

PRESIDENT'S REPORT

Chicago Transit Board – August 12, 2009

Thank you Chairman Brown, members of the Board.

I'd like to begin with a budget update. The funding losses we've endured this year could have been debilitating to our customers, if not for the fiscal discipline shown by our departments. Staff has worked diligently to control cost and live within our budget.

Even so, some very difficult decisions have been made. For 2009, budgeted merit increases averaging 3% for non-union employees have been deferred. In addition, senior management will continue setting the tone for the agency in terms of our leadership and sacrifice. Upper management will not be paid for the remaining standard holidays. Vice Presidents and above will be required to take three unpaid furlough days this year.

In total, we expect these steps will save approximately \$3 million dollars.

I'd like to also advise the board of some unfortunate news. In late July, the CTA learned that an employee had contracted Legionnaire's disease. We immediately notified the Chicago Department of Public Health and educated employees who worked with him about the disease. Unfortunately, the employee has recently passed away. We keep him and his family in our prayers during these very difficult times.

Out of an abundance of caution and concern for our employees, the CTA immediately tested and cleaned all relevant equipment. The test results did not detect the Legionella bacteria in any of the samples. Despite speculation, there was -- and is -- no evidence to suggest that the disease was contracted at CTA. To date, there are no other confirmed cases among the CTA workforce.

Today, I would like to recognize and commend several employees who were instrumental in the arrest of an individual who was illegally transmitting over CTA radio signals. Fortunately, while working with the FCC, the Chicago Police, and the FBI Joint Terrorism Task Force to investigate, we were able to block these pirate transmissions to field personnel and keep them confined to modified channels at the Control Center where they were monitored and recorded.

Richard Smith, a Customer Assistant at our Jackson Red Line station was the first employee to assist in this arrest. He aptly responded to a stolen radio reward inquiry made by a customer. Mr. Smith, due to the unusual nature of the request, was suspicious and put the customer on the phone directly with the Control Center.

The Customer Assistant Controller, Tisha Stokes, quickly alerted her manager of this call. William Reilly, the manager on duty had been a key member of the operations team supporting the investigation since its inception.

He immediately recognized the voice, took over the call and during the conversation was able to elicit details regarding the type of equipment and the person's contact information. In fact, after having personally heard a recording of the conversation, I turned to senior staff and commented, "Those FBI people really are tactful in their questioning." I was soon informed that the person on the phone was not FBI, but our own William Reilly.

Finally, Dan Hall, our Chief of Security, after having arrived at the station and speaking with the unauthorized transmitter, eventually elicited a confession. The customer was detained by CPD and taken into custody by the FBI. Last week he was charged with violation of the Patriot Act's prohibition of interference with trains and train dispatch.

This ladies & gentlemen, is what makes an organization such as the CTA work so well . . . teamwork. I would like to personally thank Mr. Smith, Ms. Stokes, Mr. Reilly, and Mr. Hall and invite them to come forward. Please join me in giving them a round of applause for their quick thinking and the crucial part they played in resolving this security concern.

Last week, CTA adopted a zero tolerance policy for operating employees who use personal electronic devices such as cell phones, MP3 players or PDAs while on duty.

The zero tolerance policy accelerates discipline and makes use of a personal phone a dischargeable offense. For the first time, even displaying a personal cell phone, ear piece, or PDA is a violation and will result in a 3-day suspension and 6-month probation.

I spend time each week inspecting our facilities, greeting customers and making observations. I've seen the use of these devices by our employees and agree with customers that their use is a distraction.

These observations coupled with transit industry trends led to the decision to strengthen our policy.

Distracted drivers risk the safety of riders and others on the roadways, intersections, and sidewalks.

Research data validates that driving distracted is unsafe and the zero tolerance policy is a preventive measure that reinforces our commitment to providing a safe environment for customers, employees, and the general public.

I have also focused my attention on cleanliness. The bottom line is that rail station appearance needs to improve.

There are three actions I have initiated that will incrementally improve these conditions.

#1 . . . Inspections. We will employ a consistent standard so that what is considered unacceptable at one location is not tolerated at another.

#2 . . . We will better coordinate the efforts of our janitors, laborers, and tradesmen so that we are complementing each others work, as opposed to performing independent tasks.

#3 . . . We will improve accountability. When I travel through stations, if I see litter, I pick it up and dispose of it. I don't understand how the President of the CTA can pick up litter, but other CTA employees don't think its their job to do so. This is OUR CTA, our home away from home. As such, its cleanliness is a reflection of our true character. We will take ownership of it and keep it as we would our home.

We've developed a preliminary plan for creating baseline standards, and refined expectations. I will keep you updated as these plans are implemented.

Recruiting and retaining quality employees is important for every organization. With this in mind, our Human Resources department has begun to develop a plan that allows us to attract and retain the best employees.

We've completed an assessment of projected vacancies, and have established a plan to fill them. We will conduct skill assessments to identify promising employees, who in turn, will be placed into an Employee Development Program. It will include a wide variety of development tools such as mentoring; leadership and management training; seminar and university course work; and management-level project tasks.

The Board has previously conveyed its strong desire to implement a comprehensive time and attendance strategy. We have determined that much of the information we need is already captured through existing data sources. The most efficient way to implement a responsible strategy is to collect this data and integrate it into a central system.

The new system will make better use of data we currently collect, will eliminate much of the existing paperwork and will improve electronic recordkeeping. We will improve productivity by better capturing attendance, streamlining the process and reducing paperwork. We anticipate publishing an RFP soliciting assistance for this initiative in September.

I have an update for the Board on July ridership.

In July, 44.8 million rides were provided, a decrease of 2.7% compared to July 2008.

Ridership on the bus system was at 26.6 million rides for July, which is down 6.3% compared to last July.

Ridership on the rail system continued to be strong and was at 18.3 million, an increase of 3% compared to July 2008.

Compared to two years ago, 2009 ridership continues to outperform 2007 numbers.

An analysis of July ridership shows that weekday rush period ridership is down on both bus and rail; however, weekday off-peak ridership has increased on the rail system. Weekend ridership on the rail system has also increased.

The recession and the fact that schools are on summer vacation have taken commuters away during rush periods.

As you can see on the map, ridership is down in the majority of the service area. The South, West, and Northwest sides are the most deeply impacted. The only significant growth zone is along the rail system on the North side.

Year-to-date, ridership is up 0.4% over last year at this time, equivalent to 1.1 million rides.

As always, we remain committed to providing service for our customers that is on time, clean, safe, and friendly.

Thank you. This concludes my report.