



Welcome to another issue of The Green Pennant Special, the official publication of The Omnibus Society of America.

Through this publication we hope to keep our readers informed of events happening in the transit industry in Chicago and other cities in the United States.

• OCTOBER OSA MEETING

The next regular meetings of the Omnibus Society of America will be on October 3, 2003, in the Anderson Pavilion of Swedish Covenant Hospital, 2751 W. Winona Avenue, Chicago, Illinois. The meeting will be start at 7:30 pm.

The hospital is on California near Foster. Winona is one half block south of Foster. By public transportation, take the 92 Foster to California. From the Ravenswood Brown Line, take the 93 North California from Kimball, get off after it turns onto California from Foster and walk back south. Or, take the 11 Lincoln from Western, get off at Carmen (One block south of Foster) and walk west on Winona.

There is some parking on California and Winona. The parking structure is on the west side of California just south of Foster.

Our program, "Rescued" will be a presentation given by Bruce Moffat of material rescued from the clutches of oblivion at the CTA.

• CTA HAPPENINGS

Under terms of a deal reached behind closed doors at a Chicago Transit Authority (CTA) board meeting on August 6, about 200 senior managers would have been able to retire five years earlier and earn pension benefits one-third faster than they can now.

However, after knowledge of this deal became public knowledge, the CTA board voted to rescind their approval at the board meeting held on September 9.

This public controversy, however, did not stop CTA President Frank Kruesi from reintroducing a pension sweetening deal, presumably to come up for a vote after this controversy subsides and the tense contract negotiations with CTA bus drivers is resolved.

At least some board members would have been able to take advantage of that sweetened pension plan, even though they insisted they were told otherwise by CTA staff before the meeting.

Originally the pension shift was presented in detail and

debated only in a portion of the meeting that was closed to the media and general public. The action came even though the CTA faces a potential \$100-million budget deficit in 2004 and is considering laying off 300 workers and hiking its basic fare 50 cents, to \$2,

CTA finances have been tightening for years, but signs have multiplied lately that the situation is becoming acute.

The agency this spring failed to convince the General Assembly to give it a larger share of state transit subsidies, and ridership has flattened. In addition, the CTA could face higher labor costs now that it has resumed contract talks with its bus drivers union. Officials last year hinted that a fare hike would be needed soon.

Against this backdrop, the CTA staff moved to revamp the agency's supplemental pension plan, which covers only vice-presidents and above, plus some middle managers who were covered by an earlier plan.

Board members were notified of the proposed pension plan changes only the day before the August 6 meeting – normally they receive copies of all matters scheduled to come up at a meeting at least a week in advance – and were given nothing in writing until the executive session.

When they reconvened in open session, the ordinance was called for a vote and approved without discussion. CTA Chairman Valerie Jarrett did not attend the meeting; she had just returned from a trip to Europe and was tending to a hospitalized family member.

In Ms. Jarrett's absence, Vice-chairman J. Douglas Donenfeld, a Chicago attorney, ran the board meeting. Like Ms. Jarrett, Mr. Donenfeld says staff told him the ordinance "was primarily to encourage the retirement of some of our senior people, to help us through a difficult budget process," and that it would not affect board members.

Mr. Donenfeld says he accepted that explanation of the proposed ordinance and did not read the four-page item before voting. He says he also did not challenge the staff's move to discuss the matter only in private, on grounds that it was a "personnel matter."

The Illinois Open Meetings Act states that a public body can close a meeting when dealing with collective bargaining or with the status of pay of "specific employees."

However, the law "is not intended" to exclude the public from debate on broad personnel items that affect hundreds of workers, according to Donald Craven, general counsel for the Illinois Press Assn., a trade group. (Cont. on page 2)

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CTA

The CTA ordinance would have allowed executives to accrue benefits more quickly: at a rate of 2.4% per year of service, up from 1.85% now, and to retire after just 20 years of work rather than 25 if they make extra contributions. It also mandated a 3% cost-of-living increase in benefits.

The special provision gave up to five years of credit for work performed as a local or state government contractor. In Mr. Kruesi's case, that could cover a period when he handled legislative work for then state Sen. Daley in the 1970s, Springfield sources say.

Benefits under the executive pension plan are linked to rates awarded to rank-and-file workers. If a pending labor pact is implemented, executives would be eligible for pension benefits of up to 75% of the average of their highest four years of salary - \$60,000 in the case of someone who earned \$100,000 a year with 25 years' service.

Mr. Kruesi currently makes \$197,750 a year. (Chicago Tribune)

As stated earlier, the CTA will eliminate 400 administrative jobs through attrition by the end of 2004, but seeking cuts in all areas except bus and rail services probably won't be enough to avoid a fare increase, officials said on September 17.

The agency is paring its workforce of about 11,700 full-time employees by 200 office positions at the end of 2003, which will help wipe out a projected \$9 million deficit for this year and save \$12 million next year.

Another 200 jobs, none involved in direct delivery of transit service, will be vacated next year through attrition, reducing costs by another \$12 million in 2005, said Dennis Anosike, the agency's senior vice president of finance.

The reductions, along with the sale of up to \$10 million in surplus property, restrictions on overtime pay and other belt-tightening efforts, will help reduce - but not eliminate - an \$88 million operating deficit projected in 2004, officials said.

"We cannot rule out a fare increase, given the circumstances. But the clear directive from [CTA president Frank] Kruesi is that we have to do everything we can to cut costs internally before even looking at raising fares," said a top CTA official who requested anonymity.

A decision on a fare increase, which the transit agency narrowly averted this year, will be reached in the next two weeks. The CTA is required by law to submit a balanced budget each year. The agency will deliver its proposed 2004 budget to the Regional Transportation Authority in early October.

The CTA will receive \$442 million in public subsidies, mostly sales taxes, in 2004. That includes a \$29 million bailout from the RTA's reserve fund to help reduce the CTA deficit. But the \$442 million is \$11.5 million less than the CTA received this year, a result of the weak economy's effect on sales-tax receipts.

Every department at the CTA will lose some jobs in the downsizing. Many are analyst or assistant positions that provide support to other employees, said CTA spokeswoman Noelle Gaffney. (Chicago Tribune September 18, 2003)

On September 18, Mayor Richard Daley made it known that he felt the CTA still hasn't made its case for a fare increase.

"They have to convince not only myself [but] the alderman, the state legislators and the public", an agitated Daley said.

The mayor appeared particularly miffed that the CTA did not start laying the groundwork months ago if more money was going to be needed. (Chicago Tribune September 19, 2003)

My feeling in the matter of a fare increase is that it probably needed and the longer the CTA waits to implement one, the higher the increase might be. Also, Mayor Daley is up for reelection in 2004 and the last thing he needs is the fare increase issue, along with Kruesi's pension controversy, being used against him by anyone running against him for Mayor.

• PACE PATTERN

At the September Pace board meeting, the Pace Board of Directors gave the green light to a revenue-generating contract with Transit Television Network (TTN) of Orlando for the installation of on-board broadcasting monitors. The 15-inch color screens will air informational programming on all fixed-route buses, with work starting early next year. The project is fully funded by TTN, and will provide Pace with a minimum of \$500,000 during the five-year agreement. A typical bus will have three monitors broadcasting news, weather, sports, trivia and more. (Cont. on page 3)

(Cont. from page 2)

PACE

A fixed column on the left edge of the screen will provide up-to-the-minute details on that particular bus route through a link with Pace's new Intelligent Bus System.

Riders will see a scrolling list of upcoming stops, and know when their destination is approaching. The monitors are impact-resistant and tamper proof, utilizing an anti-scratch coating.

The high-resolution flat screens provide wide viewing angles and high contrast, giving passengers an optimal viewing experience.

Budget marks recently set by the Regional Transportation Authority will reduce Pace's funding by 4.5 percent in 2004, returning the suburban transit agency to 2002 funding levels. Pace will receive \$79.1 million in RTA funding for next year's operating budget, with a requirement to meet farebox recovery rate of 40 percent.

The reduced 2004 funding level is due to the poor economy and struggling sales tax revenues, which help fund public transportation. However, Pace's operating budget continues to grow because of rising health care expenses, and higher pension and insurance costs.

To balance next year's budget, Pace will use a "capital cost of contracting" provision authorized by the federal government and approved by the RTA. The provision allows Pace to use certain federal grants to fund capital components of private contract carriers, which provide 20 percent of Pace bus service systemwide.

This additional money in the operating budget, a strategy used by many transit agencies across the country, will erase a \$7.8 million funding shortfall. A draft of the 2004 budget will be reviewed by the Pace Board in October, and then taken out to a set of public hearings later that month. (pacebus.com)

• METRA MATTERS

In a story appearing in the September 17 edition of the Chicago Tribune, McHenry City Council members are concerned that a Metra plan to extend commuter service to Johnsburg and add more trains will increase traffic and raise safety concerns.

The \$60 million expansion would include building a rail yard in Johnsburg about a half-mile from McHenry's Petersen Park and adding four to seven trains to the line, attracting 600 to 800 riders, according to Metra. About 150 people use the three trains that serve McHenry, Phil Pagano, executive director of Metra, said at the council meeting.

Three trains do not offer enough options to commuters, Pagano said. Many people drive to Crystal Lake or Fox River Grove to catch trains there. If more people do not ride the trains out of McHenry, the service could be dropped, Pagano said.

McHenry alderman said they were angry they were left out of Metra's planning process. They said they wanted to see traffic studies regarding possible backups on Illinois Highways 31 and 120 caused by more trains.

Construction on the project, which still must be approved by Johnsburg, would not start for about seven years. (Chicago Tribune September 17, 2003)

The kickoff meeting to address the widespread perception that Metra is neglecting the South Side and southern suburbs drew no disgruntled riders or public officials on September 18, which wasn't surprising because the agency neglected to list the issue in a meeting notice.

But riders interviewed on Metra's Electric line – which is dotted with dirty stations, 30-year-old trains without toilets and a fare-collection system that riders say treats them like cheaters – had plenty to vent about during their daily commute to the Loop.

Having endured years of sometimes inconsistent service and a lack of basic amenities, they say it's high time Metra provides them with service equal to what exists on west and north suburban Metra train routes.

Back at the Metra board room, where the audience consisted of six Metra executives and rows of empty chairs, the three board members responsible for leading the investigation into whether Metra's allocation of resources is out of balance conducted business without hearing from riders.

Board member Carole Doris vowed to ride the system, take notes on the alleged inequities in the different geographical regions served by Metra and hold town meetings to solicit public involvement. (Cont on page 4)

(Cont from page 3)

METRA

The first meetings with mayors from the south and southwest suburbs are scheduled for late this month.

The event was listed in a notice as a "meeting of the ad hoc committee on Metra's capital investments." The notice, which is sent to government agencies and news media as required by open-meeting laws, contained no hint about the subject matter.

Board Member Elonzo Hill, a former CTA executive who lives in Country Club Hills, said, "Clearly we have to talk to the people affected to be sure we are moving in the right direction."

Hill said failure to alert the public about the meeting was a mistake, and Metra needs to "show the sincerity of our efforts."

U.S. Rep. Jesse Jackson, Jr. (D-Ill.), who helped spotlight disparities in Metra service after the railroad in January proposed building a \$1.1 billion STAR Line that would stop short of serving the southeast suburbs, said his office was not told about the Metra forum.

"It seems to be emblematic of Metra's treatment of the South Side and the south suburbs," said Jackson spokesman Rick Bryant. "Metra Chairman [Jeffrey] Ladd called for a study to look at inequities in their system, and they don't even inform the communities that are allegedly being unfairly treated."

Ladd, who did not attend the meeting, said it "probably wasn't appropriate to get in-depth public input at this point in the organizational process.... I'm not that concerned if the meeting notice was a little misleading at this point."

Ladd did raise concerns about "negative publicity" hurting Metra's requests in Congress for federal funding, but he said: "This committee ought to see what the facts are. If we were wrong and there was a misallocation of resources, we should correct it."

Metra has ordered 26 new coaches to arrive in 2005 or 2006, but the agency said it has not secured federal funding to replace 140 aging cars on the line.

Ladd created a furor recently when he said "Metra is not a social welfare agency" in response to criticism that south suburbanites were left out of the STAR Line linking the suburbs from Joliet north through DuPage County and the northwest suburbs to O'Hare International Airport.

Then, within a month this summer, the Electric line was knocked out of service three times. The worst incident was a trestle fire that closed a portion of the University Park to Chicago line for more than a week in June.

Metra, citing extra expense, first balked at providing buses to shuttle commuters to Metra's Rock Island line.

The service disruptions sent many of the 13,000 daily south suburban rail commuters scurrying to the Rock Island line serving the southwest suburbs, allowing them to compare service on that route to their own.

Doris asked Metra Executive Director Philip Pagano to provide data comparing Metra's capital investment in each of its rail lines dating to 1984. She also asked for comparisons on service levels, the condition of stations and availability of parking. (Chicago Tribune September 19, 2003)

- CALENDAR OF EVENTS -

In cooperation with the various rail and transit enthusiast organizations meeting in Chicago, we present this "Calendar of Events".

Oct 10. Chicago Chapter - Railway & Locomotive Historical Society meeting. 7:00pm. The Chicago Temple (77 W. Washington - Pierce Hall (lower level auditorium). Admission is free. Program - *"Chicago's Suburban Railroads - the Chicago-Milwaukee Line of the Chicago & North Western,"* a slide presentation by William M. Shapotkin.

Oct. 17. The Railroad Club of Chicago meeting. 7:30pm. The Chicago Temple (77 W. Washington - Pierce Hall (lower level auditorium). Donation of \$3.00 requested for non-members. Program - *"To be announced"*.

Oct. 24.. Central Electric Railfans' Association meeting. 7:30pm. 205 W. Wacker Drive Suite 200 (Securities Training Corp). \$5.00 admission for non-members. Program - *The Man Who Never Returned - The Adventures of Charlie on the MTA*, a slide presentation by Walter Collins.

An online version of our Calendar of Events is available, courtesy of the Shore Line Interurban Historical Society, at www.shore-line.org/calendar.html