



# ***Risk Assessment and Internal Controls Report***

**Metra – Commuter Rail Division of the Regional Transportation Authority**



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We submit our report of risk assessment and internal controls evaluation for Metra – Commuter Rail Division of the Regional Transportation Authority (“Metra”). We were engaged by your firm, Johnston Greene LLC (“Counsel”), counsel to the Board of Directors (“Board”) at Metra, to perform consulting services with respect to the risk assessment and internal controls evaluation of the administrative and financial controls environment.

Our findings, recommendations and best practice suggestions are presented in the attached report. We would like to acknowledge the time and cooperation of Counsel, the Board and Metra’s senior leadership and their staff who assisted us during our engagement. We would welcome the opportunity to perform any additional analyses you consider necessary.

Our procedures did not include a complete evaluation of the operating effectiveness of Metra’s internal controls. Our findings, recommendations and best practice suggestions only relate to the items specified in the project scope section of this report. Other matters of possible interest to you might not be specifically addressed, and the results obtained from our engagement should not be the sole basis for your analysis of Metra’s internal controls. Our engagement was not designed and cannot be relied upon to disclose errors, fraud or illegal acts that might exist. Consequently, we make no representation regarding the sufficiency of the procedures performed. Further, this report should not supplant the additional procedures that should be undertaken in your evaluation of internal controls.

Our services consisted of consulting services, and do not constitute an audit, examination, review or compilation of historical financial information conducted in accordance with generally accepted auditing standards or with other standards established by the American Institute of Certified Public Accountants (AICPA). Accordingly, we are unable to express an opinion or any other form of assurance with respect to any historical financial information.

Blackman Kallick, LLP

## TABLE OF CONTENTS

<b>Executive Summary .....</b>	<b>4</b>
<b>Engagement.....</b>	<b>4</b>
<b>Statement of Findings .....</b>	<b>5</b>
<b>Discussion of Findings .....</b>	<b>6</b>
<b>Project Objective .....</b>	<b>23</b>
<b>Project Scope .....</b>	<b>23</b>

## APPENDIX LISTING

- Appendix 1 – Best Practice Suggestions**
- Appendix 2 – Detailed Findings and Recommendations**
- Appendix 3 – Internal Control Testing Procedures Performed**
- Appendix 4 – IT System Matrix**
- Appendix 5 – Glossary of Terms**
- Appendix 6 – Policies and Procedures**
- Appendix 7 – Non-Contract Employee Handbook and Supplements**
- Appendix 8 – Procurement Policies and Procedures**
- Appendix 9 – Summary of Board Actions**
- Appendix 10 – Hiring Policies and Procedures**
- Appendix 11 – Replacement Ratio Analysis**
- Appendix 12 – Employee Premium Levels**

## Executive Summary

### Engagement

Blackman Kallick, LLP (“Blackman”) was engaged by Counsel to the Board to perform a risk assessment and internal controls evaluation of the administrative and financial control environment. Blackman’s engagement included, but was not limited to, the following areas:

- Safeguarding of assets
- Controls that impact FTA funding sources
- Controls over cash processes
- General cash applications, cash disbursements, and cash transfers
- Account reconciliation processes
- Other significant control areas

Blackman undertook this engagement in a phased approach. Phase I was to understand the administrative and financial control environment and develop a foundation for our work prospectively. Our goal was to narrow down, from a large population, the key areas that could be targeted for testing and analysis in Phase II of our engagement. Areas for evaluation were selected using a risk-based approach.

During Phase I, Blackman met with more than twenty (20) of Metra’s top professionals in accounting, finance and management, as well as selected members of the Board. These interviews were critical in establishing the basis for developing our engagement. We evaluated a voluminous amount of historical and contemporaneous data.

In order to make this internal control evaluation project effective, we needed Metra’s senior leadership to be fully engaged and attuned to the objectives of our engagement. The approach adopted by the Board to support Blackman in implementing action steps necessary to drive the engagement forward was both aggressive and comprehensive, and is indicative of the efforts by the Board to establish a strong tone at the top.

Tone at the top is best described as the behaviors that reflect management’s integrity and commitment to ethical values. The tone at the top is set by senior leadership and Board and influences the ethical environment. During 2010, certain actions which were initiated by the former Executive Director were discovered. These actions were determined to be at odds with Metra’s established policies and procedures. The Board has begun to implement centralized processes and procedures to provide additional oversight and monitoring to minimize future management override and maximize integrity and commitment to ethical values at Metra.

Our initial risk-based approach entailed gathering data and making targeted inquiries throughout Metra. Our initial evaluation identified six (6) areas that were deemed to require additional analysis:

- Internal Audit Function
- Operating and Capital Budgeting Process
- Procurement (capital and operating)
- Human Resources and Payroll
  - Hiring policies and procedures
  - Control over compensation adjustments (hourly and salaried employees)
  - Salary and hourly payroll processing and review
  - Employee compensation and benefits
- Treasury and Accounts Payable
  - Cash disbursement authorization
- Grants Management



## **Executive Summary** (continued)

These areas of concentration provide a framework for Metra to build best practices around its riskiest areas.

We are aware of proactive steps that the Board has undertaken to address certain issues regarding targeted internal control processes during the pendency of our engagement (Appendix 9). In order to streamline this engagement, Blackman has attempted to systematically address the issues at hand, as well as seek the cooperation of professionals assisting other service board entities with Metra-related issues. To date, such cooperation has been minimal.

Blackman's Phase II detailed testing, analysis and procedures are addressed in the pages that follow. Our evaluation is broken down into findings, recommendations and best practice suggestions. Based upon the Board's mandate to impart best practices at Metra on a prospective basis, we are working closely with Counsel, the Board and Metra's senior leadership and staff to develop and implement serviceable action plans.

## **Statement of Findings**

Blackman was engaged by Counsel to the Board to address internal control deficiencies and risk management issues brought to light by the actions of the former Executive Director and from the procedures we have performed to date. This report documents only findings and best practice suggestions.

Through our evaluation and testing, we identified multiple areas where Metra has implemented, documented and maintained strong internal controls. Based upon our procedures, certain controls in accounts payable, treasury, payroll, procurement, grants management, internal audit and human resources were found to function as designed.

In brief, Blackman has identified areas for improvements in internal controls, opportunities for best practices to be implemented, and enhancements to risk management that provide the foundation for our recommendations to Counsel and the Board.

Our Phase II procedures did not constitute an examination of all areas and transactions, but entailed a targeted analysis of risk areas identified by our Phase I procedures and suggestions from Counsel, the Board and Metra's senior leadership, as well as from our work with Metra's interim Inspector General.

The current Board and senior leadership have taken a proactive approach to the enhancement of operational, financial, accounting and human capital processes of the organization by working closely with Blackman, Counsel, and interested third-parties to implement controls and guidance for the future.

This report categorizes the Blackman engagement into four (4) distinct categories of findings and best practice suggestions related to our engagement. Those categories are further broken down into sub-categories which more closely detail the findings and recommendations.

The key report categories are:

- Organizational Issues
- Process Issues
- Information Technology Issues
- Compensation and Benefit Issues

We have incorporated best practices recommendations where applicable. Best practice recommendations are general suggestions that may provide the company with more efficient and effective processes, as well as a general reduction in operational risk. The items identified in this report were not, in some instances, control weaknesses, but suggestions for improvement based on the industry's best practices.

This report was prepared at the direction of Counsel for the Board. The Board's aggressive approach to the issues facing Metra is evidenced by its continuing work in identifying and addressing the issues that follow.

## **Discussion of Findings**

The following sub-sections of this Executive Summary detail the areas of risk assessment and internal controls targeted by the Board for continued improvement.

### **Organizational Findings, Recommendations and Best Practice Suggestions**

Organizational findings relate to Metra as a whole. Organizational findings require change to be driven by senior leadership and the Board. The findings below require additional efforts by department heads with support from senior leadership. The following findings were identified and categorized as Organization, Human Resources, Internal Audit, Payroll and the Community & Legislative Affairs departments.

#### **Organization**

##### **Policies and Procedures – Administrative Operating (Appendix 2, #1)**

###### **FINDING**

A portion of the Administrative Operating policies and procedures are dated and in paper form (see Appendix 6). Some procedures require review to bring them up to current business practices. Metra lacks a formal method of communicating changes to policies and procedures to its employees. The lack of updated and communicated policies and procedures could result in errors, inconsistencies and improper transactions.

###### **RECOMMENDATION**

Metra should update written policies and procedures for selected key processes. These policies and procedures should be posted to Metra's intranet and formally communicated to Metra's employees on an annual basis.

Metra is currently reviewing and updating the Administrative Operating policies and procedures to ensure they reflect current business practices.

##### **Metra Departmental Communication (Appendix 1, #3)**

###### **FINDING**

Metra has limited formal knowledge-sharing and cross-functional teams, which increases the risk of inefficiencies and redundancies driven from lack of communication. Metra communicates across the organization primarily through memoranda and bulletins.

###### **RECOMMENDATION**

As a best practice, quarterly management meetings, with all department heads should be instituted in order to gain understanding and compare key efficiencies between Metra departments.

### **Formal Succession Planning** (Appendix 2, #3)

#### **FINDING**

Formal succession plans are being developed in anticipation of additional senior-level departures. The current incomplete status of these plans increases the risk of knowledge and efficiency loss. The Metra Manpower Planning Department was established in 2008 with a primary function of developing succession plans for Metra's organizational units. The former Executive Director's 2009 management reorganization failed to address middle management and technical/professional support attrition.

#### **RECOMMENDATION**

Metra should continue to assess its current job descriptions and consider how they may be updated. Formal cross-training should be conducted on a departmental basis. Metra should consider an independent third-party study to identify current Metra professionals who may be qualified or may become qualified to assume increased responsibility (specifically for senior leadership roles). Metra should address competitive compensation issues as well as available education and mentoring programs for targeted personnel.

### **Entity-Level and Management Override** (Appendix 1, #5; Appendix 2, #4)

#### **FINDING**

The former Executive Director used his authority to circumvent controls to approve certain transactions which benefited himself and other employees. He was given broad authority to employ, retain, allocate functions and duties, as well as determine compensation and conditions of employment. A comprehensive fraud risk assessment that addresses incentives and opportunities to commit fraud and the likelihood and significance of each potential fraud risk, including the risk of management override of controls, was not apparent at Metra.

#### **RECOMMENDATION**

Policies and procedures should be updated to provide the Internal Audit department guidance for reviewing significant transactions approved by the Executive Director and senior leadership. An independent evaluation of significant Executive Director and senior leadership transactions should be performed quarterly at the direction of the Board.

Metra should consider a formal fraud risk management program that reinforces Metra's current Code of Ethics (See Appendix 7) and establishes clear roles and responsibilities for the Board, the Audit Committee, senior leadership and internal audit. Additionally, there should be whistleblower training for all employees.

Board oversight should be implemented for key areas of compensation. Policies and procedures should be updated to directly address any employee benefits that could dictate a payout.

The Board passed Ordinance No. MET 10-07, which states, the Board established "an Executive Committee to evaluate and consider compensation benefits afforded to Metra Employees" and the "Board shall review actions taken by the Executive Director with respect to staff compensation and benefits." Additionally, Metra intends to include specific Board members on a compensation committee who will review annual non contract salary adjustments.

Additionally, the Board has enacted Ordinance No. MET 10-17 to establish whistleblower policies.

## **2009 Reorganization** (Appendix 1, #9)

### **FINDING**

Metra's 2009 reorganization was driven by the former Executive Director. The former Executive Director prompted organizational changes which impacted the entire organizational structure and drove departmental promotions and transfers. Reorganizations that occur without formal support from senior leadership could lead to inefficient or ineffective organizational structures that are not in the entity or public interest.

### **RECOMMENDATION**

The reorganization changes that occurred in 2009 should be reviewed and reassessed to ensure changes were beneficial to the organization. Organizational changes should be assessed by senior leadership (with the input of selected Metra staff) and reviewed by the Board.

## **Salary Adjustments –Reorganization** (Appendix 2, #8)

### **FINDING**

Salary adjustments included in Metra's 2009 reorganization, directed by the former Executive Director, appear to lack formal documented approval by senior leadership. Lack of support for salary adjustments may increase inequities within the Metra salary structure. The former Executive Director's lack of collaboration with appropriate departments at Metra, as well as the lack of policies and procedures addressing these issues, could result in errors, inconsistencies and improper transactions.

### **RECOMMENDATION**

Metra should consider centralizing the supporting documentation related to promotions, lateral moves and salary adjustments within the employee personnel files. Formal policies and procedures should be developed related to interim salary adjustments.

The Board passed Ordinance No. MET 10-07, which states, the Board established "an Executive Committee to evaluate and consider compensation benefits afforded to Metra Employees" and the "Board shall review actions taken by the Executive Director with respect to staff compensation and benefits." Additionally, Metra intends to include specific Board members on a compensation committee who will review annual non-contract salary adjustments.

## **Contract Employees Overtime Study** (Appendix 2, #15)

### **FINDING**

Multiple contract employee groups incur significant amounts of overtime on a recurring annual basis. No formal manpower studies or cost/benefit analysis of hiring additional employees were evident at Metra. This may lead to increased risk of unnecessary operating and capital costs.

### **RECOMMENDATION**

A formal study of Metra contract employee overtime hours should be conducted to determine the cost/benefit of hiring additional employees and/or determining the ability to reduce overtime hours allocated and worked.

Metra has performed informal overtime analyses in the past. Additionally, Metra has implemented the process of generating an overtime report by employee that documents each pay period and year-to-date overtime hours incurred. This report is sent to managers each pay period. Metra is implementing the Kronos timekeeping system which will electronically track overtime for contract employees. The expected implementation date is scheduled for March 31, 2011.

### **Overtime Improprieties** (Appendix 2, #9)

#### **FINDING**

Metra, through its own investigation and data discovered by the Internal Audit Department, has identified instances of overtime theft. Although Internal Audit has performed procedures related to these issues, such practices could still occur undetected.

#### **RECOMMENDATION**

Metra should establish consistent reviews of available data to determine the existence of overtime theft and add additional controls to prevent the practice. Identified instances should be dealt with by an established and non-negotiable policy.

The employees involved in one specific identified instance of theft of overtime time were assessed discipline in accordance with Metra's policies.

Metra's upcoming implementation of the new Kronos timekeeping system will provide managers with overtime reports that will enable them to manage and monitor overtime.

### **Human Resources**

#### **Lack of Documentation for Salary Increases** (Appendix 2, #2 and #8)

#### **FINDING**

Justification for annual, mid-year, equity and other salary increases were not centrally located in the employee files. Inadequate support existed for the former Executive Director's interim pay increases relating to the 2009 reorganization. These situations increase the risk for inaccurate or unsupported adjustments to employee compensation.

#### **RECOMMENDATION**

Metra should consider the formation of a formal executive compensation committee for all levels of the organization, which may include representatives of Metra's senior leadership, the Board and possibly an independent third-party.

The Board has begun to address these issues through the formation of the Executive Committee and the Financial Practices and Reporting Review Committee. Additionally, the Human Resources department is currently developing formal procedures to define the type of increases that can be given and the justification needed for increases which will be maintained in centralized employee files.

#### **Lack of Correlation of Performance Reviews and Compensation** (Appendix 2, #2 and #7)

#### **FINDING**

Performance reviews may not directly correlate performance to compensation increases. Due to recent budgetary constraints, static raises were given in 2008 and 2009 to all non-contract employees that were rated as Meets Expectations, Exceeds Expectations or Outstanding. No raises were given to non-contract employees in 2010. Performance reviews with limited direct impact on compensation provide limited value to Metra and may result in decreased rewards for top performers.

#### **RECOMMENDATION**

Metra should further utilize performance reviews and consider them as an integral basis for merit increases to employee compensation, as required. The Human Resources Department should document its review of all annual performance reviews. Each Metra employee should understand the effect of the performance review on his/her compensation package and his/her potential for advancement.

## **Hiring – Waiver** (Appendix 2, #6)

### **FINDING**

Hiring waivers (Executive Director’s discretion to fill a non-contract vacancy without posting the position) were not documented for two new hires based on our sample. Although the Executive Director, at his discretion, can choose to fill a non-contract job vacancy without posting, policies and procedures do not explicitly state the protocol for waivers. The lack of processes or documentation for new hires could lead to positions filled without appropriate experience levels.

### **RECOMMENDATION**

Metra should institute formal policies and procedures (See Appendix 10 for hiring policies and procedures) addressing the use of waivers.

The Board has begun to address this issue through the formation of the Executive Committee and the Financial Practices and Reporting Review Committee. Specifically, the Board implemented Ordinance No. MET 10-14, which established a policy that requires the Executive Director to receive consent from the Board before the Executive Director exercises a waiver.

## **Internal Audit**

### **Enterprise Risk Assessment** (Appendix 2, #5)

#### **FINDING**

A formal risk assessment of the organization has not been created. This increases the risk that the Internal Audit Department may not address the riskiest areas of the organization with their audits performed.

#### **RECOMMENDATION**

Because Internal Audit now reports directly to the Board, an accountability structure should be agreed upon between the Board and Internal Audit.

The Board has begun to address this issue through the formation of the Executive Committee to review current Board governance practices. The risk assessment should be reviewed and reassessed annually. Annual audits and questionnaires should be developed based on the risk assessment. Internal Audit, in conjunction with, senior leadership, is currently planning to begin documenting a formal risk assessment of the organization.

## **Payroll**

### **Payroll – Policies and Procedures** (Appendix 2, #10)

#### **FINDING**

Current payroll policies and procedures for contract/non-contract processing, manual adjustments, exception reporting, reconciliations and off-site timekeeping are dated and in paper form. This could result in processing errors, unauthorized transactions and inaccurate reporting.

#### **RECOMMENDATION**

Metra should review and update, where necessary, policies and procedures which address contract/non-contract processing, manual adjustments, exception reporting, reconciliations and off-site timekeeping.

Senior leadership has begun to revise policies and procedures to meet current best practices. Currently, Metra is in the process of implementing upgraded timekeeping systems for its field operations. Metra estimates implementation of the Kronos timekeeping system will be complete by

March 31, 2011. Upon replacing the current payroll system (date unknown), Metra plans to complete a comprehensive update to the payroll policies and procedures.

### **Community & Legislative Affairs**

#### **Contracts – Lack of Oversight** (Appendix 2, #20)

##### **FINDING**

A certain long-standing lobbying firm's monthly invoices lacked sufficient detail to substantiate that contracted services were being performed. This situation increases the risk of non-performance and overpayment.

##### **RECOMMENDATION**

Metra should enforce the requirement that all lobbying vendors report detailed descriptions of tasks undertaken and results achieved in order to validate services provided.

Metra has retained a new lobbying firm and is requiring detailed monthly invoices.

### **Process Findings, Recommendations and Best Practice Suggestions**

Process findings relate to the current processes at Metra. Processes and their related controls ensure the completeness and accuracy of transactions, accounting, data processing and information reports. In addition, process findings represent instances where processes and their related controls may not be designed to provide the most effective oversight. Process changes can be driven by department heads and managers. The findings below require additional efforts by department heads and managers with support from senior leadership.

#### **Reliance on Manual Monitoring Controls and Lack of Electronic Reporting** (Appendix 1, #2)

##### **FINDING**

Metra currently relies on manual exception reports that are printed and distributed daily as a mitigating control. Exception reports can be large and difficult to manually review. Exception reports compensate for the lack of information technology controls which would automate the review and approval processes. The exception reporting process is manual, may not be relied upon to detect anomalies and currently does not consistently mandate evidence of management review.

##### **RECOMMENDATION**

As a best practice, exception reports should be distributed electronically in a convertible form (such as Microsoft Word, Excel or Access) which would allow easier access and review to the user. This will also allow for a more efficient tracking tool for documented exceptions. Monitoring controls should be developed for users to ensure that exceptions are being reviewed properly and addressed timely.

Metra has begun to address this area through its ongoing implementation of the Kronos timekeeping system. Managers will have the ability to review overtime and reported exceptions prior to payroll processing. Reports will be available electronically.

#### **Complex Union Agreements** (Appendix 1, #4)

##### **FINDING**

Due to the inherent complexity of the union agreements and the number of Metra departments utilizing the data, departments outside of Payroll have limited formal procedures for determining the accuracy of data utilized for reviewing and processing payroll. Detective, rather than preventative controls over contract employee data increases risks for inaccurate determination of rates for on-call/standby time, overtime, double-time, rest periods and holiday pay.



**RECOMMENDATION**

The Labor Relations and/or Internal Audit Departments should continue to provide concurrent reviews of employee payrolls on a test basis to ensure accurate compliance with union contracts. As a best practice, training with regard to union agreements should be implemented for department heads.

**Budgeting Process** (Appendix 1, #7)**FINDING**

There are inherent limitations in Metra's current information technology processes. Numerous spreadsheets are utilized to manipulate vast amounts of budget data. Metra's information technology applications do not seamlessly interface with the budgeting process.

**RECOMMENDATION**

Metra should consider a customized solution to its budgeting/forecasting process. A solution that interfaces with accounting, finance, Purchase of Service Agreement ("PSA") carriers and other key applications should be implemented. This process would assist in limiting the manual controls which now need to be processed in order to consistently run scenario analysis and key reports for senior leadership.

Metra has made efforts to research a budget tool in prior years. The state of Metra's legacy systems has made these tools incompatible and inefficient. Metra plans to implement information technology upgrades that will include tools to improve budgeting capabilities.

**Salary Adjustments – Equity Increases** (Appendix 2, #8)**FINDING**

Equity (market) increases for non-contract employees can be granted under limited circumstances. Lack of consistency in policy increases the risk that all employees are not receiving fair consideration.

**RECOMMENDATION**

Updated policies and procedures regarding equity adjustments should be established at Metra.

**Salary Adjustments – Compensatory Time** (Appendix 2, #8)**FINDING**

Metra policies and procedures do not address how compensatory time for non-contract employees is granted and approved. The former Executive Director approved a payout to two employees who were required to complete a website project as a result of a state law.

**RECOMMENDATION**

Policies and procedures should be established to address this area. Matters requiring the granting of compensatory time should be referred to the appropriate committee.

The Board has begun to address this issue through the formation of the Executive Committee and the Financial Practices and Reporting Review Committee.

**Contract Employee Overtime Approval** (Appendix 2, #12)**FINDING**

Certain overtime requests were processed without approval, certain overtime requests could not be located by Metra and one employee reviewed his own overtime requests. Lack of review by appropriate levels of management can lead to excessive overtime pay-outs without detection.



## **RECOMMENDATION**

Department personnel should review/reconcile timesheets and time system detail prior to submission to Payroll. Overtime should be consistently approved by management in the field with concurrence by a Director at Metra headquarters. If possible, the process should be automated to reduce the risk of errors.

Metra has implemented controls to address these situations in which overtime requests were processed without approval. Metra is in the process of upgrading field timekeeping for non-transportation employees to the enterprise version of the Kronos time clock based system. Additionally, the new Kronos system will provide managers with overtime reports that will enable them to manage and monitor overtime.

### **Contract Employee Processing** (Appendix 2, #13)

## **FINDING**

Manual entry of time worked in the field is subject to errors and resulting time summaries by project code may be inaccurate. Lack of review of hours entered and associated codes can lead to incorrect processing and general ledger recording.

## **RECOMMENDATION**

Metra should consider a regular detailed review of payroll hours recorded and all associated detail by employee, job codes and other pertinent data. Field personnel should provide assurances that data has been reconciled prior to submission to Payroll.

Metra is in the process of upgrading field timekeeping for non-transportation employees to the enterprise version of the Kronos time clock based system. The new system will validate project codes. Time will be entered directly from time clock swipes instead of manual work reports. The new system will provide the reporting needed for managers to review and approve payroll data before it is sent to the Payroll department for processing. This conversion is projected by Metra to be implemented during the first quarter of 2011.

### **Payroll Exception Reporting** (Appendix 2, #14)

## **FINDING**

Payroll exception reports that document overtime are not currently being distributed to department heads. Lack of review and quality exception reports increases the risk of overtime errors without appropriate monitoring.

## **RECOMMENDATION**

Exception reports should be thoroughly reviewed by department heads on a monthly basis.

Metra's implementation of the new Kronos timekeeping system will provide managers with overtime reports that will enable them to manage and monitor overtime.

### **Management Override of Procurement** (Appendix 2, #17)

## **FINDING**

The former Executive Director maintained the authority to initiate requisitions and change orders for services and supplies. It is our understanding that information regarding change orders in excess of \$10,000 was not provided in the monthly summary to the Board (as required by policies and procedures) for the period from approximately October 2004 through May 2010. Therefore, a complete listing of change orders was not brought to the Board's attention in a timely manner, increasing the risk that improper change orders could have been executed.

## **RECOMMENDATION**

Internal Audit should continue to conduct periodic tests of completeness of information included in monthly procurement reports provided to the Board. The Board should form a subcommittee to examine these reports on a more detailed basis.

Beginning in May 2010, Metra reinstated the required change order information into the monthly report to the Board.

### **Procurement Files – Completeness and Consistency** (Appendix 2, #18)

#### **FINDING**

There were instances of incompleteness and/or inconsistency within the large manual requisition files that we tested. Inefficiencies can be created from the maintenance and storage of large manual files.

#### **RECOMMENDATION**

Maintenance of these files in an electronic format is suggested (See digital imaging recommendation in Appendix 1, #8).

### **Purchase Orders Under \$10,000** (Appendix 2, #19)

#### **FINDING**

Purchases of materials and services with an estimated cost of greater than or equal to \$10,000 are subject to formal competitive bidding procedures. During our testing, we noted vendors with multiple purchase orders under \$10,000, which in the aggregate totaled in excess of \$10,000. Additionally, there is a risk that multiple awards under \$10,000 (aggregating in excess of \$10,000) for the same or similar materials or services may be made without detection by the Materials Management Department.

#### **RECOMMENDATION**

The Materials Management Department should formally monitor purchase orders under \$10,000 to ensure jobs and services should not be subjected to formal competitive bidding procedures (See Appendix 8 for current procurement policies and procedures). Management should institute a monthly review process to identify anomalies. Additionally, Internal Audit should review and test purchase orders under \$10,000 on a periodic and/or annual basis.

Metra is developing a report that specifically identifies purchase orders under \$10,000 to assist in identifying anomalies. This report is scheduled to be generated on a regular basis.

### **Design of Key Wire Transfer Controls** (Appendix 2, #16)

#### **FINDING**

Certain wire transfers relating to compensation and benefit items, authorized by the former Executive Director, were disbursed without proper corroborating support.

#### **RECOMMENDATION**

All wire transfers should require proper approvals, including evidence of review of corroborating support, prior to submission for payment.

### **Offsite Payroll Time Keeping – Contract Employee Processing** (Appendix 2, #11)

#### **FINDING**

Misapplication of compensation among employees exists due to manual time entries in the field. Lack of review and reconciliation of timesheets to the timekeeping system increases the risk of inaccurate payroll processing.

## **RECOMMENDATION**

Department heads or their designees should review timesheets prior to submission to Payroll.

Metra is in the process of upgrading field timekeeping for non-transportation employees to the enterprise version of the Kronos time clock based system. The new system will validate project codes. Time will be entered directly from time clock swipes instead of manual work reports. Once completely implemented, the new system will provide the reporting needed for managers to review and approve payroll data before it is sent to the Payroll department for processing.

## **Capital & Strategic Planning – Policies, Procedures and Approvals (Appendix 2, #21)**

### **FINDING**

While policies and procedures do exist for Capital Grants and Program Development, a single comprehensive procedural manual containing all the department's procedures does not exist.

### **RECOMMENDATION**

Metra should create a single comprehensive procedural manual that is consistently updated and communicated regularly to all employees within Capital Grants and Program Development departments.

## **Information Technology Findings, Recommendations and Best Practice Suggestions**

Information technology findings relate to Metra's information technology infrastructure. Findings were identified during the evaluation of the organization and related internal controls. During our evaluation of the current processes, we identified inefficiencies that were directly related to outdated or absent Information technology systems and applications (see Appendix 4 for a description of efficiency and long-term economic value gained by a move to updated information technology systems). Information technology changes require change to be driven by senior leadership. The findings below require additional efforts by the Information Technology Department and key end-users with support from senior leadership. The following findings were identified during our organizational and internal control evaluation:

### **End-User Processing (Appendix 1, #6)**

#### **FINDING**

Multiple employees process transactions on dated workstations with no access to network drives, intranet and other miscellaneous applications (Metra has intentionally limited access to these applications for certain employees). The lack of these capabilities can create inefficiencies and may prevent Metra from implementing technological improvements.

#### **RECOMMENDATION**

As a best practice, an upgrade of workstations to personal computers would allow key end-users to participate in functional areas outside of data input, would reduce the need for printing and distributing exception reports and improve communication between critical parties.

### **Multitude of Financial Reporting Systems (Appendix 1, #1)**

#### **FINDING**

Metra currently has a number of financial reporting systems that are dated and rely on manual controls rather than automated preventative controls. Additionally, as a result of these systems, interfacing and approvals are manual rather than automated. This factor promotes a high amount of inefficiency.

## **RECOMMENDATION**

Metra should continue to be roll out new systems to other critical financial areas, to the extent possible, over a relevant period of time in order to effectuate an enhanced control environment (see examples of efficiencies at Appendix 4).

Metra has recently implemented upgrades in revenue accounting and mechanical maintenance and warranty tracking systems. Metra recognizes the need for new financial systems, subject to requisite staffing and sources of capital and operating dollars to fund associated costs. Metra is currently reviewing the consultant and in-house costs associated with system upgrades. The Information Systems Executive Committee meets monthly and is dedicated to planning and monitoring all system upgrades.

### **Use and Storage of Paper Documents (Appendix 1, #8)**

## **FINDING**

Departments retain and file documents manually. This process reduces overall efficiency and ultimately may be cost prohibitive.

## **RECOMMENDATION**

As a best practice, Metra should consider implementing a comprehensive imaging system. Digitally-captured and stored documents can improve retrieval, productivity and reduce overall cost of copying, transport and storage.

## **Compensation and Benefits Issues**

Compensation and benefits findings improve and provide short and long term savings to Metra. Compensation and benefit adjustments require change to be driven by senior leadership. The following findings were identified during our evaluation of compensation and benefit practices at Metra.

Our procedures included a compensation analysis. Recommendations were based on industry best practices. The summary that follows is intended to provide guidance to the Board that the recommended programs will support the overall strategy and operations of Metra as well as supporting the attraction, retention and motivation of competent employees to serve Metra's mission.

### **PTO Plans**

## **FINDING**

Metra currently offers a traditional set of PTO plans including vacation, personal days and holidays. The levels of benefits for each of these programs hover around the 50<sup>th</sup> percentile when compared to others offering similar benefits.<sup>1</sup> The exception to this is vacation days offered after service of 15 years or more of 25 days of vacation per year. This benefit is at the 75<sup>th</sup> percentile. The change was recommended by the Executive Benefits Committee in order to attract talent to the management ranks of Metra.

## **RECOMMENDATION**

Many organizations have moved or are considering moving to a PTO bank program. With this approach, organizations typically consolidate vacation, sick time and personal days into one bank of eligible days. Most organizations separate holidays from the PTO bank.

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<sup>1</sup> World at Work, May 2010 Survey

Reasons why organizations have adopted PTO banks are 1) ease of administration; 2) reduced absenteeism, and 3) competitive positioning.<sup>2</sup> The plan should include limits on the amount of carryover days that are allowable in any given year.

Metra should consider looking at a PTO bank as an option.

## **Retirement Plans**

### **FINDING**

Metra's current retirement plans include 1) 401(k)/457; 2) RTA pension plan; 3) Railroad Retirement plan (tier 1) equivalent to Social Security; and 4) Railroad Retirement plan (tier 2), which is a mandated plan. For select senior executives, a flat dollar contribution of \$22,000 per year has been made to the 401(k) plan. In addition, Metra's average per-person contribution to the RTA pension plan for 2010 is estimated to be 16.5% of payroll, with an average contribution rate over the past ten years of 10.5% of payroll. The level of this contribution fluctuates each year depending on a number of factors, including the funded status of the plan, investment returns, and payroll increases. In addition, another contribution, along with employee contributions, is made to the Railroad Retirement plan, tier 2.

When combined, the contribution for retirement plans paid for by Metra for its senior executives equates to approximately 28% to 30% of pay in 2010 when including the employer contributions to the Railroad Retirement plan, 401(k) recent contribution levels, and an average contribution rate of 10.5% for the RTA pension plan, but excluding tier 1 Railroad Retirement plan contributions and retiree medical stipends.

In many organizations that sponsor both defined benefit and defined contribution plans, it is common for the match on the 401(k) plan to be anywhere from \$.25 to \$1.00 match for each dollar of employee contribution. Generally, this would result in an employer contribution of 1% to 3% of total pay. In defined benefit plans, it is common to see contributions range from 4% to 12% of payroll (depending on the funded status of the plan), resulting in a total employer contribution for retirement benefits ranging from 5% to 15% of payroll. For top executives at Metra, eliminating the \$22,000 401(k) contribution would result in a pay contribution of approximately 23%.

Blackman's analysis of the Metra retirement plan options was undertaken to determine the estimates of the high level of benefits available to Metra employees under plans that are currently in place.

### **Replacement Ratio**

Income adequacy at retirement can be calculated by means of a replacement ratio. The replacement ratio measures the amount of pre-retirement income being replaced at retirement.

At Metra, options available to accumulate retirement funds include:

- 401(k)/457 plans
- RTA Pension plan
- Railroad Retirement plan, Tiers 1 & 2 (these are mandatory contributory retirement plans. Railroad Retirement Tier 1 is similar to social security and Railroad Retirement Tier 2 is "based on railroad credits only, and may be compared to the retirement benefits paid over and above social security benefits to workers in other industries).<sup>3</sup>

For selected employees, Blackman estimated benefits (based on data provided by Metra) for each plan and aggregated them to produce a total income at retirement percentage.

<sup>2</sup> World at Work, May 2010 Survey

<sup>3</sup> U.S. Railroad Retirement Board, Railroad Retirement and Survivor Benefits, IB-2, February 2010

Most organizations establish replacement pay targets for retirees and design their programs accordingly. Targeted amount of retirement income will typically be less (lower taxes, lower working expenses, reduced need for savings) than while an active employee.

Overall considerations when analyzing the adequacy of retirement income include:

- Investment risk
- Longevity risk
- Inflation risk
- Existence of retiree health care coverage

### **Adequacy**

Metra will need to consider what objectives they would like to have in place for their retirement plans:

- Philosophy and obligation as an employer
- Competitiveness in the labor market
- Obligation of the employer versus the employee
- Ability to fund retirement benefits
- Continuation of retiree medical benefits

### **RECOMMENDATION**

One approach to determining the appropriate level of retirement benefits is to conduct a replacement ratio study. This type of study measures the amount of pre-retirement pay which will be replaced at retirement. Metra asked Blackman to conduct a pay replacement study for the aggregation of Metra retirement plans. In Appendix 11 of the report are exhibits of estimates of pay being replaced at retirement under the Metra plans based on selected age and service requirements. Generally speaking, the levels of benefits under the plans are on the high end when compared to the industry in general.

It should be noted that Metra has enacted an ordinance which addresses the 401(k) contributions to senior leadership on a go-forward basis.

Metra should also consider alternative plan designs to the current RTA pension plan. Alternative approaches may better serve Metra in attracting and retaining young talent. Management has had discussions regarding this topic.

As Metra develops its retirement philosophy, the following types of questions should be considered:

- Will retiree medical benefits be provided?
- What will be the minimum replacement ratio for lower compensated employees?
- Will a maximum replacement ratio be established?
- How many years will define a full career? And what should the replacement ratio be at varying levels of careers?

Metra should consider creating a retirement philosophy statement, measuring current plans against the philosophy and redesigning plans to meet Metra's overall employment philosophy and business objectives.

### **Healthcare Benefits**

#### **FINDING**

Blackman analyzed the health and welfare plans of Metra to determine:

- Competitiveness of benefits

- Areas for plan design improvements
- Areas for more effective medical management
- Areas of potential cost savings

Our procedures addressed targeted concepts in order to enable the Board to prioritize any potential changes in terms of the financial impact to Metra and its employees.

- We have divided this section of our report into three categories:
  - Cost extraction and finding waste in the system
    - Plan Funding
    - Plan Administration
  - Cost shifting
    - Employee premiums
    - Plan cost sharing
  - Cost avoidance
    - Better medical management
    - Communications and plan design to improve chronic condition management and health and lifestyle improvement
    - Prescription drug options

### **Cost extraction and finding waste in the system**

#### **Plan Funding**

- 80% or more of plans the size of Metra’s are either partially or totally self-funded
- Currently, Metra’s plan is fully insured
- Organizations move from fully insured plans to self-insured because they can manage the risk at a lesser cost
- It is important to look at the self-funding option for both first-year savings and future plans cost management and flexibility

#### **Plan Administration**

- Another area for potential savings is by evaluating how a plan is being administered
- By conducting a plan administrative audit, Metra may be able to save costs by eliminating ineligible members, assuring compliance with plan rules and effective medical management. Other audits for groups of this size have resulted in a reduction from 3 to 5% of ineligible dependents

### **Cost shifting**

#### **Employee premiums**

- Employee premiums: We evaluated the current employee premiums with national averages for employee premiums\*
- Employee cost-sharing (co-pays, out-of-pocket maximums, and other plan usage features) were also evaluated

We compared current employee premium levels with average premiums paid by other large Midwest employers (over 200 workers) using The Kaiser Family Foundation and Health Research and Educational Trust Employer Health Benefits Annual Survey for 2010.

- The following chart illustrates the comparison of premiums for medical coverage levels (e.g., Single vs. Family) for HMO plans and the PPO plan:

Type	Metra	Metra	National Average	National Average
HMO/PPO	Single	Family	Single	Family
HMO	0%	1.5%/0%	19%	30%
PPO	4.7%	4.7%	19%	26%

### Plan cost sharing

Metra was presented with options for changing plan features and made some changes for the 2010 plan year.

- Metra was also presented with options to change plan features for the 2011 plan year in terms of:
  - Increased deductibles and out-of-pocket maximums
  - Coinsurance percentages
  - Increased office visit, admission and drug co-pays

### Cost avoidance

Healthcare programs can benefit from more effective management of their programs without reducing benefits to their employees.

These programs, which include disease management, wellness and managed pharmacy programs can result in lower costs and overall improvement in employee health and welfare.

Many organizations today offer programs and incentives for employees to improve their health status and to better manage chronic conditions.

- These programs can include health risk assessments, education in healthier lifestyles and effective disease management. Most are accompanied by either incentives or disincentives.
- These programs can reduce healthcare costs and improve absenteeism.

### Prescription Drug Plans

We recommend a look at the prescription plan design in terms of incentives/disincentives for generics, co-pay differentials, formulary and mail order incentives.

- For example, the percentage of scripts filled with generic equivalents was 60% vs. 40% brand. Organizations who aggressively manage their drug programs can have up to an 80% generic replacement.
- The percentage of scripts filled by mail order was approximately 11% vs. a well managed plan with 20% to 30% mail order fills.
- The usage and claims reports for the prescription drug program also point to the need for more effective disease management.

### Review of Metra's Disease Management and Wellness Programs

- The Blue Cross data shows a low rate of participation in chronic condition management.



- Of the 943 identified as targeted for outreach (in a 12-month period), only 79 were actively participating with a care advisor.
- Two of the lifestyle management programs: smoking cessation and weight management show no participation by members.
- These conditions contribute to high claims costs and can be better managed with the proper incentives for eligibility and coverage.

### **RECOMMENDATION**

While we understand that employee cost-sharing was introduced in 2010, the average costs of the plan remain high and the employee premium sharing low. We assume that with continued plan design changes such as high deductible health plans with savings options, wellness programs, health risk assessments and disease management programs along with a look at employee cost-sharing could help Metra manage the health of their employees and continue to reduce costs.

Charts showing the levels of Metra employee premium sharing compared to national averages indicate Metra rates are on the low end (see Appendix 12).

Metra management has shared that one of the employee issues it faces is when they want to promote individuals from the unions to a management position. Currently, the management medical plan has lower benefits than the union plan and makes the move less attractive. In addition, the mandatory employee contributions required for the Railroad Retirement plan add to the difficulty in attracting union employees.

We have shared with Metra management that we understand this is a “total employment” issue and that we agree that Metra should look at the entire employment package, including direct pay.

We recommend looking at the employment situation more holistically, and to then determine which compensation and benefits approaches will meet the needs of employees and meet Metra’s cost management targets. Using the medical plan benefits as the impetus for attracting union employees to management jobs is an inefficient and costly approach.

We recommend that Metra engage a select number of Board members to serve as a healthcare committee to study options.

- The next step for this committee should be to establish an overall healthcare strategy for Metra with guiding principles and parameters along with a risk management strategy.
- The next step in this process would be to review the current plan with the articulated strategy and objectives in mind. This can result in additional short term cost savings and longer term cost management of the plans.

### **Retiree Medical Coverage**

#### **FINDING**

Senior executives who have reached age 65 and completed five years of service (based on credited service under the RTA pension plan) are covered under a post-retirement medical plan. If retirees are over age 65, they are covered by a supplemental plan. If retirees are under age 65, they participate in the same premium sharing and benefits as active employees. A 2009 study by Towers Perrin-ISCEBS<sup>4</sup> indicates that employers are taking various actions to better manage the cost of retiree health coverage. These include a dollar cap on the employer subsidy, age and service requirements, and adding account based plans.

While the trend has been toward reducing or eliminating retiree health coverage, Metra has managed the cost because overall medical costs are lower when Medicare becomes primary.

<sup>4</sup> 5<sup>th</sup> Annual ISCEBS-Towers Perrin Survey of Retiree Medical Benefits

## **RECOMMENDATION**

Metra should consider subsidy changes and other cost-sharing approaches to better manage the overall cost and reduce liabilities, such as a service-based formula.

### **Dental plan**

#### **FINDING**

It is common in most employer sponsored plans to see some level of employee cost-sharing for dental benefits.

#### **RECOMMENDATION**

Metra should consider introducing employee cost-sharing.

### **Long and Short-term Disability, Life Insurance and AD&D Coverage**

#### **FINDING**

These plans offer standard and competitive benefits when compared to other employers.

#### **RECOMMENDATION**

These plans offer generally competitive benefits and we do not believe there are significant cost savings opportunities. The only consideration would be whether to introduce employee cost sharing for the LTD plan.

### **Executive Compensation**

#### **FINDING**

We conducted a preliminary evaluation of salary levels for selected executives at Metra: Deputy Executive Director-Operations; Deputy Executive Director-Corporate Affairs; Senior Division Director-Community and Legislative Affairs; Senior Corporate Director-Customer Affairs and Training; Senior Corporate Director-Financial Affairs; Senior Corporate Director-Human Resources; and Director-Audit using benchmark data from the Economic Research Institute.<sup>5</sup> We also evaluated the benchmarking study conducted by Metra which compares other transit organizations within Chicago and other major markets.

Metra management indicated that salaries are sometimes not competitive and therefore they cannot hire the appropriate candidate from outside or promote the best candidate from a union position. We recommend that in those cases, that Metra conduct a benchmarking study for those key pivotal positions, absent a comprehensive pay study.

With the use of these two data sets, we believe that the salaries are generally competitive (except for the Director-Audit position) with similar jobs in organizations of similar size and complexity. Because some of the positions are comprised of multiple and diverse responsibilities, exact job matches were not always possible.

Our benchmarking analysis, which utilized data from the Economic Research Institute, indicated that Metra's base salary and incentives applicable to the Director-Audit position falls below the 25<sup>th</sup> percentile.

#### **RECOMMENDATION**

We recommend that Metra conduct a detailed job analysis for each of these roles. This will result in: 1) a clear description of responsibilities and accountabilities; 2) metrics for measuring performance; 3)

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<sup>5</sup> Economic Research Institute Salary Benchmarking Data

clarity between roles within the organization; and 4) a means to better benchmark these jobs with external comparable jobs. Following the job analysis, we recommend that Metra conduct a thorough salary benchmarking study and establish new pay ranges based on the findings.

## **Project Objective**

Our project objective was to interview key administrative members of the Metra organization and the Board to gain an understanding of the financial control environment. The purpose of the evaluation was to obtain an understanding of where key risks exist within Metra's administrative and financial structure. The processes and their related controls deemed high-risk, per our assessment, were subsequently evaluated and tested.

In addition to the above, we performed procedures on behalf of the following parties.

### *Interim Inspector General*

Pursuant to the direction of Counsel, we assisted the interim Inspector General with observations and testing relating to their ongoing investigations. Procedures included, but were not limited to, additional internal control observations and testing addressing risks identified by the interim Inspector General.

### *Board of Directors*

Pursuant to request from the Board, and at the direction of Counsel, we performed procedures which included, but were not limited to, additional control observations, analyses and testing. Blackman attended and presented at Board meetings, as requested.

### *Metra Management*

Pursuant to the direction of Counsel, we evaluated the effectiveness of specific internal controls in conjunction with Metra Management and performed analyses, as requested.

### *Johnston Greene LLC*

We performed analyses and procedures relevant to issues identified by Counsel. Those actions included addressing Board-specific issues, inquiries by elected officials and other issues.

## **Project Scope**

### **Risk Assessment**

Our preliminary procedures consisted of inquiry with selected Metra professionals and staff performing the controls relating to the processes in the scope below. Our scope was limited to the administrative and financial control environment.

Our identification of risk was derived from the following sources:

- Counsel
- Inquiry with Management and the Board
- Improprieties identified prior to our engagement
- Guidance from the interim Inspector General

Based on our inquiry with the above parties, we identified the following key administrative and financial processes for evaluation. These processes and their related controls are performed by Metra's administrative and financial personnel.

- Internal Audit Function
- Operating and Capital Budgeting Process
- Procurement (capital and operating)
- Human Resources and Payroll
  - Hiring policies and procedures
  - Control over compensation adjustments (hourly and salaried employees)
  - Salary and hourly payroll processing and review
  - Employee compensation and benefits
- Treasury and Accounts Payable
  - Cash disbursement authorization
- Grants Management

In addition to the above scope, known improprieties were evaluated. Controls that were not operating effectively or were circumvented were evaluated for effectiveness. Selected past and current transactions related to the controls in question were evaluated to assess remediation of improprieties and control deficiencies by Metra.

### **Internal Controls**

Our procedures included inquiry of select Metra personnel relating to the key processes defined in the control steps below. We applied a risk-based approach to determine the significant transactional risk and processes. Based on the identified risks, we observed and tested key transactions and assessed the design and overall operating effectiveness of other internal control activities. We documented our findings and developed recommendations to improve the current internal control environment.

### **General Procedures**

Our inquiry procedures included meetings with Counsel, selected members of the Board, senior leadership, interim Inspector General and others, as requested.

In addition, the Internal Audit function was evaluated while performing the work described below. As necessary, Internal Audit reports were utilized when planning and performing procedures.

Our scope consisted principally of obtaining an understanding, by inquiry, observation and testing of the following areas:

### **Payroll**

- Controls for Approving and Reviewing Payroll Master File Changes
- Controls Over the Approval of Payroll Data Input
- Reconciliation Procedures
- Edit/Exception Reporting
- Segregation of Duties
- System Access
- Compliance with Metra Policies and Procedures

### **Human Resources**

- Controls for Approving and Reviewing New Hires, Terminations, Wage Changes, Salaries and Deductions
- Controls over Employee Performances Reviews
- Edit/Exception Reporting
- Segregation of Duties
- System Access

- Compliance With Metra Policies and Procedures

### **Treasury**

- Wire Transfer Process and Internal Controls (Initiation and Authorization)
- Segregation of Duties over Wire Transfers
- Check Signing Policies
- System Access
- Compliance with Metra Policies and Procedures

### **Accounts Payable**

- Controls over Input, Processing and Check Disbursements of Accounts Payable
- Edit/Exception Reporting
- Segregation Of Duties
- System Access
- Compliance with Metra Policies And Procedures

### **Procurement**

- Controls over the Bidding Process
- Controls over the Review and Approval of Capital and Operating Projects
- Controls over Vendor Master File
- Edit/Exception Reporting
- Segregation of Duties
- System access
- Compliance with Metra Policies and Procedures

### **Capital & Strategic Planning**

- Controls over project administration and budget revisions
- Controls over the Review and Approval of Capital Projects
- Edit/Exception Reporting
- Segregation of Duties
- Compliance with Metra Policies and Procedures

### **Capital and Operating Budget**

At the request of Counsel and the Board, we were requested to gain an increased understanding of the operating budget process at Metra. We met several times with senior leadership to gain an understanding of the underlying process with which Metra gathers data and produces ongoing budgets and forecasts. We were provided with detailed schedules and reports representative of key operating areas. We utilized this information to report to and support the Board's efforts to better understand key aspects of the Metra budgeting process.

### **Compensation Review**

At the request of the Counsel and the Board, we performed a preliminary compensation review. We have evaluated the salary and benefit documentation ("White Book") and other materials provided by Counsel and Metra relating to human resource policies, compensation and employee benefit plans at Metra.

## Appendix 1 – Best Practice Suggestions

A summary was created to document best practices as well as Metra limitations relating to current organizational, process and information technology processes. Some limitations are related to the outdated information technology systems and its effect on Metra processes. Recommendations were based on best practices. A cost/benefit analysis has not been considered when providing recommendations.

See Appendix 2, “Detailed Findings and Recommendations”, for findings and recommendations relating to Metra’s current organizational, process and information system environment.

#	Type	Finding	Recommendation
1)	I	<p><b>Multitude of Financial Reporting Systems:</b> Metra currently utilizes dated systems for financial reporting, accounts payable, procurement and payroll systems. Some limitations due to this system include:</p> <ul style="list-style-type: none"> <li>▪ Over-reliance on manual controls rather than preventative automated controls.</li> <li>▪ Abundant and inefficient excesses of paper reporting.</li> <li>▪ Weak system access restrictions.</li> <li>▪ Over-reliance on information technology department to drive interfaces and key report generation.</li> </ul>	<p>Metra currently utilizes Oracle solutions for Human Resources and Grant Management. Metra recently upgraded to Oracle for their revenue accounting sub-ledger.</p> <p>Metra should continue to upgrade each sub-ledger and general ledger system.</p> <p>Enterprise Resource Planning (“ERP”) systems have strong access controls, simplified user reporting tools and the ability to interface with the current systems. In addition, ERP systems have the capabilities to interface with multiple varieties of imaging systems (see Appendix 1, #8).</p> <p>Metra has recently implemented upgrades in revenue accounting and mechanical maintenance and warranty tracking systems. Metra recognizes the need for new financial systems, requisite staffing and sources of capital and operating dollars to fund associated costs. Metra is currently reviewing the consultant and in-house costs associated with system upgrades. The Information Systems Executive Committee meets monthly and is dedicated to planning and monitoring all system upgrades.</p>

### TYPE

- O Organizational
- P Process
- I Information Technology

#	Type	Finding	Recommendation
2)	P	<p><b>Reliance on Manual Monitoring Controls and Lack of Electronic Reporting:</b> Metra's senior leadership relies on the use of exception reporting as a key compensating control over inadequate information technology systems. Exception and key reporting is manual and requires the consistent use of paper reports.</p> <ul style="list-style-type: none"> <li>▪ Exception reports currently are generated in the Information Technology Department and manually distributed daily.</li> <li>▪ Exception reports can be large with multiple types of exceptions. This report volume may reduce effectiveness of the control.</li> <li>▪ A majority of key reports are manually generated and are not consistently translated into Microsoft Excel, Word or Access.</li> <li>▪ Exception reporting is manual and may not detect errors or irregularities.</li> <li>▪ Exception reporting does not always mandate evidence of management review.</li> </ul>	<p>Exception reports should be electronically distributed rather than physically distributed daily / weekly / monthly / annually.</p> <p>Exception reports distributed in files that can easily be converted to Microsoft Excel, Word or Access will significantly cut down on excess paper and resources.</p> <p>Exception reports that can be manipulated in Microsoft Excel, Word or Access will allow more efficient tracking of reoccurring exceptions.</p> <p>Exception reports should be documented with instructions to guide the users of the report in understanding the purpose of the exception listing.</p> <p>Monitoring controls should be developed to document the review of the exception reports.</p> <p>Exception reports, as systems are upgraded, should be reduced and replaced with automated and preventative controls.</p> <p>Metra has begun to address this area through its ongoing implementation of the Kronos timekeeping system. Managers will have the ability to review overtime and reported exceptions prior to payroll processing. Reports will be available electronically.</p>
3)	O	<p><b>Metra Departmental Communication:</b> Metra has limited formal knowledge-sharing and cross-functional teams, which increases the risk of inefficiencies and redundancies driven from lack of communication. Metra communicates across the organization, primarily through:</p> <ul style="list-style-type: none"> <li>▪ Memoranda;</li> <li>▪ Bulletins.</li> </ul>	<p>Formal quarterly management meetings, including all department heads, should be held. Meetings should include a review of Metra's quarterly operations and key areas as determined by senior leadership.</p>

**TYPE**

- O Organizational
- P Process
- I Information Technology

#	Type	Finding	Recommendation
4)	P	<p><b>Complex Union Agreements:</b> Labor union agreements are complex and require consistent maintenance and attention at Metra.</p> <ul style="list-style-type: none"> <li>Multiple departments are responsible for reviewing elements of payroll and their related contract agreements.</li> <li>The Payroll Department is responsible for changes made to contract rates. Payroll is reviewed by department heads. Limited formal procedures exist for departments outside of Payroll to review that contract employees are paid in accordance with the union agreements.</li> <li>Detective, rather than preventative, controls over contract employee data increases risks for inaccurate determination of rates for on call/standby time, overtime, double-time, rest periods and holiday pay.</li> </ul>	<p>Payroll, Labor Relations and Human Resources should continue to share key information in order to act more efficiently and effectively.</p> <p>Labor Relations and/or Internal Audit should continue to actively review contract employee payrolls on a test basis to ensure adherence to union agreements.</p> <p>Labor union agreement training regarding interpretation and application of labor agreements should be instituted for all department heads and updates should be communicated regularly.</p>
5)	O	<p><b>Entity-Level and Management Override:</b></p> <ul style="list-style-type: none"> <li>Management override occurred at Metra. The former Executive Director operated outside of the control process when authorizing transactions which benefited him and others.</li> <li>The former Executive Director was given broad authority to employ, retain, allocate functions and duties, as well as determine compensation and conditions of employment.</li> <li>A comprehensive fraud risk assessment was not apparent at Metra.</li> </ul>	<p>Policies and procedures should be updated to provide internal audit guidance for significant transactions approved by the Executive Director and senior leadership. An independent evaluation of significant Executive Director and senior leadership approved transactions should be performed quarterly at the direction of the Board. The Board and senior leadership should develop parameters for identifying significant transactions.</p> <p>Metra should consider a formal fraud risk management program that reinforces Metra’s current Code of Ethics and establishes clear roles and responsibilities for the Board, the Audit Committee, senior leadership and internal audit. Additionally, there should be whistleblower training for all employees.</p> <p>The Board has enacted Ordinance No. MET 10-17 to establish whistleblower policies. Additionally, the Board passed Ordinance No. MET 10-07, which states, the Board established “an Executive Committee to evaluate and consider compensation benefits afforded to Metra Employees” and the “Board shall review actions taken by the Executive Director with respect to staff compensation and benefits.”</p>

**TYPE**

- O Organizational
- P Process
- I Information Technology



#	Type	Finding	Recommendation
6)	I	<p><b>End-User Processing:</b> Multiple employees at Metra process transactions on workstations with no access to network drives, intranet and other applications. The lack of these capabilities can create inefficiencies and may prevent Metra from implementing technological improvements.</p> <p>Metra has intentionally limited access to these applications for certain employees.</p> <p>Key end-users who only process transactions have limited opportunity for growth. The lack of network capabilities and applications limits the users' ability to assist in projects outside of data input. Without email capabilities, exception reporting is required to be printed and distributed. In addition to exception reporting, communication with the field offices can be limited to fax or phone.</p>	<p>An upgrade of workstations to personal computers would allow key end-users to participate in functional areas outside of data input, would reduce the need for printing and distributing exception reports and improve communication between critical parties.</p> <p>Metra should continue to assess the need for updated equipment and access to systems for all employees.</p>
7)	P	<p><b>Budgeting Process:</b> Multiple spreadsheets are maintained by the budgeting department without automation. The Budget Department is constrained by the lack of a contemporary budget tool.</p> <p>Budgeted versus actual results are sent on a monthly basis to operating departments and Metra system-level administration departments. These analyses are sent on a monthly basis to department heads, where only significant variances are analyzed and discussed after the month-end close.</p> <p>While Metra has represented that it held regular and formal budget meetings in prior years, it does not appear that formal budget meetings are held internally at this time.</p>	<p>Formal budgeting meetings should occur monthly to discuss updated budgets and forecasts during the budgeting process.</p> <p>All variance explanations should be documented and certain thresholds should be defined for each respective department.</p> <p>Metra should consider the implementation of an information technology application that interfaces with current and future financial applications.</p> <p>Metra has made efforts to research a budget tool in prior years. Per management, the state of Metra's legacy systems has made these tools incompatible and inefficient. Metra plans to implement information technology upgrades that will include tools to improve budgeting capabilities (date uncertain).</p>

**TYPE**

- O Organizational
- P Process
- I Information Technology

#	Type	Finding	Recommendation
8)	I	<p><b>Use and storage of paper documents:</b> Multiple departments retain and file documents manually. This has led to an abundance of files within the following departments:</p> <ul style="list-style-type: none"> <li>▪ Internal Audit</li> <li>▪ Materials Management</li> <li>▪ Human Resources</li> <li>▪ Accounts Payable</li> <li>▪ Payroll</li> <li>▪ Capital &amp; Strategic Planning</li> </ul>	<p>Metra should consider implementing an imaging system. Document imaging is a process that allows users to digitally capture, store, and retrieve paper documents from a computer/network. Digitally-formatted information is accessible from all authorized personal computers. Moreover, indexed, converted data offers a more effective way of locating pertinent information. Converting records improves productivity. Instant information retrieval allows employees to respond timely and share information internally. Additionally, the cost of copying, transporting, and maintaining information is dramatically reduced.</p>
9)	O	<p><b>2009 Reorganization:</b> Metra's reorganization was driven by the former Executive Director, prompting organizational changes which drove departmental promotions and transfers for select employees. This reorganization impacted the organizational structure and it appears that a limited amount of data was retained to support these decisions.</p>	<p>The reorganization changes that occurred in 2009 should be reviewed and reassessed to ensure changes were beneficial to Metra. Organizational changes should continue to be assessed by senior leadership (with the input of selected Metra staff) and reviewed by the Board.</p>

**TYPE**

- O Organizational
- P Process
- I Information Technology

## Appendix 2 - Detailed Findings and Recommendations

Our procedures identified findings related to the design and operating effectiveness of certain internal controls. The Board and senior leadership are implementing an action plan to address these findings to strengthen the system of internal controls. Items noted as “**Attention Required**,” are items that require remediation. Items noted as “**Improvement Needed**,” are items that may need improvement based on senior leadership’s assessment of risk relating to these findings.

Missing controls or control deficiencies were identified through inquiry and observation with Metra personnel. Missing controls or control deficiencies were also identified through testing. This summary addresses internal control weaknesses (findings), risks relating to these weaknesses and recommendations to improve these weaknesses. Findings and recommendations are broken out into two different categories; findings identified during our risk assessment and findings identified during our internal controls evaluation.

Recommendations were made based on the current processes and systems in place at Metra.

Below are findings identified related to our risk assessment procedures performed.

### Risk Assessment

#	Rating	Type	Finding	Recommendation
1)	●	O	<p><b>Policies and Procedures – Administrative Operating:</b> During our inquiry over the policies and procedures, we identified the following issues:</p> <ul style="list-style-type: none"> <li>▪ A portion of the Administrative Operating policies and procedures are dated and in paper form (see Appendix 6).</li> <li>▪ There is no formal method of communicating changes to policies and procedures to employees.</li> </ul> <p><u>Risk/Exposure</u> The lack of policies and procedures could result in errors, inconsistencies and/or improper transactions.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>▪ Updated written policies and procedures for selected key processes (although policies and procedures may have been written many years ago, the processes may not be outdated). Formally documented policies are essential as a reference tool to determine that there are no inconsistencies in the process or improper transactions.</li> <li>▪ Entity-wide and departmental policies and procedures should be electronic and, if possible, posted on Metra’s intranet for easy access by the employees.</li> <li>▪ Policies and procedures should be formally communicated to employees annually.</li> <li>▪ The Administrative Operating procedures are currently being reviewed and updated where necessary and will be converted to an electronic format.</li> </ul>

#### LEGEND

- Attention Required
- Improvement Needed

#### TYPE

- O Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
2)	●	O	<p><b>Human Resources – Lack of Documentation for Salary Increases and Correlation of Performance Reviews and Compensation:</b>  During our inquiry with Human Resources, we identified the following issues:</p> <ul style="list-style-type: none"> <li>Senior leadership, who performs the final review of compensation increases, in some instances, does not document justification for all types of compensation increases in the employee file (i.e., salary data not centrally located and support for 2009 reorganization).</li> <li>Annual raises are issued within a fixed percentage range. Performance reviews may not be directly correlated to salary compensation increases (between the high and low fixed percentage increases).</li> </ul> <p><u>Risk/Exposure</u>  These situations increase the risk of inaccurate or unsupported compensation adjustments.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>An executive compensation committee should be created to approve senior leadership’s salary adjustment decisions. Optimally, members of the Board would be on this committee (Note: Metra is currently developing formal procedures to define the type of increases that can be given. Justification needed for increases will be maintained in employee files).</li> <li>Performance reviews documented in the employee file should be considered more critically as a basis for annual compensation increases (i.e., in recent years, employees rated “Outstanding” generally receive the same annual salary increases as employees rated “Meets Expectations”). The performance appraisal program was revised in its entirety in 2007, involving changes to the forms including separate appraisal forms for professional and managerial staff. The Human Resources Department should document its review of all annual performance reviews.</li> <li>The Board has begun to address these issues through the formation of the Executive Committee and the Financial Practices and Reporting Review Committee. The Board has also enacted Ordinance No. MET 10-07 which states, “The Board established “an Executive Committee to evaluate and consider compensation benefits afforded to Metra Employees” and the “Board shall review actions taken by the Executive Director with respect to staff compensation and benefits.”</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- O Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
3)	●	O	<p><b>Formal Succession Planning:</b> During our inquiry with senior leadership, we identified the following issues.</p> <ul style="list-style-type: none"> <li>Formal succession plans are being developed at Metra, but are incomplete with regard to non-contract employees.</li> <li>Senior leadership does not have a current formal succession plan in place.</li> </ul> <p><u>Risk/Exposure</u> These situations increase the risk of potential efficiency loss in the event of employee termination, retirement or resignation.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>Identify all key positions and ensure that proper training and documentation exists for employees. This will address the potential efficiency loss due to termination, resignation or retirement. Metra established the Manpower Planning Department in 2008 to centralize the succession planning function within the Human Resources department.</li> <li>Create formal job descriptions and department policies and procedures.</li> <li>Due to the possibility of additional retirements in key positions in the near-term, Metra should expedite its identification of future leaders and develop a specific long-term training program to ensure a smooth transition into key leadership roles.</li> <li>Conduct formal cross-training on a departmental basis.</li> <li>Metra should consider an independent third-party study to identify current Metra professionals who may be qualified or may become qualified to assume increased responsibility.</li> </ul>
4)	●	O	<p><b>Entity Level and Management Override:</b> The former Executive Director utilized his authority to secure enhanced benefits for himself and others.</p> <p><u>Risk/Exposure</u> These situations increase the risk of senior leadership's circumventing controls without detection by key personnel.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>Propose and formally approve ordinances which would require additional Board approval of key benefit payments that do not occur through the regular course of business.</li> <li>Board oversight should be assigned to key functions of senior leadership.</li> <li>Policies and Procedures should directly address any employee benefits that could dictate an employee payout.</li> <li>The Board has enacted Ordinance No. MET 10-17 to establish whistleblower policies. Additionally, the Board passed Ordinance No. MET 10-07, which states, "The Board established an Executive Committee to evaluate and consider compensation benefits afforded to Metra Employees" and the "Board shall review actions taken by the Executive Director with respect to staff compensation and benefits."</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- O Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
5)	●	O	<p><b>Enterprise Risk Assessment:</b> Based on our evaluation of the internal audit function, we identified the following issues:</p> <ul style="list-style-type: none"> <li>▪ A formal operational risk assessment methodology has not been created. Internal audit projects for each fiscal year are based on the Audit Department's experience and judgmental risk assessment.</li> <li>▪ Audits performed without a formal/scientific risk assessment model may not include all auditable areas and may not address the frequency of audits of all Metra functions.</li> </ul> <p><u>Risk/Exposure</u> This situation increases the risk that the Internal Audit Department may not address the riskiest areas of the organization with their audits performed.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>▪ Internal Audit, with the help of senior leadership, should formalize a risk assessment. The risk assessment should be reviewed and reassessed annually (Note: Audit is collaborating with the RTA in their effort to establish a risk assessment model in 2011 to be used in the audits of the service boards and the RTA. The collaboration will minimize duplication of efforts by Metra and the RTA).</li> <li>▪ Annual audits should be performed based on a formal risk assessment model, updated annually, to ensure that the riskiest audit areas are covered in the annual audit plan. Metra plans to use the risk assessment model developed by RTA as a platform to modify and create a risk assessment model, to be used in updating the annual internal audit plan.</li> <li>▪ A control and fraud risk assessment questionnaire should be developed and sent to senior leadership. Responses should be incorporated into the risk assessment and respective annual internal audit plan.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- O Organizational
- P Process
- I Information Technology

**Internal Controls**

Below are findings identified related to our internal control procedures performed.

#	Rating	Type	Finding	Recommendation
6)	●	O	<p><b>Human Resources – Hiring:</b> Based on our testing of new hires, we identified the following issues:</p> <ul style="list-style-type: none"> <li>▪ Out of twenty-five new hires tested, four employees were hired outside of the standard hiring process. Two of these instances included waivers approved by the former Executive Director. The other two hires did not include a waiver signed by the former Executive Director.</li> <li>▪ Policies and procedures do not explicitly state the protocol for the use of waivers.</li> <li>▪ Policies and procedures identify specific individuals or departments that are required to concur with selection of candidates. However, concurrence by some members was not documented in certain employment files in our sample.</li> </ul> <p><u>Risk/Exposure</u> These situations increase the risk that new hires could be employed without appropriate experience levels.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>▪ Formal policies and procedures addressing the use of waivers should be drafted and approved.</li> <li>▪ The Board has begun to address these issues through the formation of the Executive Committee and the Financial Practices and Reporting Review Committee. Specifically, the Board implemented Ordinance No. MET 10-14, which established a policy that requires the Executive Director to receive consent from the Board before the Executive Director exercises a waiver.</li> <li>▪ The Board has enacted Ordinance No. MET 10-16, establishing a Nepotism policy. Metra may also want to consider requiring members of a selection committee to acknowledge that nepotism was considered during the hiring process.</li> <li>▪ Metra has begun to document the concurrence by members of a selection committee of the selection of a candidate. This documentation is now maintained in the employee files.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- O Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
7)	■	O	<p><b>Human Resources – Performance Review:</b> Based on our testing of year-end performance reviews, we identified the following issues:</p> <ul style="list-style-type: none"> <li>Out of twenty-five employees tested, all had performance reviews of “Meets Expectations” or above. Substantially all of these tested employees received overall ratings of “Exceeds Expectations” or “Outstanding.” As noted in #2, these ratings did not have any significant impact on annual salary increases.</li> <li>Two instances were noted in which evaluations were not signed by the employees being evaluated.</li> <li>One performance review contained a signature stamp approval by the former Executive Director.</li> </ul> <p><u>Risk/Exposure</u> Lack of monitoring performance reviews increase the risk of inaccurate employee feedback or retention.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>Although performance appraisals are reviewed by Human Resources prior to distribution to employees, Human Resources should document its review of all annual performance reviews to ensure they are consistent with Metra policies and procedures.</li> <li>Although managers are challenged by Human Resources to defend their ratings, the criteria utilized for these ratings should be more critically considered when proposing annual salary increases.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- O Organizational
- P Process
- I Information Technology



#	Rating	Type	Finding	Recommendation
8)	●	O, P	<p><b>Human Resources –Salary Adjustments and Compensatory Time:</b> Based on our testing documentation relating to salary adjustments, we identified the following issues:</p> <ul style="list-style-type: none"> <li>▪ A reorganization and related interim pay increases occurred in 2009. The documentation regarding the reorganization and related salary adjustments effective April 1, 2009 was informal. The approval and documentation appears to consist of an employee list utilized by the former Executive Director. No indication of secondary concurrence of the adjustments was provided. Additionally, multiple June 2009 salary adjustments occurred which were informal and approved by the former Executive Director.</li> <li>▪ In certain instances, complete supporting documentation for equity increases was not maintained centrally in the employee personnel files. Formal policies and procedures for equity increases are lacking.</li> <li>▪ Testing of hiring revealed one instance of compensatory time being paid as a result of work on a special project. Procedures regarding payment of compensatory time/bonuses should be documented in Metra’s policies and procedures.</li> </ul> <p><u>Risk/Exposure</u> Lack of centralized and monitored equity increases and other compensation could lead to unsupported salary adjustments. The lack of consistency in policies increases the risk that all employees are not receiving fair consideration.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>▪ All salary adjustments should be formally documented and supported.</li> <li>▪ Formal policies and procedures addressing the process for equity adjustments should be drafted and approved.</li> <li>▪ All equity adjustment support should be reviewed and maintained in the employee files.</li> <li>▪ The Board has begun to address these issues through the formation of the Executive Committee and the Financial Practices and Reporting Review Committee. Specifically, Metra passed Ordinance No. MET 10-07, which states, “The Board established “an Executive Committee to evaluate and consider compensation benefits afforded to Metra Employees” and the “Board shall review actions taken by the Executive Director with respect to staff compensation and benefits.”</li> <li>▪ In addition, Metra is now providing a summary of personnel actions on a monthly basis to the Board.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- O Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
9)	●	O	<p><b>Overtime Improprieties:</b> Metra, through its own investigation and data discovered by the Internal Audit Department, noted the theft of overtime hours.</p> <p><u>Risk/Exposure</u> Although Internal Audit has performed procedures related to these issues, such practices could still occur undetected.</p>	<p>Senior leadership should establish consistent reviews of available data to determine the existence of overtime theft and add additional controls to prevent overtime theft.</p> <ul style="list-style-type: none"> <li>▪ Identified instances should be dealt with by an established and non-negotiable policy.</li> <li>▪ The implementation of the new Kronos timekeeping system will provide managers with overtime reports that will enable them to verify and manage overtime.</li> <li>▪ The employees involved in one specific identified instance of theft of overtime time were assessed discipline.</li> </ul>
10)	●	O	<p><b>Payroll – Policies and Procedures:</b> As noted in the risk assessment results, the Payroll Department has dated policies and procedures. Current payroll policies and procedures for contract/non-contract processing, manual adjustments, exception reporting, reconciliations and off-site timekeeping are dated and in paper form.</p> <p><u>Risk/Exposure</u> Lack of updated payroll policies and procedures could result in processing errors, improper or unauthorized transactions and inaccurate reporting.</p>	<p>Senior leadership should review and update, if applicable, policies and procedures for payroll. Additionally, policies and procedures should be updated for the following key payroll processes:</p> <ul style="list-style-type: none"> <li>▪ <b>Manual adjustments</b></li> <li>▪ Contract and non-contract payroll processing</li> <li>▪ Exception reporting</li> <li>▪ Reconciliations</li> <li>▪ Offsite timekeeping policies and procedures for contract employees</li> <li>▪ Custody of paper time records</li> <li>▪ Metra is in the process of upgrading field timekeeping for non-transportation employees to the Kronos time clock based system. Locations will process timekeeping uniformly and process and procedures will be updated. Metra expects to have the conversion completed during the first quarter of 2011.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- O Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
11)	■	P	<p><b>Offsite Payroll Time Keeping– Contract Employee Processing:</b> Based on our testing of contract employee payroll hours, we identified the following issues:</p> <ul style="list-style-type: none"> <li>Out of fifty-three employees tested for two months, we discovered five instances of misapplication of compensation among four employees. Employee identification (“ID”) was incorrectly applied to employee time within the manual daily time sheet. The timekeeper applied, within Kronos (timekeeping system), the incorrect employee ID per the daily timesheet resulting in payment to an employee for hours not worked.</li> <li>In each instance noted above, an employee performed work for which they were not compensated while an unrelated employee received payment for the performing employee’s work. Each error was manual in nature and the result of the incorrect application of the employee ID to employee name per manual daily time sheet.</li> </ul> <p><u>Risk/Exposure</u> Lack of review and agreement of daily timesheets to the Kronos timekeeping system can lead to incorrect payroll processing. Manual timesheets can lead to undetected clerical errors.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>The respective department heads or their designees should review all timesheets against Kronos reports prior to submission to Payroll.</li> <li>Timesheets should be generated electronically, if possible, to ensure employees ID code is consistent with names and hours worked.</li> <li>If manual timesheets are utilized, they should be generated for each employee with pre-populated information within each sheet.</li> <li>Manual timesheets should be maintained for a period as described and mandated by Metra’s current record retention policy or a policy to be developed.</li> <li>Metra is in the process of upgrading field timekeeping for non-transportation employees to the Kronos time clock based system. Locations will process timekeeping uniformly and process and procedures will be updated. Metra expects to have the conversion completed during the first quarter of 2011.</li> <li>The new system will provide exception reporting required for personnel to review potential problems before the data is sent to payroll for processing.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
12)	■	P	<p><b>Payroll – Contract Employee Overtime Approval:</b> Overtime hours are requested, approved and retained at individual department sites. Based on our testing of contract employee overtime hours, we identified the following issues:</p> <ul style="list-style-type: none"> <li>Three overtime requests were processed without approval.</li> <li>Four overtime requests could not be located.</li> <li>One employee reviewed his own overtime requests.</li> </ul> <p><u>Risk/Exposure</u> Lack of review of overtime hours could lead to excessive overtime without detection.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>Manual timesheets should be reviewed and compared to Kronos reports prior to submission to Payroll.</li> <li>Overtime requests should be reviewed against manual or Kronos timesheets by department heads or their designees during the review over payroll submitted for processing. The new Kronos system should detect overtime from being processed without approval.</li> <li>Where efficient, overtime requests and timesheets should be automated to reduce the risk of errors. This would allow the automation of approval.</li> </ul>
13)	■	P	<p><b>Payroll – Contract Employee Processing:</b> When timesheets are manually entered, hours and project codes, when applicable, are manually entered by the Payroll Department or offsite timekeeper. Based on our testing of contract employee payroll, we identified the following issues:</p> <ul style="list-style-type: none"> <li>One instance, within a large sample tested, was noted where Payroll did not apply hours worked to the correct project code per timesheet. This resulted in an expense to the incorrect general ledger code.</li> <li>Some instances, within a large sample tested, were noted where the payroll records did not match the manual timesheets. These manual timesheets lacked the summation of hours which would have allowed any discrepancies to have been clearly identified.</li> </ul> <p><u>Risk/Exposure</u> Lack of review of hours entered could lead to incorrect time processed. This could also lead to incorrect general ledger recording.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>An independent review of payroll hours recorded should be performed over the individual entering or processing hours. Review should consist of employee name, hours, overtime hours, project code and general totals.</li> <li>In instances where manual timesheets are sent to the Payroll Department, department heads or their designees should document total hours by day to allow Payroll to have control totals for proper reconciliation.</li> <li>The new Kronos system will validate project codes. Time will be entered directly from time clock swipes instead of manual work reports. The new system should provide the reporting necessary for managers to review and approve payroll data before it is sent to payroll for processing.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
14)	●	P	<p><b>Payroll – Exception Reporting:</b> Based on our testing of contract employee payroll, we identified the following issues:</p> <ul style="list-style-type: none"> <li>▪ Payroll hours are entered or uploaded by the payroll department based on hours reviewed by department heads. Overtime exception reports are not effectively used as a monitoring tool.</li> <li>▪ Probationary rates can be changed by multiple payroll clerks based on system prompts. Reports that only document probationary rate changes for the pay period should be prepared for other Metra departments (i.e., Human Resources, Audit and Labor Relations).</li> </ul> <p><u>Risk/Exposure</u> Lack of review of quality exception reports increases the risk of chronic overtime issues or inaccurate probationary rate change adjustments.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>▪ Overtime exception reports should be reviewed by the Payroll Department prior to payroll submission.</li> <li>▪ Overtime exception reports, by employee, should be circulated to departments on a monthly basis.</li> <li>▪ An exception report documenting changes to probationary rates should be generated and reviewed by the Human Resources, Audit and Labor Relations Departments on a regular basis.</li> <li>▪ Labor Relations and/or Internal Audit should formally review overtime reports on a regular basis. This will allow Labor Relations and/or Internal Audit to review the types of hours paid against the respective labor agreement to ensure proper application by department heads.</li> <li>▪ The new Kronos timekeeping system should provide the overtime and exception reporting needed for managers to review and approve payroll data before it is sent to payroll for processing. These reports can also be emailed to the appropriate manager.</li> </ul>
15)	●	O	<p><b>Payroll – Contract Employees Overtime Study:</b> Multiple contract employee groups incur significant amounts of overtime. Based on our evaluation over the controls regarding compensation of contract employees, we identified the following issues:</p> <ul style="list-style-type: none"> <li>▪ No formal manpower review over contract employee's current hours and benefits has been conducted.</li> <li>▪ No formal cost/benefit analysis of hiring additional contract employees, with the purpose of decreasing overtime, has been conducted.</li> </ul> <p><u>Risk/Exposure</u> Lack of overtime and manpower studies increases the risk Metra is incurring more than necessary operating and capital costs.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>▪ A study of contract groups that incur high overtime should be conducted. Studies should include comparing additional benefits incurred in hiring more contract employees against the current payroll including average overtime.</li> <li>▪ Studies should be reviewed with department heads of the respective contract groups to ensure overtime assumptions are accurate.</li> <li>▪ At present, an overtime report is issued each pay period that contains overtime worked during the pay period as well as year-to-date. This report is sent to each manager.</li> </ul>

#### LEGEND

- Attention Required
- Improvement Needed

#### TYPE

- Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
16)	●	P	<p><b>Design of Key Wire Transfer Controls:</b> Based on our testing of wire transfers, we identified the following issues:</p> <ul style="list-style-type: none"> <li>Out of thirty-three wire transfers tested, we discovered ten instances of wire transfers being approved without adequate support.</li> <li>The approval of wire transfers is based on check-signing policy. Currently a design deficiency exists in the control as wire transfers can be submitted without proper corroborating documents for review by the Treasury Department.</li> </ul> <p><u>Risk/Exposure</u> Inaccurate documentation increases the risk that payments are inaccurate or unsupported.</p>	The Treasury Department should review all outbound wire transfers to ensure proper support exists prior to payment.
17)	●	P	<p><b>Procurement – Management Override:</b> The Executive Director maintains the authority to initiate requisitions and change orders without the standard approval process. Based on our evaluation of the procurement process, we identified the following issues;</p> <ul style="list-style-type: none"> <li>One requisition initiated by the former Executive Director and/or former General Counsel did not include all required approval signatures or a justification memo.</li> <li>Two change orders were approved by the former Executive Director without other approvals required per policies and procedures.</li> <li>At the direction of the former Executive Director, change order information was not included in the monthly summaries sent to the Board for the period from approximately October 2004 through May 2010.</li> </ul> <p><u>Risk/Exposure</u> Improper contracts or additional change orders can be approved by Metra without appropriate oversight.</p>	<p>Senior leadership should consider adding the following processes:</p> <ul style="list-style-type: none"> <li>In addition to the current Board oversight of contracts and change orders, oversight by the Board or assigned committees should be considered for situations in which the Executive Director initiates contracts or change orders.</li> <li>Change Orders of \$10,000 or greater as of May 1, 2010 are now included in Board’s monthly Procurement Summary Report. The Board should actively review and question the monthly package received related to change orders and contracts.</li> <li>The Board should form a subcommittee to examine these reports on a more detailed basis.</li> <li>Metra should continue to obtain sign-offs as part of the internal “Blue Folder” process.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
18)	■	P	<p><b>Procurement – Procurement Files – Completeness and Consistency:</b>            Due to the volume of information contained in manual requisition files, there was a lack of completeness and consistency in certain areas (Metra indicated that this may be due, in part, to Freedom of Information Requests, User Department reviews, and the handling of files by non-Metra employees who may not return these files in their original condition). During our testing of forty-five procurement files we identified the following:</p> <ul style="list-style-type: none"> <li>▪ One situation in which scoring sheets were not included in the file.</li> <li>▪ One situation in which documentation of a final interview was not included in the file to document justification of the award to the winning vendor.</li> <li>▪ Two situations in which proper buyer authorization for phone bids was not included in the file.</li> <li>▪ We noted situations in which cost estimate and/or cost analysis information seemed to be lacking.</li> <li>▪ Lack of clear summaries for certain aspects of the bidding process.</li> <li>▪ Many duplicate and draft documents were noted in the files, creating files which were difficult to follow.</li> </ul> <p><u>Risk/Exposure</u>            Inefficiencies can be created from the maintenance of these large manual files, increasing costs to the organization.</p>	<p>Senior leadership should continue to assess the cost/benefit of improving completeness and consistency of files:</p> <ul style="list-style-type: none"> <li>▪ Maintenance of files in a centralized electronic format rather than hard copy paper files. Structure all electronic files in a consistent, organized manner.</li> <li>▪ Written policies and procedures should include detailed documentation requirements. This will improve completeness and consistency in the files.</li> <li>▪ Metra should consider updating its policies and procedures regarding requirements to obtain independent cost estimates.</li> <li>▪ All relevant documentation justifying a contract award should be centrally maintained in a procurement file.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- Organizational
- P Process
- I Information Technology

#	Rating	Type	Finding	Recommendation
19)	●	P	<p><b>Purchase Orders Under \$10,000:</b> During our review of the vendor performance evaluation process, we noted the following issue:</p> <ul style="list-style-type: none"> <li>There were multiple authorized purchase orders for certain vendors that were individually less than \$10,000, but when aggregated, were in excess of \$10,000.</li> </ul> <p><u>Risk/Exposure</u> This situation increases the risk that multiple awards under \$10,000 for the same or similar goods or services may be made without detection by the Materials Management Department.</p>	<p>Senior leadership should establish a formal process for evaluating purchase orders under \$10,000.</p> <ul style="list-style-type: none"> <li>Although requisitions are monitored as submitted for processing, the Materials Management Department should formally monitor purchase orders under \$10,000 to ensure that requisitions for goods and services should not be subjected to formal competitive bidding procedures.</li> <li>Internal Audit should review and test purchase orders under \$10,000 on a periodic and/or annual basis.</li> </ul>
20)	●	O	<p><b>Contracts – Lack of Oversight:</b> Certain long-standing lobbying contracts lack requirements for sufficient monthly detail results reporting to determine that contracted services are being performed.</p> <p><u>Risk/Exposure</u> A risk of non-performance and overpayment exists.</p>	<p>Metra should require all significant vendors to report detailed descriptions of tasks undertaken and results achieved for service contracts.</p> <ul style="list-style-type: none"> <li>Detailed invoices will allow Metra to understand the value it is receiving for certain services.</li> <li>Metra has replaced its long-standing lobbying firm and will monitor detailed reporting requirements on a prospective basis.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- Organizational
- P Process
- I Information Technology



#	Rating	Type	Finding	Recommendation
21)	■	P	<p><b>Capital &amp; Strategic Planning – Policies, Procedures and Approvals:</b>            During our testing within the Capital Grants and Program Development Departments, the following issues were noted:</p> <ul style="list-style-type: none"> <li>▪ While policies and procedures do exist, a single comprehensive procedural manual containing all the department’s procedures does not exist.</li> <li>▪ One instance in which an obligation was recorded incorrectly and not corrected in a timely manner.</li> <li>▪ While Metra’s practices require that reimbursable capital project invoice requests made by Capital &amp; Strategic Planning staff are approved by individuals outside of the division, Metra does not have a formal procedure that documents this practice.</li> </ul> <p><u>Risk/Exposure</u>            Lack of a single comprehensive procedural manual increases the risk of inefficiencies and the lack of a formal procedure for reimbursable capital project invoices increase the risk of a transaction being processed without appropriate approvals.</p>	<p>Metra should continue adding the following procedural and documentation requirements:</p> <ul style="list-style-type: none"> <li>▪ Create a single comprehensive procedural manual that is consistently updated and communicated regularly to all employees within Capital Grants and Program Development Departments.</li> <li>▪ Formal policies and procedures should be updated and communicated to the Accounts Payable department to ensure that proper approvals are documented.</li> </ul>

**LEGEND**

- Attention Required
- Improvement Needed

**TYPE**

- Organizational
- P Process
- I Information Technology

### Appendix 3 - Internal Control Testing Procedures Performed

Below are testing procedures performed to validate the current Metra controls. Testing procedures were based on risks identified during inquiry and observation with senior leadership. During our testing procedures we identified additional risks. At the direction of the Board, Counsel, interim Inspector General and senior leadership, we extended our testing procedures to address these risks.

The documentation below lists the procedures performed during our internal controls evaluation. See Appendix 2 - “Detailed Findings and Recommendations,” for findings identified.

Testing Procedure
<ul style="list-style-type: none"> <li>▪ Gained an understanding of key processes by performing a walkthrough of the following:               <ul style="list-style-type: none"> <li>▪ Accounts Payable – receipt of invoice to payment processing and check issuance                   <ul style="list-style-type: none"> <li>○ Operating payment</li> <li>○ Expense payment</li> <li>○ Capital payment</li> </ul> </li> <li>▪ Vendor master file - vendor change process</li> <li>▪ Cash disbursements process – check and wire transfer approvals                   <ul style="list-style-type: none"> <li>○ Check disbursements</li> <li>○ Wire transfer disbursements</li> </ul> </li> <li>▪ Payroll process – hiring inception to payroll check issuance                   <ul style="list-style-type: none"> <li>○ Manual timesheets</li> <li>○ Kronos time keeper</li> <li>○ Engine Train and Switch</li> </ul> </li> <li>▪ Sick, vacation and PTO process – processing, review and approval</li> <li>▪ Procurement – policies, procedures and bid/request for proposal processing and approval</li> <li>▪ Grant Management – policies, procedures, project and grants close-outs</li> </ul> </li> <li>▪ Documented the procedures for the above processes based on our walkthroughs. Based on design of the controls, our findings are documented in Appendices 1 and 2.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Evaluated a sample of check disbursements.</li> <li>▪ Agreed check disbursement amounts to the invoice or supporting documentation.</li> <li>▪ Verified that invoices were properly approved in accordance with the signature book.</li> <li>▪ Randomly selected twenty-five checks paid and agreed the checks to the supporting invoice.</li> <li>▪ Evaluated invoices for proper approval.</li> <li>▪ Verified that payments were applied to invoices correctly.</li> <li>▪ Verified that expenses were applied to the correct general ledger account.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Evaluated disbursements for potential duplicate payments made.</li> <li>▪ Evaluated the check register from 1/1/10 through 6/30/10 for multiple payments applied to the same invoice.</li> <li>▪ Verified that multiple payments made to vendors were not duplicative.</li> <li>▪ Verified that payments were applied to a unique invoice number.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Determined that vendors were listed within the Vendor Master File.</li> <li>▪ Summarized payments made from 1/1/10 through 6/30/10 by vendor, and verified that each vendor paid agreed to the current vendor master file.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Tested the approval process over wire transfers.</li> <li>▪ Verified that wire transfers were properly approved and supported.</li> <li>▪ Tested employee wire transfers from the period 1/1/07 through 6/30/10. Thirty-three wire transfers were tested.</li> <li>▪ Evaluated each wire transfer for proper authorization in accordance with policies and procedures.</li> <li>▪ Evaluated each wire transfer for adequate support.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Tested a sample of employee overtime hours paid to ensure proper payroll processes were followed.</li> <li>▪ Verified that hours were properly approved.</li> <li>▪ Verified that hours were in line with union labor agreements.</li> <li>▪ Verified that approved hours were paid and the reasonableness of overtime hours worked.</li> </ul>

### Testing Procedure

- Evaluated time-sheets related to employee hours for two months of pay periods for sixty-five employees.
  - Agreed timesheets to payroll registers.
  - Verified appropriate approval for timesheets and overtime requests.
  - Agreed certain components of hours and rates to union labor agreements.
- 
- Tested a sample of non-contract employees to ensure that adequate support exists for compensation adjustments.
  - Tested a sample of twenty-five non-contract employees.
  - Evaluated employee status change, performance review, and other information within employee personnel files to verify that compensation adjustments were properly supported as required by the compensation adjustment process.
- 
- Tested a sample of employees to verify salary adjustments are properly approved in accordance with policies and procedures.
  - Tested a sample of twenty-five non-contract employees.
  - Verified that salary adjustments were processed correctly.
  - Verified that salary adjustments were reviewed in accordance with Metra policies and procedures.
- 
- Tested a sample of employees to verify that employee transfers were properly approved in accordance with Metra policies and procedures.
  - Tested a sample of seventeen employees.
  - Verified that employee transfers were processed correctly.
  - Verified that employee transfers were processed and reviewed in accordance with Metra policies and procedures.
- 
- Tested a sample of new hire employee files to verify that the hiring process for the position obtained by the employee was properly followed.
  - Tested a sample of twenty-five new hires for non-contract positions.
  - Evaluated employee hiring files to determine whether or not they were hired in accordance with policies and procedures.
- 
- Tested the annual charitable contributions documentation for the years 2007-2010.
  - Tested that charitable contribution slips were properly and accurately recorded.
- 
- Tested a sample of procurement files to ensure that proper support existed.
  - Evaluated each file to verify they were in accordance with Metra policies and procedures.
  - Evaluated each file for proper authorization and approval.
  - Tested forty-five procurement files.
  - Evaluated the files to ensure the requisition was accurate and properly approved.
  - Verified each award was properly authorized and issued in accordance with policies and procedures.
- 
- Analyzed authorized purchase orders below the formal bid solicitation threshold of \$10,000.
  - Inquired regarding the nature of selected purchase orders.
  - Extracted purchase orders with amounts between \$9,000 and \$9,999.
  - Judgmentally selected twenty vendors in the aforementioned criteria. Select vendors were shared with the Materials Management and Internal Audit Departments.
- 
- Analyzed grants reports and files to gain an understanding of the processes and controls surrounding grants management and program development procedures.
  - Tested twenty-five project files and evaluated supporting documentation related to budgeted, obligated and expended amounts.

## Appendix 4 - IT System Matrix

Below are examples of potential benefits and control enhancements relating to a systems upgrade:



Outdated IT Systems
Batch interfaces from different systems and sub-ledgers.
Manual review of all interfaces.
Reconciliations at period-end to ensure accuracy.
Reliance on manual exception reporting generated and printed daily by information technology.
Manual controls exist for reviewing transactions.
System access restrictions exist but are limited and are complex to monitor.
Financial reporting preparation is complex and manual in nature.
Budgeting relies on the complex consolidation of multiple data inputs. Data inputs can be manual in nature.

Future IT Systems
One system with minimal interfaces. Controls updating sub ledger automatically.
Reconciliations at period-end to ensure accuracy.
Ad hoc and demand reporting automated and sent to users computers daily.
Implementation of automated review controls to replace manual controls.
System access can be restricted and monitored centrally.
Reporting can be customized in order to generate financial statements with little manual interference.
Budgeting reports can be customized in order to generate key assumptions with little manual interference.
Transition of Information Technology manpower from report generation and batch interfacing to ERP support.



## Appendix 5 - Glossary of Terms

**Automated Controls** – Controls performed by computer systems or enforced by system security parameters.

**Board Ordinance** – Policies and procedures for Metra approved by the Board.

**Change Order** – Changes to an original contract requiring additional services and payments.

**Control Environment** – Comprises senior leadership's philosophy, attitude and demonstrated commitment to establishing a positive atmosphere for the implementation and execution of well-controlled business operations. It also embraces general attitudes and skill levels of company personnel and high-level processes for managing risk and achieving business objectives. The control environment enables senior leadership to identify high level controls that can be tested and it influences strongly the effectiveness of Metra's other systems of control and, accordingly, senior leadership's ability to rely on those controls.

**Design Deficiency** – Occurs when a necessary control is missing or an existing control is not properly designed (e.g., not performing edit checks on orders, edit checks that only verify a limited number of attributes, etc.).

**End-User Processing** – Individuals responsible for processing transactions within the system.

**Engine Train and Switch** – An electronic system used to report time-keeping.

**Entity-Level** – Internal control at an entity level forms the foundation for the performance of several activities which, together, provide a detailed understanding of controls. This information is used to understand, evaluate, and test the components of internal control at a process/application level. Entity controls include those controls to mitigate the risk of fraudulent acts that cause a material misstatement in the financial statements.

**Exception Report** – A report which summarizes data that is not normal or not within expected parameters.

**Findings** – Design or operating deficiencies identified during evaluation of controls.

**Internal Control** – A process, affected by an entity's Board of Directors, senior leadership, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

**Kronos** – An electronic system used to report time-keeping.

**Management Override** – Intervention by senior leadership in handling financial information, individual transactions and making decisions contrary to internal control policy

**Manual controls** – Controls performed by staff. They can be monitoring or application controls.

**Operating Deficiency** – Exists when either a control is not operating as designed or the person performing a control does not possess the authority or qualifications to perform the control effectively (e.g., not performing bank reconciliations, staff accountant reviewing and approving bank reconciliations, etc.).

**Oracle** – A provider of integrated business solutions utilized for processing transactions.

**Policies and Procedures** – Approved documents that describe Metra's policies for operation and the procedures necessary to fulfill the policies.

**Preventative Controls** – Procedures within a system of internal control that are designed to prevent an error or misstatement in the accounting records. Preventative controls are normally applied at a single transaction level. (e.g., review of journal entries prior to input, required fields, batch controls, segregation of duties, etc.).

**Purchase Requisition** – A document generated by a user department to notify the Materials Management Department of items it needs to order, their quantity, and the time frame. This document evidences approval of the purchase.

**Risk Assessment** – A risk assessment is the identification and analysis of relevant risks to the achievement of an organization's objectives, for the purpose of determining how those risks should be managed.

**Metra**  
**Risk Assessment and Internal Controls Report**  
**Appendix 6 – Policies and Procedures**

Metra's policies and procedures manual is a 326-page document. Some policies and procedures within the document appear to have been most recently updated in the 1980s or 1990s. The complete document has not been included as an Appendix to this report, but is available upon request.



**NON-CONTRACT  
EMPLOYEES  
HANDBOOK**



# TABLE OF CONTENTS

---

<b>Introduction</b>	<b>A-1</b>	<b>Changes in Personal Status</b>	<b>E-6</b>
Welcome Aboard!	A-1	Performance Reviews	E-7
What Is Covered in This Handbook?	A-2	Secondary Employment	E-7
History of Metra	A-3		
<b>Contact List</b>	<b>B-1</b>	<b>Compensation</b>	<b>F-1</b>
<b>General Responsibilities</b>	<b>C-1</b>	Compensation Philosophy	F-1
<b>Policy Statements</b>	<b>D-1</b>	Structure - Grades and Steps	F-1
Affirmative Action Policy Statement	D-2	Determining Salaries	F-2
Drug & Alcohol Policy Statement	D-5	New Hires	F-2
Family & Medical Leave		Promotions	F-2
Policy Statement	D-7	Lateral Transfers	F-2
Victims Economic Security		Demotions	F-2
And Safety Act	D-12	Pay Procedures	F-2
Code of Ethics	D-13	Overtime Pay	F-2
Revolving Door Prohibition	D-15	Other General Provisions	F-3
Confidentiality of Information		Definitions From This Section	F-3
Policy Statement	D-16	<b>Employee Conduct</b>	<b>G-1</b>
Cellular Phone Policy	D-17	Rules of Conduct	G-1
Employee Blood Donation Act	D-18	Attendance & Punctuality	G-2
Family Military Leave Act	D-19	Use of Property	G-3
Gift Ban Policy Statement	D-20	If Violations Occur	G-4
Internet Acceptable Use		Fact-Finding Review	G-4
Policy Statement	D-21	Disciplinary Actions for Non	
Open Door Policy Statement	D-23	Performance-Based Reasons	G-4
Organ Donor Leave Act	D-24	Disciplinary Action for	
School Visitation Policy Statement	D-25	Performance Problems	G-5
Smoking Policy Statement	D-26	Review of Discipline	G-6
Solicitation of Campaign		<b>Absences</b>	<b>H-1</b>
Contributions Policy Statement	D-27	Paid Leave of Absence	H-1
Workplace Violence Policy Statement	D-28	Military Duty	H-1
		Jury Duty	H-1
<b>Conditions of Employment</b>	<b>E-1</b>	Funeral Leave	H-2
Classes of Employees	E-1	Unpaid Leave of Absence	H-2
Trial Period	E-1	Other Employment While	
Job Postings and the Hiring Process	E-1	on Leave	H-3
Separations E-2		Voting	H-3
General Conditions	E-3	Emergency Conditions	H-3
Working Hours	E-3	Abuse of Leave	H-3
Flex-Time Scheduling	E-3		
Lunch Breaks	E-4		
Tardiness and Absenteeism	E-4		
Personal Telephone Usage	E-5		
Personal Cell Phone Usage	E-5		
Personal Appearance	E-5		
Appearance of Office or Work Area	E-6		
Personnel Records	E-6		

# TABLE OF CONTENTS

---

<b>Benefits</b>	I-1
Time Off	I-1
Paid Time Off	I-1
Holiday Schedule	I-1
Vacation	I-2
Sick Leave Reserve Account	I-2
Financial Benefits	I-3
Retirement Options	I-3
Other Financial Benefits	I-3
Health Care/Insurance Plan	I-5
HMO Option	I-5
COBRA/Continuation Coverage	I-5
Post Retirement Medical Benefit Plan	I-5
Short-Term Disability	I-6
Benefits	I-6
After Short-Term Disability	I-6
Subrogation//Reimbursement	I-7
Long Term Disability	I-8
After Long-Term Disability	I-8
Other Health/Medical Benefits	I-9
Railroad Retirement & Survivor Benefits	I-9
Universal Life Insurance	I-9
Flexible Spending Plan	I-10
Employee Assistance Program	I-10
Service Award Program	I-10
Employee Suggestion Program	I-10



# INTRODUCTION

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## Welcome aboard!

Congratulations, and welcome to our team! You are now an important part of the nation's premier commuter railroad – helping thousands of people make connections every day across northeastern Illinois. Along 500 miles of track – from the northern border of the state to the farthest northwestern suburbs – Metra plays a part in the lives and business of thousands of people. Your contributions are vital to our success, and theirs.

It also means that Metra is a great place to build your career!

We want your career at Metra to be a great source of pride to you and your family. We are a very goal-oriented organization that needs to get results. You were selected as a Metra employee for a reason – because you are the best person to help us make our goals happen. Through our commitment to high-quality service, dedicated performance, and ongoing training and staff development, we believe our organization gives you the opportunity to succeed.

In order for any of us to succeed, however, we all have to work together. We won't be able to reach our destination unless open communication and interaction are encouraged and play a regular part in our daily lives.


What is Metra all about? What can you expect as an employee? What does Metra expect of you? This manual has been written to help answer these questions, and to set forth the basic policies and procedures that will affect you and your continued successful employment. Please read it thoroughly and retain it for future reference.

As an operating commuter railroad, safety and customer service are two of our primary concerns. Safety is how we do our jobs for ourselves; customer service is how we do our jobs for others. We expect everyone at Metra to contribute to both areas regardless of their position.

The continued success of Metra depends on all of us working together safely to perform our jobs to the best of our abilities. We hope you will share in this success with career growth and accomplishments.

Again, welcome to Metra. We wish you the best of luck in your new position!

Sincerely,



Philip A. Pagano  
Executive Director

# INTRODUCTION

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## What Is Covered In This Handbook?

There are a number of corporate policies in place at the Northeast Illinois Regional Commuter Railroad Corporation – also known as Metra – concerning your employment relationship. This handbook will help guide you through them as a non-contract employee. The conditions of employment, compensation, benefits, hours of work, and other policies in these pages should give you a very good idea of what fair practices are within the Metra workplace.

The policies and conditions set forth in this handbook apply to all non-contract employees of Metra. Those employees appointed by the Board of Directors or the Executive Director who are subject to sensitive working relationships with either the Board or the Executive Director are covered fully by the policies and conditions specified herein, except as follows:

1. Internal recruitment for appointment to these positions may be waived if deemed appropriate;
2. Access to the discipline review process may be denied; and
3. Incumbents holding appointment to these positions may be reassigned without notice.

**This handbook, and the policies contained herein, provide general guidelines and do not in any way constitute, and should not be construed as, a contract of employment, express or implied, between Metra and the employee, or as a promise of employment for any specified time. In no fashion does this handbook, or anything else presented to you in written or verbal form, serve as a guarantee of future employment with Metra. Nothing in this handbook changes the at-will status of your employment.**

Metra reserves the right in its sole discretion to modify, revoke, suspend, terminate or change the handbook and any provisions of the handbook, in whole or in part, at any time for any reason, with or without prior notice.

This handbook is effective January 2004 and supersedes any and all preceding handbooks and supplemental materials previously distributed.

We would like to remind you that Metra hired you because you were the best candidate to do your job. And because we strive to reach the highest goals, we will hold you to high performance standards. We expect you to follow all of the standards and requirements of all corporate policies in their entirety. Failing to adhere to such policies may subject an employee to discipline, up to and including termination.

# INTRODUCTION

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## History of Metra

There are a couple of ways you can look at the history of the company you're now working for. In some ways, Metra is a pretty young company. In other ways, the story reaches back to almost the beginning of railroading in this region.

### *The Long Story – The Private Freight Carriers*

Commuter rail service in Northeast Illinois has its beginnings as far back as the 1850s, when various private regional freight carriers operated the system. In fact, the system operated in much the same way for more than a century, but always in the same, de-centralized way.

For the next 100 years, carriers came and went, with economics as the catalyst for changes in the system. Then, after experiencing massive financial losses in the late 1960s and early 1970s, the private freight railroads threatened to discontinue their commuter operations.

What could be done to save the railroads? Obviously, the area absolutely needs to have rail service in order to function. A central organization needed to be formed in order to serve as a taxing authority and to better control the flow of state and federal government subsidies to local private carriers. So, in 1974, voters in the six-county region authorized the creation of the Regional Transportation Authority. The RTA's role was limited to establishing broad service policies and to overall regional planning and financial oversight. Operational responsibilities, however, remained in the hands of the private freight carriers, reflecting their long history and involvement with commuter service in the region.

Then, the Rock Island and the Milwaukee Road lines – two of the major local carriers – went bankrupt. To continue operation of these lines, the RTA became the outright owner of the Rock Island between Chicago and Joliet (including a branch to Beverly) and a trackage-rights tenant of the Milwaukee Road line, with lines extending from Chicago to Fox Lake (North Line) and from Chicago to Elgin (West Line).

Daily management of the Rock Island service was contracted to the Chicago & NorthWestern (Union Pacific) Railroad until 1982, when the Northeast Illinois Regional Commuter Railroad Corporation (then referred to as NIRC) was created as an operating subsidiary. Employees of the former Rock Island and Milwaukee Road carriers became NIRC employees.

### *The Short Story – The Birth of Metra*

While the NIRC continued to develop as an operating entity, the Illinois General Assembly in late 1983 passed legislation restructuring the RTA. The Commuter

# INTRODUCTION

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Rail Service Board that emerged out of these legislative changes was given total authority over all commuter rail services, with NIRC assuming the basic staff role required to carry out these assigned operational, administrative, and service functions.

The state of the commuter rail system by this time was the victim of decades of virtual neglect. Maintenance was inconsistently performed, the facilities and equipment themselves were becoming woefully outdated, and much-needed capital for improvements was sorely lacking.

This was the system that existed when Metra came along.

The Metra name and logo began in 1984 as simply a service mark – part of a marketing effort designed to enhance the visibility and awareness of local commuter rail operations, and to reinforce the commuter rail service board's commitment to quality transportation service. Since then, Metra has emerged as the organization with responsibility for all commuter rail service in the region, either directly or through various purchase of service or trackage rights agreements.

## ***Diesel and Electric Service Gains***

The next major events in Metra's growth came in 1987, when Metra completed acquisition of the former Milwaukee Road routes and also purchased the Illinois Central Gulf's (ICG) electric commuter lines operating service between Chicago and University Park, with branch lines to South Chicago and Blue Island. These former ICG routes were renamed Metra/Electric.

Along with the electric service gained through the ICG purchase, Metra also took over operation of ICG's light-density diesel-powered commuter line between Joliet and Chicago via the historic Illinois and Michigan Canal route. Metra operates this service on a trackage rights basis under the name, "Heritage Corridor." At the time, Metra also acquired the stations and ancillary real estate and assumed employment of the train crews.

## ***Constant Improvements***

Metra was not only increasing its own responsibilities, it was also constantly trying to improve the region's commuter rail service. Through a continuing series of capital investments, Metra has modernized, upgraded, and expanded the system with new cars, locomotives, stations, and other facilities to meet the ever-increasing demand for new and increased levels of service. Metra has also extended its own lines, extending the Milwaukee West Line and SouthWest Service, and introducing the North Central Service – a completely new line – in 1996.

# INTRODUCTION

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The Metra commuter rail network today serves as an essential component of the region's total transportation system. Metra's service has emerged as a vital alternative to the private auto. With a pervasive commitment to system modernization and expansion, Metra has achieved a maximum degree of customer satisfaction among its growing ridership base. Metra's large fleet of trains per month ensure the availability of a safe, reliable, and dependable rail service that is an integral part of a diverse and growing urban area, and of critical importance to sustaining a robust regional economy.





# CONTACT LIST

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## Need to Talk?



Throughout this handbook, situations are discussed in which you must contact a Human Resources department head or their designee. Use the information below in those cases.

Also, we understand that some issues may come up that are too sensitive or personal to discuss with your immediate supervisor. In those situations, please don't hesitate to contact any of these people.

<b>Department</b>	<b>Name and Title</b>	<b>Phone</b>
Human Resources	Gail M. Washington, Department Head of Human Resources	(312) 322-8920
	Countess Cary, Director of EEO/Employee Relations	(312) 322-8934
(Designee)	Brenda Smith, Director, Human Resources Admin/IT	(312) 322-4279
(Designee)	Tom Blum, Director, Employment Services	(312) 322-8919
(Designee)	Angelica Carlson, Director, Human Resources Programs	(312) 322-8031



# **GENERAL RESPONSIBILITIES**

## **What Is Your First Priority?**

To create a more enjoyable and rewarding workplace, we all need to treat each other with dignity and respect. This means supervisors and employees must seek to resolve any differences that may arise quickly and fairly, and to act fairly in all employment-related matters.



Within this context, every manager and supervisor has a responsibility to assign work, determine performance standards, direct staff, and control department activities. This includes determining when, where, and by whom work shall be performed, as well as determining the means, methods, and schedules of operation.

Along the same lines, each employee has a responsibility to finish their assigned work, follow established performance standards, and comply with the means, methods, and schedules of operation determined by management.



# POLICY STATEMENTS

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This section gives an overview of Metra's policies on many subjects. Please read these policies thoroughly. Please remember that many of these are just summaries of the policies, not the policies themselves. Full copies of the policies have been given to you, and are available in the Human Resources department.

Those policies governed by a particular statute have been drafted to conform to the applicable statute, as amended. However, if a policy conflicts with the applicable statute, Metra will interpret the policy to conform to the statute or follow the dictates of the statute.

Since you are expected to comply with these policies and to help resolve any misunderstandings that may arise, you should keep this handbook readily available as a reference. If you have any questions or concerns, please let the Human Resources department head or designee know about it. You can find their contact information on page B-1 of this manual.



Included are explanations of our policies on:

- Affirmative Action, with our Equal Employment Opportunity policy, anti-discrimination policy, sexual harassment policy, and an explanation of the procedure to follow to register a complaint;
- Drug and Alcohol;
- Family and Medical Leave;
- Victims Economic Security and Safety;
- The Metra Code of Ethics, including statements on conflicts of interest and ethics, gratuities, statements of economic interest; and Revolving Door Prohibition;
- Confidentiality;
- Cellular Phone;
- Employee Blood Donation Leave;
- Family Military Leave;
- Gift Ban;
- Internet Acceptable Use;
- Open Door
- Organ Donor Leave;
- School Visitation;
- Smoking;
- Policy Against Solicitation of Campaign Contributions; and
- Workplace Violence.

If you have any questions about these policies, please ask a member of Human Resources listed on page B-1.

# POLICY STATEMENTS

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## **Affirmative Action Policy**

Affirmative Action is the measure taken to prevent unlawful employment discrimination and to remedy the effects of past discrimination through efforts to recruit, employ, and advance women, minorities, and the disabled.

Executive Order 11246 and Federal Transit Administration Circular 4704.1 require the establishment of the Affirmative Action Plan. Metra has written an Affirmative Action Plan that has been approved by the Federal Transit Administration. The Plan, on file in the EEO & Employee Relations Department, requires that employment-related decisions be consistent and non-discriminatory. The Plan expresses Metra's commitment to recruit, hire, promote, train, and retain qualified minorities, females, and disabled persons, and to affirmatively address any imbalances in our current workforce. Each manager/supervisor at every organizational level shall be accountable for his/her performance in the areas of affirmative action and equal employment opportunity.



### ***Equal Employment Opportunity***

Metra is an equal opportunity employer. Equal Employment Opportunity provides for the rights of all persons to be provided job opportunities and equal terms and conditions of employment without regard to race, color, religion, national origin, ancestry, age, sex, marital status, veteran status, unfavorable military discharge, and physical or mental disability, if otherwise qualified. Metra has a Reasonable Accommodations Committee (RAC) that processes requests for accommodations pursuant to the Americans with Disabilities Act (ADA).

### ***Anti-Discrimination/Anti-Harassment***

As an equal opportunity employer, Metra has a policy to provide equal opportunity to all people in all aspects of employer/employee relations without discrimination because of race, color, religion, national origin, sex, age, physical or mental disability, or veteran status, and without retaliation against employees who make bona fide harassment reports. Likewise, Metra shall not tolerate any harassment of any employee based on these protected categories. It is Metra's policy to comply with all applicable local, state, and federal statutes concerning Equal Employment Opportunity.

Any employee who believes he/she has been discriminated against or harassed should immediately follow the steps outlined in the Complaint Procedure below.

### ***Sexual Harassment***

All employees of Metra are entitled to a workplace free from sexual harassment and intimidation. Metra strictly prohibits any form of sexual harassment. In addition, inappropriate sexual conduct will not be tolerated.

Sexual harassment is the attempt to control, influence, or affect the career, salary, or job of an individual in exchange for sexual favors. It covers a broad spectrum

# **POLICY STATEMENTS**

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of unwelcome, sexually focused behavior such as unwelcome sexual advances, requests for sexual favors, and other verbal and physical conduct of a sexual nature, including, but not limited to, dirty jokes, leers, posters, or constantly asking someone out for a date, etc.

In addition, the scope of sexual harassment has been expanded to include, regardless of the intent, what the Equal Employment Opportunity Commission calls "an intimidating, offensive, or hostile work environment." Sexual harassment is any unwelcome verbal or physical conduct of a sexual nature that is offensive or intimidating to a reasonable person, which the employee has to tolerate to keep his or her job, or the normal advantages of employment.

Employees are strictly prohibited from sending sexual jokes or other sexual communications via any Metra communication system, including, but not limited to, e-mail, facsimile machines, and telephone voice-mail systems. Every employee at Metra has a duty to report questionable sexual conduct promptly, and has a responsibility not to engage in sexual harassment.



Any employee who believes he/she has been sexually harassed should immediately follow the steps outlined in the Complaint Procedure below.

## ***Complaint Procedure***

Any employee who believes he/she has been harassed or discriminated against in violation of any of Metra's policies stated above should immediately:

1. attempt to resolve the problem either informally or through his/her supervisor or manager; or
2. contact the Director, EEO/Employee Relations.

The EEO Internal Complaint Resolution Procedure (incorporated by reference) will be followed when an employee or applicant for employment believes that he/she has been harassed or discriminated against, and the issue(s) cannot be resolved through the informal counseling process.

The Director of EEO/Employee Relations, or a designee, is authorized to conduct a thorough and prompt investigation of the complaint. This investigation will include, but might not be limited to:

1. meeting with the parties involved,
2. interviewing the witnesses,
3. reviewing records and documentation, and
4. conducting whatever inquiries necessary in order to make a satisfactory resolution of the complaint.

All complaints will be kept confidential and information regarding the complaint will be disclosed only to the extent necessary to conduct an adequate investigation and to adhere to Metra's legal responsibilities.



# **POLICY STATEMENTS**

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Any employee found to have violated Metra's policy against harassment or discrimination will be subject to discipline, up to and including termination. The complaint and the investigation thereof will be kept as confidential as possible. Retaliation against an employee who reports sexual harassment or discrimination, or who participates in the investigation of such a complaint, will be viewed as a violation of this policy, and will not be tolerated.

Discrimination is Prohibited by the Civil Rights Act of 1964, Civil Rights Act of 1991, Equal Pay Act of 1963, Age Discrimination in Employment Act of 1967, Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, Vietnam Era Veterans Readjustment Assistance Act of 1974, Pregnancy Discrimination Act of 1978, and the Illinois Human Rights Act.

*Revised 8/2003*



# POLICY STATEMENTS

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## Drug And Alcohol Policy

Metra has adopted Drug and Alcohol Policies entitled Policy A and Policy B for all employees. These policies meet the requirements of Federal Rule 49 CFR Parts 40, 219, 240, 653, and 654. However, it should be noted that Metra is testing non-contract employees under its own authority, not federal regulations.

### **Rule G**

The use of alcoholic beverages, intoxicants, drugs, or narcotics by employees subject to duty, when on duty, or on Metra property, is prohibited. The use of marijuana or other controlled substances by employees at any time is prohibited.

Employees must not report for duty, be on Metra property under the influence of, use while on duty, or have in their possession while on Metra property, any drug, alcoholic beverage, medication with alcohol, product containing alcohol, intoxicant, narcotic, marijuana, medication, or other substance, including those prescribed by a doctor, that will in any way adversely affect their alertness, coordination, reaction, response, or safety.



The only exception to this rule is the use of a prescribed medication, which has been disclosed to Metra's Medical Director and has been approved for use at the dosage prescribed given the employee's responsibilities.

It is also a violation of Metra's Drug and Alcohol Policies A and B for an employee to drive a Metra vehicle, whether on or off-duty, after consuming any alcohol or a controlled substance, or to possess any alcohol or controlled substance in a Metra vehicle which requires a driver's license in the State of Illinois. Employees who violate the Drug & Alcohol Policy or Rule G are subject to discipline, up to and including termination.

### **Consent**

Any non-contract employee shall be deemed to have consented to testing as outlined in the Metra policy regarding the use of alcohol and drugs.

As Metra is under the jurisdiction of both the Federal Railroad Administration and the Federal Transit Administration, the policy in effect is subject to change as regulations are imposed. A copy of these policies has been issued to all employees, and a signed receipt has been placed in each employee's personnel file.

**Please note:**  
*This policy is not intended to prohibit the legal use or possession of alcoholic beverages while an off-duty employee is riding as a passenger on a Metra owned or operated train.*

# **POLICY STATEMENTS**

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## ***Drug-Free Workplace Policy***

In compliance with the Federal Drug-Free Workplace Act, Metra has implemented policies and programs to promote the safest possible work environment, and to offer the greatest possible assistance to those in need of help.

Metra has a clear and longstanding policy on drug and alcohol abuse, and has made educational information and guidelines available to all employees. Metra also offers an Employee Assistance Program to provide direct assessment and referral assistance to employees experiencing problems with drugs, alcohol, and/or personal conflicts.

Unlawfully manufacturing, distributing, dispensing, possessing, or using a controlled substance in the workplace is strictly prohibited. Any employee found in violation of this policy is subject to discipline, up to and including termination.

The law also requires that any employee convicted of a drug violation at a workplace location must report such conviction to Metra within five days of the date of such conviction. Metra must notify the Federal Government within ten days after receipt of this information.



While we believe that the Metra Substance Abuse Policy and Program, which includes education, training, drug testing, and Employee Assistance services, has served to reduce the threat of drug abuse in the workplace, Metra will continue to be committed to maintaining a drug-free workplace in compliance with the law.

*Revised 3/2006*

# **POLICY STATEMENTS**

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## **Family And Medical Leave Policy**

The purpose of the Family and Medical Leave Act (FMLA) is to establish a minimum labor standard to balance the demands of the workplace with the needs of individuals and their families. Provisions of this policy are interpretations of the requirements of the FMLA and may be modified in the future. Any questions or clarifications regarding this policy should be directed to the Human Resources Department.

### ***Continuous Leave***

All requests for Short- and Long-Term Disability Programs that meet the criteria of a "Serious Health Condition," as defined by FMLA regulations (29 CFR Part 825, 1995), will be designated as FMLA-qualifying leaves and will be deducted from the 12-week allotment. This policy is based on the interpretations from the FMLA regulations. This policy may be modified in the future as new regulations become available.



Any individual who seeks, accepts, or remains on a Family and Medical Leave under false pretenses will be subject to disciplinary action, up to and including termination.

### ***Leave Term***

The revised policy entitles eligible employees to a total of twelve (12) workweeks of leave during a twelve-month period. The twelve-month period will be measured forward from the starting date of the employee's first FMLA leave.

Employees may apply for one or more of the following reasons:

1. For the birth of a son or daughter, and to care for the newborn child. Leave to care for a newborn child must conclude within 12 months after the birth of the child;
2. For the placement of a child with the employee for adoption, State-approved foster care, and to care for the newly placed child. Leave to care for a newly placed child must conclude within 12 months after the placement of the child;
3. To care for an immediate family member (spouse, son, daughter, or parent – but not other relatives (e.g., "in-law") with a serious health condition; and
4. The inability of the employee to perform the functions of the employee's position because of a personal serious health condition.

### ***Serious Health Condition Defined***

Generally, a "Serious Health Condition" means an illness, injury, impairment, or physical or mental condition that involves:

1. inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of incapacity, (e.g., inability to attend school or work) or any subsequent treatment in connection with such inpatient care; or

# POLICY STATEMENTS

2. a period of incapacity requiring absence of more than three calendar days from work, school, or other regular daily activities that also involves continuing treatment by (or under the supervision of) a health care provider; or
3. any incapacity due to pregnancy, or for prenatal care; or
4. any period of incapacity (or treatment therefore) due to a chronic serious health condition (e.g., asthma, diabetes, epilepsy, etc.); or
5. any period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective (e.g., Alzheimer's, stroke, terminal diseases, etc.); or
6. any absences to receive multiple treatments (including any period of recovery therefrom) by, or on referral by, a health care provider for restorative surgery after an accident or injury or for a condition that likely would result in incapacity of more than three consecutive days if left untreated (e.g., chemotherapy, physical therapy, dialysis, etc.).



Not all medical conditions are serious health conditions for purposes of FMLA leave. For example, short-term conditions for which treatment and recovery are very brief are not considered serious health conditions (e.g. the common cold, ear aches, upset stomach, minor ulcers, routine dental or orthodontia problems, etc.). In addition, voluntary or cosmetic treatments are not considered serious health conditions unless in-patient care is required or complications develop.

## ***Eligibility***

To be eligible for FMLA leave all employees must meet the following requirements:

- must have worked for Metra for at least twelve (12) months prior to the time leave is to commence; and
- must have worked at least 1,250 hours during the 12 months prior to the start of the FMLA leave. (The 1,250 hours include only those hours actually worked for the company. Paid leave and unpaid leave, including FMLA leave, are not included.)

A husband and wife who are both employed by Metra are limited to a combined total of 12 workweeks in a 12-month period (as defined in this Policy) of family leave for the following reasons:

- birth and care of a newborn child;
- placement of a child for adoption or foster care, and
- to care for the newly placed child.

Any questions relating to leave for husband and wife both employed by Metra must be directed to the Human Resources Department.

Employees who are off on a continuous leave under the Family and Medical Leave Policy will be ineligible to receive any additional paid leave benefits or salary increases until their return to work.

# POLICY STATEMENTS

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## ***Request Procedure***

To request a Family and Medical Leave, the employee must complete and return an application to the Human Resources Department. An employee giving notice of the need for unpaid leave must explain the reasons for the needed leave so as to allow Metra to determine that leave qualifies under the Act. If an employee fails to explain the reasons, leave may be denied.

If leave is requested for the birth of a child, or for placement of a child with the employee for adoption or foster care and is foreseeable, the employee shall provide the company with not less than thirty (30) days notice before the date the leave is to begin. If the date of the birth or placement requires leave to begin in less than thirty (30) days, the employee must provide as much notice as is practical.

If leave is requested to care for a family member (spouse, son, daughter, or parent) with a serious health condition, or for the employee's own serious health condition, and the event is foreseeable, the employee must make a reasonable effort to schedule the care or treatment so as not to unduly disrupt Metra operations (including those of the local worksite), subject to the approval of the health care provider. Thirty (30) days notice is also required unless the date of treatment requires that it begin in less than 30 days, in which case, the employee must provide as much notice as is practical.



Metra may designate leave as FMLA leave after an employee returns to work if the reason for the absence complies with the conditions of the Act.

## ***Intermittent Leave***

An intermittent leave or a leave taken on a schedule that reduces the normal number of hours per workweek or workday may be taken for the following circumstances:

1. when medically necessary to care for a family member (spouse, son, daughter, or parent) with a serious health condition; or
2. when medically necessary for the employee's own serious health condition.

The hours taken intermittently will be charged against the 12-week limit. Employees who are on an intermittent leave or on a reduced leave schedule that is foreseeable based on planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition, may be transferred temporarily, during the duration of the leave, to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee's regular position.

***Please note:***

*For serious health care issues, it must be demonstrated that this arrangement is medically necessary. Metra reserves the right to verify the need to take the intermittent leave during working hours.*

***Please note:***

*Intermittent Leave is not available for bonding after the birth of a child, or placement of the child with the employee for formal adoption or for state-approved foster care.*

# POLICY STATEMENTS

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## *Compensation Arrangements During The Leave*

The term of the leave shall be up to twelve (12) weeks. All employees will be required to exhaust their current paid leave available before any unpaid time is used. Use of sick time, i.e., sick bank, can be used only for an employee's own serious health condition. When paid leave is used under an approved Family and Medical Leave, this paid time will be included in the 12-week leave period.

Leave taken under our Short-Term Disability Policy may go beyond the 12 weeks allotted under this policy when medically indicated. (See Metra's Short-Term Disability Policy for further clarification.)

While an employee is on a paid or unpaid leave of any kind (vacation, sick or personal) which begins as a non-Family and Medical Leave event, and subsequently Family and Medical Leave is requested, the 12-week allotment will be deemed to begin immediately after one of the following:

- The occurrence of the Family and Medical Leave qualifying event; or
- At the time the employee makes a request for Family and Medical Leave.



## *Certification*

Requests for leaves for the serious health condition of an employee's immediate relative will require medical certifications. Metra requires that proper certification forms be obtained from the Human Resources Department, completed, and returned to the Medical Office. This information will be handled in a strictly confidential manner. When medically necessary, certification and recertification will be reviewed by the Medical Director. If certification, or recertification, is not provided or is not produced in a timely manner, the employee will be considered on an unauthorized leave and may be subject to discipline, up to and including termination.

If Metra has reason to doubt the validity of certification submitted to justify the necessity of a leave for the employee's own serious health condition or that of a spouse, child, or parent, it may require the employee to obtain a second opinion from a physician designated by Metra's Medical Director. In the event of a conflict between the first and second opinions, the opinion of a third neutral physician, to be selected jointly by the Medical Director and the employee, will be final and binding.

### *Please note:*

*All medical situations are subject to the review of Metra's Medical Director. The Medical Director will be called upon to make recommendations as to the proper handling of employee time off for FMLA reasons.*

Requests for leave after the birth of a child will require a birth certificate. If an employee is applying for leave to care for a newborn child for whom a birth certificate is not yet available, a medical certification from the mother's doctor will be required. Subsequently, when the birth certificate becomes available, the employee must submit it to the Medical Department.

# POLICY STATEMENTS

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After the placement of a child for adoption, legal adoption papers will be required. After the placement of a foster child, court-ordered documentation will be required.

## ***Return To Work Medical Approval***

When continuous leave has been taken to seek treatment for an employee's own serious health condition, Metra will require a release from the employee's health care provider that the employee is able to resume work. In most cases, this will be handled according to Metra's Short-Term Disability Policy. When the medical leave is not taken in conjunction with Short-Term Disability, Metra will still require the same type of release from the health care provider to verify that the employee is able to resume work. This release will be reviewed by the Medical Director, who has final authority on the decision to allow the employee back to work.

## ***Status of an Employee's Benefits and Position***

During the Family Medical leave of absence, Metra will maintain, at company expense, the employee's health benefits the same as if the employee had continued working.



Health premiums are continued as a condition of the employee's expected return to work, and Metra has the right and may under certain circumstances take action to recover the premium costs if the employee is able to and chooses not to return to work. Upon return from an approved leave of absence, the employee will be restored to the position held when the leave commenced or to an equivalent position with equivalent salary, benefits, and other terms and conditions.

*Revised 3/2006*



# **POLICY STATEMENTS**

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## **Victims Economic Security and Safety Act**

The Victims Economic Security and Safety Act provides that employers such as Metra may not discharge or discriminate against an employee who is a victim of domestic violence or who has a family member or household member who is a victim of domestic violence, for taking up to a total of 12 workweeks of leave from work during any 12-month period to address the domestic violence.

This Act prohibits employers from discharging, discriminating, or retaliating against a person taking leave from work as a result of domestic violence to: seek medical attention or counseling for injuries or psychological trauma, obtain victim services, relocate, seek legal assistance, or participate in a related court proceeding.

Metra may require the employee to provide certification to justify the leave. Metra is not required to provide paid leave under the Act, but may not suspend group health plan benefits during the leave period.



For more information about this policy, contact the Human Resources Department.

*Revised 3/2006*

# POLICY STATEMENTS

## Code Of Ethics

### *Conflicts of Interest/Ethics*

Employees of Metra, their spouses, their children, their parents, their brothers and sisters, and their children, are prohibited from having, or acquiring any contract or any direct pecuniary interest in any contract, that will be wholly or partially performed by the payment of funds or the transfer of property of Metra. Any firm, partnership, association or corporation, from which any employee of Metra is entitled to receive more than seven and one-half percent (7.5%) of the total distributable income, is prohibited from having or acquiring any contract or direct pecuniary interest in any contract that will be performed in whole or in part by payment of funds or the transfer of property of Metra.

Any firm, partnership, association or corporation, from which employees of Metra, their spouses, their children, their parents, their brothers and sisters, and their children, are entitled to receive in the aggregate more than fifteen percent (15%) of the total distributable income, is prohibited from having or acquiring any contract that will be performed in whole or in part by the payment of funds or the transfer of property of Metra.



Employees are prohibited from participating in the selection, award, or administration of a contract supported by Metra funds, federal funds, or any other grant funds if a real conflict of interest or, to his or her knowledge, an apparent conflict of interest, would be involved. A real or apparent conflict of interest would arise when any of the following has an interest in the entity selected for award:

- an employee, officer, board member, or agent;
- any member of his or her immediate family (as listed above in the first paragraph);
- his or her business partner; or
- an organization that employs, or intends to employ, any of the above.

In the term "apparent conflict of interest, "apparent" is defined under this paragraph as being one in which a person is an officer or director of an entity, or has an interest in the ownership of profits of an entity, and such interest appears substantial to a reasonable person. "Interest" is defined under this paragraph as a direct or indirect entitlement to receive any of the entity's profits.

Once it has been determined that an employee has a conflict of interest, the employee's department must contact the Department Head, Human Resources and the Department Head, Materials Management.

### ***Guidance On The Conflict Of Interest Policy:***

The following principles will apply, but are not exhaustive, when determining whether a conflict of interest exists:

# **POLICY STATEMENTS**

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- If an employee were an officer or director of another entity, such as a business or not-for-profit organization that has a contract with Metra, that person would have an apparent conflict.
- If an employee has an interest in the ownership or profits of such an entity and the interest appears substantial to a reasonable person, that person would have an apparent conflict.
- Generally, owning mutual funds that hold shares of stock in a company doing business with Metra would not be a substantial conflict of interest. Employees should avoid owning shares of stock in a company that they are either evaluating for award or whose contract they are administering if such ownership would appear substantial to a reasonable person.
- Because of grant restrictions, employees should generally not administer, evaluate, or award a contract when a spouse or immediate family member would be working on that particular contract. To avoid the conflict, it would generally be best that the spouse or immediate family member not work on Metra projects.



## ***Gratuities***

No employee, officer, agent, or Board member may solicit or accept any gifts, gratuities, favors, or anything totaling more than \$100.00 in the aggregate over a one-year calendar period from any contractor, potential contractor, or party to any sub-agreement, except where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

## ***Statement of Economic Interest***

All employees of Metra whose positions meet the criteria for filing established by the Illinois Governmental Ethics Act are required to file a Statement of Economic Interest each year on or before May 1st with the Clerk of Cook County, Illinois, regardless of where they reside. Employees will be notified by the Human Resources Department if their jobs require them to file a Statement of Economic Interest form.

*Revised 8/2003*

# POLICY STATEMENTS

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## **Revolving Door Prohibition**

This policy prohibits certain former employees from being involved in Metra's solicitation process for one year after leaving Metra's employ.

- A "specified position" is one that is non-contract, is held for a period of six (6) months preceding such termination, is at a Grade P12 or above (including all M Grades), and is not merely clerical or ministerial in nature.
- All non-contract personnel in specified positions of Metra are expressly prohibited, for a period of one (1) year after terminating employment with Metra, from engaging in any procurement activity with Metra.
- The prohibition includes, but is not limited to, lobbying the procurement process; specifying; bidding; or proposing bid, proposal, or contract documents on the part of the former employee, or in association with the former employee by or on behalf of any firm, partnership, association, or corporation affiliated with the former employee.
- These restrictions shall not apply to acts done by persons carrying out official duties on behalf of the United States of America, an agency or instrumentality of the State of Illinois, any other governmental entity, or as an elected or appointed official of any of the above.
- The Executive Director may waive these restrictions if it is determined that such a waiver would be in the best interests of Metra.



### ***Guidance on the Revolving Door Policy***

A non-contract employee who is thinking about working for an entity doing business with Metra and who is at the M Grade or P12 Grade or above should review this policy with his or her prospective employer. This restriction also applies if the employee solicits business from Metra as an independent consultant. Violation of this policy would void contracts with contractors doing business with Metra.

The restriction is only for one year from the employee's termination date and does not apply to the following: the administration of a Metra contract; if the former employee works for another government entity; or the Executive Director waives the restriction. Thus, while a former employee cannot participate in the solicitation process, he or she can work on a contract.

Please direct any questions regarding this policy to the Department Head, Human Resources.

*Revised 8/2003*

# **POLICY STATEMENTS**

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## **Confidentiality Of Information Policy**

It is Metra's policy to ensure that the business affairs and activities of Metra are conducted in a proper and appropriate manner. Employees are expected to perform their assigned duties with a maximum degree of professional judgment, discretion, and personal integrity.

In conducting the business activities of Metra, certain information (including, but not limited to, various corporate, financial, technical, contractual records, and computer files) may be considered as confidential or proprietary. Such confidential or proprietary information is defined as any information Metra treats as confidential or private, or information that has not been issued to the public or to other employees. Included is information about fellow employees, as well as information pertaining to companies or persons doing business with Metra.

Confidential information, security sensitive documents, and proprietary information may not be accessed, released, disclosed, or transmitted except as authorized or approved by an appropriate Metra officer or supervisor. In addition, although certain information may be available through the Freedom of Information Act (FOIA), employees with access to such information may not release it to others, or use it for their own purposes, unless they have followed the proper FOIA administrative steps (which include a review and approval from the Law Department) to obtain such information. Failure to follow the proper FOIA steps to obtain information constitutes a violation of this policy.



Additionally, employees are not to make photographs or videos of Metra documents and or work activities, or tape record meetings or other conversations.

Additionally, information not yet publicly disclosed may not be used for any employee's personal use or gain. A few examples of prohibited conduct are:

- acquiring, selling, or otherwise using, disclosing, or transmitting confidential information;
- knowingly converting a Metra business opportunity or converting confidential Metra information for personal use;
- using, divulging, or transmitting confidential information in the course of outside employment or any succeeding employment at any time; and
- removing Metra documents or copies thereof from the business premises without authorization.

All employees are expected to be aware of and committed to the adherence of this policy. Employees found to be in violation of this policy are subject to disciplinary action, up to and including termination, and they may also be subject to civil and/or criminal penalties for such violations.

*Revised 3/2006*

# POLICY STATEMENTS

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## Cellular Phone Policy

This policy applies to all Metra employees who have been issued company cellular phones. Any questions or requests for exceptions regarding this policy should be directed to the Deputy Executive Director.

Company cellular phones are issued to designated employees to conduct Metra business as needed. Requests for cellular phones require the approval of the Deputy Executive Director or the Executive Director, as applicable.

Employees are expected to operate company cellular phones in a safe and alert manner.

### *General Provisions*

- Cellular phones are assigned to the person in that position. Any personnel changes will require re-authorization.
- Use of cellular phones for personal calls is restricted.
- Employees are prohibited from using the assigned phone for text messaging, making or receiving international calls and direct international connect or direct national connect, except as authorized by the Deputy Executive Director or Executive Director.
- Employees must abide by local, state, and federal laws and regulations governing the use of cellular phones.
- Employees are responsible for clearing all citations, including fines and penalties, at their own cost as a result of violating the laws and regulations while operating Metra vehicles and equipment.
- Employees are prohibited from allowing unauthorized use of the phone by other individuals or non-employees.
- The user employees must report lost or stolen phones as soon as possible to the immediate supervisor and to the Communications Department.
- All repair services for cellular phones are required to be arranged through the Communications Department.
- Lost accessories may be replaced at the employee's expense.
- Cellular phones will be retrieved by the responsible department head or director in cases of job position changes, transfers, suspensions, terminations, or short/long term disability leave of absence.



Patterns of abuse will be investigated, and if substantiated, will serve as grounds for appropriate disciplinary action, up to and including termination. Charges to Metra due to resulting from the abuse must be reimbursed by the employee.

*Revised 3/2006*

# **POLICY STATEMENTS**

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## **Employee Blood Donation Leave Act**

The Employee Blood Donation Leave Act provides that employers such as Metra must provide any full-time employee with at least 6 months of service, one hour of paid leave every 56 days to donate blood.

Metra will require the employee to provide medical documentation of the proposed blood donation before leave is approved. The employee may not take the leave until it has been approved by Metra.

The Department of Health has established conditions and procedures for requesting and approving leave and require medical documentation of the proposed blood donation before leave is approved by Metra.

For more information, about this policy, contact the Human Resources Department.



*Effective 1/2006*

# **POLICY STATEMENTS**

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## **Family Military Leave Act**

The Family Military Leave Act provides that employers such as Metra provide up to thirty days of unpaid family military leave to an employee during the time federal or state deployment orders are in effect.

The employee is required to give at least 14 days notice of the intended date upon which the family military leave will commence if leave will consist of five or more consecutive work days. Where able, the employee shall consult with Metra to schedule the leave so as to not unduly disrupt the operations of Metra.

Employees taking military family leave for less than five consecutive days shall give Metra as much advanced notice as is practicable. An employee may not take leave as provided under this Act unless he/she has exhausted all accrued vacation leave, personal leave, compensatory leave, and any other leave that may be granted to the employee, except sick leave and disability leave.

This Act prohibits employers from discharging, fining, suspending, expelling, disciplining, interfering with, restraining, denying, or in any other manner discriminating against a person exercising or attempting to exercise his/her right(s) provided under this Act.

Metra may require the employee to provide certification from the proper military authority to verify the employee's eligibility for the leave. Metra shall make it possible for the employee to continue his/her benefits at Metra's expense. For more information, about this policy, contact the Human Resources Department.



*Effective 8/2005*



# POLICY STATEMENTS

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## Gift Ban Policy

The Illinois State Gift Ban Act ("Act") prohibits all Metra employees and members of the Metra Board of Directors, their spouses, and immediate family living in their households, from soliciting any gifts or accepting any gifts of more than nominal value from prohibited sources.

"Prohibited Source" means any person who does business or seeks to do business with Metra; any person seeking an official action by a Metra employee or by an employee directing another employee; any person who is a lobbyist on behalf of Metra; any person who has interests that may be affected by the employee; and any person who conducts business regulated by an employee of Metra.

There are 26 exceptions to the general ban on gifts. One of the exceptions is an item of nominal value, such as a greeting card, baseball cap, or anything totaling less than \$100.00 in the aggregate over a one-year calendar period. All of the exceptions are described in Metra's Gift Ban Policy, a copy of which may be secured from the Human Resources Department. A copy of the Gift Ban Policy has been issued to all employees and a signed receipt has been placed in each employee's personnel file.



If an employee receives a gift of more than nominal value as defined above, the employee is required to either return the item to the donor or give the item or an amount equal to its value to an appropriate not-for-profit charity.

The General Counsel is Metra's Ethics Officer. Complaints about violations of this policy should be directed to the General Counsel. Metra has also established an Ethics Commission to investigate complaints and recommend disciplinary action, if necessary.

*Revised 3/2006*

# POLICY STATEMENTS

## **Internet Acceptable Use Policy**

This policy applies to all Metra employees using computers with Internet and e-mail connections. Any questions or requests for exceptions regarding this policy should be directed to the Department Head of Information Systems.

### ***General Provisions***

- All computers, files and network access services are Metra property and resources. All activity and information moving across these networks can be monitored and reviewed at any time. This includes all messages, files, documents, logs, and computers.
- Internet access and e-mail are provided for business use. Wasting computer resources and spending excessive time on non-work-related activities is prohibited.
- Internet access privileges have been granted to you and are not to be shared with others who have not been granted these privileges. Protect your computer from unauthorized use and do not leave your computer unattended when connected to the Internet.
- All existing Metra rules of conduct apply to activities performed using the Internet. The same standards that apply to employee interaction and interpersonal contacts, written correspondence, telephone use, and office manners apply to Internet usage.
- Internet access cannot be used for personal financial gain, non-Metra commercial business, political activities, or any activities prohibited by law.
- Only Internet access and e-mail accounts provided by Information Systems can be used to access the Internet. Do not use free, home Internet provider services, trial, or other e-mail accounts on Metra computers. Personal e-mail accounts and client software for services such as AOL, MSN, CompuServe, Yahoo, and Hotmail are not to be used on Metra computers.
- Do not download software or install programs using your Internet access unless specifically authorized by Information Systems.
- Fraudulent, harassing, embarrassing, sexually explicit, obscene, pornographic, profane, intimidating, defamatory, racially offensive, or unlawful materials may not be downloaded, sent by e-mail, exchanged, displayed, or stored using Metra computers.
- Internet activities and traffic will be monitored for acceptable content and volumes. Potentially inappropriate content may be filtered or blocked.
- Metra Internet access is not to be used to play games, gamble, listen to Internet radio, view live video feeds, download music, make personal telephone calls, or perform other resource intensive non-business activities.
- Observe all copyright laws when copying documents, graphics, messages, or other materials.
- Do not hack into or attempt unauthorized access to other computers, files, or e-mail messages. Planting, distributing, or programming of viruses, worms, or



# **POLICY STATEMENTS**

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any other harmful program on any Metra or Internet host computer is prohibited.

- Scan all outside documents, files, e-mail attachments, and storage media for viruses. If a virus scan detects a virus, inform Information Systems immediately.
- Do not distribute, release, or publish Metra data, information, or other materials using the Internet without proper authorization.
- Never consider e-mail messages completely private or secure. Messages can be viewed by management or others at any time, and may be stored in backup and other computer systems.
- Metra e-mail accounts should not be used to participate in personal interest or non-work related chat rooms, e-mail newsgroups, e-mail newsletters, or e-mail lists.

Indications of inappropriate use of the Internet will be first brought to the attention of your manager and then to other appropriate Metra management for a Fact-Finding Review as necessary. Violation of this policy will result in loss of privileges and may result in disciplinary action, up to and including dismissal. Evidence of violations of state or federal laws will be turned over to appropriate authorities for investigation.



*Revised 8/2003*

# **POLICY STATEMENTS**

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## **Open Door Policy**

Metra encourages mutual understanding and cooperation among all employees. However, differences and complaints may occasionally grow out of working relationships or conditions. Day-to-day contacts ordinarily should provide ample opportunity for discussing and resolving such matters.

If an employee is unable to resolve the situation through these day-to-day contacts, they may call upon the Director of EEO & Employee Relations or Director, Human Resources Administration/IT for assistance.

*Revised 3/2006*



# **POLICY STATEMENTS**

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## **Organ Donor Leave Act**

The Organ Donor Leave Act provides that employers such as Metra must provide any full-time employee with at least 6 months of service, up to thirty days of paid organ donor leave.

Metra will require the employee to provide medical documentation of the proposed organ or bone marrow donation before leave is approved. The employee may not take the leave until it has been approved by Metra.

The Department of Health has established conditions and procedures for requesting and approving leave and require medical documentation of the proposed organ or bone marrow donation before leave is approved Metra.

For more information, about this policy, contact the Human Resources Department.



*Effective 1/2006*

# POLICY STATEMENTS

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## School Visitation Policy

The Illinois School Visitation Rights Act provides that Metra employees with school children (kindergarten – 12th grade) may take up to eight (8) hours of leave (per child) from work during the school year to attend school conferences or classroom activities related to their children. This leave may be taken in one- (1) to four- (4) hour increments. No more than four hours may be taken on any given day. The following guidelines must be followed relative to all school visitation leave requests:

- Requests for leave must be in writing, at least seven (7) days in advance of the event.
- If the leave is for an emergency situation, no more than 24 hours notice shall be required.
- It must not be possible to schedule the conference during non-working hours.
- The employee must present documentation from the school verifying their attendance at the school event, within two days after the school visit.
- Leave may be denied if more than 5% of the area's workforce requests school visitation at the same time.
- If available, Paid Time Off and vacation time must be applied to this leave.
- Unpaid leave may be taken if no personal and vacation time remains.
- For employees not subject to mandatory overtime situations (primarily non-contract employees), managers must make a reasonable effort to allow these individuals the opportunity to work make-up hours if they have no paid leave available.
- School visitation leave requested or taken under false pretenses will be grounds for serious disciplinary action, up to and including dismissal.



*Revised 8/2003*

# POLICY STATEMENTS

## Smoking Policy

In accordance with Public Act 86-1018, otherwise known as the "Illinois Clean Indoor Air Act," the Metra Smoking Policy is as follows:

- A. In designated smoke-free buildings (i.e., 547 W. Jackson), smoking is prohibited anywhere in the building. Employees are to smoke outside the building away from the building entryway.
- B. In buildings where smoking is permitted, the following areas are designated as no-smoking areas:
  1. All non-enclosed offices or work areas (i.e., small open air work stations).
  2. All conference and meeting rooms.
  3. All elevators, hallways, stairways, and lobbies.
  4. All lunchrooms and locker rooms.
  5. All lounges, unless specifically designated as smoking areas.
  6. All washrooms.
  7. All enclosed offices designated as no-smoking.
  8. All work areas shared by smokers and non-smokers.



The following areas in the buildings mentioned in paragraph B above not within the City of Chicago will allow cigarette smoking:

1. Enclosed offices and work areas occupied solely by smoker(s) and
2. Large open-air facilities

In accordance with the City of Chicago's Clean Indoor Air Ordinance and Metra policy, smoking is prohibited at the following locations:

- At the downtown Chicago terminal platforms and station;
- All enclosed Metra facilities (the entire facility) within the city limits; and
- Within 15 feet of the entrance to all such enclosed facilities, including places of employment, stations and office buildings.

Individuals who are guilty of smoking in areas prohibited by the ordinance, and are guilty of an infraction can be fined up to \$100.

Additionally, Metra is extending its prohibition against smoking to include no smoking in all company vehicles at anytime, even when you are alone. Company vehicles include: Metra cars, sedans, station wagons, SUVs, mini-vans, full passenger vans, all trucks and any Metra-owned buses.

Compliance with this policy is mandatory. Failure to comply will result in disciplinary action, up to and including termination. Clarifications or interpretations of the policy are to be made by the Department Head, Human Resources (or designee).

***Please note:***

*If smoke from areas where smoking is allowed intrudes into no smoking areas, the entire area is subject to be declared smoke free. Pipe and cigar smoking are prohibited within all Metra facilities.*

*Revised 3/2006*

# POLICY STATEMENTS

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## Solicitation Of Campaign Contributions

All non-contract employees of Metra are prohibited from knowingly soliciting or receiving contributions from contractors or subcontractors doing business with, or seeking to do business with, Metra. A contribution is defined by the Illinois Election Code and includes:

- a gift, donation, loan, or anything of value knowingly received in connection with the nomination for election, or election, of any person to public office, or in connection with any question of public policy;
- the purchase of tickets for fund-raising events, including but not limited to: dinners, luncheons, and cocktail parties, and
- the services of an employee donated by an employer.

### ***Reporting***

Any non-contract employee who is found to knowingly solicit or receive contributions in violation of this policy is subject to discipline, up to and including termination. However, an employee shall not be discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee or on behalf of the employee or others in furtherance of the enforcement of this policy. An employee who is aware of any violation of this policy should report the suspected violation to the Department Head, Human Resources.



### ***Guidance on the Policy Against the Solicitation of Campaign Contributions***

While the law provides little guidance, Metra employees who are fund raising for a candidate or public policy issues like a local school referendum, should not attempt to solicit or receive any contribution from any Metra contractor or subcontractor.

A contribution is defined very broadly and can mean anything of value, including tickets to luncheons, cocktail parties, and dinners. This restriction also applies to those seeking to do business with Metra.

If you have any questions regarding the applicability of this policy, please contact the General Counsel.

*Revised 8/2003*



# **POLICY STATEMENTS**

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## **Workplace Violence Policy**

Metra's objective is to provide a work environment that is free from violence or threats of violence against individuals, groups of employees, or Metra property. (This includes domestic violence, which may occur on our property.) This policy requires that all individuals on Metra premises or while employed by Metra conduct themselves in a professional manner consistent with good business practices and in absolute conformity with non-violent principles and standards. Additionally, employees must be alert to, and immediately inform appropriate Metra management staff of, any behavior(s) or potential behavior(s), which violates or could constitute a violation of this policy.

Metra strictly prohibits the use of violence or threats of violence in the workplace and views such actions very seriously. Metra policy applies the same standards to non-employees. Metra will immediately investigate all incidents of violence, potential violence or threats of violence, of which it becomes aware and will take appropriate action to resolve these situations.



### ***Scope***

This policy applies to all employees and locations of Metra.

### ***Definition***

Workplace Violence is a single behavior or a series of behaviors that constitute actual or potential assault, battery, harassment, intimidation, threats or similar actions, attempted destruction or threats to Metra or personal property, that occur in a Metra workplace, at a Metra work location, or while an individual is engaged in Metra business.

### ***General Provisions***

All employees are responsible for establishing and maintaining a work environment that promotes professionalism and is free of actual or potential workplace violence. This responsibility includes being alert to situations in which workplace violence is occurring or is likely to occur, and immediately notifying Metra management of any incidents or concerns.

Any individual who feels they have been the subject of workplace violence, or has identified a situation where workplace violence has or possibly could occur should bring it to the immediate attention of their supervisor, manager, or the Human Resources Department. Confidentiality will be exercised.

Early involvement of management is critical to help ensure that reasonable precautions will be taken to eliminate or minimize any risks. Metra will involve appropriate law enforcement or other professional personnel, and/or remove individuals from Metra premises as warranted. Reported incidents will be kept confidential to the extent possible in accordance with the best interests of all employees and Metra security.

# **POLICY STATEMENTS**

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Violations of this policy or related policies and procedures may lead to disciplinary action, up to and including termination of employment for Metra staff or termination of the services of a consultant, vendor, or supplemental worker and/or their associated firm.

Metra reserves the right to report such violations to appropriate law enforcement agencies as deemed appropriate.

*Revised 8/2003*





# **CONDITIONS OF EMPLOYMENT**

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This section will give you a general idea of how your time at Metra will work, from the first days of your time with us, to the basics of what we expect from you.

Along with Section C – General Responsibilities – this section will help guide you as you continue your career at Metra.

## **Classes Of Employees**

There are two classes of employees at Metra that apply to the information discussed in this section:

- Full-time regular employees
- Full-time temporary employees

Full-time regular employees are those working a 40-hour weekly schedule on a regular basis. These employees are eligible for the full benefits of employment (*see section I for more information on benefits*).

Full-time temporary employees are those working a 40-hour weekly schedule on a temporary basis. These employees are not eligible for the full benefits of employment.

## **Trial Period**

New (conditional) employees enter a 90-day “Trial Period.” Similarly, newly promoted employees go through a 90-day “Job Introduction Period.” During this time, the employee’s manager and senior manager assess the suitability of the employee for the job, reviewing the employee’s progress at the end of 30, 60, and 90 days.

A new (conditional) employee can be terminated – or resign without prejudice – at any time during the 90-day Trial Period. For the first 90 days of a promoted employee’s Job Introduction Period, though, if it is determined that the employee is not meeting the requirements of the position, or the employee recognizes that the promotion was not appropriate, every reasonable effort will be made to assist that employee in locating a more suitable position. However, Metra does not guarantee it will locate such a position or guarantee continued employment with the Corporation.

Completion of the trial/introduction period of a new or promoted employee does not guarantee the employee’s future employment, nor does it change the at-will status of employment.

## **Job Postings and the Hiring Process**

When there is an opening in the company, the Human Resources Department will post an announcement, including the job title, requirements, and other details of the position. These notices are posted in two ways: on a bulletin board outside our Human Resources offices and by phone on a Job Opportunity Line.



# CONDITIONS OF EMPLOYMENT

Our most up-to-date notices will be posted on our Human Resources bulletin board. New notices will be posted on Monday, Tuesday, and Wednesday, and will remain on the board for a minimum of three working days (Monday-Wednesday, Tuesday-Thursday, and Wednesday-Friday).

You can also hear about current job openings by using Metra's Internal Job Opportunity Line, at ext. 8900. This line is updated every Wednesday, meaning you only have to call in once each week in order to stay up-to-date with current job openings.

Interested employees may apply by completing an Employee Application Form and submitting the form to the Director, Employment Services. Forms are available from the Human Resources Department, with all applications remaining confidential. Applications received after the expiration of the posting, though, will only be considered upon the approval of the Director, Employment Services.

Although current employees will be considered, we may also schedule interviews with external applicants if their qualifications appear to match the requirements of the posted position. Regardless of the source, however, each position will be awarded to the candidate whose combination of related education, skills, and experience appear to most closely match our needs. Metra also reserves the right to consider candidates who may not have applied for a posted vacancy, but who appear to possess at least the minimum job qualifications.



Lateral transfers enacted by management will not be posted. Additionally, management, in its discretion, may elect to switch individuals into different positions.

## **Separations**

Though we hope that you plan to make a long career with Metra, we understand that things can change – situations, goals, desires, etc. Read on to find out what you can expect when you leave us.

### *Resignations*

What should you do if you wish to resign? The first thing you should do is to notify your manager at least two weeks in advance. Not only is this the fair thing to do, it is also a generally accepted business practice.

Also, failure to give proper notice may cause an employee to be considered to have left Metra's employment in bad standing.

Next, submit a letter of resignation to your Director, Department Head or other senior manager, as appropriate. The appropriate manager should then forward this letter to the Director, Human Resources Administration/IT or proper payout and scheduling of an exit interview.

***Please note:***

*Any employee may be granted pay in lieu of notice and terminated immediately.*

# **CONDITIONS OF EMPLOYMENT**

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## ***Job Abolishment***

Only positions that are necessary to the operation of Metra will be maintained. If the Corporation determines that your position is to be abolished, we will let you know as soon as possible. We will make every reasonable effort to help you locate a more suitable position within the organization, but Metra does not guarantee it will locate such a position or guarantee continued employment with the Corporation.

## ***Layoffs***

Our policy is to announce any layoffs as soon as possible and to keep our employees up-to-date on the situation as it evolves. If a layoff becomes necessary, Metra management reserves the right to keep employees working in all functions and skill areas, regardless of tenure.

## ***Terminations***

Employees being terminated may be granted two week's pay in lieu of notice, depending on the circumstances of the termination, and at the sole discretion of Metra.

Regardless of how an employee's tenure at Metra ends, all property and/or equipment of Metra must be returned to the employee's immediate manager at the time of separation.



## **General Conditions**

### ***Working Hours***

Metra's general business hours are between 8:00AM to 5:00PM. However, due to available flex-time scheduling (*see below*), an employee's workday may be anywhere from 7:30AM to 5:30PM.

Here is an overview of Metra's working-hours schedule:

General Business Hours	8:00AM to 5:00PM
Core Hours (when all employees are present)	8:30AM to 4:00PM
Flexible Schedule Period	7:30AM to 5:30PM
Starting Time Intervals	15 minutes
Lunch Breaks	30, 45 or 60 minutes

### ***Flex-Time Scheduling***

In addition, if your business or personal circumstances require more accommodation in your starting and ending times, Metra offers a flex-time program. Flex-time allows you to set a schedule that either begins 30 minutes before our general business hours, or ends 30 minutes after our general business hours.

Flex-time is a privilege, however, so there are a few conditions that apply to flex-time, including:

# CONDITIONS OF EMPLOYMENT

- Flex-time is always subject to the scheduling needs of each department.
- Flex-time is not meant to change day-to-day, but is a longer-term schedule. For example, employees need to keep the same flex-time schedule for a minimum of two weeks, and cannot change their flex-time schedule every three days.
- If a business meeting or other departmental function is held outside of an employee's flex-time hours, the employee is still expected to attend, remain, or comply.
- The department manager must approve changes to an employee's flex-time schedules.

Each manager must submit his or her department's flex-time schedule to the Human Resources Department on an annual basis, or upon request. The schedules should be submitted to Human Resources by January 31st of each year and updated schedules should be submitted when revisions are made.

Since flex-time is a privilege, it may be revoked and/or disciplinary action may be taken if abuses of flex-time are detected. For a copy of the full flex-time policy, contact Human Resources.



## ***Lunch Breaks***

Lunch breaks will be 30, 45 or 60 minutes, depending upon the approved flex-time schedule. This time should generally be taken no earlier than 11:00AM and end no later than 2:00PM depending on the scheduling needs of the department and approved flex-time schedules. Occasional variance may be approved or required by the employee's manager.

## ***Tardiness and Absenteeism***

As the nation's premier commuter railroad, an excellent safety record and high customer service are two of our most important goals. Absenteeism and tardiness endanger both of those goals, placing a greater burden on other employees. In addition, employees who are consistently late or tardy are expensive and disruptive. As a result, excessive absenteeism and/or tardiness cannot be tolerated.

Every employee is expected to report on-time and work his/her scheduled hours each day. Patterns of abuse will be investigated and, if substantiated, will serve as grounds for appropriate disciplinary action.

However, we do understand that certain situations arise when you must be late, absent, or leave early. When that happens, please notify your immediate manager as far in advance as possible. In the event an absence will continue for more than one day, you must notify your manager for each and every day you are absent or anticipate being absent. In unusually long absences, such as in Family and Medical Leave, there are special procedures that need to be followed (*see section D*).

# **CONDITIONS OF EMPLOYMENT**

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## ***Personal Telephone Usage***

To prevent interference with the normal conduct of Metra business, the use of Metra telephones by employees for local and personal calls is restricted. Both types of calls should be kept to a minimum, both in terms of frequency and length of call.

Personal long-distance calls are prohibited, except in the case of emergency or other similar need. If you need to make a long-distance call, you need to report it to your immediate supervisor and to properly reimburse Metra for costs incurred.

Patterns of abuse will be investigated and, if substantiated, will serve as grounds for appropriate disciplinary action.

## ***Personal Cell Phone Usage***

Similarly, the use of personal cell phones by employees for personal calls during working hours is also restricted. To the extent such use is necessary, calls should be kept to a minimum, both in terms of frequency and length of call, so as not to interfere with the normal conduct of Metra business.

## ***Personal Appearance***

All office employees should use good taste and sound judgment when deciding what to wear each day. In business, impressions are extremely important. The impression employees create through personal appearance and actions will, in great measure, determine their reputation at Metra, and Metra's reputation to the outside world.



We recognize that dress is a matter of personal taste, and expect that standards should be reasonable in view of the employee's job and the influence of current fashions. We simply ask that employees' personal appearances meet the highest standards of Metra – please, always exercise good judgment in presenting yourself in a professional manner. Additionally, we ask that office employees comply with the "Business Casual" program.

What is "business casual"? Essentially, it is defined as clothing that is appropriate for an office environment – it allows the wearer to feel comfortable at work, yet always look clean, confident, and professional.

What doesn't qualify as business casual? Apparel items that do not fit the definition include blue jeans; tee shirts; sweat shirts/pants; sneakers; spandex, tight-fitting, revealing, or clingy outfits; and team jackets or other similar articles of clothing more appropriate for weekend activities. Also, clothing that is excessively worn, frayed or wrinkled is NOT business casual.

## ***Appearance of Office or Work Area***

Just like your personal appearance affects the reputation of you and Metra, so does your work area. We ask you to keep your work area neat and orderly to convey an impression of efficiency and professionalism.



# **CONDITIONS OF EMPLOYMENT**

## ***Personnel Records***

Metra maintains a personnel file on each employee in the Human Resources Records Center. These files contain documentation regarding all appropriate aspects of the employee's tenure with Metra, such as employee status change forms, performance appraisals, letters of discipline assessed, and letters of commendation.

State law gives an employee the right to review his/her personnel records while he/she is employed, on layoff, or on leave of absence with a right to return at a position with an employer. The same law applies to a former employee who has terminated service within the preceding year. The law allows two inspection requests by an employee in a calendar year when the requests are made at reasonable intervals.

To review your personnel file, submit a written request to the Human Resources Department. Under Illinois State law, the Human Resources staff has seven days to respond to such request. Within this time frame, a member of the Human Resources Department will arrange an appointment with the employee to review his/her personnel file in the Human Resources Department. A staff member must be present during the review. All documentation included in an employee's personnel file becomes the permanent property of Metra, and the employee may not remove any item under any circumstances.



Employers are not required to show medical records, letters of reference, information regarding future pay increases, test documents, and records relevant to pending claims between the employer and employee.

## ***Changes in Personal Status***

Certain personal information – such as an employee's name, telephone number, home address, marital status, number of dependents, emergency notification information, or other relevant personal information – is vitally important to ensure the proper administration of payroll and benefit activities. Metra will not be responsible for any loss of benefits resulting from the employee's failure to report changes.

Each employee, therefore, must notify his/her immediate manager and Human Resources of any changes to this information. Employees should also notify the Human Resources Department of changes in beneficiary designations and scholastic achievements. To ensure that your personnel file is up-to-date at all times, submit an appropriate change form promptly to the Human Resources Department (forms are available in the Human Resources department).

Human Resources will then forward pertinent information to the Payroll Department. Metra will keep all such information confidential to the extent possible. All change forms for updating your personnel file are available in the Human Resources Department.

# CONDITIONS OF EMPLOYMENT

Keep in mind that, unless you live in a rural area, providing a post office box as your permanent address is not sufficient. You need to provide us with a valid street address for our records.

## ***Performance Reviews***

Each employee will receive a mid-year and an annual written review of their ongoing performance. At these times, the employee and his/her manager will have an opportunity to formally discuss the employee's level of performance, the objectives for the position, the need for any corrective actions, and plans for career growth. Consistent with this process, each supervisor will conduct a semi-annual and an annual performance interview to elaborate on the written evaluations. Criteria upon which an employee will be evaluated can be obtained from the Human Resources Department.

## ***Secondary Employment***

Employees are prohibited from engaging directly or indirectly in any other business or employment during their normal working hours, whether or not they receive tangible remuneration.

Employees wishing to engage in other business or employment outside of their normal working hours must receive the written approval of Metra. Confidential application to engage in outside employment or business should be made to the Director, Human Resources Administration/IT, with the initial approval of the appropriate Division manager, Department Head, or Senior Director/Officer. The Director, Human Resources Administration/IT shall have final approval authority for any request for secondary employment.



Each request will be considered on its own merit within the following guidelines:

- The activity cannot interfere in any way with the duties of any Metra employee or with the needs of Metra.
- The activity cannot be in violation of the law or the provisions of the Metra *Employee Handbook*.
- The activity cannot constitute or appear to constitute a conflict of interest.
- The activity cannot be related to any enterprise that maintains a commercial or professional relationship with Metra.

A request for secondary employment, which has been approved, is automatically suspended when an employee is on a leave of absence for any reason. An employee may petition the Human Resources Department for continued approval of his/her secondary employment while on leave of absence. Employees engaged in secondary employment without approval while on leave of absence are subject to disciplinary action, up to and including termination.

# CONDITIONS OF EMPLOYMENT

**Honoraria as an Employee of Metra** - If a Metra employee is asked to speak on company time – or as a representative of Metra – and is given Honoraria, this money must be turned over to the Corporation.

**Honoraria as a Private Citizen** - An employee who speaks as a private citizen, on his or her own time, and without conflict of interest, may keep the Honoraria. However, if the employee knows in advance that Honoraria are to be given, the employee should submit a secondary employment request.

**Political Activities** - Employees are permitted to engage voluntarily in the political process of government within the constraints as established by law. However, no employee or potential employee of Metra shall be required as a condition of employment, or continued employment, to participate in political activities.

**Solicitation by Employees** - In the interest of maintaining a proper business environment and preventing interference with work and inconvenience to others, Metra does not permit personal, direct, solicitation of or by employees for cash distributions, personal events, or direct selling on company time. Furthermore, employees may not distribute literature or printed material of any kind in working areas at any time.



However, employees who are not on working time (e.g., those on lunch hour or breaks) may indirectly solicit for causes such as school fund raising, Girl Scouts, Boy Scouts, etc., so long as they do not disrupt the working environment.

The only exceptions to this policy are the occasions of bereavement and nominal gifts upon marriage, birthdays, and holidays. These are strictly voluntary.



# COMPENSATION

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## Compensation Philosophy

Compensation for employment at Metra will be guided by the idea that our employees deserve the most appropriate rewards for the job they do. But how do we decide what is appropriate? Our decisions are directed by many factors, including, but not limited to:

- applicable labor markets;
- employers in comparable industries;
- internal position comparisons;
- the salary of similarly situated staff;
- tenure with Metra;
- related education and experience;
- the employee's personnel record;
- budgetary constraints;
- the regional economic climate, and
- any other factors that we deem applicable.

There are several parts to Metra's compensation structure. Not only does your compensation include salary, it also includes significant benefits such as medical, dental, disability and life insurance, and the RTA Pension Plan. In this section, we will talk about your salary and the policies and procedures that affect it. Benefits will be discussed in Section I.

If you have any questions about salary administration or your individual total compensation package, please ask your supervisor or the Human Resources Department.



## Structure – Grades and Steps

The current structure of salaries at Metra is a “grade” and “step” system, following this plan:

1. Each position is evaluated and assigned a position grade, depending on the scale of that position's responsibilities.
2. A salary range is set for each grade.
3. The salary range is then divided into a number of steps. This divides the range into increments, from the low end to the high end of the range.
4. Your starting salary is determined by several factors, including those mentioned at the beginning of this section. As long as you remain in the same position, or laterally transfer to another position with the same “grade,” your pay rate can increase up to the highest “step” determined in number 3, above.

That is how Metra currently decides the pay scale for a position. Of course, Metra may also, in its sole discretion, modify, amend, add, or eliminate these guidelines. We will let you know of any changes to this system.

# COMPENSATION

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## Determining Salaries

### *New Hires*

For a new employee of Metra, the salary offer will be at least the minimum level of the assigned grade for that position – the lowest “step.”

### *Promotion*

In cases of a promotion to a higher grade, management – in its discretion – will determine the promotional salary. In fact, depending on the employee’s previous step classification and the step classification of the new position, a promotion may not result in a salary increase. However, in no case shall a promotion cause one’s salary to be less than the minimum or exceed the maximum of the new grade.

The salary considerations stated here will also apply equally to employees moving from non-contract to contract positions.

### *Lateral Transfer*

There will be no salary increase for individuals when lateral transfers occur. However, their salary could be affected in other ways (i.e. frozen.) Such circumstances will be examined on a case-by-case basis.

### *Demotion*

The salary of an individual being demoted may or may not be reduced, and such circumstances will be examined on an individual basis.

## Pay Procedures

Metra employees will be paid semi-monthly on the fifteenth and the last day of the month. Under this schedule, there are 24 pay periods per calendar year.

Employees are responsible for reviewing their payroll statement at the time it is received. Paycheck errors should be brought to the immediate attention of the employee's manager so that corrections can be made.

### *Overtime Pay*

If an employee’s position allows him or her to earn overtime pay, that pay will be computed as follows. Regular salary will be paid for all hours worked up to 40 hours a week. Overtime pay will be paid at one and one-half times the regular rate for all hours worked in excess of 40 hours in a week, or for work performed on a Saturday, Sunday, or a Metra recognized holiday.

No overtime pay for work performed shall be permitted or required without the specific written approval of the immediate manager and the Department Head.

All inquiries regarding the determination of non-exempt status of an employee’s position should be directed to the Director, Employment Services.



# COMPENSATION

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## Other General Provisions

- The Human Resources department will extend all offers of employment and salary.
- Salary offers will generally be made based upon the factors listed in the Compensation Philosophy above.
- In cases of new hires, reclassifications, or promotions, a salary offer may not exceed the range of the position grade.
- Employees shall not accrue eligibility for any benefits or rights and privileges beyond the last day worked.

## Definitions from This Section

**New Hire** - the establishment of a new employment relationship with Metra.

**Promotion** - the movement of a non-contract or contract employee to a position that is assigned to a grade higher or a position that has a higher level of responsibility than that of the position the employee currently holds.

**Lateral Transfer** - the movement of a non-contract employee to a new position that is assigned the same grade as the position the employee currently holds.

**Demotion** - the movement of a non-contract employee to a position that is assigned to a lower grade than the position the employee currently holds.







# EMPLOYEE CONDUCT

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## Rules of Conduct

Since Metra is the leading commuter rail service in the Chicago area, all Metra employees are placed in the public's eye. That also means that we need to be constantly aware of how we appear to the outside world. This includes, not only our personal appearance (discussed in section E), but also how we conduct ourselves. We require all Metra employees to exercise good judgment and demonstrate high standards of conduct at all times.

This section discusses the conduct that is and is not acceptable as a non-contract employee of Metra. The rules are not intended to restrict your rights as an employee of Metra, but to advise you of what conduct is prohibited. Please read through this and familiarize yourself with this section so you know what is expected of you.

First, understand the following two rules:

- Employees are to treat the public, each other, their subordinates, and their managers with dignity and respect.
- Employees are to perform their assigned work competently.

Violations of one or more of the following rules of conduct by a Metra employee may result in disciplinary action. Moreover, Metra may, in its sole discretion and depending on the facts and circumstances of a given situation, bring disciplinary action against an employee for conduct that is not identified within these rules. Disciplinary action may range from a verbal warning or written reprimand to immediate discharge, depending upon the specific rule violated, the number of current or previous infractions, and/or any other circumstances or criteria Metra deems appropriate to consider.

The following list is typical, but not all-inclusive, of the kinds of actions, which may result in discipline.

- **RC1.** Falsification of the employment applications used in securing or retaining employment.
- **RC2.** Falsifying or giving false information to your supervisors or other employees responsible for record keeping.
- **RC3.** False representation to your supervisor regarding the quality and/or quantity of work performed.
- **RC4.** Sleeping while at work.
- **RC5.** Engaging in unauthorized personal business.
- **RC6.** Unauthorized disclosure of confidential information or records.
- **RC7.** Failure to efficiently and appropriately perform assigned job duties; negligence in the performance of duties.
- **RC8.** Insubordination including, but not limited to, disobedience or failure or refusal to carry out assignments or instructions.



# EMPLOYEE CONDUCT

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- **RC9.** Dishonesty – failure to provide accurate, truthful, and complete information, or providing inaccurate or incomplete information, whenever an authorized person requires such information.
- **RC10.** Failure to exercise good judgment.
- **RC11.** Conduct during working time that is unbecoming a Metra employee.
- **RC12.** Being discourteous in dealing with co-workers, supervisors, or the general public.
- **RC13.** Making false or malicious statements concerning other employees and supervisors of Metra.
- **RC14.** Engagement in a profession, business, trade, investment, or secondary occupation that results in any type of conflict of interest.
- **RC15.** Solicitation, or acceptance for personal use, of any fee, gift, service, or other valuable item which may be construed as a bribe; that is, when such fee, gift, service, or valuable item is solicited by, or given to, the employee in hope of receiving treatment better than that accorded other persons, in violation of Metra's Gift Ban and/or Conflict of Interest policies.
- **RC16.** Negligent and/or willful misconduct resulting in injury or harm to another person.
- **RC17.** Using threatening, intimidating, or abusive language.
- **RC18.** Making physical, verbal, or written threats.
- **RC19.** Fighting.
- **RC20.** Inflicting, or attempting to inflict, bodily harm to another person.
- **RC21.** Possession of weapons and/or firearms while at work or on Metra property, which have not been authorized by Metra.
- **RC22.** The use, possession, manufacturing of, sale, or delivery of alcoholic beverages, intoxicants, narcotics, controlled substances or any illegal drugs while at work, on duty, on company property or while subject to work.
- **RC23.** Off-duty illegal misconduct that has a readily discernible harmful effect on company operations or creates publicity that harms the corporation's public image.
- **RC24.** Violations of any of Metra's policies including, but not limited to, those listed on D-1.
- **RC25.** Any illegal activity, whether or not committed during Metra work hours.



## ***Attendance and Punctuality***

- **AP1.** Failure to report promptly at starting time, or leaving before the scheduled quitting time, without approval of a supervisor.
- **AP2.** Excessive absenteeism or tardiness, including frequent unauthorized absences and/or tardiness and patterns of absenteeism and/or tardiness.
- **AP3.** Absence without leave and/or requesting or accepting a leave of absence on fraudulent grounds, and/or any use of paid leave in an unauthorized manner.

# EMPLOYEE CONDUCT

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- **AP4.** Abuse of Metra's Paid Time Off (PTO) policy, which includes, but is not limited to, unscheduled and unauthorized absences.
- **AP5.** Failure to observe time limits regarding lunch and frequent unauthorized absences from the work area.
- **AP6.** Theft of time. Misrepresenting time worked to Metra supervisors or on Metra records in an attempt to receive compensation for time not worked or cover up for absences and/or tardiness.

## *Use of Property*

- **UP1.** Unauthorized, improper use, or misuse of any Metra property or equipment, including, but not limited to, computers, telephones, mail service, vehicles, copiers, fax machines, e-mail, or office supplies.
- **UP2.** Theft of property. Unauthorized possession or removal of company or another person's property.
- **UP3.** Any unauthorized entry to Metra property, including unauthorized entry outside of assigned hours of work, or unauthorized entry to restricted areas.
- **UP4.** Theft of services. Misuse of Metra commuter service by riding trains without the proper ticket or pass.
- **UP5.** Negligent and/or willful misconduct resulting in damage to public or private property.

The above rules of conduct are not inclusive of all the circumstances that may result in discipline.



# EMPLOYEE CONDUCT

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## If Violations Occur

### *Fact-Finding Review*

If we feel a Metra employee has violated one or more rules of conduct, the employee will be given notice and an opportunity to be heard. A review of the facts will take place, and appropriate action will be taken.

One of the ways Management may proceed is to also conduct a Fact-Finding Review (FFR). This is usually how Metra gathers facts pertaining to employee behavior that is alleged to have violated Metra policies, Metra procedures, Rules of Conduct as outlined in this Handbook, or is alleged to be conduct deemed otherwise objectionable.

The purpose of the FFR is to notify you of the allegations of conduct for which you are being brought to a FFR and to give you the opportunity to be heard in response. This process is not the same as a court of law, so an attorney may not represent you. However, you may arrange to have an EEO representative attend the FFR. This representative cannot provide evidence on your behalf, but can oversee the process to ensure that the FFR is conducted in a non-discriminatory manner.

In the event the Fact-Finder determines that the allegations are unsubstantiated, the matter is ended and all correspondence relating to the FFR is removed from your personnel file. But in the event the Fact-Finder determines that the allegations have been substantiated, he or she will report such finding to the Department Head, Human Resources, who will consult with the employee's supervisor and other appropriate personnel to determine discipline, as appropriate.

### *Disciplinary Action For Non-Performance-Based Reasons*

If an employee is found to have violated a Metra rule of conduct, Metra policy, Metra procedure, or has otherwise engaged in objectionable or prohibited behavior, any of the following disciplinary actions might be taken.



Depending upon the circumstances which Metra deems appropriate to consider, an employee may be given a verbal caution, written reprimand, suspension, demotion, or have their employment terminated. Metra may, in its sole discretion, begin disciplinary action at any step Metra deems appropriate for a given situation. Prior to notifying the employee of any action other than a verbal caution, the direct supervisor must consult with the Department Head, Human Resources (or designee). Action may include:

1. **Verbal Caution:** A verbal admonishment, advising the employee that his or her behavior is unacceptable.
2. **Written Reprimand:** A written document presented to the employee, with a copy placed in the employee's personnel file. The written reprimand will document the nature of the infraction and will serve as notice of the formal

# EMPLOYEE CONDUCT

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disapproval of the action of the employee. The employee will acknowledge receipt of the written reprimand by signing the same.

3. **Deferred or Actual Suspension:** Deferred suspension is time off held in abeyance. If the employee incurs another infraction within one year of the deferred suspension, the employee must serve the deferred time off plus any additional discipline (except termination) that is assessed for the new infraction. Actual suspension is a temporary loss of privileges of employment including, but not limited to, salary or wages.
4. **Demotion:** Movement to a position, which is assigned to a lower grade than the position vacated.
5. **Termination:** Termination from employment in all capacities.

## *Disciplinary Action For Performance Problems*

Identifying performance problems, and the appropriate and most effective means of resolving them, can be complex and requires a variety of considerations. Disciplinary actions for performance problems are usually corrective and progressive in nature. However, Metra may, in its sole discretion, begin disciplinary action at any step Metra deems appropriate for a given situation.

The disciplinary steps are:

1. **Verbal Notice:** When it becomes noticeable to the supervisor that an employee's work performance is not acceptable, the supervisor should verbally inform the employee that his/her performance is not at an acceptable level. Problem areas should be identified and means of producing acceptable results should be suggested.
2. **Written Notice:** When the preceding action fails (or when skipping the verbal notice is appropriate), a written notice should be prepared and presented to the employee. This notice should address the problem areas and suggest means of improving. The employee will sign the letter to acknowledge receipt of the same and a copy of the letter will be placed in the employee's personnel file.
3. **Probation:** If job performance warrants it, the employee will be placed on probation. If job performance does not improve in a reasonable period of time (not less than 15 days, not more than 90 days), the employee will be terminated. A probation letter, reviewed by the Director, Employment Services, will be provided to the employee addressing the unsatisfactory levels of performance, ways in which performance can be improved, and the time period for improvement. The employee will sign a copy of the letter to acknowledge receipt of the same and a copy will be placed in the employee's personnel file.
4. **Demotion:** Movement to a position that is assigned a lower grade than the position vacated.
5. **Termination:** If prior attempts to improve performance fail, or if circumstances warrant it, the Department Head, Human Resources (or designee) must be notified. A letter of termination will be prepared and reviewed with the Department Head, Human Resources (or designee), and the Executive Director prior to being presented to the employee.



# **EMPLOYEE CONDUCT**

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## ***Review of Discipline***

Employees who believe they have been disciplined unfairly may request a review of the underlying charges and/or discipline assessed. Managers and employees should make every effort to resolve the issue between them. It is expected that no employee will request a review except when he or she believes in good faith that the request has merit.

The request for review must be submitted to the Department Head, Human Resources within five business days of the discipline being assessed. This request is initiated through the use of a standard form completed by the employee and delivered to the Department Head, Human Resources (this form is available in the Human Resources Department).

Upon receiving the completed request for review form, the Department Head, Human Resources will take whatever steps he or she deems appropriate. A written decision of the review will be furnished to the employee and the employee's manager. Completion of this process concludes the review procedure.

Metra will strive to keep all communications pertaining to employee requests for review confidential.





# ABSENCES

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## **Paid Leave of Absence**

For some regular days not worked – in cases such as military duty, jury duty, and funeral leave – a full-time regular employee is allowed excused absences.

### ***Military Duty***

An employee who performs service in the uniformed services will be granted a military leave of absence, not to exceed thirty (30) days in any calendar year, with no loss in length of service, status, performance rating, or fringe benefits.

**Routine Reserve Duty** - If an employee anticipates military leave due to routine reserve duty, he or she should promptly notify his or her immediate supervisor and provide the Director, Human Resources Administration/IT with a copy of official orders as soon as they are available. In such a case, the employee will be paid the difference between the military pay and his or her regular pay, or the employee may elect to use vacation time and receive full salary plus military pay.

**Active Military Duty** – If an employee in the military reserves is ordered to active duty as part of a United States military operation, he or she will be granted a military leave of absence with no loss in length of service, status, or performance rating for the period of time called to such duty. He or she will also be paid any difference between his or her military pay and regular pay for up to one year. All fringe benefits will be continued in accordance with *The Uniformed Services Employment and Reemployment Rights Act*, as amended.

**Voluntary Military Duties** - An employee who seeks to perform military duty on a voluntary basis for an assignment – separate from his or her regular reserve duty or call-up to active duty as part of a U.S. military operation – will be granted a leave of absence in accordance with *The Uniformed Services Employment and Reemployment Rights Act*, as amended.

Any questions regarding employee status while on any type of military leave should be referred to the Human Resources Department.

### ***Jury Duty***

An employee who is summoned for jury duty should immediately do the following:

- Notify his or her immediate manager;
- Notify his or her timekeeper;
- Provide a copy of court notices as soon as they are available; and
- Report to his or her manager immediately upon release from service.

While on jury duty leave, an employee will receive his or her full salary and benefits for the duration of the proceeding, and may also keep his or her juror stipends.





# ABSENCES

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## *Funeral Leave*

An employee is allowed up to three (3) consecutive workdays off to make funeral arrangements and attend the funeral in the event of the death of an immediate family member – a spouse, parent, former legal guardian, grandparent, child, brother, or sister of an employee or an employee's spouse. Funeral leave for individuals outside of the immediate family require the use of PTO or vacation days.

In unusual cases, when the employee must travel a substantial distance for the funeral, the employee may make a request to his/her immediate manager for up to an additional two (2) days travel time leave.

## **Unpaid Leave of Absence**

In addition to paid time off, Metra also allows you to take an unpaid leave of absence due to certain, justifiable circumstances, including, but not limited to:

- serious illness (when no other leave is available),
- to attend an educational program related to your employment, including completion of internship necessary to finish an educational program, or
- death of a family member not covered under funeral leave (when no other leave is available).

Although Metra can't provide precise criteria for what constitutes justifiable unpaid leave, Metra will only approve requests for unpaid leave of absence in situations serious enough to warrant it. Requests for leave for vacation, hobbies, or to accept secondary employment are some examples of what Metra considers unjustifiable.

Unpaid leave of absence is never automatically granted; rather, requests by regular, full-time employees will be considered on a case-by-case basis following written request to the employee's Director or Department Head. The Director, Department Head, Human Resources (or designee), and Executive Director are responsible for approving or disapproving applications for unpaid leave of absence.

An employee must exhaust PTO and vacation days prior to receiving an unpaid leave of absence. This includes time off under the School Visitation Policy. This policy is to be used for personal leave requests not subject to the Family and Medical Leave Policy, or additional Family and Medical Leave requests beyond the 12-week policy period. Leaves for circumstances qualifying under the Family and Medical Leave Policy must first be applied for under that policy.



During the first thirty days of an unpaid leave of absence, the employee shall retain all rights of tenure. Leaves greater than thirty days will require the employee to pay the insurance premium in effect during an approved leave of absence. Information about insurance coverage and premium payments may be

# ABSENCES

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obtained by consulting the Human Resources Department. (See *Group Insurance Booklet*.)

Metra will reinstate employees who return to work from an approved leave of absence of thirty days or less. However, Metra reserves the right to fill or eliminate the position of an employee on leave for more than thirty days. Therefore, upon the return of an employee on leave whose position is no longer available, Metra may attempt to locate another position in the company with status and pay commensurate to or less than that of the employee's former position. If no position is available for which the employee is qualified, the employee will continue in their leave status for up to thirty days. If no position can be found for this employee during that time, his/her employment relationship with Metra shall terminate.

## Other Employment While On Leave

An employee on any type of paid or unpaid leave, who accepts other employment without approval of the immediate manager and the Director, Human Resources Administration/IT will be considered to have voluntarily resigned. An employee who seeks leave, accepts leave, or remains on leave under fraudulent circumstances will be subject to discipline, up to and including termination. (This includes medical leaves, such as Short Term Disability, Long Term Disability, FMLA, etc.)

## Voting

If an employee holds a position with assigned work hours that prevent him/her from voting, such employee will be given up to two hours paid time off for voting. Any employee who needs such time off must notify his or her immediate manager prior to the day of election. Metra reserves the right to specify the hours during which the employee may absent himself/herself to vote.

## Emergency Conditions

The Executive Director shall have the authority to determine which, if any, of the Metra offices should be closed due to emergency conditions. If Metra offices are closed because of such circumstances, all regularly scheduled employees will be paid.



## Abuse of Leave

Any abuse of these leave of absence provisions may result in discipline up to and including termination.



# BENEFITS

As we talked about in Section F, there's more to compensation than just salary at Metra. We also offer a very competitive benefits package. Read this section for more information about the health, financial, and scheduling benefits you can expect as a non-contract employee of Metra.

## Time Off

### *Paid Time Off*

In order to give you more flexibility in scheduling needed time off, Metra offers employees Paid Time Off (PTO) days. PTO days may be used for any purpose related to sick, personal, or other occasional absences.

How many PTO days can you expect when you start working at Metra? It all depends on the month you begin working. However, new employees must successfully complete the 90-day trial period before they are eligible to use any PTO days. Look at the following chart to see how many days you have in your first calendar year of service:

Month Started	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
PTO Available	11	10	9	8	7	6	5	4	3	2	1	0

On January 1 of each year, you will receive 11 PTO days. At the end of each year, any PTO days you don't use will be placed into your sick leave reserve ("sick bank") account (*see below*). Days in this "sick bank" may only be used in two ways:

- For your own personal illness after all your PTO days are exhausted; or
- To delay commencement of Short Term Disability.

**Requesting PTO Days** – PTO days need to be scheduled and approved by your supervisor in advance so your manager can plan for your absence, except in cases of unexpected illness or other emergency situations. Contact Human Resources for further information about when and how PTO may be used. PTO days may not be used in increments of more than two days at a time, except for sick or bereavement.

### **Holiday Schedule**

All full-time non-contract employees receive 10 paid holidays per year. Here is our holiday schedule:

New Year's Day	Labor Day	Christmas Day
Martin Luther King's Birthday	Thanksgiving Day	New Year's Eve
Memorial Day	Friday after Thanksgiving	
Independence Day	Christmas Eve	



*To be eligible for holiday pay, the employee shall work the last scheduled work day before the holiday and the first scheduled work day after the holiday, unless absence on either or both of these work days is approved.*

# BENEFITS

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## ***Vacation***

As with Paid Time Off and flex-time policies, Metra's vacation policy offers a lot of flexibility for your work schedule. Depending on the length of your tenure at Metra, you may earn up to 25 workdays of vacation time. Here's how it works:

<b><u>Length of Service</u></b>	<b><u># of Vacation Days</u></b>
0-5 months of service	0 days
6 months of service	5 days
1-year anniversary	5 additional days
January 1 of following year through 9th year	15 days
10th through 14th year	20 days
15 years +	25 days

***Vacation Carryover Policy*** - We also have a policy that may allow you to carry vacation time from year to year:

- You may carry up to 5 days of your vacation time from one year to the next.
- If you have more than 5 unused vacation days at the end of the year, those excess days will be placed into your sick bank (*see above*).
- Under extraordinary circumstances, and with the approval of the Executive Director, employees who were prevented from using their vacation time in excess of the 5-day carryover allowance, may request additional vacation carryover.
- In very rare circumstances, the Executive Director may approve payment in lieu of excess carryover.

If you resign, terminate or retire from Metra for any reason, your vacation benefits will be paid out based on any unused vacation days for the current year, plus a pro-ration of any vacation time earned toward the following year's vacation benefit.

## ***Sick Leave Reserve Account***

For employees who terminate or retire with at least 5 years of service, Metra will procure the first 50 days of their sick leave reserve days at 20% and the remaining days at 25%.

For employees who voluntarily resign or retire with 10 years of service, Metra will procure the first 50 days of their sick leave reserve days at 25% and all additional days at 30%.



# BENEFITS

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## Financial Benefits

Your salary is only one part of a plan toward good financial health. Metra also offers you several financial benefits.

### *Retirement Options*

We hope you have a long career at Metra, but it has to end someday. What will you do then? How will you support yourself? This section tells you about some of the options available to you through Metra. Metra offers two types of Deferred Compensation plans to help you plan for your retirement – a **401(k)** and **Section 457** plan.

Your Section 401(k) plan gives you an opportunity to assign a certain percentage of your gross income per pay period to a retirement account on a tax-deferred basis (you won't pay any income tax on this money until you decide to withdraw it – usually after retirement). If you select this optional program, you may select from a number of investment choices, with the option of periodically changing your deduction percentage or reallocating your contributions as desired.

Your Section 457 plan is a retirement annuity allowing you to direct a certain percentage of your gross income per pay period into a tax-deferred account. You may select from a number of investment choices and have the option of periodically changing your investment choices and/or contribution percentages. Several different payout options are also available upon your retirement.

**Pension Plan** - Metra also provides a non-contributory defined benefit pension plan to give you and your spouse even more post-retirement financial security. For information regarding the plan, refer to the Summary Plan Description booklet. A copy can be obtained from the Director, Human Resources Administration/IT.

### *Other Financial Benefits*

Metra employees can also expect several other financial benefits they can take advantage of while they are working. Some of those benefits are:

**Credit Union Membership** - Membership in any Credit Union currently on the Automated Clearing House Network (ACH) is open to all employees and members of their immediate families who desire to participate in a financial cooperative owned and controlled by its members.

Services typically available through a Credit Union include auto loans, unsecured signature loans, IRAs, Christmas Club Accounts, checking accounts, and savings accounts.



# BENEFITS

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**Direct Deposit** – You can get the convenience and security of direct deposit to any Bank or Savings and Loan currently on the Automated Clearing House Network (ACH).

**Tuition Reimbursement** – We believe in giving our employees the opportunities they need in order to succeed. That means all regular, full-time employees are eligible to participate in our tuition reimbursement program.

How does this work?

1. An employee chooses a course at an accredited institution that is directly related to his or her current job functions at Metra, to some area of Metra's operations, or is an elective course to be applied toward a degree program.
2. The employee's immediate manager and the Director, Workforce Education and Training must approve all courses prior to enrollment.
3. After receiving confirmation of a grade of "C" or better (or "Pass" in a pass/fail system) Metra will reimburse the employee up to the maximum allowed per year.

Some items are not reimbursable, however, such as activity fees, athletic fees, late registration and books. Also, tuition reimbursement will not be made if the employee receives a full scholarship, or any other type of financial assistance from the school or other institution, that covers the total cost of tuition.

**U.S. Savings Bonds** – Employees may purchase U.S. Savings Bonds in denominations of \$100, \$200, \$500, and \$1,000 by using a semi-monthly payroll deduction.

**Corporate Discounts** – Several retailers, restaurants, and entertainment and sporting complexes have agreed to offer Metra employees a variety of discounts on their products and services. For more information on the institutions and offers, please ask the Human Resources Department.

**Transit Check Plan** - To encourage the use of public transportation to and from the workplace, Metra offers the Transit Check Plan. The plan lets an employee pay part of his/her transportation expenses with pre-tax dollars.

A Transit Check in the amount of a designated monthly payroll deduction is furnished to the employee and may be applied to the purchase of public transportation, including Metra, PACE, or the CTA. The Internal Revenue Service establishes dollar limits on the deduction.



# BENEFITS

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## Health Care/Insurance Plan

Metra provides a health care and insurance plan for employees and eligible dependents. Complete details of the plan are presented in the "Group Insurance Plan" booklet.

However, there are several other programs available through Metra that you should know about. An overview of these is included here. For more details, please contact the Human Resources Department.

### *HMO Option*

Instead of the Group Insurance Plan, employees may elect to participate in coverage under a health maintenance organization (HMO). Employees choosing this option may change their coverage only during the "Open Enrollment" period announced each year.

For more detailed information, contact the Director, Human Resources Administration/IT.

### *COBRA/Continuation Coverage*

In accordance with the Consolidated Omnibus Budget Reconciliation Act (COBRA) enacted in April 1986 and subsequently amended, Metra non-contract employees and their families who are covered by the Group Insurance Plan for the Regional Transportation Authority and Affiliated Employers have the opportunity to have a temporary extension of health coverage at group rates in certain circumstances where coverage would otherwise end.

Written information about COBRA benefits is provided to all employees at orientation. It is the employee's responsibility to advise Metra's Director, Human Resources Services/Administration of any change in status that would cause an employee or his/her dependents to qualify under COBRA, including but not limited to change in marital status or change in dependent status.

Contact the Director, Human Resources Administration/IT for any further information.

### *Post Retirement Medical Benefit Plan*

Metra provides eligible participants a monthly, non-taxable stipend to partially offset the cost of their post-retirement medical insurance premiums. To be eligible, the retiree must have been a full-time, non-contract employee of Metra who had accrued 5 years of credited service under the terms of the Regional Transportation Authority Pension Plan.



For detailed information, contact the Director, Human Resources Administration/IT.



# BENEFITS

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## Short-Term Disability

In the event you need to be away from work because an illness or injury results in temporary disability, you may use your Short-Term Disability benefit (STD). All current full-time, non-contract employees of Metra are eligible to receive STD benefits after one year of continuous service.

Time off for STD leave will be counted against your Family and Medical Leave (FMLA) allotment. To defer the commencement of your STD time, you may use your sick leave reserve days, vacation days, or PTO days.

### *Benefits*

Your STD benefits become payable upon the fourth workday of disability, and will be paid up to 180 days in any rolling 12-month period. The amount of pay you receive under STD may change the longer your STD term lasts. STD benefits will be paid at a reduced rate of the employee's salary according to the following benefit schedule:

<b>Length of Benefits:</b>	<b>Benefits:</b>
First 60 calendar days of STD	75% of income
61st – 180th calendar days of STD	66⅔% of income

STD benefits paid by Metra will be reduced by any benefits payable under:

- Any applicable Federal Employer's Liability Act, Worker's Compensation or Occupational Disease Law;
- The Railroad Retirement Act (*see below*) or Social Security;
- Any state statutory disability benefit; and
- Employees who are on STD due to the actions of a third party, and who later recover for such injury, agree to reimburse Metra for the amount of STD benefit attributable to such recovery.

Benefits are not payable for a disability resulting from an intentionally self-inflicted injury, attempted suicide, whether sane or insane, the commission of a felony, or engaging in an illegal occupation.

### *After STD*

Upon the employee's return from STD leave, he or she will be eligible to receive any salary increases that were approved during the employee's absence. The employee will continue to accrue vacation for the first 30 days of STD leave only. Any further time off on STD beyond the first 30 days will not be counted toward the employee's vacation accrual for the following year. (Thus, an employee on STD for 4 months during a calendar year will receive 75% of the employee's vacation benefit for the next year.)



Once the employee has exhausted all of their STD leave, the employee will be retained in an active status for up to 30 days. The employee must have

# BENEFITS

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accomplished one of the following or his or her employment with Metra will be terminated:

- 1) return to work
- 2) commence using any remaining sick leave reserve days or PTO days; or
- 3) apply for, and be approved for, Long Term Disability (LTD) if the employee's elimination period (180 days of continuous disability) has been satisfied.

If, at the exhaustion of available STD time, the employee's elimination has not been satisfied, Metra will place the employee on inactive status until such time as he or she has satisfied the elimination period. Once the elimination period is satisfied, the employee must be approved for LTD benefits or immediately return to work, or he or she will be terminated. Once the employee has been placed on inactive status, Metra may either fill or abolish the employee's job.

If the employee chooses to use his or her paid time, when it is exhausted, the employee must have an approval for LTD on file in Human Resources or return to work. If either condition is not met, the employee's employment with Metra will be terminated.

## ***Subrogation/Reimbursement***

Any benefits paid for short-term disability as a result of sickness or injury which occurs due to the actions of a third party will be repaid to Metra by the employee from any amounts collected, whether by action at law, settlement, judgment, or otherwise. In addition, Metra will have a subrogation lien to the extent of the benefits it actually pays. The lien may be filed with the third party, his/her agent, or a court having jurisdiction in the matter and the employee must agree to execute all necessary documents for Metra to enforce its rights under this section.

Any benefits paid for short-term disability as a result of sickness or injury that occurs while on duty at Metra will be repaid to Metra by the employee from any amounts collected, whether by action at law, settlement, judgment, or otherwise, and whether pursuant to an assertion of rights under the Federal Employer's Liability Act, Worker's Compensation Act, or otherwise.

The employee must agree to execute all necessary documents for Metra to enforce its rights under this section.



# BENEFITS

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## Long-Term Disability

If an employee's serious medical condition results in more than 180 continuous days off, the employee may apply for LTD. This program provides 60% of salary to all qualifying employees, and is provided by an outside insurance provider. All rules, forms, and procedures need to meet the requirements of the insurance provider.

If the employee applies for and is accepted for LTD, the employee will be placed on what is referred to as "inactive status." The employee will continue to be a Metra employee and receive certain limited "extended benefits," but the employee will not be paid a salary and he or she will not accrue tenure, vacation, PTO, or eligibility for salary increases. Metra will procure any of the employee's unused vacation, PTO, and reserve sick leave days when an employee is placed on inactive status.

The extended benefits the employee will be provided consist of Metra's continuation of the employee's health insurance for a period of time determined by the employee's length of service with Metra prior to LTD.

Extended benefits will be distributed as follows:

<b>Length of Service</b>	<b>Extended Benefit</b>
1-2 years of service	180 days (6 months)
3-9 years of service	1 year
10+ years of service	2 years 6 months (+11 months if permanently disabled by Cobra standards)

The employee's inactive status with Metra will end upon the shorter of:

- 1) expiration of his or her extended benefits; or
- 2) employee's release to return to work from LTD. If the employee does not return to active status before his or her extended benefits end, the employee's employment relationship with Metra will automatically terminate.

### *After LTD*

If, while the employee is on inactive status, he or she is released to return to work, the employee is obligated to notify Human Resources within 10 days of receiving such notification. Failure to notify Metra of release to return to work within this time frame will result in automatic termination from Metra.

If the employee wants to pursue a position at Metra, he or she may do so by submitting a written declaration of interest to Director, Employment Services within this 10-day time frame. Thereafter, the employee can monitor the job opportunity hotline, (312) 322-8900, for a listing of available job opportunities



# BENEFITS

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within Metra. Metra will extend the employee's inactive status during this time, which shall be referred to as the Job Placement Period, so long as the employee has not exhausted his or her extended benefits detailed above. The employee may be on such inactive status in the Job Placement Period for no more than a six (6) month period. If the time period for extended benefits expires during the Job Placement Period and prior to obtaining active employment at Metra, the employee's employment status shall automatically terminate.

For inactive employees who are subsequently returned to active status at Metra, the following will apply:

1. If the employee is returned to a non-contract position, he or she will have his/her original hire date restored for purposes of tenure, but will not receive any service credit for vacation. On January 1st of the following year after return to work, he/she will receive a prorated amount of vacation based upon the number of months worked in the previous year. PTO days will be granted in accordance with the policy for new employees.
2. If the employee is returned to service in a contract position, he/she will be treated as a new employee unless he or she has retained seniority for that union.

## Other Health/Medical Benefits

### *Railroad Retirement and Survivor Benefits*

The Railroad Retirement Act is a provision of Federal Law that provides retirement and disability annuities for qualified railroad employees, spouse annuities for their wives or husbands, and survivor benefits for the families of deceased employees who are insured under the Act.

These benefits are administered by the U. S. Railroad Retirement Board, which also administers the Railroad Unemployment Insurance Act. As Medicare also covers railroad retirement beneficiaries, the Railroad Retirement Board also has certain responsibilities in this regard.

For detailed information, refer to your Railroad Retirement and Survivor Benefits booklet. If you have any questions about the information covered in the booklet, please contact the U.S. Railroad Retirement Board at 844 Rush Street, Chicago, IL 60611.

### *Universal Life Insurance*

For employees who desire to complement the term life insurance they receive as a company-paid benefit, Metra offers the opportunity to purchase additional coverage, commonly referred to as a Universal Life Insurance Plan.



In addition to term-life insurance, the plan contains a savings component, which may be used upon retirement. The group premium is based on the amount of

# BENEFITS

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coverage desired and the employee's age when coverage begins. The policy may be converted to an individual policy and coverage continued through retirement.

## ***Flexible Spending Plan***

Section #125 of the IRS Code allows an employee the opportunity to pay un-reimbursed medical, dental and dependent care expenses with pre-tax dollars. For details, contact the Human Resources Department.

## ***Employee Assistance Program***

Metra offers employees and members of their families a counseling service covering a wide range of problems including alcohol or drug dependency, marital and family problems, emotional disorders, stress, medical, legal and financial problems.

To ensure confidentiality, the Employee Assistance Program (EAP) is administered by an independent group of professionals. EAP leaves of absence are granted in conjunction with our short-term disability and/or medical leave of absence programs. For details, contact the EAP at 1-800-227-8620.

## **Service Award Program**

Loyal, committed employees are our most valuable assets, and Metra's Service Award Program helps us recognize the achievements of our most responsible, dependable, and dedicated associates. Employees are recognized for 15 years, 25 years, and 35 years of service with either a laminated plaque, an embellished wood plaque, or a gold lapel pin with a sapphire to symbolize the high level of their services to Metra.

## **Employee Suggestion Program**

Metra management also recognizes that our employees are our best resources when it comes to ways to make our business better. If you ever have an idea, suggestion or comment on how to increase productivity, improve customer service, or lower expenses, please complete our employee suggestion form. Your comments will be forwarded to the Executive Director's Office for consideration.



## Memorandum

Date: October 9, 2009

To: All Metra Managers ~~STAFF~~

From: Steve Wojtkiewicz, Director ~~ISW~~  
Information Systems

Subject: Corporate Use of Microcomputers – Administrative Procedure AD-03

Enclosed are copies of the updated Corporate Use of Microcomputers procedure AD-03. Please distribute this to all staff who use computers provided by Information Systems. This procedure was updated to be current with the equipment and software now provided by Information Systems. If additional copies are needed or you have other questions regarding this procedure, please contact Harry Kamer at 6572.

Each computer user should read this procedure and be familiar with these key items:

- Policies
- Data protection and backup
- Service request procedures

Managers are reminded that they are responsible to monitor that their staff members are complying with the policies and procedures of AD-03. Also, managers must ensure that Metra corporate data is protected from unauthorized access and use, and is backed up adequately.



**PROCEDURE**

**CORPORATE USE OF MICROCOMPUTER EQUIPMENT**

AD-03-RC

**I. PURPOSE**

This administrative procedure presents Metra policies and procedures for the procurement, the use, and administration of microcomputers and microcomputer related programs and data. Further, its purpose is to provide guidelines and instructions regarding the proper use and protection of Metra equipment and data from accidental loss or other damage.

**II. POLICY**

Microcomputer equipment, purchased software, programs, data files, documentation and related procedures are the exclusive property of Metra. These resources must be properly used, secured, controlled, and protected from accidental loss.

New microcomputer acquisitions and/or assignments must be approved by one of the Executive Director's Direct Reports. The approved request is then forwarded to Information Systems for processing. Information Systems analyzes the requests, determines cost and presents requests to the Information Systems Executive Committee for approval.

All hardware and software configurations shall ordinarily conform to an approved list of products maintained by Information Systems. Non-standard configurations are discouraged due to maintenance, compatibility, and support issues and will be approved only in extraordinary situations. Acquisition of non-standard software is permitted when standard applications cannot efficiently perform a required function. Such software acquisitions must be approved by Information Systems and might be initially acquired on a demonstration basis. Such demonstrations would consist of a joint evaluation by a designated user and Information Systems.

All microcomputers, microcomputer hardware, associated peripheral devices, and software, including upgrades and services for corporate data processing activities, will be purchased and installed by Information Systems. Operating systems, software packages, and upgrades for all networked microcomputers will be installed by Information Systems, without exception. Operating systems, software packages, and upgrades for stand-alone microcomputers will be installed by Information Systems.

When microcomputers, software and peripheral equipment are purchased for non-corporate data processing activities as part of a project: event recorders, construction management, communication and control systems, etc., Information Systems should be included in the specification of the equipment if Information Systems' support of this equipment is ever anticipated. Whenever possible, the purchased equipment and software should conform to Metra standards to insure future compatibility of use, parts, and supplies.

**II. POLICY (Continued)**

If there is any question whether the microcomputer equipment should be bought by Information Systems, Information Systems should be contacted. If Information Systems can not determine who should be responsible for the purchase, the matter will be submitted to the Information Systems Executive Committee for a final determination.

When computers, software and equipment purchased as part of project are transferred to a standard corporate data processing activity such as word processing or use of microcomputer packaged applications, then the equipment and software should be turned over to Information Systems to enter into its inventories and to assign to users. Information Systems will assume all support responsibilities for any of this equipment and software which is reassigned. If the equipment and software are past their useful life, obsolete or otherwise unservicable, they will be retired from service.

Free software and other public domain software, whether downloaded from the Internet or obtained from other sources, may not be installed by users of microcomputers. If a user has such a program that is useful for accomplishing Metra business, the user must make a request to Information Systems for installation.

Commercial software applications are typically protected by copyright laws and license agreements entered into by Metra. All employees must adhere to the license provisions. In addition, copying of software for personal use and duplication of software for use on additional Metra computers is prohibited.

Information Systems completes all warranty and registration forms associated with all Metra owned microcomputer hardware and software. Information Systems stores all original copies of software and maintains all records of equipment and software. Information Systems is the designated owner of all Metra owned microcomputer hardware and software and will distribute all updates received as a result of software or hardware product upgrades.

All major programs that are used repetitively in the support of Metra business processes must be sufficiently documented to provide author independence and to permit a qualified user other than the author to understand, use and modify the application. Organizational units using such programs shall retain duplicate copies of the programs and documents and implement adequate data security and back-up procedures.

Any data that is important to the business function of the organization unit, must only be stored on network drives. Space to store this data can be requested from Information Systems. The network stored data is regularly backed up by Information Systems.



**II. POLICY (Continued)**

Sensitive data must be secured against unauthorized access. If such data resides on a microcomputer, hard disk, either that computer should be physically locked or the data should be stored in such a way as to prevent access or duplication. Transportable media (diskettes, USB drives, CDs, DVDs, etc.) containing sensitive files should be stored under lock and key.

Access to any outside database service, or network by a microcomputer must be requested through Information Systems. Use of such services must not be made until this approval is received.

Access to local area networks will be controlled by a password and a user ID number, issued by Information Systems.

Internet access and email accounts must be requested through Information Systems and are governed by Metra's Internet Acceptable Use Policy.

Relocation of microcomputers, printers and other equipment must be requested through and performed by Information Systems.

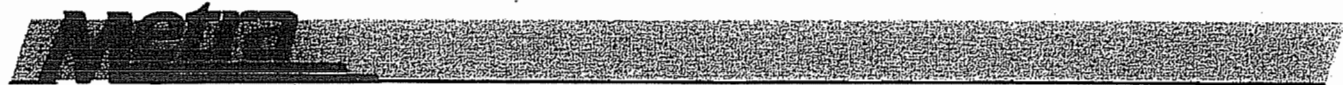
Information Systems is responsible for the monitoring and enforcement of these policies and procedures.

**III. DEFINITIONS**

- **Corporate Data Processing** - Computer activities such as word processing, spreadsheet, database and list processing, programming and other applications.
- **Microcomputers** - Equipment that is used for Corporate Data Processing. It only includes diagnostic, control, or other specialized computers when they are also used for Corporate Data Processing.
- **Major Programs** - An application of software which meets at least one of the following criteria:
  - 1) Program performs any function which if interrupted or changed may possibly impact Metra's financial situation.
  - 2) Program, or its output, will be used by more than one department or by outside entities.

**III. DEFINITIONS (Continued)**

- 3) Program performs needed functions for the completion of a routine, day-to-day activity of a Metra business process.
  - 4) More than one month of staff time would be required to replicate the program.
  - 5) Key management decisions will be based on program information or models.
  - 6) Program that interfaces with any mainframe application.
- **Application** - A computer program which might be a commercial product, such as Microsoft Office, or a program written by a Metra user. For purposes of this procedure, applications can be: software written in a programming language; spreadsheets containing complicated formulas, macros, and programs; data base programs and associated reports, or other computer programs and instructions.
  - **Archival Backups** - Backups intended for long term or permanent storage. Generally, such backups are not intended for access except in unusual cases, such as loss of primary data through accidents, fire, etc.
  - **Backup** - A copy of a file or set of files, typically in a different location and/or on a medium different than the original file.
  - **Commercial Application** - Software packages, such as Microsoft Office, WordPerfect, etc., produced by companies whose business is mass sales of software.
  - **Custom Application** - Programs or program elements written by Metra staff, or by outside parties under contract to Metra, intended to perform Metra business functions.
  - **Documentation** - Documentation standards for microcomputer applications have been produced by the Documentation Subcommittee of the Information Systems Working Committee. Users must review and comply with these standards.
  - **Sensitive** - Data intended for limited access, due to reasons of confidentiality. Examples include personnel data, information on legal matters, etc.
  - **Stand-Alone Microcomputer Applications** - An application that supports an individual organizational unit. Also, an application supporting one, and only one, user. Such applications may permit multiple users to read the same data file.



**III. DEFINITIONS (Continued)**

- **Networked Microcomputer Applications** - Networked applications which may meet one or more of the following criteria:
  - 1) A microcomputer application that requires multiple, concurrent access on the same data file;
  - 2) An application that requires multiple users to access large amounts of data storage or access to high speed printing;
  - 3) An application that must share data between organizational units in real time; Critical applications that have special security or backup requirements that are not easily implemented in a stand-alone environment;
  - 4) An application which uses a software package that is prohibitively expensive to purchase for multiple, stand-alone computers and can be shared more economically by individual users across a network.

**IV. RESPONSIBILITIES**

**A. Department Heads/Directors**

- Department Heads and Directors are responsible for informing staff of policies and ensuring the enforcement of corporate policies. Also they must provide staff with access to any training or required information to ensure adherence to corporate policies.
- Each Metra Department Head or Director will be responsible for the use of microcomputers under his/her jurisdiction and verify documentation compliance.
- Executive Director Direct Reports approve requests for microcomputer equipment from their divisions and forward these requests to Information Systems.
- Directors submit requests from staff for microcomputer equipment and software to Executive Director Direct Reports for approval.

**IV. RESPONSIBILITIES (Continued)**

- Organizational units should notify Information Systems before development of major or critical programs in order to use the consultation services of Information Systems.
- Protect corporate microcomputer data and its distribution within and outside of Metra.

**B. Information Systems**

- When requested by the Department Head/Director, Information Systems shall review, on a timely basis, the efforts of user departments in the design and operation of major programs and the adequacy of the documentation in order to ensure author independence. Appropriate Department Heads/Directors and the Director of Audit will receive copies of Information Systems' review.
- Information Systems will provide consultation services to user departments to aid in the development of new programs as resources permit.
- Information Systems will be responsible for the installation and maintenance of all microcomputer hardware and software.
- Information Systems will monitor the integrity of all microcomputer systems in Metra to ensure that no foreign or unauthorized software resides on any equipment.
- Coordinate/conduct regular user group meetings and educate users as needed.
- Provide guidance and training for users in data storage and recovery procedures, and security issues.
- Information Systems will review equipment and software configurations to confirm adherence to company policy.

**C. Microcomputer Users**

- Users of microcomputer equipment and data are responsible for adhering to relevant policies. They must, when necessary, learn appropriate techniques to carry out corporate policies.



**PROCEDURE**

**CORPORATE USE OF MICROCOMPUTER EQUIPMENT**

AD-03-RC

**IV. RESPONSIBILITIES (Continued)**

- Users must develop applications in an approved environment and document completely as required.
- Users must insure that all sensitive data is secured against unauthorized access. All transportable media should be locked when not in use. In addition, users must take reasonable steps to insure that microcomputers and their files and programs are secured against unauthorized access. Users should password protect any critical data files.
- Adhere to software license agreements and Metra procedures.
- Coordinate with Information Systems on new, major programming applications.
- Use microcomputer resources only for Metra business need

**V. INSTRUCTIONS**

**A. Request For New Microcomputer Hardware and Software**

**Responsibility**

**Action**

Requestor

1. Complete an Information Systems Microcomputer Request Worksheet, (ISMRW) for each microcomputer requested; see Exhibit 1. If a replacement of a microcomputer is being requested, the Requestor should check to see if the computer is on the current Information Systems Microcomputer Replacement Plan Schedule. If the microcomputer is more than 5 years old and is on the schedule, an ISMRW is not needed. If it is a new computer or a replacement of a computer that is less than 5 years old, then an ISMRW is required.
2. Complete the Header portion of the ISMRW (Section 1) by entering the Requestor's Name, Phone, Department/Division and the Date. Also, enter the Microcomputer Assignee's Name and Phone.
3. Complete Section 2. Check New or Additional Microcomputer for a request other than the replacement of an existing microcomputer. Check the Replacement of An Existing Microcomputer if the request applies to a microcomputer that is less than 5 years old. Also enter the Metra Computer ID Number.
4. Enter the justification in Section 3 for the computer request. Identify by name and job title the individual who will be assigned this computer and indicate

**V. INSTRUCTIONS (Continued)**

**Responsibility**

Requestor

**Action**

what purposes the microcomputer will serve. Describe why the currently assigned computer(s) are insufficient to meet requirements. If a computer is being replaced, enter the desired assignment of the replaced computer. Attach additional information, if necessary, and check the Attachments box.

5. Select any additional hardware items in Section 4. Explain requirements if the selection is "Other". Items selected must match purposes stated in the justification. Attach additional information, if necessary, and check the Attachments box.
6. Select the operating system to be installed on the microcomputer in Section 5. Operating System selection should be supported by purposes stated in justification. Attach additional information, if necessary, and check the Attachments box.
7. Select the type of software and package to be installed on the microcomputer in Section 6. Items selected must match purposes stated in justification. Check the appropriate box showing whether the application software represents a new package or an upgrade to a previously assigned package. Selections should be made from the list of packages supported by Information Systems. Attach additional information, if necessary or if package is not on the Information Systems List, and check the Attachments box.

# PROCEDURE

## CORPORATE USE OF MICROCOMPUTER EQUIPMENT

AD-03-RC

### V. INSTRUCTIONS (Continued)

#### Responsibility

#### Action

- |                                            |                                                                                                                                                                                                                                |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Requestor                                  | 8. Submit the ISMRW to their Director or Department Head for approval.                                                                                                                                                         |
| Requestor's Director/<br>Department Head   | 9. Approve and obtain approval of the Executive Director's Direct Report.                                                                                                                                                      |
| Requestor's Director/<br>Department Head   | 10. Send the approved ISMRW to the Information Systems Department Head with all attachments.                                                                                                                                   |
| Department Head,<br>Information Systems    | 11. Review the ISMRW and forward it to the Director, End-User Computing.                                                                                                                                                       |
| Director,<br>End-User Computing            | 12. Review, analyze, and prepare action recommendation and cost estimates for satisfying the request. Enter this information on the bottom of the ISMRW and return it to the Department Head, Information Systems.             |
| Department Head,<br>Information Systems    | 13. Prepare a Summary of Microcomputer Requests with cost and resource estimates. Present this Summary to the Information Systems Executive Committee (ISEC) for discussion and approval of requests at their monthly meeting. |
| Information Systems<br>Executive Committee | 14. Review, approve, or disapprove the requests.                                                                                                                                                                               |
| Director,<br>End-User Computing            | 15. After approval of the request by ISEC, schedule a meeting with the Requestor's Director/Department Head to discuss the details of the request. This involves                                                               |



**V. INSTRUCTIONS (Continued)**

**Responsibility**

**Action**

identifying the user(s) of the new computer and any swaps or reassignments that need to take place to complete the request. This meeting addresses the actual configuration of the hardware and identifying exact releases of the software to be installed on the computer.

Director,  
End-User Computing

16. Write an Information Systems Action Plan outlining the details of the new computer request as discussed at the meeting. Forward this action plan to the Requestor's Director/Department Head for final review and concurrence.

Requestor's Director/  
Department Head

17. Review the Information Systems Action Plan. If the Action Plan is acceptable, call the Director, End User Computing to confirm so installation may be scheduled.

Director,  
End-User Computing

18. Provide the requestor with an estimated schedule for work installation. Assign or acquire necessary resources to fulfill the request and Action Plan.

End-User Computing Staff

19. Prepare software, hardware and other resources for installation. Install and deliver microcomputer to requested assignee.

**V. INSTRUCTIONS (Continued)**

**B. Request for Additional Standard or Non-Standard Software on Existing Microcomputers**

**Responsibility**

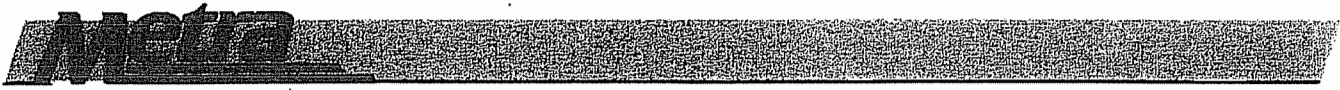
**Action**

Requestor

1. Request for software programs to be used on Metra microcomputers will usually conform to an established list periodically published and updated by Information Systems. If a department has already been assigned microcomputer equipment, they may initiate a request for additional software from the standard software list.
2. Requests for software not on the standardized software list should state what features of the requested software are required to satisfy the requirements of the application being developed which cannot be met by any of the standard software
3. The request will be made to the Director, End-User Computing using an Information Systems Service Request (Form RC62), Exhibit 2. The request must identify which microcomputers and users will use the software.

Requestor

4. Check the New Microcomputer Software of Upgrade Microcomputer Software box in the End-User Computing Section of the ISSR. In the Description of Request section identify the Metra computer ID number, name of person assigned to the computer, software product requested. Forward the ISSR to the Requestor's Director/Department Head for approval.



**PROCEDURE**

**CORPORATE USE OF MICROCOMPUTER EQUIPMENT**

AD-03-RC

**V. INSTRUCTIONS (Continued)**

**Responsibility**

**Action**

Requestor's Director/  
Department Head

5. Approves ISSR and forwards to  
Director, End-User Computing

Director,  
End-User Computing

6. Review the functions and features of the  
requested software to determine  
compatibility with the microcomputer  
environment and the advantages or  
disadvantages of using the requested  
software.

7. Review, analyze and prepare action  
recommendation and cost estimates for  
satisfying the request. Enter this  
information on the bottom of the ISSR.  
Forward this information to the  
Department Head, Information Systems.

Department Head,  
Information Systems

8. Review the action and cost  
recommendation. Approve the request if  
it is less than \$1,000 and the justification  
is sound. If the items are on the approved  
list of software and hardware items, the  
approval will be facilitated. Return  
unapproved requests to the requestor and  
explain reasons for disapproval.

Department Head,  
Information Systems

9. If a request is more than \$1,000 and has  
sound justification, forward it to the  
Information Systems Executive  
Committee for approval.

Requestor

10. If a request is not approved or the  
justification is found to be inadequate by  
Information Systems, the requestor can  
ask Information Systems to present the  
request to Information Systems Executive  
Committee for an exceptional approval.

**V. INSTRUCTIONS (Continued)**

**Responsibility**

**Action**

These requests will be included in Monthly Summary of Microcomputer requests.

Department Head,  
Information Systems

11. Prepare a Summary of Microcomputer Requests with cost and resource estimates. Present this Summary to the Information Systems Executive Committee for discussion and approval of requests at the monthly meeting.

Information Systems  
Executive Committee

12. Review, approve or disapprove the requests. Review requests approved by Information Systems.

Information Systems  
Executive Committee

13. Purchase the software and plan the installation with the requesting department.

End-User Computing Staff

14. Install the Software

**C. Other Microcomputer Requests**

Requests for other materials and services are requested using the Information Systems Service Request (Exhibit 2) and will follow the same processing steps as in Section B. This includes items such as additional hardware, equipment reassignment, software removal, special project consulting, etc.



**V. INSTRUCTIONS (Continued)**

**D. Borrowing Laptop Computers**

Information Systems has a limited number of laptop microcomputers in inventory for short-term loan purposes. These machines are available for two-week periods on a first-come, first-serve basis. Renewals will be granted only when no one is on the waiting list.

These computers are intended to meet special project requirements, overnight and weekend work, or Metra staff use at out-of-the-building meetings. They are not long-term replacements/upgrades for desktop microcomputers or temporary machines used until new desktop equipment arrives.

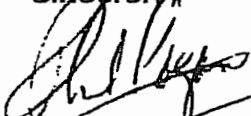
Each laptop has WordPerfect and Microsoft Office installed. Other software will be installed only on an exception basis. All provisions regarding the use of these computers are the same as desktop units and are enumerated in the policy section of this procedure.

December 13, 1995

TO: **All Metra Employees**

Last October you received a memo from me which addressed the requirement of having proper transportation when riding our trains. Some questions were raised asking clarification about our policy. I have attached a copy of the Metra Employee Transportation Policy for your information. Please read it carefully and thank you for your cooperation.

Sincerely,



Philip A. Pagano  
Executive Director

## METRA EMPLOYEE TRANSPORTATION POLICY

All Metra Employees traveling to and from work on Metra trains must have a valid ticket. No free transportation to and from work is permitted *with the exception* of Metra, city and suburban police officers who must be in uniform and who must assist the train crew if needed during emergencies (eligible officers will be sworn police personnel, not including bailiffs, security guards, court officers, corrections officers, etc.).

Other applications of this policy are listed below:

**ON-BOARD PERSONNEL** - Train and engine service personnel riding Metra trains while under compensation\* are permitted to travel without a ticket but are required to notify the conductor of their assignment when requested.

**MECHANICAL PERSONNEL** - Mechanical personnel are required to have valid tickets for riding to and from work, but if requested to assist with mechanical problems while riding a train, will be paid a minimum of one hour overtime (or actual time worked, whichever is greater). Any special assignments require a trip pass from the Director of Suburban Operations.

**MAINTENANCE OF WAY OR ARCS PERSONNEL** - If using Metra trains in the performance of duties may obtain trip passes from the Director of Suburban Operations office for that district.

**GENERAL** - Any employee traveling on Metra business will be permitted to ride using an employee trip pass which can be obtained from the Office of the Director of Suburban Operations on each district. The purpose of the trip must be business and recorded on the trip log prior to issue.

\* Under Compensation - train or engine service personnel traveling to or from work assignments while required to deadhead or during layover periods for purposes of securing rest.



## Memorandum

**DATE:** January 6, 2010

**TO:** All Metra Employees

**FROM:** Gail M. Washington, Sr. Corporate Director  
Human Resources Department 

**RE:** Text Messaging and Use of Wireless Telephones while Operating Motor Vehicles

The Illinois General Assembly passed two new amendments to the Illinois Vehicle Code concerning the use of wireless telephones while operating motor vehicles. These new laws became effective **January 1, 2010**. Below are brief summaries of the new laws:

**625 ILCS 5/12-610.1 (e)** A person may not operate a motor vehicle while using an electronic communication device to compose, send, or read an electronic message. This includes electronic mail, text messages, instant messages, or a command or request to access an internet site. This provision shall not apply to communications with emergency personnel while reporting an emergency situation, or if the driver is parked on the shoulder of the road.

**625 ILCS 5/12-610.2** A person may not use a wireless telephone at any time while operating a motor vehicle in a school speed zone, or a construction or maintenance speed zone. This provision shall not apply to communications with emergency personnel while reporting an emergency situation.

Metra employees are reminded to adhere to all vehicle laws and rules while on Metra property, or while operating Metra vehicles. While we have provided summaries of the new provisions here, employees are responsible for knowing all traffic laws pertaining to the safe operation of motor vehicles. Any employee found in violation of these statutes or Metra rules is subject to discipline.



**Metra**  
**Risk Assessment and Internal Controls Report**  
**Appendix 8 – Procurement Policies and Procedures**

Metra's procurement policies and procedures manual is a 425-page document. The complete document has not been included as an Appendix to this report, but is available upon request.

# Metra

## Risk Assessment and Internal Controls Report

### Appendix 9 – Summary of Board Actions

#### MAY 2010 BOARD ACTIONS

At the May 14, 2010 meeting of the Board, certain actions were undertaken to address allegations and concerns with regard to the operations of Metra. The Financial Practices and Reporting Review Committee was formed to look at policies, procedures and standards of Metra's compensation system, personnel procedures and compensation review. Additionally, an Executive Committee was formed to review current Board governance practices (including the oversight of the Executive Director's office). An Acting Inspector General was also appointed during this meeting, who's mandate was to report directly to the Chair of the Board and receive point of information and complaints regarding Metra's business practices.

#### JUNE 2010 BOARD ACTIONS

- Ordinance NO. MET 10-07
  - o The Board established "an Executive Committee to evaluate and consider compensation and benefits afforded to Metra employees" and the "Board shall review actions taken by the Executive Director with respect to staff compensation and benefits."
  - o The Executive Director "shall provide a monthly report to the Board that details personnel actions with respect to non-contract employees." The report "shall include all material actions with respect to non-contract employees, including new hires, promotions, separations, any increases in compensation or salary, and any material increases in benefits, including contributions to 401k and 457 deferred compensation programs."

## SEPTEMBER 2010 BOARD ACTIONS

At the September 17, 2010 meeting of the Board several ordinances were passed which included the following:

- Ordinance NO. MET 10-14 - Non-Contract Employee Handbook employment conditions
  - o The Board established “a policy that requires the Executive Director to receive consent from the Board before the Executive Director exercises a waiver of or deviates from the vacation carry-over/buy-out, sick leave reserve cash-out, job postings, or the Revolving Door policies or procedures set forth in the Handbook.”
  
- Ordinance NO. MET 10-15 – Special Contributions to the 401(k) Plan
  - o The Board amended Ordinances MET 88-24 and MET89-2 “to require the Executive Director to secure Board approval for any and all contributions to be made by Metra, including matching contributions and any special contributions as described in Exhibit A to the Plan, but not including contributions made by individuals employees.”
  
- Ordinance NO. MET 10-16 – Nepotism
  - o The Board established a “Nepotism Policy for the elimination of nepotism wherever practicable. This policy shall apply to employees, officers, and Board members.” “The Board is committed to ensuring that all job opportunities are based on merit, and finds that the elimination of favoritism serves that goal.”

- Ordinance NO. MET 10-17 – Whistleblower
  - o The Board established a Whistleblower Policy that applies to all employees, officers and Board members. The State of Illinois adopted the Whistleblower Act, 740 ILCS 174/1 et seq., (“Act”) and it applies to the Commuter Rail Board of the Commuter Rail Division of the Regional Transportation Authority. “The purpose of the Act is to encourage employees to disclose serious breaches of conduct covered by policies or law, to inform employees how allegations of wrongful conduct can be disclosed, and to protect employees from reprisal as the result of having disclosed wrongful conduct.”

**DATE:** September 17, 2010

**TO:** All Employees

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## **Nepotism Policy**

### **Purpose**

Metra is committed to ensuring that all job opportunities are based solely on individual merit and qualifications. Employees and applicants for employment shall not be denied employment or advancement opportunities because of their status as a family or household member of another employee. However, the relatives of employees must not receive any preferential treatment in the employment process. Relatives must follow the same employment procedures as other candidates and will only be considered if they meet the job qualifications of the position for which they are applying, or when being considered for promotion, reclassification, etc. Relatives must not be hired, promoted, or transferred to a permanent position or department where they would be the immediate supervisor or receive direct supervision from a related person, unless the circumstances are extenuating and approval is secured from the Executive Director and the Board. Examples of such circumstances are: the requirement for a special or unique skill that the relative has acquired, lack of other available or appropriate supervisory personnel, union labor agreements that guarantee job placements based upon seniority, and other extraordinary situations.

In such cases, the Executive Director will re-assign the reporting relationship and the Human Resources Department will monitor all employment actions involving these employees in order to avoid favoritism or the appearance of same.

No relatives of the Board of Directors, Executive Director or any employee that has received the level of Senior Director and above will be hired without the consent of the Executive Director and the Board.

### **Definitions**

Relatives are defined as: spouses, domestic partners, co-habitants, children, step-children, brothers, sisters, parents, step-parents, grandparents, grandchildren, nieces, nephews, in-laws (husband, wife, brother, sister, mother, father), guardians and wards, fiancés, any other member of the immediate household, whether or not related by blood, any other relatives not defined, or persons involved in dating relationship. In the case of an "other" relative or "person involved in a dating relationship" to be considered for a position, the Human Resources Department will determine if the relationship is distant enough to be excluded from this definition.

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### **Notification to Executive Director**

Any supervisor, manager, director, department head, or superintendent, etc., who becomes involved in a relationship covered by this policy must notify the Human Resources Department immediately. The



## *Memorandum*

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Human Resources Department will secure the appropriate approvals and facilitate the handling of the matter.

### **Failure to Report Relationship**

Any employee who knowingly violates this policy will be subject to discipline in accordance with Metra policies, up to and including termination.

### **Effective Date**

The provisions of this policy shall become effective immediately, and current situations involving relatives will be addressed by the Human Resources Department in accordance with this Policy on a case-by-case basis.



## *Memorandum*

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**DATE:** September 17, 2010

**TO:** All Employees

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### **Whistleblower Policy**

#### **Purpose**

Metra has a strong commitment to the conduct of its business in a lawful and ethical manner. Metra's Whistleblower Policy is designed to be in compliance with the Illinois Whistleblower Act (740 ILCS 174/1 et seq.). The purpose of the Policy is to protect persons who engage in good faith disclosure of alleged wrongful conduct to a Metra designated official or a public body. The Policy is intended to:

1. Encourage persons to disclose serious breaches of conduct covered by Metra policies or law;
2. Inform persons how allegations of wrongful conduct can be disclosed; and
3. Protect persons from reprisal by adverse action as a result of having disclosed wrongful conduct.

#### **Persons Covered**

This policy shall apply to all Metra employees and board members. This policy shall also apply to all contractors, subcontractors, consultants, and suppliers (vendors) that do business with Metra.

#### **Wrongful Conduct**

The following suspected examples of wrongful conduct should be reported:

1. Violations of state and/or federal laws and regulations applicable to Metra;
  2. Contract and procurement fraud, or collusion involving contracts with Metra contractors, subcontractors, suppliers, or vendors;
  3. Misuse, embezzlement, or theft of Metra property or funds;
  4. Bribery or acceptance of gratuities in connection with Metra operations or transactions with vendors;
  5. Employee misconduct, such as misuse of official position, or unauthorized use of Metra property for personal gain;
- 
6. Conflicts of interest; and
  7. Other unethical or illegal activities involving Metra property, employees, or vendors.

**Reporting Violations**

Suspected violations of law or of Metra policies may be reported to Metra's Office of the Inspector General at the designated telephone number and website. Suspected violations of law may also be reported to local, state, or federal law enforcement authorities.

**Confidentiality of Complaints**

Confidentiality of complaints received by the OIG will be maintained to the fullest extent possible, consistent with the need to conduct appropriate investigation. The OIG shall notify the complainant and acknowledge receipt of the reported violation within ten business days of receipt of the complaint. The OIG shall maintain a log of all complaints that are received, status of investigation, and resolution.

**Prohibition Against Retaliation**

It is essential that Metra employees and vendors are able to report suspected violations of Metra policies or illegal activities that they become aware of without fear that they will lose their position, hinder advancement, or be subject to retaliation by co-workers or supervisors. For purposes of this Policy, retaliation includes any action that results in reprimand, discharge, suspension, demotion, denial of promotion, or transfer that occurs as the result of any employee's exercise of his or her rights under this Policy. Retaliation also includes any action that results in the refusal to award contracts as the result of a vendor exercising its rights under this Policy.

**Filing False Reports**

An employee or vendor must make a reasonable attempt to ascertain the correctness of any information that the employee or vendor reports. It is the practice of Metra not to allow retaliation for good faith reports of wrongful conduct, fraud, corruption or waste. It is at the same time, unacceptable to knowingly file a false report. Any employee who knowingly violates this prohibition will be subject to discipline in accordance with Metra policies up to and including termination. Any vendor who knowingly violates this prohibition will be subject to discipline in accordance with Metra policies up to and including debarment.



COMMUTER RAIL BOARD  
ORDINANCE NO. MET 10-07

WHEREAS the Commuter Rail Board ("Board") of the Commuter Rail Division of the Regional Transportation Authority is committed to open and transparent operations at the Commuter Rail Division and the Northeast Illinois Regional Commuter Rail Corporation (collectively, "Metra"); and

WHEREAS the Board has established an Executive Committee to evaluate and consider compensation and benefits afforded to Metra employees; and

WHEREAS the Board shall review actions taken by the Executive Director with respect to staff compensation and benefits;

NOW, THEREFORE, BE IT ORDAINED THAT:

1. The Executive Director shall provide a monthly report to the Board that details personnel actions with respect to non-contract employees.
2. The monthly report shall include all material actions with respect to non-contract employees, including new hires, promotions, separations, any increases in compensation or salary, and any material increases in benefits, including contributions to 401k and 457 deferred compensation programs.
3. The Chairman of the Board and, at the Chairman's designation, the Executive Director of Metra, are hereby authorized and directed to take such action as they deem necessary or appropriate to implement, administer, and enforce this Ordinance.

June 11, 2010

## ORDINANCE NO. MET 10-14

WHEREAS, pursuant to the Regional Transportation Authority Act, 70 ILCS 3615/3B.05 ("3B.05"), the Commuter Rail Board ("Board") of the Commuter Rail Division of the Regional Transportation Authority ("Division") shall establish policies and give direction to achieve its purposes; and

WHEREAS, Section 3B.05 states the Board shall appoint an Executive Director who shall be the chief executive officer; and

WHEREAS, Section 3B.05 further states that the Executive Director shall appoint, retain, and employ officers, attorneys, agents, engineers, and employees, and shall organize the staff, allocate their functions and duties, fix compensation and conditions of employment, and consistent with the policies of and direction from the Board, take all actions necessary to achieve its purposes, fulfill its responsibilities and carry out its powers, and shall have such other powers and responsibilities as the Board shall determine; and

WHEREAS, the Division has in place a Non-Contract Employee Handbook ("Handbook") that contains various employment conditions and policies for Division non-contract employees (including the Executive Director). Within these conditions and policies are provisions that allow the Executive Director to waive or deviate from established policies and procedures in certain situations, including, vacation carry-overs/buy-outs, sick leave reserve cash-outs, job postings, and the Revolving Door Policy.

NOW, THEREFORE, BE IT ORDAINED THAT:

1. The Board hereby establishes a policy that requires the Executive Director to receive consent from the Board before the Executive Director exercises a waiver of or deviates from the vacation carry-over/buy-out, sick leave reserve cash-out, job postings, or the Revolving Door policies or procedures set forth in the Handbook.
2. This Policy shall become effective immediately.

ORDINANCE NO. MET 10-15

WHEREAS, Commuter Rail Board ("Board") Ordinance MET 88-24 authorized the Commuter Rail Division of the Regional Transportation Authority ("Division") to become a participating employer in the Regional Transportation Authority 401(k) Plan ("Plan"); and

WHEREAS, in Ordinance MET 88-24, the Board also authorized the Executive Director of the Division to execute the Plan and take such other actions as may be necessary to effectuate the resolutions in the Ordinance; and

WHEREAS, Ordinance MET 89-2 authorized the Division and the Northeast Illinois Regional Commuter Railroad Corporation (collectively, "Metra") to create and implement one or more deferred compensation plans and to enter into deferred compensation agreements from time-to-time; and

WHEREAS, Ordinance MET 89-2 authorized the Chairman, and by delegation, the Executive Director, to execute deferred compensation agreements; and

WHEREAS, Ordinance MET 89-2 also authorized the Chairman and the Executive Director to take such action as may be necessary or desirable to implement the Plan; and

WHEREAS, Section 6.04 of the Plan provides that Metra may make special contributions on behalf of any group of designated participants in the Plan as described on Exhibit A to the Plan, which exhibit can be changed from time-to-time at the election of Metra.

NOW, THEREFORE, BE IT ORDAINED THAT:

1. The Board hereby amends said Ordinances MET 88-24 and MET 89-2 to require the Executive Director to secure Board approval for any and all contributions to be made by Metra, including matching contributions and any special contributions as described in Exhibit A to the Plan, but not including contributions made by individual employees.
2. This Amendment shall become effective immediately.

## ORDINANCE NO. MET 10-16

WHEREAS, pursuant to the Regional Transportation Authority Act, 70 ILCS 3615/3B.05 ("3B.05"), the Commuter Rail Board ("Board") of the Commuter Rail Division of the Regional Transportation Authority ("Division") may establish policies and give direction to achieve its purposes; and

WHEREAS, the Board is committed to ensuring that all job opportunities are based on merit, and finds that the elimination of favoritism serves that goal; and

WHEREAS, the risk of occurrence of favoritism can be avoided most effectively by the establishment of general restrictions against the creation of situations where such favoritism could occur.

NOW THEREFORE BE IT ORDAINED THAT:

1. The Board hereby establishes the attached Nepotism Policy ("Policy") for the elimination of nepotism wherever practicable. This policy shall apply to employees, officers, and Board members.
2. The Executive Director is hereby authorized and directed to take such action as is necessary to implement and enforce this Policy.
3. This Policy shall become effective immediately.

ORDINANCE NO. MET 10-17

WHEREAS, pursuant to the Regional Transportation Authority Act, 70 ILCS 3615/3B.05 ("3B.05"), the Commuter Rail Board ("Board") of the Commuter Rail Division of the Regional Transportation Authority ("Division") may establish policies and give direction to achieve its purposes; and

WHEREAS, the State of Illinois has adopted the Whistleblower Act, 740 ILCS 174/1 et seq., ("Act"), and it applies to the Division. The purpose of the Act is to encourage employees to disclose serious breaches of conduct covered by policies or law, to inform employees how allegations of wrongful conduct can be disclosed, and to protect employees from reprisal as the result of having disclosed wrongful conduct.

WHEREAS, the Board wishes to emphasize its commitment to the goals set forth in the Act and protect employees who engage in good faith disclosure of alleged wrongful conduct to designated officials.

NOW THEREFORE BE IT ORDAINED THAT:

1. The Board hereby establishes the attached Whistleblower Policy ("Policy"). The Policy shall apply to all employees, officers, and Board members.
2. The Executive Director is hereby authorized and directed to take such as is necessary to implement and enforce this Policy.
3. This Policy shall become effective immediately.

# CONDITIONS OF EMPLOYMENT

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This section will give you a general idea of how your time at Metra will work, from the first days of your time with us, to the basics of what we expect from you.

Along with Section C – General Responsibilities – this section will help guide you as you continue your career at Metra.

## Classes Of Employees

There are two classes of employees at Metra that apply to the information discussed in this section:

- Full-time regular employees
- Full-time temporary employees

Full-time regular employees are those working a 40-hour weekly schedule on a regular basis. These employees are eligible for the full benefits of employment (*see section I for more information on benefits*).

Full-time temporary employees are those working a 40-hour weekly schedule on a temporary basis. These employees are not eligible for the full benefits of employment.

## Trial Period

New (conditional) employees enter a 90-day “Trial Period.” Similarly, newly promoted employees go through a 90-day “Job Introduction Period.” During this time, the employee’s manager and senior manager assess the suitability of the employee for the job, reviewing the employee’s progress at the end of 30, 60, and 90 days.

A new (conditional) employee can be terminated – or resign without prejudice – at any time during the 90-day Trial Period. For the first 90 days of a promoted employee’s Job Introduction Period, though, if it is determined that the employee is not meeting the requirements of the position, or the employee recognizes that the promotion was not appropriate, every reasonable effort will be made to assist that employee in locating a more suitable position. However, Metra does not guarantee it will locate such a position or guarantee continued employment with the Corporation.

Completion of the trial/introduction period of a new or promoted employee does not guarantee the employee’s future employment, nor does it change the at-will status of employment.

## Job Postings and the Hiring Process

When there is an opening in the company, the Human Resources Department will post an announcement, including the job title, requirements, and other details of the position. These notices are posted in two ways: on a bulletin board outside our Human Resources offices and by phone on a Job Opportunity Line.



# CONDITIONS OF EMPLOYMENT

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Our most up-to-date notices will be posted on our Human Resources bulletin board. New notices will be posted on Monday, Tuesday, and Wednesday, and will remain on the board for a minimum of three working days (Monday-Wednesday, Tuesday-Thursday, and Wednesday-Friday).

You can also hear about current job openings by using Metra's Internal Job Opportunity Line, at ext. 8900. This line is updated every Wednesday, meaning you only have to call in once each week in order to stay up-to-date with current job openings.

Interested employees may apply by completing an Employee Application Form and submitting the form to the Director, Employment Services. Forms are available from the Human Resources Department, with all applications remaining confidential. Applications received after the expiration of the posting, though, will only be considered upon the approval of the Director, Employment Services.

Although current employees will be considered, we may also schedule interviews with external applicants if their qualifications appear to match the requirements of the posted position. Regardless of the source, however, each position will be awarded to the candidate whose combination of related education, skills, and experience appear to most closely match our needs. Metra also reserves the right to consider candidates who may not have applied for a posted vacancy, but who appear to possess at least the minimum job qualifications.



Lateral transfers enacted by management will not be posted. Additionally, management, in its discretion, may elect to switch individuals into different positions.

## Separations

Though we hope that you plan to make a long career with Metra, we understand that things can change – situations, goals, desires, etc. Read on to find out what you can expect when you leave us.

### *Resignations*

What should you do if you wish to resign? The first thing you should do is to notify your manager at least two weeks in advance. Not only is this the fair thing to do, it is also a generally accepted business practice.

Also, failure to give proper notice may cause an employee to be considered to have left Metra's employment in bad standing.

Next, submit a letter of resignation to your Director, Department Head or other senior manager, as appropriate. The appropriate manager should then forward this letter to the Director, Human Resources Administration/IT or proper payout and scheduling of an exit interview.

***Please note:***

*Any employee may be granted pay in lieu of notice and terminated immediately.*

## **HUMAN RESOURCES RECRUITMENT AND SELECTION PROCEDURE**

Recruitment for both union and non-union job vacancies shall be administered without regard to race, religion, color, national origin, sex, age, or disability.

The recruitment process must not exclude or substantially limit any one group's knowledge of a job vacancy. Should a position open in which nonwhites or females are underutilized, affirmative action guidelines impose an obligation to recruit vigorously to build an applicant pool that includes qualified applicants from these underutilized groups. Each job vacancy provides Metra with an opportunity, both, to meet its affirmative action goals and to seek the most qualified candidate for employment. The signature on the HR Requisition Form attests to the fact that he/she intends to participate in an open, unbiased search for an appropriate candidate to fill the vacant position.

It is the duty of the Manpower Planning department to work with EEO/Diversity Initiatives department to identify recruitment sources that specialize in the placement of protected class candidates and to regularly consult with these organizations to keep them informed of Metra's job vacancies. Furthermore, EEO/Diversity Initiatives shall review the protected class utilization of all job vacancies and advise the requisitioning department and Manpower Planning when protected class employee underutilization exists. EEO/Diversity Initiatives maintains a record of departmental Affirmative Action (AA) goals and department managers are notified of their goals' status when vacancies occur.

In addition to the identification of recruitment sources that specialize in the placement of protected class citizens, it is the duty of the Employment Services department to utilize its Applicant Tracking System through the maintenance of accurate and up-to-date records on applicant flow data, ensuring the inclusion of protected class individuals in the pool of employment candidates. Furthermore, Manpower Planning or his/her designee will participate in presentations at special interest group seminars, job fairs, career days, etc., to augment the recruitment source listing.

The practices outlined herein are intended to provide a guide to steps that may be taken to cover an array of recruitment and selection issues if and when they arise during the employment process. However, this document is not meant to cover every eventuality that can occur during the employment process. While there is a common pattern to most selection decisions, each is unique unto itself. In some cases, it may be necessary to use all or parts of the steps provided, while in others it may be more practical to complete the employment process in an expedited fashion.

Under the authority of Manpower Planning and/or Employment Services the selection procedure outlined below may have steps combined, amended, or



omitted, on a case by case basis, so long as Metra does not violate its internal policies or applicable federal, state, and local laws that prohibit discrimination on the basis of race, sex, age, religion, national origin, disability, or in retaliation for a complaint of discrimination.

P	A. REQUISITIONING OFFICER
H	B. MANPOWER PLANNING
A	C. EEO/DIVERSITY INITIATIVES
S	D. EMPLOYMENT SERVICES
E	E. EXECUTIVE DIRECTOR
1	

**Step A: Requisitioning Officer**

1. Secure blank Employment Requisition Form (see Exhibit 1) from the Human Resources Department.
2. Complete Employment Requisition Form and seek approval from the Senior Officer or the Deputy Executive Director.
3. Forward the Employment Requisition Form to Manpower Planning.

**Step B: Manpower Planning**

1. Receive and review completed Employment Requisition Form.
2. Forward to EEO/Diversity Initiatives.

**Step C: EEO/Diversity Initiatives**

1. Receive and review Employment Requisition Form, noting departmental affirmative action goals (if any) and female and non-white utilization status. A copy of the annotated Employment Requisition Form containing departmental AA goals is sent to the Requisitioning Officer prior to the posting of the position.
2. Return Employment Requisition Form to Manpower Planning.

**Step D: Manpower Planning**

Forward Employment Requisition to the Executive Director for approval or rejection.

### **Step E: Executive Director**

Act on Employment Requisition and return to Manpower Planning.

*If the Employment Requisition is not approved by the Executive Director . . .*

### **Step F: Manpower Planning**

Return the rejected Employment Requisition Form to the Requisitioning Officer, providing explanation for rejection.

*If the Employment Requisition is approved by the Executive Director . . .*

A conference of the **Job Posting Committee** is held to discuss the affirmative action goals and to ensure consistency in both the description of duties and minimum acceptable qualifications<sup>1</sup>. The Job Posting Committee may include, but is not limited to, Manpower Planning, Employment Services, EEO/Diversity Initiatives and/or Senior Director, Human Resources, and Requisitioning Officer.

**At any point during the recruiting process, before a job offer has been made, the Executive Director or Employment Services or Manpower Planning may authorize an extended search, which may include consideration of external candidates.**

Minimum acceptable qualifications should not overtly nor inadvertently exclude women, persons with disabilities, older persons, or members of protected classes.

*Proceed to Phase 2.*

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<sup>1</sup> Only budgeted operating (non-capital) positions will be posted as vacant. Requisitions for operating positions not in the budget will be remanded to the Requisitioning Officer for further handling. In situations where there have been no significant changes in the job requirements, Manpower Planning or Employment Services in consultation with EEO/Diversity Initiatives may elect to waive the job-posting meeting. The Executive Director always reserves the right to waive the posting meeting.

P	A. MANPOWER PLANNING
H	B. EMPLOYEE APPLICANT
A	C. EMPLOYMENT SERVICES
S	D. EMPLOYMENT SERVICES
E	E. REPRESENTATIVE OF EMPLOYMENT
2	SERVICES

### Step A: Manpower Planning

1. Using information gathered during the Job Posting Committee conference, create a Job Opportunity - Posting Notice for the vacant position.<sup>2</sup> As there exists no absolute in the matters of work experience/education equivalency, for our purposes, determinations of equivalency will be made by the Qualifications Review Committee as it is described below in this document. Challenges to those findings should be directed to the Qualifications Review Committee.

#### Employment Services

2. Post "Job Opportunity - Posting Notice" (see Exhibit 2) for consideration of all Metra employees.<sup>3</sup> All non-contract positions will be placed on Metra's Job Opportunity Hot-Line, (312)-322-8900, enabling all Metra employees to have access to non-contract vacancies 24 hours a day. Positions will be placed on this service at the time of the original posting and will be removed at the close of the posting period. Each Metra non-contract job posting will contain a Wednesday within its posting period.
3. Concurrent to posting, complete Employment Application Requests (see Exhibit 3) with applicable position requirements and preferences. Make same available to Metra employees.

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<sup>2</sup> At Metra, when the Job Opportunity- Posting Notice states that work experience may serve as a substitute qualification for education in a given field, it must be specifically stated that the work experience accumulated must have led the employee to acquire knowledge and ability equivalent to that which have been acquired had the employee obtained the stated educational qualification.

<sup>3</sup> All non-contract positions will be posted for a period of not less than three (3) working days, including the day of posting, however, the Executive Director may, at his discretion, chose to fill a non-contract job vacancy without posting.

The "Job Opportunity"- Posting Notice" includes department position, title, grade/salary range, summary of job description, and minimum acceptable qualifications.

## **Step B: Employee Applicant**

1. Complete specified sections of the Employee Application Request.
2. Return completed Employee Application Request to Employment Services by 11:59 P.M. of the final posting day for the position being sought.

## **Step C: Employment Services**

1. Date stamp the Employee Application Request when it is returned by the Employee Applicant.
2. A meeting of the **Qualifications Review Committee** is held to measure the qualifications of the applicants against the minimum qualifications required for the vacant position.<sup>4</sup> The Qualifications Review Committee consists of the EEO/Diversity Initiatives and/or Senior Director, Human Resources and/or Employment Services; and the Requisitioning Officer.

In cases where the qualifications of applicants are clearly stated, Employment Services may elect to waive the qualification meeting.

## **Step D: Employment Services**

1. Assign recruitment responsibility<sup>5</sup> for the approved HR Requisition Form to the appropriate representative of Employment Services in conjunction with Manpower Planning if necessary.
2. Following the Qualifications Review Committee meeting, send a written letter of explanation to candidates who did not meet the minimum qualifications.

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<sup>4</sup> In cases where an Employee Applicant's claim of qualification is not on file or has not been verified, the Employee Applicant will be required to document or otherwise demonstrate that s/he has the required qualifications listed in the job posting. In cases where the findings of the Qualification Review Committee are disputed by the Employee Applicant, the Director, Employment Services may consider the matter.

<sup>5</sup> "Recruitment responsibility" describes the posting of help wanted advertising in newspapers and on the Internet, review of solicited resumes and resumes gathered at job fairs, and making contact with individuals whose resumes or credentials appear to make them minimally qualified for the vacant position.

## **Step E: Representative of Employment Services**

1. Arrange interview time with Requisitioning Officer<sup>6</sup> and employee candidates,<sup>7</sup> including provision of reasonable accommodation for disabled applicants when completing the application and interview process.
2. Attach Resume Control Form (see Exhibit 4) to the Employee Application Request submitted by any qualified employee applicants.
3. Send Employee Application Requests, employee applicant's original Metra Job Application Form, and accompanying Resume Control Forms to the Requisitioning Officer with verbal instructions on how and when to complete the Resume Control Forms.
4. Prepare interviewing package<sup>8</sup> and send it to the Requisitioning Officer, informing the Requisitioning Officer that s/he may not make inquiries into the candidate's personnel file including his/her performance reviews.
5. Review interview questions to ensure legal content and consistency.
6. Conduct interviews.<sup>9</sup> For interviews of supervisors, and M1 or higher positions, it is strongly preferred that an EEO/Diversity Initiatives

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<sup>6</sup> In cases where six (6) or more candidates apply for a given vacancy, Employment Services may offer their services (which may be refused by the Requisitioning Officer) to conduct preliminary interviews resulting in a surviving pool of applicants (usually six (6) or fewer) who will be presented to the Requisitioning Officer for final interviews.

<sup>7</sup> Employment Services or his/her designee will accommodate Metra employees with interview scheduling difficulties due to inflexible working hours.

<sup>8</sup> The interviewing package consists of an introduction letter to the manager, Resume Control Form, Employment Consideration Form, a current hard card for any union applicants, and employment application, etc.

<sup>9</sup> A representative of Employment Services must be present at all interviews. If second interviews are required and Affirmative Action issues are involved, a secondary round of interviews may be scheduled which will include the Requisitioning Officer, Employment Services and/or EEO/Diversity Initiatives.

Interviews where more than one Requisitioning Officer is present are called "panel interviews." An EEO/Diversity Initiatives representative is strongly preferred at all panel interviews. An EEO/Diversity Initiatives representative is also strongly preferred at all management level interviews, and at those interviews issues of equality are important.

In addition, Employment Services always reserves the right to consider external applicants concurrently during the internal selection process.

representative be present in order to ask candidates a series of questions to determine their knowledge of generally recognized EEO policies practices, e.g., those that prohibit sexual harassment.<sup>10</sup>

7. Establish, then inform the Requisitioning Officer of the date and time of the Selection Committee conference. A conference of the **Selection Committee**, composed of Manpower Planning, Employment Services, the Requisitioning Officer, and EEO/Diversity Initiatives is held to discuss the selection of the candidate. In situations where no committee consensus can be reached, the matter will be referred to the Sr. Director, Human Resources for resolution; and, if necessary the Executive Director. Upon agreement<sup>11</sup> of the Selection Committee, the Requisition Officer will send to Employment Services an Employee Selection Concurrence Memo (See Exhibit 5)<sup>12</sup> to document the selection. For all positions involving the Operating departments (Engineering, Mechanical, Transportation, Communications & Customer Service, and Safety), the Chief Operations Officer (COO) must concur with the candidate selection. Manpower Planning will then seek the endorsement of the Executive Director.

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<sup>10</sup> Sample EEO questions for supervisors are attached as Exhibit 6.

<sup>11</sup> In cases in which a favorable consensus regarding the candidate is not reached, a second round of interviews may be scheduled which may include the Requisitioning Officer; Employment Services (or designee); and/or EEO/Diversity Initiatives.

In cases where females or non-white underutilization exists in the Requisitioning department and an equally qualified non-white or female candidate is part of the finalist pool (and not selected) the EEO/Diversity Initiatives department may ask that the decision of the Selection Committee be reconsidered, particularly where Affirmative Action goals for females or non-whites in the requisitioning department have not been met. If, after such reconsideration, the original selection is affirmed, such selection should be substantiated with clear, non-discriminatory reasons.

<sup>12</sup> Employee Selection Concurrence memorandum should identify the selected candidate as well as the reason for selection, and should express the concurrence of the Senior Director, Requisitioning department; Chief Operations Officer; Senior Director, Corporate Administration; or Deputy Executive Director, as is appropriate salary recommendations should **not** be included.

P	A. REQUISITIONING OFFICER
H	B. REPRESENTATIVE OF EMPLOYMENT
A	SERVICES
S	C. EEO/DIVERSITY INITIATIVES
E	
3	

**Step A: Requisitioning Officer**

1. Complete Resume Control Forms for all candidates.
2. Forward Resume Control Forms to Employment Services.

**Step B: Representative of Employment Services**

Review Requisitioning Officer's disposition; concur or dissent.

**Step C: EEO/Diversity Initiatives**

Review selection for compliance with Federal and state civil rights laws and Affirmative Action Goals. Advise the Employment Services if a problem may exist. Should it be determined that a problem exists, Employment Services must confer with the Senior Director, Human Resources regarding action to be taken.

*If a candidate is selected. . .*

A conference of the **Compensation Committee** is held to determine fair and equitable compensation for the selected candidate. The Compensation Committee consists of the Senior Director, Chief Officer, or Director (as is appropriate) of the requisitioning department; Manpower Planning, Employment Services, and EEO/Diversity Initiatives. For all positions involving the Operating departments, the Chief Operations Officer may be included as a member of the Compensation Committee.

. . . then go to Phase 6. However, if no internal candidates apply or no internal candidates are selected for the position (and no simultaneous external recruitment has taken place), then go to Phase 4.



## EXTERNAL RECRUITMENT

- P A. REPRESENTATIVE MANPOWER PLANNING
- H B. REQUISITIONING OFFICER
- A C. REPRESENTATIVE OF EMPLOYMENT SERVICES
- S
- E
- 4

### **Step A: Representative of Manpower Planning**

1. Pursue external candidates, seeking a diverse representation of qualified candidates.<sup>13</sup>
2. Metra no longer accepts resumes and/or Employee Consideration Request forms or any other expressions of interest in employment that are delivered to the lobby of Metra's main headquarters.
3. In conjunction with Employment Services, review resumes received from external candidates, and forward resumes of the most qualified candidates (that meet the job requirements) to the Requisitioning Officer.<sup>14</sup>
4. Make sure that all resumes received and considered qualified are entered into Metra's applicant tracking system whether or not they go forward.

### **Step B: Requisitioning Officer**

1. Review resumes of those applicants referred by Employment Services and Employment Services.

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<sup>13</sup> The EEO/Diversity Initiatives department maintains and keeps an updated minority recruitment manual for use by the Human Resources department during recruitment. Additionally, Job Listings may be placed with organizations such as the Illinois State Job Service, EEO recruitment sources, other available community agencies, as well as business schools, colleges, universities, Job Fairs etc. Metra's external job opportunity line is (312-322-4070). Classified advertisements may be placed in general circulation newspapers, via the internet on Metra's website. Job sites, i.e., carerbuilder.com, MonsterBoard.com, etc. trade journals, and professional magazines as seen to be appropriate.

<sup>14</sup> All external applicants for positions under "Hours of Service" must sign-off and give written authorization for Metra to confirm that they have never been disqualified from any previously held "Hours of Service" job.

2. Select candidate(s) to be interviewed.
3. Return all of the resumes to Employment Services and indicate to the representative of Employment Services which of the candidates should be interviewed.
4. Compile interview questions.

### **Step C: Representative of Employment Services**

1. Review the credentials of the candidates that were not granted interviews to ensure that the rejection was based solely on job related criteria.
2. Arrange interview times with the Requisitioning Officer<sup>15</sup> and appropriate applicants.<sup>16</sup> Remind the Requisitioning Officer that s/he may request only the candidate's original job application, resume, certificates and awards, and/or other documentation of qualifications and experience. External applicants may be asked for copies of their salary history/expectations, employment history, references, etc.
3. Review interview questions to insure relevancy and appropriateness prior to the interview.
4. When the applicant appears for an interview s/he is asked to fill out an official employment application and the applicant is given a voluntary EEO form. Conduct interviews.<sup>17</sup> For interviews of supervisors, and M1 or higher positions, it is strongly preferred that an EEO/Diversity Initiatives representative be present in order to ask candidates a series of questions to determine their knowledge of generally recognized EEO policies practices, e.g., those that prohibit sexual harassment.<sup>18</sup> Additionally it is the role of the EEO

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<sup>15</sup> As noted above, where there are six or more candidates for a given vacancy, a preliminary Selection Committee conference may be called to consider the propriety of the applicant pool reduction.

<sup>16</sup> Employment Services will accommodate Metra employees with interview scheduling difficulties due to inflexible working hours.

<sup>17</sup> A representative of Employment Services **must** be present at all interviews. If secondary interviews are required and Affirmative Action issues are involved, a secondary round of interviews may be scheduled which will include the Requisitioning Officer, Employment Services and EEO/Diversity Initiatives. EEO/Diversity Initiatives or the Sr. Director, Human Resources must participate in all Train Service interviews.

<sup>18</sup> Sample EEO questions for supervisors are attached as Exhibit 6.

representative to insure consistency relative to how the interviews are conducted and as to the questions asked. During the interview, the Employment Services Representative makes a visual estimate of the applicant's race and sex and includes that information as part of the employee's report.

4. Send Resume Control Forms to the Requisitioning Officer with instructions on how and when to complete.
5. Establish, then inform the Requisitioning Officer of the date and time of the Selection Committee conference. A conference of the **Selection Committee**, composed of Manpower Planning, Employment Services, EEO/Diversity Initiatives, and the Requisitioning Officer, is held to discuss the selection of the candidate. In situations where no committee consensus can be reached, the matter will be referred to the Sr. Corporate Director, Human Resources for resolution; and, if necessary the Executive Director. Upon the agreement<sup>19</sup> of the Selection Committee, the Requisitioning Officer will send to Employment Services an Employee Selection Concurrence memorandum<sup>20</sup> to document the selection. For all positions involving the Operating departments (Engineering, Mechanical, Transportation, Communications & Customer Services, and Safety), the Chief Operations Officer (COO) must concur with the candidate selection. Manpower Planning will, then, seek the endorsement of the Executive Director.

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<sup>19</sup> Employment Services and/or EEO/Diversity Initiatives. If, after such reconsideration, the original selection is approved, such selection should be substantiated with clear, non-discriminating reasons. In cases in which a favorable consensus regarding the candidate is not reached, a second round of interviews may be scheduled which may include the Requisitioning Officer; a representative from Employment Services, and EEO/Diversity Initiatives.

<sup>20</sup> Employee Selection Concurrence memorandum should identify the selected candidate as well as the reason for selection, and should express the concurrence of the Senior Officer or Deputy Executive Director, as is appropriate. Salary recommendations should not be included.

P	A. REQUISITIONING OFFICER
H	B. REPRESENTATIVE OF EEO/DIVERSITY INITIATIVES
A	C. EEO/DIVERSITY INITIATIVES
S	
E	
5	

**Step A: Requisitioning Officer**

1. Complete Resume Control Forms<sup>21</sup> for all candidates.

**Step B: EEO/Diversity Initiatives or designee**

2. Review selection for compliance with Affirmative Action goals and advise EEO/Diversity Initiatives when a problem exists. If a problem exists, the EEO/Diversity Initiatives will confer with the Employment Services and Senior Director, Human Resources, regarding action to be taken.

*If a candidate is selected<sup>22</sup> . . .*

A conference of the **Compensation Committee** is held to determine fair and equitable compensation for the selected candidate. The Compensation Committee consists of the Senior Director, Chief Officer, or Director (as is appropriate) of the requisitioning department; Manpower Planning, Employment Services, and EEO/Diversity Initiatives. For all positions involving operations (Engineering, Mechanical and Transportation), the Chief Operations Officer (COO) may be included as a member of the Compensation Committee.

... *continue with Phase 6*

<sup>21</sup> Form on which the Requisitioning Officer states his/her evaluations of the interviewed candidates and which one should be selected.

<sup>22</sup> If no candidate is selected, then the procedure must be restarted, beginning with Step A of Phase 4.

P	A. EXECUTIVE DIRECTOR
H	B. REPRESENTATIVE OF EMPLOYMENT SERVICES
A	C. MANAGEMENT COORDINATOR HR
S	D. HUMAN RESOURCES COORDINATOR
E	
6	

### **Step A: Executive Director**

- Approve or reject final selection.

### **Step B: Representative of Employment Services**

1. Make job offer to selected candidate.<sup>23</sup>
2. If the job and salary offer are accepted by a candidate, whether internal or external, send explanatory letters to all applicants not selected.
3. Notify EEO/Diversity Initiatives in writing of the selected candidate's race, sex, disability status (if known) and national origin, regardless of whether the selected candidate rejects the offer, fails a background check or does not pass a physical examination.
4. Make arrangements for a physical examination.<sup>24</sup>
5. If the selected candidate makes any post-offer request for accommodation due to a disability or because of religious reasons, notify EEO/Diversity Initiatives in order that timely and reasonable consideration of the accommodation request be given.

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<sup>23</sup> If the final selection is rejected by the Executive Director, or if the selected candidate declines the offer or does not pass a post-offer background check and/or physical examination, unless an alternative candidate has been previously identified, then the procedure must be restarted, beginning with the Selection Committee conference in Phase 2.

<sup>24</sup> The selected candidate will be notified upon acceptance of the job offer that s/he is subject to a physical examination, which includes a drug screening, and a complete background check before commencing with employment. Candidate must complete both the physical exam, drug screening, and a complete background check, to Metra's satisfaction.

### **Step C: Management Coordinator HR**

1. Initiate background check for successful external candidate. If internal candidate, initiate background check if the position is sensitive.
2. Upon receipt of the results of the background check and physical exam, inform assigned representative in the Human Resources Department of the candidate's eligibility for employment.
3. If the candidate fails the physical exam, Senior Director, Human Resources is notified and decides if Reasonable Accommodation Committee (RAC) consideration is necessary.

### **Step D: Assigned Representative of Employment Services**

1. Upon the successful and favorable completion of the physical examination and background check, establish starting date with selected candidate.
2. Inform Requisitioning Officer of the new employee's starting date.
3. Initiate orientation as it is outlined in the blue Orientation Checklist Forms (see Exhibit 7).

## **DIRECTOR OF EMPLOYMENT SERVICES RECRUITMENT AND SELECTION PROCEDURE**

Recruitment for both union and non-union job vacancies shall be administered without regard to race, religion, color, national origin, sex, age, or disability.

The recruitment process must not exclude or substantially limit any one group's knowledge of a job vacancy. Should a position open in which nonwhites or females are underutilized, affirmative action guidelines impose an obligation to recruit vigorously to build an applicant pool that includes qualified applicants from these underutilized groups. Each job vacancy provides Metra with an opportunity, both, to meet its affirmative action goals and to seek the most qualified candidate for employment. The signature of the Director and/or Senior Director on the HR Requisition Form attests to the fact that he/she intends to participate in an open, unbiased search for an appropriate candidate to fill the vacant position.

It is the duty of the Director, Employment Services to work with EEO and Employee Relations to identify recruitment sources that specialize in the placement of protected class candidates and to regularly consult with these organizations to keep them informed of Metra's job vacancies. Furthermore, EEO and Employee Relations shall review the protected class utilization of all job vacancies and advise the requisitioning Department and the Director, Employment Services when protected class employee underutilization exists. EEO and Employee Relations maintains a record of departmental Affirmative Action (AA) goals and department managers are notified of their goals' status when vacancies occur.

In addition to the identification of recruitment sources that specialize in the placement of protected class citizens, it is the duty of the Director of Employment Services to utilize its Applicant Tracking System through the maintenance of accurate and up-to-date records on applicant flow data, ensuring the inclusion of protected class individuals in the pool of employment candidates. Furthermore, the Director of Employment Services or his/her designee will participate in presentations at special interest group seminars, job fairs, career days, etc., to augment the recruitment source listing.

The practices outlined herein are intended to provide a guide to steps that may be taken to cover an array of recruitment and selection issues if and when they arise during the employment process. However, this document is not meant to cover every eventuality that can occur during the employment process. While there is a common pattern to most selection decisions, each is unique unto itself. In some cases, it may be necessary to use all or parts of the steps provided, while in others it may be more practical to complete the employment process in an expedited fashion.

Under the authority of the Director, Employment Services, the selection procedure outlined below may have steps combined, amended, or omitted, on a case by case basis, so long as Metra does not violate its internal policies or applicable federal, state, and local laws that prohibit discrimination on the basis of race, sex, age, religion, national origin, disability, or in retaliation for a complaint of discrimination.

P	A. REQUISITIONING OFFICER
H	B. DIRECTOR, EMPLOYMENT SERVICES
A	C. DIRECTOR, EEO & EMPLOYEE RELATIONS
S	D. DIRECTOR, EMPLOYMENT SERVICES
E	E. EXECUTIVE DIRECTOR
1	

**Step A: Requisitioning Officer**

1. Secure blank Employment Requisition Form (see Exhibit 1) from the Office of Employment Services.
2. Complete Employment Requisition Form and seek approval<sup>5</sup> from: (1) the Senior Director or Chief Department Officer, (2) the Chief Operations Officer, (3) the Deputy Executive Director or the Senior Director, Corporate Administration.
3. Forward the Employment Requisition Form to the Director, Employment Services.

**Step B: Director, Employment Services**

1. Receive and review completed Employment Requisition Form.
2. Forward to Director, EEO & Employee Relations.

**Step C: Director EEO & Employee Relations**

1. Receive and review Employment Requisition Form, noting departmental affirmative action goals (if any) and female and non-white utilization status. A copy of the annotated Employment Requisition Form containing departmental AA goals is sent to the Requisitioning Officer prior to the posting of the position.
2. Return Employment Requisition Form to the Director, Employment Services.

**Step D: Director, Employment Services**

- Forward Employment Requisition to the Executive Director for approval or rejection.

**Step E: Executive Director**

- Act on Employment Requisition and return to the Office of Employment Services.

*If the Employment Requisition is not approved by the Executive Director . . .*

<sup>5</sup> If the Requisitioning Manager reports directly to the Executive Director, then the Employment Requisition Form must be forwarded directly to the Director of Employment Services.



## Step F: Director, Employment Services

- Return the rejected Employment Requisition Form to the Requisitioning Officer, providing explanation for rejection.

*If the Employment Requisition is approved by the Executive Director . . .*

A conference of the **Job Posting Committee** is held to discuss the affirmative action goals and to ensure consistency in both the description of duties and minimum acceptable qualifications<sup>6</sup>. The Job Posting Committee may include, but is not limited to, Director, Employment Services and/or the Director of EEO & Employee Relations and/or Senior Director, Human Resources, Requisitioning Officer, Manager of Recruitment and Selection, HR Generalist, Management Coordinator HR, Representative of the EEO & Employee Relations department, and other representatives of the Office of Employment Services.

**At any point during the recruiting process, before a job offer has been made, the Executive Director or the Director, Employment Services may authorize an extended search, which may include consideration of external candidates.**

Minimum acceptable qualifications should not inadvertently exclude women, persons with disabilities, older persons, or members of protected classes.

*Proceed to Phase 2.*

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<sup>6</sup> Only budgeted operating (non-capital) positions will be posted as vacant. Requisitions for operating positions not in the budget will be remanded to the Requisitioning Officer for further handling. In situations where there have been no significant changes in the job requirements, the Director, Employment Services may elect to waive the job-posting meeting. The Executive Director always reserves the right to waive the posting meeting.

P	A. DIRECTOR, EMPLOYMENT SERVICES
H	B. EMPLOYEE APPLICANT
A	C. OFFICE OF EMPLOYMENT SERVICES
S	D. DIRECTOR, EMPLOYMENT SERVICES
E	E. REPRESENTATIVE OF THE OFFICE OF EMPLOYMENT SERVICES
2	

**Step A: Director, Employment Services**

1. Using information gathered during the Job Posting Committee conference, create a Job Opportunity - Posting Notice for the vacant position.<sup>7</sup> As there exists no absolute in the matters of work experience/education equivalency, for our purposes, determinations of equivalency will be made by the Qualifications Review Committee as it is described below in this document. Challenges to those findings should be directed to the Qualifications Review Committee.
2. Post "Job Opportunity - Posting Notice" (see Exhibit 2) for consideration of all Metra employees.<sup>8</sup> All non-contract positions will be placed on Metra's Job Opportunity Hot-Line, (312)-322-8900, enabling all Metra employees to have access to non-contract vacancies 24 hours a day. Positions will be placed on this service at the time of the original posting and will be removed at the close of the posting period. Each Metra non-contract job posting will contain a Wednesday within its posting period.
3. Concurrent to posting, complete Employment Application Requests (see Exhibit 3) with applicable position requirements and preferences. Make same available to Metra employees.

**Step B: Employee Applicant**

1. Complete specified sections of the Employee Application Request.
2. Return completed Employee Application Request to the Office of Employment Services by 11:59 P.M. of the final posting day for the position being sought.

**Step C: Office of Employment Services**

<sup>7</sup> At Metra, when the Job Opportunity- Posting Notice states that work experience may serve as a substitute qualification for education in a given field, it must be specifically stated that the work experience accumulated must have led the employee to acquire knowledge and ability equivalent to that which have been acquired had the employee obtained the stated educational qualification.

<sup>8</sup> All non-contract positions will be posted for a period of not less than three (3) working days, including the day of posting, however, the Executive Director may, at his discretion, chose to fill a non-contract job vacancy without posting.

The "Job Opportunity"- Posting Notice" includes department position, title, grade/salary range, summary of job description, and minimum acceptable qualifications.

1. Date stamp the Employee Application Request when it is returned by the Employee Applicant.
2. A meeting of the **Qualifications Review Committee** is held to measure the qualifications of the applicants against the minimum qualifications required for the vacant position.<sup>9</sup> The Qualifications Review Committee consists of the Director, EEO & Employee Relations and/or Senior Director, Human Resources and/or Director, Employment Services; Manager of Recruitment and Selection, Management Coordinator HR; the Requisitioning Officer; and a representative of the EEO & Employee Relations department.

In cases where the qualifications of applicants are clearly stated, the Director of Employment Services may elect to waive the qualification meeting.

#### Step D: Director, Employment Services

1. Assign recruitment responsibility<sup>10</sup> for the approved HR Requisition Form to the appropriate representative of the Office of Employment Services.
2. Following the Qualifications Review Committee meeting, send a written letter of explanation to candidates who did not meet the minimum qualifications.

#### Step E: Representative of the Office of Employment Services

1. Arrange interview time with Requisitioning Officer<sup>11</sup> and employee candidates,<sup>12</sup> including provision of reasonable accommodation for disabled applicants when completing the application and interview process.
2. Attach Resume Control Form (see Exhibit 4) to the Employee Application Request submitted by any qualified employee applicants.
3. Send Employee Application Requests, employee applicant's original Metra Job Application Form, and accompanying Resume Control Forms to the Requisitioning Officer with verbal instructions on how and when to complete the Resume Control Forms.

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<sup>9</sup> In cases where an Employee Applicant's claim of qualification is not on file or has not been verified, the Employee Applicant will be required to document or otherwise demonstrate that s/he has the required qualifications listed in the job posting. In cases where the findings of the Qualification Review Committee are disputed by the Employee Applicant, the Director, Employment Services may consider the matter.

<sup>10</sup> "Recruitment responsibility" describes the posting of help wanted advertising in newspapers and on the Internet, review of solicited resumes and resumes gathered at job fairs, and making contact with individuals whose resumes or credentials appear to make them minimally qualified for the vacant position.

<sup>11</sup> In cases where six (6) or more candidates apply for a given vacancy, the Director, Employment Services or his/her designee may offer his/her services (which may be refused by the Requisitioning Officer) to conduct preliminary interviews resulting in a surviving pool of applicants (usually six (6) or fewer) who will be presented to the Requisitioning Officer for final interviews.

<sup>12</sup> The Director, Employment Services or his/her designee will accommodate Metra employees with interview scheduling difficulties due to inflexible working hours.

4. Prepare interviewing package<sup>13</sup> and send it to the Requisitioning Officer, informing the Requisitioning Officer that s/he may not make inquiries into the candidate's personnel file including his/her performance reviews.
5. Review interview questions to ensure legal content and consistency.
6. Conduct interviews.<sup>14</sup> For interviews of supervisors, and M1 or higher positions, it is preferred that an EEO & Employee Relations representative be present in order to ask candidates a series of questions to determine their knowledge of generally recognized EEO policies practices, e.g., those that prohibit sexual harassment.<sup>15</sup>
7. Establish, then inform the Requisitioning Officer of the date and time of the Selection Committee conference. A conference of the **Selection Committee**, composed of the Director of Employment Services and/or Director, EEO & Employee Relations, Manager of Recruitment and Selection, HR Generalist, the Requisitioning Officer, and a representative of EEO & Employee Relations is held to discuss the selection of the candidate. Upon agreement<sup>16</sup> of the Selection Committee, the Requisitioning Officer will send to the Director, Employment Services an Employee Selection Concurrence Memo (See Exhibit 5)<sup>17</sup> to document the selection. For all positions involving the

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<sup>13</sup> The interviewing package consists of Resume Control Form, Employment Consideration Form, and a current hard card for any union applicants.

<sup>14</sup> A representative of the Office of Employment Services must be present at all interviews. If second interviews are required and Affirmative Action issues are involved, a secondary round of interviews may be scheduled which will include the Requisitioning Officer, Director, Employment Services (or designee); and/or the Director EEO & Employee Relations (or designee).

Interviews where more than one Requisitioning Officer is present are called "panel interviews." An EEO & Employee Relations representative is preferred at all panel interviews. An EEO & Employee Relations representative is also preferred at all management level interviews, and at those interviews issues of equality are important.

In addition, the Office of Employment Services always reserves the right to consider external applicants concurrently during the internal selection process.

The selection process for all management positions requires the attendance of the Director of Employment Services or designee and/or the Director EEO & Employee Relations or designee as well as the Requisitioning Officer.

<sup>15</sup> Sample EEO questions for supervisors are attached as Exhibit 6.

<sup>16</sup> In cases in which a favorable consensus regarding the candidate is not reached, a second round of interviews may be scheduled which may include the Requisitioning Officer, Director of Employment Services (or designee); and/or the Director EEO & Employee Relations or designee.

In cases where females or non-white underutilization exists in the Requisitioning department and an equally qualified non-white or female candidate is part of the finalist pool (and not selected) the EEO & Employee Relations department may ask that the decision of the Selection Committee be reconsidered, particularly where Affirmative Action goals for females or non-whites in the requisitioning department have not been met. If, after such reconsideration, the original selection is affirmed, such selection should be substantiated with clear, non-discriminatory reasons.

<sup>17</sup> Employee Selection Concurrence Memoranda should identify the selected candidate as well as the reason for selection, and should express the concurrence of the Senior Director, Requisitioning

Operating departments (Engineering, Mechanical, Transportation, Communications & Customer Service, and Safety), the Chief Operations Officer (COO) must concur with the candidate selection. The Director of Employment Services will then seek the endorsement of the Executive Director.

P	A. REQUISITIONING OFFICER
H	B. REPRESENTATIVE OF THE OFFICE OF EMPLOYMENT SERVICES
A	
S	C. DIRECTOR, EEO & EMPLOYEE RELATIONS
E	
3	

Step A: Requisitioning Officer

1. Complete Resume Control Forms for all candidates.
2. Forward Resume Control Forms to the Office of Employment Services.

Step B: Representative of the Office of Employment Services

- Review Requisitioning Officer's disposition; concur or dissent.

Step C: Director, EEO & Employee Relations

- Review selection for compliance with Federal and state civil rights laws and Affirmative Action Goals. Advise the Director, Employment Services if a problem may exist. Should it be determined that a problem exists, the Director, Employment Services must confer with the Executive Director regarding action to be taken.

*If a candidate is selected. . .*

A conference of the **Compensation Committee** is held to determine fair and equitable compensation for the selected candidate. The Compensation Committee consists of the Senior Director, Chief Officer, or Director (as is appropriate) of the requisitioning department; Director of Employment Services, Manager, Recruitment and Selection Services, HR Generalist and Director, EEO & Employee Relations or designee. For all positions involving the Operating departments, the Chief Operations Officer may be included as a member of the Compensation Committee.

. . . then go to Phase 6. However, if no internal candidates apply or no internal candidates are selected for the position (and no simultaneous external recruitment has taken place), then go to Phase 4.

P	A. REPRESENTATIVE OF THE OFFICE OF EMPLOYMENT SERVICES
H	B. REQUISITIONING OFFICER
A	C. REPRESENTATIVE OF THE OFFICE OF EMPLOYMENT SERVICES
S	
E	
4	

**Step A: Representative of the Office of Employment Services**

1. Pursue external candidates, seeking a diverse representation of qualified candidates.<sup>18</sup>
2. Metra no longer accepts resumes and/or Employee Consideration Request forms or any other expressions of interest in employment that are delivered to the lobby of Metra's main headquarters.
3. Review resumes received from external candidates, and forward resumes of the most qualified candidates (who meet the job requirements) to the Requisitioning Officer.<sup>19</sup>
4. Make sure that all resumes received and considered are entered into Metra's applicant tracking system whether or not they go forward.

**Step B: Requisitioning Officer**

1. Review resumes of those applicants referred by the Office of Employment Services.
2. Select candidate(s) to be interviewed.
3. Return all of the resumes to the Office of Employment Services and indicate to the representative of the Office of Employment Services which of the candidates should be interviewed.
4. Compile interview questions, keeping in mind the advice given during the Job Posting Committee conference.

<sup>18</sup> The EEO department maintains and keeps an updated minority recruitment manual for use by the Human Resources department during recruitment. Additionally, Job Listings may be placed with organizations such as the Illinois State Job Service, EEO recruitment sources, other available community agencies, as well as business schools, colleges, universities, etc. Metra's external job opportunity line (312-322-4070) Classified advertisements may be placed in general circulation newspapers, via the internet on Metra's website. Job sites, i.e., carerbuilder.com, MonsterBoard.com, etc. trade journals, and professional magazines as seen to be appropriate.

<sup>19</sup> All external applicants for positions under "Hours of Service" must sign-off and give written authorization for Metra to confirm that they have never been disqualified from any previously held "Hours of Service" job.

## Step C: Representative of the Office of Employment Services

1. Review the credentials of the candidates who were not granted interviews to ensure that the rejection was based solely on job related criteria.
2. Arrange interview times with the Requisitioning Officer<sup>20</sup> and appropriate applicants.<sup>21</sup> Remind the Requisitioning Officer that s/he may request only the candidate's original job application, resume, certificates and awards, and/or other documentation of qualifications and experience. Unlike internal candidates, however, external applicants may be asked for copies of their performance reviews.
3. When the applicant appears for an interview s/he is asked to fill out an official employment application and the applicant is given a voluntary EEO form. Conduct interviews.<sup>22</sup> For interviews of supervisors, and M1 or higher positions, it is preferred that an EEO & Employee Relations representative be present in order to ask candidates a series of questions to determine their knowledge of generally recognized EEO policies practices, e.g., those that prohibit sexual harassment.<sup>23</sup> During the interview, the Office of Employment Services Representative makes a visual estimate of the applicant's race and sex and includes that information as part of the employee's report.
4. Send Resume Control Forms to the Requisitioning Officer with instructions on how and when to complete.
5. Establish, then inform the Requisitioning Officer of the date and time of the Selection Committee conference.

A conference of the **Selection Committee**, composed of the Director of Employment Services and/or Director, EEO & Employee Relations, Manager of Recruitment and Selection, HR Generalist, the Requisitioning Officer, and a representative of EEO & Employee Relations is held to discuss the selection of the candidate. Upon the agreement<sup>24</sup> of the Selection Committee, the

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<sup>20</sup> As noted above, where there are six or more candidates for a given vacancy, a preliminary Selection Committee conference may be called to consider the propriety of the applicant pool reduction.

<sup>21</sup> The Office of Employment Services will accommodate Metra employees with interview scheduling difficulties due to inflexible working hours.

<sup>22</sup> A representative of the Office of Employment Services **must** be present at all interviews. If secondary interviews are required and Affirmative Action issues are involved, a secondary round of interviews may be scheduled which will include the Requisitioning Officer, the Director of Employment Services (or designee) and the Director, EEO & Employee Relations (or designee).

<sup>23</sup> Sample EEO questions for supervisors are attached as Exhibit 6.

<sup>24</sup> Employment Services (or designee); and/or the Director EEO & Employee Relations (or designee). If, after such reconsideration, the original selection is approved, such selection should be substantiated with clear, non-discriminating reasons. In cases in which a favorable consensus regarding the candidate is not reached, a second round of interviews may be scheduled which may include the Requisitioning Officer, the Director, a representative from Employment Services (or designee), and the Director, EEO & Employee Relations (or designee).



Requisitioning Officer shall prepare an Employee Selection Concurrence Memorandum<sup>25</sup> to document the selection. For all positions involving the Operating departments (Engineering, Mechanical, Operations, Communications & Customer Service), the Chief Operations Officer must concur with the candidate selection. The Director of Employment Services will, then, seek the endorsement of the Executive Director.

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<sup>25</sup> Employee Selection Concurrence Memoranda should identify the selected candidate as well the reason for selection, and should express the concurrence of the Senior Director, Requisitioning department; Chief Operations Officer; Senior Director, Corporate Administration; or Deputy Executive Director, as is appropriate. Salary recommendations should not be included.

P A. REQUISITIONING OFFICER  
H B. REPRESENTATIVE OF EMPLOYMENT SERVICES  
A C. DIRECTOR, EEO & EMPLOYEE RELATIONS  
S  
E  
5

Step A: Requisitioning Officer

1. Complete Resume Control Forms<sup>26</sup> for all candidates.

Step B: Director, EEO & Employee Relations or designee

2. Review selection for compliance with Affirmative Action goals and advise the Director, EEO & Employee Relations when a problem exists. If a problem exists, the Director, EEO & Employee Relations will confer with the Director of Employment Services and Senior Director, Human Resources, regarding action to be taken.

*If a candidate is selected<sup>27</sup> . . .*

A conference of the **Compensation Committee** is held to determine fair and equitable compensation for the selected candidate. The Compensation Committee consists of the Senior Director, Chief Officer, or Director (as is appropriate) of the requisitioning department; Director of Employment Services, Manager, Recruitment and Selection Services, HR Generalist and Director, EEO & Employee Relations or designee. For all positions involving operations (Transportation, Mechanical, Engineering, and Communications/Customer & Station Services), the Chief Operations Officer (COO) may be included as a member of the Compensation Committee.

*. . . continue with Phase 6*

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<sup>26</sup> Form on which the Requisitioning Officer states his/her evaluations of the interviewed candidates and which one should be selected.

<sup>27</sup> If no candidate is selected, then the procedure must be restated, beginning with Step A of Phase 4.

P	A. EXECUTIVE DIRECTOR
H	B. REPRESENTATIVE OF EMPLOYMENT SERVICES
A	C. MANAGEMENT COORDINATOR HR
S	D. HUMAN RESOURCES COORDINATOR
E	
6	

#### Step A: Executive Director

- Approve or reject final selection.

#### Step B: Representative of the Office of Employment Services

1. Make job offer to selected candidate.<sup>28</sup>
2. If the job and salary offer are accepted by a candidate, whether internal or external, send explanatory letters to all applicants not selected.
3. Notify EEO & Employee Relations in writing of the selected candidate's race, sex, disability status (if known) and national origin, regardless of whether the selected candidate rejects the offer, fails a background check or does not pass a physical examination.
4. Make arrangements for a physical examination.<sup>29</sup>
5. If the selected candidate makes any post-offer request for accommodation due to a disability or because of religious reasons, notify EEO & Employee Relations in order that timely and reasonable consideration of the accommodation request be given.

#### Step C: Management Coordinator HR

1. Initiate background check for successful external candidate. If internal candidate, initiate background check if the position is sensitive.
2. Upon receipt of the results of the background check and physical exam, inform assigned representative of the Office of HR of the candidate's eligibility for employment.

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<sup>28</sup> If the final selection is rejected by the Executive Director, or if the selected candidate declines the offer or does not pass a post-offer background check and/or physical examination, unless an alternative candidate has been previously identified, then the procedure must be restated, beginning with the Selection Committee conference in Phase 2.

<sup>29</sup> The selected candidate will be notified upon acceptance of the job offer that s/he is subject to a physical examination, which includes a drug screening, and a complete background check before commencing with employment. Candidate must complete both the physical exam, drug screening, and a complete background check, to Metra's satisfaction.

3. If the candidate fails the physical exam, Senior Director, Human Resources is notified and decides if Reasonable Accommodation Committee (RAC) consideration is necessary.

**Step D: Assigned Representative of the Office of Employment Services**

1. Upon the successful and favorable completion of the physical examination and background check, establish starting date with selected candidate.
2. Inform Requisitioning Officer of the new employee's starting date.
3. Initiate orientation as it is outlined in the blue Orientation Checklist Forms (see Exhibit 7).

# \$50,000 Pay at Retirement (\$/month)

Years of Service	RTA Pension Plan Benefit	Railroad Retirement Benefit Tier 1	Railroad Retirement Benefit Tier 2	401(K) Benefit (3% Match)	Replacement Ratio w/ 401(K) contributions	Replacement Ratio w/o 401(K) contributions
20	\$1,458.33	\$1,922.80	\$544.44	\$355.97	102.76%	94.21%
25	\$1,822.92	\$1,992.10	\$680.56	\$513.80	120.22%	107.89%
30	\$2,187.50	\$2,175.60	\$875.00	\$715.24	142.88%	125.71%

# \$75,000 Pay at Retirement (\$/month)

Years of Service	RTA Pension Plan Benefit	Railroad Retirement Benefit Tier 1	Railroad Retirement Benefit Tier 2	401(K) Benefit (3% Match)	Replacement Ratio w/ 401(K) contributions	Replacement Ratio w/o 401(K) contributions
20	\$2,187.50	\$2,196.10	\$792.00	\$533.95	91.35%	82.81%
25	\$2,734.38	\$2,211.80	\$990.00	\$770.70	107.31%	94.98%
30	\$3,281.25	\$2,371.80	\$1,272.86	\$1,072.86	127.98%	110.81%

# \$100,000 Pay at Retirement (\$/month)

Years of Service	RTA Pension Plan Benefit	Railroad Retirement Benefit Tier 1	Railroad Retirement Benefit Tier 2	401(K) Benefit (3% Match)	Replacement Ratio w/ 401(K) contributions	Replacement Ratio w/o 401(K) contributions
20	\$2,916.67	\$2,301.80	\$811.49	\$711.94	80.90%	72.36%
25	\$3,645.83	\$2,296.40	\$1,014.37	\$1,027.60	95.81%	83.48%
30	\$4,375.00	\$2,447.30	\$1,304.19	\$1,430.48	114.68%	97.52%

# \$125,000 Pay at Retirement (\$/month)

Years of Service	RTA Pension Plan Benefit	Railroad Retirement	Railroad Retirement	401(K) Benefit	Replacement Ratio w/ 401(K) contributions	Replacement Ratio w/o 401(K) contributions
		Benefit Tier 1	Benefit Tier 2	(3% Match)		
20	\$3,645.83	\$2,310.60	\$811.49	\$889.92	73.52%	64.97%
25	\$4,557.29	\$2,303.40	\$1,014.37	\$1,284.50	87.93%	75.60%
30	\$5,468.75	\$2,453.60	\$1,304.19	\$1,788.10	105.74%	88.57%



# \$150,000 Pay at Retirement (\$/month)

Years of Service	RTA Pension Plan Benefit	Railroad			Replacement	
		Retirement Benefit Tier 1	Railroad Retirement Benefit Tier 2	401(K) Benefit (3% Match)	Ratio w/ 401(K) contributions	Ratio w/o 401(K) contributions
20	\$4,375.00	\$2,310.60	\$811.49	\$1,067.91	68.52%	59.98%
25	\$5,468.75	\$2,303.40	\$1,014.37	\$1,541.41	82.62%	70.29%
30	\$6,562.50	\$2,453.60	\$1,304.19	\$2,145.72	99.73%	82.56%

# Guide to the Appendix

- The preceding tables illustrate approximate income at a retirement age of 65 with various service and pay levels.
- This appendix assumes a total replacement ratio both 1) with a matching contribution of \$.50 per \$1.00 of employee contribution up to 6% of pay; and 2) without any 401(k) matching contributions.
- This appendix assumes an investment return of 5% for the 401(k) matching contributions.
- This appendix does not assume any employee 401(k) contributions.
- The amount of “Pay at Retirement” assumes that it would meet the definitions of compensation under the various plans.

# HMO IL Premiums Compared to National Averages (\$'s)

	Metra Total Annual Cost	Annual Employee Cost	National Annual Average Employee Cost	Annual Difference
Single Coverage	\$5,634	\$0	\$1,070	\$1,070
Employee + Children	\$12,963	\$180	\$3,889	\$3,709
Employee + Spouse	\$13,507	\$240*	\$4,052	\$3,812
Family Coverage	\$20,055	\$300*	\$6,017	\$5,717

\*Increased by \$600 per year with working spouse

# HMO Blue Advantage Premiums Compared to National Averages (\$'s)

	Metra Total Annual Cost	Annual Employee Contributions	National Average Cost	Annual Difference
Single Coverage	\$5,192	\$0	\$986	\$986
Employee + Children	\$11,946	\$0	\$3,584	\$3,584
Employee + Spouse	\$12,448	\$0*	\$3,734	\$3,734
Family Coverage	\$18,483	\$0*	\$5,545	\$5,545

\*Increased by \$600 per year with working spouse

# PPO Premiums Compared to National Averages (\$'s)

	Metra Total Cost	Annual Employee Contributions	National Average Cost	Annual Difference
Single Coverage	\$6,507	\$308	\$1,209	\$901
Employee + Children	\$14,973	\$710	\$3,954	\$3,244
Employee + Spouse	\$15,603	\$739*	\$4,120	\$3,381
Family Coverage	\$23,166	\$1,098*	\$6,101	\$5,003

\*Increased by \$600 per year with working spouse

# Plan Cost Sharing-Annual Deductible

Annual Deductible	Metra Single	Metra Family Aggregate	National Average Single	National Average Family
HMO	\$0	\$0	\$601	\$1,321
PPO	\$300*	\$900*	\$675	\$1,518

\*In Network