all, let me start by thanking the working group.
20 Thank you. Very helpful discussion.

21 Anyway, I'll start by thanking the working
22 group and also thank the staff. One member of the
23 staff, Mark, he worked with me over the weekend and
24 spent endless hours putting this presentation together,

1 so thank you very much. We have only about an hour. So
2 while I hope we can make a lot of progress, the main
3 purpose is, I think, to have a good discussion. You
4 don't ask an academic, which is what I am, to be
5 decisive. We're not by nature otherwise we wouldn't be
6 academics. We are great believers in rigor. But
7 anyway, with that in mind, I'm going to make our
8 presentation but it is -- there's a lot of -- We don't
9 come to any conclusion. Fortunately, we'll be leaving
10 that to the final report in a sense.

11 If you have any thoughts after today's
12 discussion, you can e-mail them to me. I put my e-mail
13 address up there. Actually, what I would prefer is you
14 e-mail the two co-chairs with a cc to me because I think
15 it's -- we're sliding into that domain now in a very
16 short time.

17 You've seen these guiding principles. They
18 are Task Force guiding principles that were written
19 sometime ago and this is something that we found very
20 useful and read it frequently. After that I'm going to
21 present our broad findings. I need to stress that this
22 is what we heard or found. They may not necessarily be
23 the views of every member of the Task Force. This is
24 what we heard and they are being summarized here.

1 First -- Well, you can see -- This is a bit of
2 history, actually. The service boards were designed to
3 be autonomous, independent authorities. The 1983
4 reorganization left the RTA with the taxing authority
5 oversight, et cetera and the 47 board members were
6 appointed to 4 transit boards by the same elected
7 officials. I should point out that many of those board
8 members are actually on the -- placed on the RTA board.
9 CTA has only 7 and Metra, I think, has 11.

10 In '08 there was a financial crisis and
11 lagging ridership and that prompted stakeholders to
12 study the system problems of the -- system problems.
13 There was a performance audit done, which pointed out
14 that there was a lack of strong, centralized planning
15 and there was an absence of a long-term plan.

16 The '08 law gave RTA new responsibility and
17 authority to shape regional transit through a strategic
18 plan and a capital program and the strategic plan was
19 more -- required more or less the way it's done
20 nowadays, to have goals, performance measures, and
21 evaluation criteria and the requirement that financial
22 plans should be consistent with a strategic plan.

23 This is what we heard. We heard that the RTA
24 has not fully utilized its authorities, that the

1 strategic plan does not adequately address the '08
2 directives with concrete targets and implementation
3 plans, and we heard that the cultural, structural, and
4 historical impediments led to stalemates. And this we
5 know that this business about the discretionary funding
6 has sort of tied up the RTA board to a fairly large
7 extent and has led to an inaction on other important
8 issues.

9 Despite significant state and federal
10 investment, a lot of it in recent times, it is widely
11 believed that Northeastern Illinois has been under
12 investing in transit overall. We can see that from the
13 state-of-good-repair backlog, lack of system expansion,
14 and occasional service cuts and some fare hikes. It is
15 widely believed that the governance structure is related
16 to funding.

17 It is also widely believed that the current
18 transit system is not organized as well as it might be.
19 This belief is reinforced by findings and
20 recommendations of other working groups and with our
21 many conversations with transit experts.

22 Now, opinions do vary about how much change is
23 needed. One of the documents that informed us a lot was
24 a letter from the county chairs and even that mentions

1 two different alternatives, one very modest change, one
2 very serious change. From all that we have heard,
3 there's a wide variation in how much change is needed,
4 which, of course, makes our working group work very
5 difficult.

6 We looked at a number of models proposed to
7 us, things that exist in various places, things that --
8 There's actually a number of reports written on
9 governance. And the thing is that there is, in fact, an
10 infinite number of models, which -- you know, or at
11 least an infinite number of components of any governance
12 structure.

13 We looked to a whole lot of these and
14 essentially came up with two recommendations. We're
15 putting forward to the working group to the Task Force.
16 I'll go into them in a moment. To some extent it felt
17 it was presumptuous of us to just give the Task Force
18 one model and say take it or leave it, so we are
19 bringing two models with many variations.

20 The first model we're calling the State Agency
21 Model. It eliminates the RTA, creates a new unit in
22 IDOT to oversee Northeastern Illinois transit. This
23 unit will oversee transit finance, will implement major
24 capital projects, coordinate transit agency activities

1 and plans. It will implement regional financial
2 planning process and other systemwide policies that
3 reflect Task Force recommendations or legislative
4 recommendations and operating funds would be allocated
5 according to a formula, which would incorporate
6 performance measures set by the legislature. The idea
7 of the performance measure based allocation of funds
8 comes, of course, from our finance working group.

9 We're also proposing that this unit have the
10 ability to withhold capital funds to one extent or
11 another in order to make sure that legislative mandates
12 are met. One might think about the uniform fare card as
13 something that would have fallen under this model.

14 Here's a picture of the model. Someone asked
15 me why para-transit was a separate heading. It's not.
16 There's a thought that one might want to have
17 para-transit out of place because it's a different mode
18 than bus. It's not something we're proposing as such.

19 At this stage we divulge into two different
20 models. One model would absorb the RTA responsibility
21 and leaving the service boards as they are. This model
22 is similar to what -- I'd like to believe it's similar
23 to what the FTA does, Federal Transit Administration.
24 The congress president sets guidelines of disbursement

1 of funds and the FTA exercises authority in making that
2 happen right. In this case under Alternative 1 the
3 legislature and governor would be setting whatever state
4 priorities are and IDOT would make sure that it happens.

5 The second alternative is -- I'm sorry. Back
6 to the first alternative. There could be -- This unit
7 could have its own at least advisory board. Could.

8 The second alternative all transit
9 administration is absorbed by IDOT; in other words, no
10 boards, all gone, except maybe one advisory or, you
11 know, real board, which advises IDOT in some way. That
12 actually is the model that they use in Massachusetts for
13 the Boston transit, and we'll come to that in a moment.
14 I'm not recommending the Boston transit. This is just,
15 you know, to illustrate the points.

16 The Integrated Model, again, eliminates the
17 RTA but consolidates all transit into one regional
18 agency. All service boards are gone, single board
19 responsible for setting policy, strategic direction,
20 determining funding allocations, prioritizing
21 investments, et cetera. Service boards -- Actually,
22 service boards are gone but the agencies that now report
23 to service boards, the CTA, Pace, and Metra, become
24 operating divisions of this regional entity.

1 This is a picture. Now the board presumably
2 might have committees that oversee each of the modes.
3 The idea of the para-transit is the same as I explained
4 before. It doesn't have to be separated out but going
5 back, the board might have committees that oversee the
6 CTA, Metra, Pace. And that's what they do in New York
7 and we'll look -- Actually, that's what they do in New
8 York.

9 Summary, both models have potential to
10 increase coordination and better connect development
11 with transit, both models increase accountability, both
12 models increase the potential to plan and adapt to
13 change, and potential cost savings but not much. Very
14 little.

15 As I mentioned earlier, several models
16 informed our thought process and we can't present them
17 all. We really don't have the time to do that. So I
18 will talk a little bit about two. The New York model,
19 which is very similar -- which is one version of our
20 Integrated Model idea; and the Boston model, which is,
21 again, maybe one manifestation of the IDOT model.

22 The MTA model -- Sorry we couldn't find a
23 better picture. But this is what it looks like as an
24 administrative sense but let me describe it in words.

1 It's got a board appointed -- well, actually a -- The
2 entire board is appointed by the governor but with
3 nominations coming from various appointing authorities
4 like counties and the city and some are governor's own
5 appointments but they are all nominated through the
6 governor and the governor has never turned down a
7 nomination. We'll come to that a little later. There
8 are -- The chairman, who also happens to be the CEO, on
9 this sheet it happens to be Mr. Prendergast who came and
10 talked to us. He appoints -- It's critical he appoints
11 all committees so that the committee that oversees each
12 of the modes in New York are appointed by the chairman.
13 These are the modes that New York has -- Sorry. I saw
14 this only today. One has to notice New York does have a
15 tollway. I think the bridges and tunnels produce some
16 tolls which help, of course, with the financial
17 situation.

18 Now to go through the Boston model. This
19 is -- This is for MassDOT. It is equivalent to the IDOT
20 organization chart. And you can see that the part that
21 is circled is the transit part and there is a general
22 manager for the MBTA, which is the Boston transit,
23 essentially Dr. Beverly Scott, and there is a dotted
24 line up to the board of directors but a solid line that

1 goes to the secretary and CEO, which is Richard Davey.
2 Under the general manager is the MBTA and the statewide
3 rail and transit system. So just bringing this up to
4 inform that this is a model that we did look at.

5 Some other additional recommendations. First
6 recommendation is that we should have -- regardless of
7 what we do, we recommend -- our working group
8 recommends -- this one is actually a hard
9 recommendation -- that we would have more
10 representatives of the governor of the state on all
11 boards. And the two reasons for it, one which I have
12 written here, the state contributes a significant
13 portion of transit operating and capital funding. And
14 the other reason is what is written in the Delcan report
15 that state appointees are likely to view things in a
16 more region-wide way than being held into a smaller area
17 from which they come.

18 The other recommendation also we feel
19 relatively strongly about is that they should include --
20 the board should include members with proven leadership
21 qualities but also with some professional experience. I
22 have given a long list here. We probably should have a
23 smaller list. We left law there because out of
24 deference to our co-chair who is an attorney, I believe.

1 We probably don't need that one since we have lawyers on
2 call. I feel fairly strongly about IT because there's a
3 lot of expenditures in IT and that's only going up and
4 some knowledge would be helpful on the board.

5 The other topics for discussion is, you
6 know -- you know, the nomination and appointment
7 procedure where I think we overlap with ethics and --
8 but I'd like to point out that different places do it
9 differently. As I mentioned, in New York the
10 appointments are the local agencies make nominations to
11 the governor who does the appointing. That, of course,
12 creates a uniform way of background checking and all of
13 those things. Other -- In Boston the governor appoints
14 the whole board without -- probably with some discussion
15 but not necessarily a nomination process. There are
16 also issues where there might have to be a lot of advice
17 and consent opportunities, especially if we were to take
18 the unified board model and have committees overseeing
19 each of the individual boards, we might require some
20 advice and consent. Also, if the governor were to
21 appoint chairs of boards, there might have to be other
22 advice and consents given.

23 There was a suggestion made by the ethics
24 group to have some kind of a vetting panel. I look to

1 Mr. Fitzgerald that one other case where I saw a vetting
2 panel things didn't work out so good. But anyway,
3 that's an issue that we might want to discuss. Another
4 issue we might, if time permits, discuss the issue that
5 right now RTA has a super majority requirement, which
6 has led to not a lot of decisions getting made. What do
7 we do with that? Do we suggest getting rid of it? Do
8 we suggest keeping it? If we do the unified board
9 scenario.

10 Then there's always an issue that concerned me
11 personally quite a bit because of things that I have
12 seen. What happens with the staffing in the unified
13 board model, does the current RTA staff slide over and
14 become IDOT staff? There's also an issue of clash of
15 cultures. I think we have heard that some of the modes
16 have their own cultures. Even in India railroad people
17 are sort of different and they are sort of semi-military
18 in many ways. And Metra is a railroad. And so how will
19 the cultures come together, you know? Well, one could
20 say they came together okay in New York. But that's
21 something I think we should visit and discuss as much as
22 possible.

23 Having said all that, thank you very much.
24 Open to discussion and I think at this stage have the

1 two co-chairs take over.

2 CO-CHAIRMAN RANNEY: Okay. Thank you, Dr. Sen.
3 You put an enormous amount of time into this, and
4 moreover, I'm aware of much of it. We're going to
5 discuss this. There are a number of issues, some of
6 them are ones that the working group was unable to
7 thrash through. As we begin, I'm going to ask Secretary
8 Schneider to comment.

9 CO-CHAIRPERSON SCHNEIDER: Thank you, George. I
10 don't know that I need the mike but I'll move it over
11 this way. I, too, want to commend the efforts of the
12 governance working group. You all have obviously put in
13 a great amount of effort and thought into what you
14 presented today and the fact that there are infinite
15 possibilities that obviously didn't make your task any
16 easier.

17 I think about both of your proposals. There's
18 obviously merit, pieces of both that are very thought
19 worthy and obviously I think it's going to be a
20 combination of ideas as we go forward. I think that --
21 I think back to Tom Prendergast with the MTA from New
22 York and his presentation and then the idea we need bold
23 and actionable steps. And I think that with the task of
24 this workforce and what we've learned to date moving

1 towards some sort of Integrated Board Model is, in my
2 opinion, what makes sense, although I do think there is
3 merit to enhancing state oversight to what we decide as
4 we go forward.

5 The idea that we got from each of the county
6 board chairmans that there needed to be regional
7 representation in helping to make those decisions I
8 think is something that makes sense. I think the devil
9 is going to be in the details. I'm hoping that the
10 discussion that we have now will help really flush out
11 some of those details as we go forward in terms of some
12 of the things that Dr. Sen raised in terms of board
13 appointments, qualifications, you know, to the
14 appointing authorities and a lot of the information that
15 Patrick Fitzgerald covered in the ethics section and
16 obviously the work that Carole has done on finance and
17 that Kathy has done in the area of system performance,
18 which I think the system performance is really going to
19 be critical to meeting our ultimate goal of a world
20 class transit system here in Northeastern Illinois. I'm
21 excited about the conversation that will ensue here but
22 I do think we need to come to a consensus and determine
23 the best path forward as we move through the process.

24 CO-CHAIRMAN RANNEY: Let's ask for comments and

1 views. Remember, the threshold question is structural,
2 and that is, are we going to look at the Integrated
3 Model we have heard so much about or the IDOT type
4 model. If we can reach some sort of consensus upon
5 that, it's going to be a lot easier to draft the
6 material for the final discussion next week. I'll call
7 on anybody.

8 Raul.

9 MR. RAYMUNDO: Just a point of clarification. In
10 terms of our discussion, are we -- is part of our
11 conversation today to discuss sort of maybe principles
12 and which model seems will work best? For example, if
13 we were to pursue the Integrated Model, that one of the
14 principles is obviously it has to be fair and equitable
15 across the region or is our point of conversation today
16 to get more into the weeds of who should be those
17 representatives? I think it's the former probably.

18 CO-CHAIRMAN RANNEY: Definitely the former.

19 MR. RAYMUNDO: So having said that, I think
20 that's -- based on the whole conversation and what led
21 us to be part of this Task Force, I think the three
22 things from me that are very important is this whole
23 notion of transparencies accountability that we have
24 been talking about. For me the Integrated Model seems

1 to make the most sense given all the conversation
2 regarding the lack of synchronization in the overall
3 transportation boards. And the fact that -- Again, I
4 commend the work of the Governance Committee, but we
5 keep in mind there are 4 different bodies with 47
6 different individuals. That in a sense has been a
7 challenge overall. So to get to an Integrated Model
8 that looks at the region as a whole, would a smaller,
9 more accountable, equitable board with the
10 recommendations that are being made, such as committees
11 that look at each system, I think makes more sense in
12 terms of what we're looking towards.

13 I just want to be clear. I think the
14 appointing authorities eventually, in terms of what we
15 are putting forward as principles, have to weigh in in
16 terms of that equitable representation.

17 CO-CHAIRMAN RANNEY: Thank you. Carole.

18 MS. BROWN: I have a couple comments. And one is I
19 understand how we got to the two recommendations that
20 we're speaking about today. And I'm just curious -- I'm
21 curious as to whether or not there are better scenarios
22 that are not being recommended and how those are going
23 to be contemplated in the reporting.

24 While I understand -- I think I suffer from

1 having been in the trenches on this. And so I
2 understand that there are some challenges with a large
3 Integrated Model, especially a large Integrated Model in
4 which that's housed where administrations change.
5 Meaning what you don't want to have happen is have the
6 decisions about transportation in the Northeastern
7 Illinois region to be -- those decisions to be clouded
8 with political changes in administration. And that --
9 You have to be careful with any model you put forward
10 that you don't encourage that.

11 Unfortunately, I think there's a risk to -- if
12 you fold it into an administration where the decision
13 making is housed in that administration, that every four
14 or eight years there's a change in direction and
15 that's -- It doesn't necessarily bode well for the
16 region because the administration is looking at other
17 issues.

18 Secondly, part of kind of I'm sure Dr. Sen's
19 work and his committee's work contemplated was what
20 brought us here really was some challenges in one of the
21 transit boards and addressing kind of what the transit
22 boards are doing right and how that will be impacted by
23 a change in governance I think has to be contemplated.
24 Because while I understand 47 different decision makers

1 is difficult, but I know, George, you said bold but the
2 devil is always in the details. And what you don't want
3 is to kind of impair the delivery of transit services in
4 the region as you try and implement the details.

5 CO-CHAIRMAN RANNEY: I think those are very
6 thoughtful comments. What I'd like to do, Carole, if
7 it's okay with you, is get comments from other people in
8 the room and we'll come back to that.

9 MS. BROWN: Of course.

10 CO-CHAIRMAN RANNEY: Let me mention one fact. You
11 mention there are a lot of different proposals and there
12 should have been. I think Dr. Sen has examined 47
13 different proposals, one from each board member. It's
14 been quite remarkable the number of ideas that have come
15 through his futile and academic mind.

16 MR. PAULAUSKI: Thank you. That was a great
17 report. When I was first appointed to this and we had
18 our first meeting I kind of wondered, wow, what are we
19 going to do. I'm proud to see the products that are
20 being put forth. It comes at no surprise to anybody
21 here. I said this before, I have confidence in the RTA,
22 so I'm pleased to see the recommendations that you put
23 forward as hard as they may be.

24 I'm also a strong believer that the best

1 government is a government that's closest to the people.
2 My experience, and I unabashedly will say, I'm a big
3 supporter of what Pace has done with their para-transit
4 system, taking a system that was just awfully
5 controversial and now it's really serving quite well.
6 It might not be perfect but that system has been
7 dramatically improved.

8 I'm delighted to see the State Agency Model.
9 I like the idea of the governor having more authority;
10 therefore, as said in that one -- many reports, those
11 appointees have more of a broader view of the
12 responsibilities there. I think that's a great
13 recommendation.

14 Couple other things I would say is that
15 regardless of the system, and I would -- Again, my vote
16 would be for State Agency Model. There needs to be more
17 representation to people who are dependent upon the
18 transit system. So Pace has a representative, it's the
19 commissioner for disability, the mayor's commissioner,
20 Karen Tamley, sits on their board and she's a visible
21 active member of that. All models should have
22 representation of people who have challenges that
23 require them to use the transit system. It just makes
24 it that much more humane and much more of a focus on

1 what the real priorities are for a truly more versatile
2 assessable public transportation.

3 Looking at your slide there I'm wondering
4 why -- this just came to me just now -- why we're not
5 looking at -- shouldn't the toll road authority be a
6 part of this discussion as well? It certainly is in New
7 York. We've seen major increases in fees to use the
8 toll road. Shouldn't that be something that has more of
9 a responsibility to transit in general rather than
10 catering to building more roads? So I throw that out as
11 a suggestion.

12 Thank you for your hard work. I'm kind of --
13 I spent 40 years working for boards. I have been on
14 just dozens and dozens of boards. So I know that's not
15 an easy task. I think you have done some really good
16 work here.

17 MR. REITER: It's more of a question than a comment
18 and it leans more towards the Integrated Model versus
19 the State Agency Model because I'm looking at how it
20 would operate bureaucratically. So right now if the CTA
21 is negotiating a contract with their bus operators with
22 the ETU, they would negotiate the contract and then the
23 contract would put to the CTA's board for ratification.
24 Does that -- Under this model, and it doesn't have to be

1 with the collective bargaining agreement, it could be
2 with any kind of procurement, would the decision to make
3 the procurement or make the contract rest with the
4 operational board and then subject to ratification by
5 the RTA or whatever the new agency would be?

6 DR. SEN: My guess would be -- And we haven't gone
7 that far, leaving it with the co-chairs to flush it out
8 farther, but my guess would be that it would be a
9 committee that would say oversee the CTA and they would
10 recommend to the full board to accept or not accept but
11 there are union issues because there are so many
12 different unions. Some unions don't allow privatization
13 of any kind and other union allows it. So some of that
14 will have to be ironed out when you get to the unit task
15 force model but New York did it.

16 DR. HOLLOWAY: I, too, want to express my
17 appreciation to the governance working group on the
18 consensus you have had in reviewing and presenting us
19 good ideas to move forward.

20 I think all I really want to do is underscore
21 the importance of having that local voice, sort echoing
22 with what Tony and Carole suggested, that with these two
23 bold new models there is the potential for the local
24 voice, and that's not only the residents but also local

1 government, to not be as involved in decisions being
2 made as well as influencing the capital spending and
3 things of that nature. So it was mentioned in the
4 presentation potentially including an advisory board. I
5 would like to put that forward as something important
6 for both models, not just for one, whether it's the IDOT
7 Model or Integrated Model, to have someone from the
8 community for local voice to have input in the work of
9 the transit boards. And also find a way, as Tony
10 mentioned, to include that representation on full boards
11 as well. I think we would be remiss if we do not
12 include that local voice. I wanted to underscore that.

13 MR. FITZGERALD: I would vote strongly for the
14 Integrated Model. I appreciate that Secretary Schneider
15 as the head of the IDOT has not pushed the State Agency
16 Model. I know Vladimir Putin would be disappointed in
17 you. But I do think there's a lot to be said for the
18 Integrated Model. And going to Carole's point about not
19 having the entity that governs transportation of
20 Northeastern Illinois changing every four years, clearly
21 if the governor changes and the secretary of
22 transportation changes, under a State Agency Model there
23 would be much more of a helter-skelter approach. I
24 think this ties into the removal process.

1 To me I think, to be speaking bluntly, we need
2 to be bold in our governance structure. I think the
3 governance structure currently for many people has been
4 broken. I say that with respect for lot of people who
5 are serving on those boards and served on those boards
6 and done great work. It's been clouded by people who
7 haven't. And I think we need to break the mold and
8 start something fresh and I think going with the
9 Integrated Model independent of a state agency with
10 appropriate input is the way to go.

11 DR. JENKINS: I do probably want to concur with
12 what a lot of people have said. I always consider
13 myself a novice on this team, not having expertise in
14 transit. But looking at how you create systems that are
15 effective and efficient, the Integrated Model would
16 appear to be the best approach to take given the fact it
17 seems as if probably in 2000, early 2000s, when the
18 system was broken then, that that was the attempt that
19 was possibly made to try to fix some of that but I don't
20 know what happened, how it fell apart.

21 But I think our responsibility now is to try
22 to offer a recommendation of a model that would be more
23 effective and efficient so that we can create this world
24 class transit system. In Dr. Sen's report -- And thank

1 you Dr. Sen and your team. You did a great job. When
2 you talk about to increase coordination and better
3 connect development and transit, the way the system is
4 set up now, it's not -- you don't talk to each other,
5 there's not very much integration of planning or any
6 integration of planning which can lead to or does lead
7 to the ineffective way that they're being run.

8 My vote would be for the Integrated Model with
9 the advisory teams that would give a local voice to
10 their governance.

11 CO-CHAIRMAN RANNEY: Raul, did you have your hand
12 up?

13 MR. RAYMUNDO: Just to add, I think, to Tony's
14 point. I think in my opinion the Integrated Model, and
15 I that would be much more in favor that, actually gives
16 us the opportunity to get closer to the people because
17 it can create a different kind of advisory board or
18 committee where more people -- in fact, the people were
19 trying to serve at the end of the day is the users of
20 all regions.

21 I think a state model can create bureaucracy
22 and may prevent more direct with the people. That would
23 be my additional comment. I think we're all concluding
24 that we want a model that's going to serve, put the

1 rider first, and create this world class agency we have
2 all been talking about.

3 MR. PALMER: Having sat through a lot of the
4 governance discussions and studies, at some point it
5 becomes very overwhelming the unlimited number of
6 options. It is challenging and there are pros and cons
7 to all of them. I think as we all began this process we
8 didn't think the system was completely broken because
9 people are using it every day, many of us got here on
10 public transportation probably today, so it is working.
11 It's just not working as well as we'd like.

12 I think whatever model we choose, it still
13 comes back to the funding issue, which we've discussed
14 quite a bit. I don't want to repeat what everybody said
15 but the equity and the confidence in that spending I
16 think is key to whichever model we choose because at the
17 end of the day the riders I shared a train car with
18 today don't care what model is being used, they are
19 wondering can they get here on time, is it reliable, and
20 is there service. I think whatever model we choose, I
21 think it needs to address that funding issue
22 effectively, and as we've discussed, the transit deserts
23 are out there and whatever model we choose in and of
24 itself isn't going to solve that.

1 The solving is going to be allocating the
2 money and finding new revenue streams to extend the
3 service to those areas. Ultimately at the end of the
4 day it's the users that are what this is all about.

5 I'm kind of torn because our committee is kind
6 of torn on this. I think both models have their pros
7 and cons. I can see how the Integrated will streamline
8 things into one board but I also think that having it
9 all in one board can limit the input unless you have all
10 those precautions, as far as advisory boards and input,
11 because I don't want to argue for 47 board members, I
12 don't know that that works, but at the same time that's
13 a lot of representation if they are doing their jobs.
14 I'm kind of in the middle, I guess. I'll reserve my
15 tie-breaking vote if we need it.

16 MS. WALWYN: I would echo that as well. I'm in the
17 middle looking at it but I guess I would be more swayed
18 to the Integrated Model. I agree. It comes down to the
19 users. I take Metra every morning. With the weather
20 the way it is people are complaining, they are not
21 happy, they don't have a lot of alternatives. To see
22 some smiling faces would really be nice if we get the
23 process that deals with the issues. I agree, the model
24 ultimately at the end of the day might just be the means

1 to get there but the key is getting there. I guess my
2 vote would be more towards the Integrated Model.

3 CO-CO-CHAIRMAN RANNEY: Kathy, are you on? Guess
4 not. She told us before -- She's traveling, I think,
5 abroad. She said she wanted us to reflect she was in
6 favor of the Integrated Model.

7 What might be helpful would be to pass out a
8 paper that reflects principles which could be applied to
9 both models but are particularly applicable to the
10 Integrated Governance Model. We wanted you to have
11 these. I decided beforehand that we would run through
12 it very, very quickly right now because I think they
13 will guide some of the discussion and further work.

14 What I'm hearing is that there's a fairly
15 strong preference for the Integrated Model but there are
16 issues to deal with.

17 MS. BROWN: I didn't express a preference.

18 CO-CHAIRPERSON SCHNEIDER: No, you didn't.

19 CO-CO-CHAIRMAN RANNEY: That's helpful to know.
20 You didn't express a preference. Good. In terms of
21 numbers, that's where we're ending up.

22 Let's just run quickly through this and I'll
23 leave it with you. You can make any comments you want.
24 This is a way of thinking about issues we would discuss

1 in more detail next week. They go to some of the
2 questions you have brought up.

3 First is the authority to make transit board
4 appointment should remain largely with the region and
5 should ensure balance representation. You'll see here
6 the importance of trying to get the voice from each area
7 in the region, including the county chairs obviously.

8 Second, possible principle will reflect in the
9 state's vital interest in the success of transit in
10 Northeastern Illinois. And here we heard several
11 times -- And this pushes obviously the thinking for the
12 State Model. We have heard several times about the
13 importance of the state and of the governor.

14 Promoting a regional perspective. To my mind
15 this is a critical issue and one I think makes the
16 Integrated Model much more of a strong suit because it's
17 then having something done through Springfield and the
18 governor. And we need to have the involvement of people
19 throughout the region of different backgrounds and that
20 so indicates.

21 Providing clear accountability. Maybe you
22 want board committees and members from each of the
23 regions in the state but be very clear about their
24 responsibilities.

1 Providing near term stability with the ability
2 to evolve. We talked about that. You may want to, in
3 fact, start off with some sort of transitional period to
4 ensure that, for example, funding is not cut. We're
5 looking at what we've talked about, ways to make
6 decisions.

7 Then finally, as Dr. Sen mentioned, reducing
8 administrative and overhead costs. What we'd like to
9 suggest, and I thought it would be worthwhile to pass
10 this out, any comments on it we'd appreciate. We think
11 this could help guide the thinking and discussion over
12 the next week.

13 MS. BROWN: This is more a question or -- If the
14 recommendation was for an Integrated Governance Model,
15 it has remarkable impact on the current funding
16 mechanism for transit in the region. And I would think
17 that however the Task Force determines to recommend,
18 that part of the recommendation as to how kind of the
19 impact on funding and what the recommendation is around
20 funding. For example, right now a large -- not a large
21 portion but a portion of the CTA's capital budget comes
22 from the real estate transfer tax from the city. And if
23 you are remarkably changing the governance model where
24 you're diminishing the impact of the mayor's ability to

1 appoint to the CTA or the control the mayor has on the
2 CTA, does that impact the real estate transfer tax from
3 the city coming over to help fund rail and bus in the
4 city? Likewise, the city provides the security --
5 Chicago Public Police Department are the police force
6 for the CTA, so there are funding implications that
7 would be impacted by a remarkable change in the
8 governance. And I don't know if the report was going to
9 contemplate that.

10 CO-CO-CHAIRMAN RANNEY: I think those are excellent
11 questions. They are ones we talked about. My own view
12 is it's important to reinforce the fact that the city
13 has an important and special interest in making sure the
14 service works. That's something that needs to be
15 reflected in the governance recommendations. So thank
16 you for those comments.

17 Are there any other comments?

18 CO-CHAIRPERSON SCHNEIDER: Just on the second point
19 where it reflects the state's vital interest in the
20 success of transit in Northeastern Illinois. I do think
21 spinning off of what some of Dr. Sen included in his
22 presentation there probably should be some consideration
23 given to enhance state oversight even with an Integrated
24 Model since the state taxpayer's interest need to be

1 represented when state tax dollars or a significant of
2 state tax dollars are coming to the region, and
3 particularly when there's a capital bill. Those are
4 supported by state revenues. I think there needs to be
5 some sort of enhanced role there. Currently we do have
6 some oversight as it relates to capital projects and
7 making sure it fits within a plan for the region. I
8 think as we consider how to write this up, I do think we
9 need to at least pay some apanage to that thought.

10 CO-CO-CHAIRMAN RANNEY: I think our inclination
11 would be to go forward with flushing out the Integrated
12 Model, working with people in the meantime over the week
13 to make sure we reflect our views. Continue to pay some
14 attention to the State Model. There are two people here
15 that think strongly about it and I think can learn from
16 it. To come back to the full group for a final decision
17 of what we're going to do on the 27th.

18 Does that make sense to people?

19 MR. RAYMUNDO: The only additional question for me,
20 I mean is nothing is going to happen overnight, and the
21 final recommendation if it's an Integrated Model, there
22 will be a lot of interests that are being considered,
23 the CTA, obviously, Pace, Metra, has also many, so the
24 process for getting there to the extent we can layout an

1 outline would be helpful because it's -- whether it's a
2 legislative process, whether it's working with the
3 appointing authorities, or whatever that process maybe.

4 CO-CHAIRPERSON SCHNEIDER: I think from my
5 perspective, and then I'll let George wrap that up, but
6 what we're tasked with right now is producing a report
7 that we're going to give to the governor by the end of
8 the month, so we will be focusing on that and what
9 happens after that I think we'll work through the
10 legislative process.

11 In terms of working towards a final report, I
12 think after today's meeting and gathering all the input,
13 we will work on some draft documents that we will
14 certainly share with the Task Force and make available
15 to the public at the meeting on the 27th.

16 CO-CO-CHAIRMAN RANNEY: Okay. Good comment. If
17 there's nothing else on this, we'll proceed to some
18 issues that are outstanding.

19 Pat, you want to lead on this?

20 MR. FITZGERALD: Sure. I was going to give some
21 feedback on where the draft version of the ethics
22 section was going in terms of recommendations. The
23 first thing I'd like to stress is at the end of the day
24 whatever rules we change, the most important thing is to

1 have a culture that is not accepting of patronage but
2 instead against patronage. In that process the first
3 issue that was teed up at our last meeting was about the
4 appointment process. And as currently drafted or
5 currently being drafted, we will recommend that the
6 appointment process be something different than what has
7 been currently happening. And what we envision is
8 having an appointment process that involves some sort of
9 specific panel that would vet candidates in the first
10 instance and then have a vetting process where the
11 governor or proper appointing authority would nominate
12 and be vetted by others to account for regional input
13 and local input. But I think the important part of the
14 proposal would be to have some independent votes with
15 little colloquial interest vetting folks for their
16 qualifications, their talents, their experience but also
17 vetting folks to make sure the first set of folks that
18 are appointed, if there is a new entity, are ones
19 appointed not out of patronage but folks who are there
20 to run good government. I think the nominations, if
21 that would go forward, of who's on that panel at the
22 beginning would be critical to show a step forward by
23 everyone involved that this is a commitment to move
24 forward to a world class system without colloquialisms

1 and without patronage.

2 The second part was to talk about the removal
3 process. When we met last we talked about a number of
4 different approaches. The most forward leaning would
5 have been to allow any reporting authority to remove a
6 person they appointed at will as drafted. And after
7 hearing from other folks, I think we will not recommend
8 that option. I think the two reasons for that is it
9 could be subject to abuse in the future or a perception
10 of abuse if someone on the board took his principal
11 position for the better welfare of the region and then
12 were terminated. It also, I think, winds up with the
13 concern Carole expressed a little while ago that you
14 don't want people willy-nilly replaced at the change of
15 an election. However, the removal process would embrace
16 all the other options that have been put forward on the
17 table including from misconduct, including from
18 malfeasance, for inefficiency, conviction of a crime,
19 and we would try to make it as a nimble removal process
20 without going so far as having the appointing authority
21 be able to remove at will.

22 The third recommendation will consider
23 employment decisions. And there I think we would
24 recommend the stronger solution, which is to propose

1 there be a firewall between elected officials and people
2 making decisions on hiring, firing, and promotions. I
3 look simply at the model what happened with the
4 University of Illinois where there was an admission
5 scandal and a rule was put in place that seems to be
6 working. Basically it barred contact between elected
7 officials and the university about admission decisions.
8 And I think that we need this more so in the regional
9 transportation arena.

10 And we would also recommend the same firewall
11 be put in place between elected officials and
12 contracting of procurement decisions. I would note two
13 things there. The idea would not be that elected
14 officials couldn't ask general questions about the
15 percentage of funding, delinquent disadvantaged business
16 enterprises. The idea would be that elected officials
17 couldn't call up and say, I want this contract and why
18 isn't it going to this entity. So that there would be a
19 general discussion that would be permissible but not
20 involvement in the awarding of particular contracts.
21 Also depending on what the entity is, as Carole noted at
22 the last session, we don't want duplicative
23 requirements. We look at whether we're creating an
24 entity or adopting an entity, making sure that rule is

1 not redundant.

2 As to certifications which were discussed, the
3 draft proposes that certifications by people
4 making hiring, firing, promotion decisions and contract
5 decisions, that those decisions were not based upon
6 political considerations and the recommendation to the
7 extent there are exempt positions that allow appointing
8 officials to put appropriate people in policy decisions,
9 which we understand, that the number of exemptions be
10 limited, so the exception doesn't swallow the rule.

11 Then with regard to lobbying, as it currently
12 stands the Illinois Lobbyist Registration Act does not
13 apply to the RTBs. So we have a situation where if a
14 lobbyist were to take an official from IDOT out to lunch
15 to discuss business, they would have to file a
16 disclosure that said they are a lobbyist, they took
17 someone to lunch, they spent this amount of money on
18 behalf of this client so the public would be aware of
19 it. They need not do that if they take out individuals
20 RTBs or employees out to lunch. So we would simply ask
21 that because there's a gap because RTBs are a municipal
22 entity, not governed by state law, that any new entity
23 be governed by that provision or similar provisions.

24 Then we would -- I think this is

1 noncontroversial. We would propose the background check
2 and financial disclosure by perspective board members be
3 done before the appointment so a background check can be
4 done, that board members be trained specifically on the
5 responsibilities with regard to ethics, including
6 patronage decisions on an annual basis.

7 And then the two last things to discuss are
8 the issue of board member compensation. And I would say
9 of all the issues we have to face in some ways board
10 member compensation may be the least important but every
11 time we discuss it, it gets the most attention.

12 But I would say I am still of the view, but
13 want to discuss with others, that we should not have
14 compensation for board members. And my reason is not
15 purely financial. Even though there are 47 board
16 members, the amount of money involved is a small
17 fraction of the budget. But I do think there's an
18 appearance issue. In the past board members were paid
19 and got pensions. I think we want to send a clear
20 message that service on these boards is by people who
21 are giving to the community. And that's been happening
22 but the people who give sometimes get clouded by the
23 fact others have been there to take. In the past that's
24 part of our problem. I think if we select people who

1 are willing to serve for free and do it in the public
2 interest, they will be more likely to walk away if they
3 are asked to do something that compromises them. And
4 also I think Dr. Jenkins pointed out last week that
5 there will be a lesser property right. So that if we
6 have to litigate a removal, it would be easier. I
7 recognize that we should discuss in the meantime whether
8 there's a fallback position but that's one that's under
9 discussion and I'll be curious to hear from anyone who
10 has a different view over the next week.

11 And lastly, I think we want to figure out how
12 to deal with the issues that were raised by Mr. Meza
13 earlier today about transparency issues. I have not
14 read the response from Metra and RTA. I'd like to await
15 that to figure out whether that's something we need to
16 address in the ethics report but also to address whether
17 those issues are larger than just transportation. So
18 I'd like to put a marker down that we'd like to study
19 that issue and address it within the course of the next
20 week.

21 CO-CHAIRPERSON SCHNEIDER: Is there any other
22 general discussion about anything?

23 CO-CHAIRMAN RANNEY: Any comments?

24 CO-CHAIRPERSON SCHNEIDER: That's a good idea.

1 MS. BROWN: I just have one on the finance
2 recommendations. I shared with Secretary Schneider I
3 had been thinking and thinking a lot about one of the
4 recommendations that our speaker made last week -- one
5 of our speakers made about eliminating the recovery
6 ratio. I wanted to just bring that up as a potential
7 recommendation for the finance section as well as we
8 talk about -- we talked about in recommendations
9 identifying a new funding framework for operations. And
10 as part of that I wanted to kind of gauge the group's
11 feeling about stating that as part of that we should
12 kind of eliminate the statutory requirement for
13 50 percent recovery ratio.

14 CO-CHAIRPERSON SCHNEIDER: Carole, could you give a
15 little bit of background on that to refresh people?

16 MS. BROWN: Yes. So the recovery ratio to refresh
17 is the percentage of cost that must be recovered through
18 system generated revenue. Historically the RTA has
19 taken a very broad view of system generated revenue so
20 as to capture more revenue because it's hard for the
21 service boards to then achieve that ratio. So what
22 happens in order to kind of get it right is that they
23 end up reducing service because it says that basically
24 fares and other system generated revenue, but it's

1 primarily fares, must cover 50 percent of the cost.

2 I thought the speaker at our last meeting very
3 articulately laid out it has the effect of unduly
4 burdening some of the least able to pay and those who
5 need transit service the most, those areas. So while it
6 could be a goal, having it to be a statutory requirement
7 is somewhat burdensome. So I thought it was spot-on
8 recommendation and I wanted to incorporate it into our
9 third recommendation on new funding.

10 CO-CHAIRMAN RANNEY: I'm fully in favor of this. I
11 think it's an excellent idea. Let us flush it out a bit
12 more and make sure that everybody understands it before
13 the next meeting.

14 CO-CHAIRPERSON SCHNEIDER: Are there any questions
15 for either Carole or Patrick? Comments?

16 Just to real quickly go over again the final
17 report. The text of the report is largely being formed
18 based upon the work that was done by the work groups and
19 I really want to salute the work groups because a lot of
20 hard work went into the recommendations that everybody
21 brought forth. Obviously a lot of research and a lot of
22 time and effort were expended to get to what was
23 presented before the entire Task Force and we don't want
24 to lose sight of that as we draft the final report. The

1 editing process is expected to take the time between now
2 and the final meeting. We will be consulted -- We will
3 be consulting you as that editing process proceeds.
4 You, again, will receive a draft version of the final
5 report before the meeting on Thursday, March 27th. At
6 that point we will also make available to the public a
7 copy of that draft final report and then based on the
8 discussion at our final meeting, we will make final
9 edits incorporating any final comments or concerns into
10 that and then submitting it to the governor and the
11 Illinois General Assembly on -- by the March 31st
12 deadline.

13 Again, it goes without saying that you all
14 have added a great deal to this process and it's very
15 much appreciated. I think it's a report we can all be
16 proud of and hopefully one that will be actionable, one
17 that can be implemented.

18 With that, just real quick, are there any
19 questions about the process for the final report? And
20 if not, we do have one public comment and Spenser is
21 going to provide us that one public comment today.
22 Three minutes.

23 MR. STATON: Just to follow up on something Carole
24 had downplayed a little bit, which is the role of the

1 City of Chicago as a provider of transit. She had
2 mentioned they provide security services. I think more
3 importantly if you look at the City of Chicago's capital
4 budget as I did for 2013-2017 time frame, they have over
5 \$300 million worth of projects in their capital budget
6 for the benefit of the CTA. Part of that comes from the
7 fact they have, I believe, an ownership of the subway.
8 The subway lines which go on State Street and Dearborn
9 do not actually belong to the CTA. They belong to the
10 City of Chicago. The City of Chicago built them. So
11 when you talk about a governance change, it's not so
12 easy just to move the CTA out without dealing with the
13 City of Chicago part. When we talk about 47 board
14 members, you also have one mayor and 50 alderman who are
15 also at the table in this larger picture.

16 One thing you might want to consider is that
17 in a consolidation scheme, one might be looking at
18 consolidating the CTA under the City of Chicago rather
19 than have it divided. Now it's a separate authority.
20 One idea is we talked about moving all the transit, say,
21 to IDOT, would be just moving the CTA part under the
22 City of Chicago, so there's more clear accountability
23 for the dollars and how the transit is provided within
24 the city and to its surrounding area. Thank you.

1 CO-CHAIRPERSON SCHNEIDER: Thank you. With that,
2 right on time. I want to thank again the Inspector
3 General Ricardo Meza for sharing his perspectives.
4 Obviously it's very helpful to have those
5 recommendations in hand as we go forward. I also want
6 to make sure that we thank Dr. Sen, Nick, and George for
7 their help in guiding the conversation on governance.
8 Great work. Great effort. Thank you very much. We
9 appreciate everyone's efforts again and look forward to
10 seeing you on March 27th for our final meeting.

11 With that, is there a motion to adjourn?

12 MR. FITZGERALD: So moved.

13 MR. PALMER: Second.

14 CO-CHAIRPERSON SCHNEIDER: All in favor.

15 TASK FORCE MEMBERS: Aye.

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

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4 Kristi Landolina, being first duly sworn, on
oath says that she is a Certified Shorthand Reporter and
5 Registered Professional Reporter doing business in the
City of Chicago, County of Cook and the State of
Illinois;

6

7 That she reported in shorthand the
proceedings had at the foregoing Northeastern Illinois
Public Transit Task Force Meeting;

8

9 And that the foregoing is a true and correct
transcript of her shorthand notes so taken as aforesaid

10 And contains all the proceedings had at the said
Task Force Meeting.

11

KRISTI LANDOLINA, CSR, RPR

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CSR. No. 084-004611

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