

Connecting Communities



Pace Suburban Service Budget & Regional ADA Paratransit Budget

**2013 Operating & Capital Program
2013-2015 Business Plan for Operations
2013-2017 Capital Business Plan**



Final Program • November 2012

Pace Board of Directors



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Pace 2013 Budget - November 2012

Dear Riders, Interested Citizens and Public Officials:

We are pleased to present a favorable budget outlook for 2013; one that does not propose fare increases or service reductions in order to be balanced. There are a number of highlights planned for the year ahead that we believe keep Pace in a good position to continue growing ridership and expanding service in line with the slow, steady economic recovery.

Within the last year, we have a number of successes to report. The I-55 Bus on Shoulders Pilot Project, launched in November, 2011 in collaboration with IDOT and RTA, led to significant gains in ridership and on-time performance. Recent ridership statistics indicate increases in the numbers of average daily riders on routes 755 and 855 of 200% and 79%, respectively, and on-time performance increases from 68% before the pilot project began to 91% since. Demand grew so sharply that additional service was added during 2012, and we anticipate even more trips added during 2013. In June, our Vanpool Incentive Program reached an all-time high for the number of vans in operation. Also, Pace entered into a partnership with CTA to develop the Ventra open standards fare system, which modernizes the fare collection system and provides riders with new options for paying fares- including debit and credit cards and eventually compatible smartphones. The system will launch during 2013 and is fully interchangeable between Pace and CTA, and is a pathway toward compliance with a legislative mandate for a universal fare system to be in place by 2015.

Expansion opportunities are outlined in the proposed budget, including additional service on I-55, the I-90 Tollway in conjunction with the Illinois Tollway's reconstruction project, service restructuring projects in Lake County and the Aurora area, as well as three new Call-n-Ride routes.

Careful planning, investments in technology and positive funding growth have all contributed to an encouraging outlook for the Regional ADA Paratransit operating budget for 2013. Like Suburban Service operations, no fare increases or service changes are proposed at this time to balance the budget.

Ridership continues to grow, with an estimated total ridership on all Pace service of roughly 39 million in 2012. We project continued success in this area, with 3.9% growth on fixed route, vanpool and dial-a-ride services, and 5.9% ridership growth for regional ADA paratransit.

Pace's capital program totals \$109 million for 2013, with nearly three-quarters of that dedicated to the purchase of new buses. Part of these funds will be used to buy buses powered by compressed natural gas (CNG), which is a clean-burning fuel and is expected to lower Pace's operating costs. CNG is produced domestically and its costs are far less volatile than diesel. Pace will also continue to upgrade passenger facilities and invest in technology that assists customers and improves the speed of service.

As we've said in past years, we strive to maximize both the efficiency and effectiveness of our service. We can't do this without the help of our stakeholders. We encourage people to participate in our budget development process and to attend a hearing or write to us if they have ideas on how we can improve.

Sincerely,



Richard A. Kwasneski
Chairman



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Executive Summary

Budget Highlights

Suburban Services

The 2013 Pace Suburban Service budget is balanced and contains a number of noteworthy program investments in addition to continuation of existing service and program efforts. Highlights include:

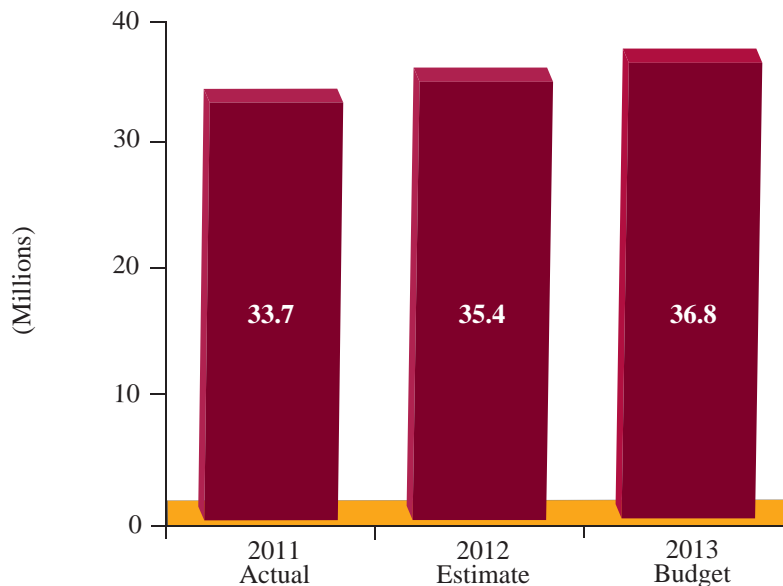
- Partnership with CTA on a new fare collection system
- Expansion of service in the I-55 corridor “Bus on Shoulder” program
- New corridor services on I-90
- Restructured services in Lake County
- Restructured services in the Aurora area
- Expanded call-n-ride services
- Deployment of a new radio communications system
- Continued growth of the Pace vanpool program
- 108 new fixed route buses, 106 paratransit buses and 140 vanpool vans

In all Pace will spend \$207.761 million in 2013 on sub-urban services and will carry 36.8 million passengers.

Regional ADA Paratransit

The 2013 Regional ADA Paratransit budget is balanced based on RTA’s proposed funding level of \$136.267 million. This funding level will support ridership growth of 5.9% for the ADA Program, in 2013 the program will provide over 4 million passenger trips. Fares are projected to remain stable at current levels in 2013.

Chart A. Pace Suburban Service Ridership



2013 Combined Operating Budget Summary



Pace provides a family of Transit Services including fixed route, paratransit and vanpool.

THE 2013 budgets for Pace Suburban Services and the Regional ADA Paratransit Program are balanced to the funding levels and recovery ratio requirements as established by the RTA on October 10, 2012. The RTA

Act as amended in 2005 established Pace as the provider of all ADA paratransit service throughout the six county region in northeastern Illinois, including the City of Chicago.

The expense budget for Suburban Services in 2013 is \$207.761 million. Suburban Services operating revenues are budgeted at \$59.165 million. Total public funding for Suburban Services will reach an estimated \$148.596 million. This amount will cover the status quo operating deficit. There are no fare increases or service reductions included in the 2013 budget for Suburban Services.

The status quo expense budget for the Regional ADA Paratransit program in 2013 is \$148.762 million.

At current fare levels, ADA operating income will be \$12.495 million, resulting in a funding requirement of \$136.267 million.

There are no fare adjustments proposed for ADA paratransit services in 2013 at this time.

Table 1. 2013 Combined Pace Services Operating Budget Summary (000's)

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
Total Operating Expenses	\$207,761	\$148,762	\$356,523
Less: Total Operating Revenue	59,165	12,495	71,660
Funding Requirement	\$148,596	\$136,267	\$284,863
Less:			
Sales Tax (Part I)	\$80,869	\$0	\$80,869
Sales Tax & PTF (Part II)	30,371	127,767	158,138
Suburban Community Mobility Funds (SCMF)	21,100	0	21,100
South Suburban Job Access Funds	7,500	0	7,500
Federal CMAQ/JARC/New Freedom Funds	2,284	0	2,284
RTA Discretionary (PTF - Part I)	3,694	0	3,694
Federal Capital Cost of Contracting	2,778	0	2,778
State ADA Funds	0	8,500	8,500
Net Funding Available	\$0	\$0	\$0
Recovery Ratio	30.00%	10.00%	N/A

2013 Capital Budget Summary

Suburban Services

The 2013 Suburban Capital Program totals \$109.180 million. The program contains \$70.652 million for the purchase of 108, 40' fixed route replacement and expansion buses (both Diesel and Compressed Natural Gas - CNG); 106 paratransit buses, 140 vanpool vans and \$2.778 million for Capital Cost of Contracting; \$.250 million for associated capital which is used to purchase bus components such as engines and transmissions, and \$3.060 million for a diesel engine retrofit project.

The program contains \$.500 million for IBS Up-grades Phase I design development for replacement of the existing IBS system.

The program also contains \$9.700 million for improvements to garages and facilities including: the design and construction of an ancillary HQ building and the purchase of property for a new Northwest Cook garage; \$1.800 million for security upgrades at Pace's garages; \$10.600 million for the Ventra Fare System; \$.500 million for upgrades/overhaul replacement of our existing fare-box system; \$3.500 million for computer system hardware and software; \$1.500 million for support equipment and non-revenue vehicles and the purchase of office equipment and furniture. Lastly, the Program contains \$2.700 million for the implementation of Posted Stops Only Program and the purchase of shelters and other passenger amenities, and \$1.640 million for project administration/force account and Pace funded unanticipated capital.

Regional ADA Paratransit

The proposed 2013 Capital Budget totals \$39.105 million for Regional ADA Paratransit needs. It includes the purchase of 333 paratransit buses and a Regional Call Center Project. However, there is no source of capital funds for the Regional ADA Paratransit Program.

The five year Regional ADA Capital needs maybe found on pages 47 and 48.

Table 2. 2013 Suburban Services Capital Budget (000's)

	<u>Amount</u>
Rolling Stock	
108 Fixed Route Buses	\$56,022
106 Paratransit Buses	9,030
140 Vanpool Vans	5,600
Capital Cost of Contracting	2,778
Associated Capital/ Diesel Engine Retrofit	3,310
Subtotal	\$76,740
Electrical/Signal/Communications	
IBS Up-grade - Phase I	500
Subtotal	\$500
Support Facilities and Equipment	
Improve Facilities - Systemwide	\$9,700
Security Project	1,800
Ventra Fare System	10,600
Farebox Overhaul- Existing System	500
Computer Systems/Hardware & Software	3,500
Support Equipment/Non-Revenue Vehicles	800
Office Equipment/Furniture	700
Subtotal	\$27,600
Stations and Passengers Facilities	
Posted Stops Only Conversion	\$1,700
Bus Shelters/Pads	1,000
Subtotal	\$2,700
Miscellaneous	
Unanticipated Capital	\$250
Project Administration/Force Account	1,390
Subtotal	\$1,640
Total Suburban Capital Program	\$109,180
Total Funding	
Federal 5307	\$32,070
Federal CMAQ	15,310
Federal Homeland Security	1,800
State Bond Program	42,850
Pace Funds	17,150
Total Suburban Funding	\$109,180

Ventra

Starting in 2013, Chicago area transit riders will have a new and more convenient way to pay for rides on Pace and CTA.



Introducing Ventra

Ventra is Pace and CTA's new payment system that will allow customers to use a single fare card for regional transit throughout the Chicago area. Customers will be able to pay for Pace bus and CTA train and bus rides with the following contactless payment methods.

- Ventra Card, a transit and prepaid debit card that can be used for transit and everyday purchases.
- Ventra Tickets, for single-ride and 1-day passes; and
- Personal bank-issued credit or debit cards.

Riders will simply “tap” their payment card to board any bus or train on pace and CTA.

The agencies will continue offering special fares and multi-day passes, including 30-day and 7-day, and will still accept cash on buses. Customers will also eventually be able to use their compatible mobile phones to pay for rides on Pace and CTA.

Ventra will be available on Pace's fixed route buses and on all CTA trains and buses in the summer of 2013. Ventra will replace Pace and CTA's existing fare systems in 2014.

Visit ventrachicago.com today to learn more about the exciting new way to pay.



Suburban Service

Suburban Service

2013 Suburban Service Operating Budget

Summary

The Suburban Service program is presented in the table below and summarized as follows:

- Pace will incur \$207.761 million in operating expenses for 2013 in the provision of transit services in the Region.
- A total of \$59.165 million in revenue will be generated from operations.
- An initial deficit or funding requirement of \$148.596 million will occur from operations prior to funding.
- A total of \$143.534 million in funding generated from Regional Sales Tax is proposed to be available for 2013 including \$3.694 million in RTA Discretionary Funds.
- A total of \$5.062 million in Federal Congestion Mitigation/Air Quality (CMAQ), Job Access and Reverse Commute (JARC), New Freedom, and Federal 5307 funds are expected for next year.

The budget for 2013 maintains all existing Pace services while providing for a number of key enhancements. Service will be expanded on the I-55 corridor Bus On Shoulder operation. New corridor services will also be implemented on I-90.

Additional service improvements are planned for Lake County, Pace Fox Valley (Aurora), along with new Call-n-Ride services and vanpool program growth. A key initiative for 2013 is Pace's partnership with CTA to implement a new fare system. The Ventra Fare System will allow for seamless passenger transfers between CTA and Pace while allowing customers to pay fares with a wide variety of media - including contactless credit cards.

Total expenses will rise 7.8%. Items contributing to next year's growth include service improvements, fuel, and new fare collection and radio systems. These items carry a premium above the standard 1.9% rate of inflation forecasted for next year.

The 2013 Suburban Service budget is balanced to both the funding and recovery marks identified for Pace by the RTA. The program will achieve a 30.0% recovery ratio next year using credits and allowances authorized by the RTA.

A detailed review of the 2013 Suburban Service operating program is presented in this section.

Table 3. 2013 Suburban Service Operating Budget Summary (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Total Operating Expenses	\$179,690	\$192,701	\$207,761
Less: Total Operating Revenue	55,221	56,886	59,165
Funding Requirement	\$124,469	\$135,815	\$148,596
Less:			
Sales Tax (Part I)	\$76,085	\$79,038	\$80,869
Sales Tax & PTF (Part II)	31,449	30,333	30,371
Suburban Community Mobility Fund (SCMF)	19,860	20,527	21,100
South Suburban Job Access Fund	7,500	7,500	7,500
Federal CMAQ/JARC/New Freedom Funds	1,597	1,399	2,284
RTA Discretionary (PTF - Part I)	535	3,000	3,694
RTA ICE Funds	38	0	0
Federal 5307 Funds	2,000	0	2,778
Net Funding Available	\$14,595	\$5,982	\$0
Recovery Ratio	36.00%	30.00%	30.00%

Sources of Funds

PACE relies on two sources to fund operations—funds classified as “public” which come from the State of Illinois and the federal government, and revenues directly associated with operations. In January 2008, the public funding package for transit in northeastern Illinois was radically revised. The revisions increased the amounts and sources, and established a new allocation basis for the new funding provided.

As a result, Pace’s public funding mix has been significantly revamped. In order to put the public funding environment in perspective, we will segregate the elements into two main categories—Part I or old funding (pre-2008 funding reform) and Part II or the new funding element, resulting from the January 2008 legislative funding reform. The main sources of funding for both the old and new funding packages are the same—a regional

sales tax and a state sales tax matching grant from the Public Transportation Fund (PTF). It is important to understand that the new funding is in addition to the old funding basis and the two taken together comprise total public funding available.

By September 15th, the RTA is required to advise Pace and the other Service Boards of the amounts and timing of public funds that will be provided for the coming and two following fiscal years. The RTA is also required to establish a recovery ratio at this time which indirectly sets the levels of operating revenues that each of the Service Boards will need to achieve in order to meet the RTA “marks.” Further discussion of the RTA “marks” and the budget process can be found in Appendix G. A detailed look at the funding sources is provided as follows.

Table 4. Part I. Allocation of Sales Tax Receipts

	<u>RTA</u>	<u>CTA</u>	<u>Metra</u>	<u>Pace</u>
Chicago	15%	85%	-	-
Suburban Cook	15%	(30%	55%	15% of remaining 85%)
Collar Counties	15%	(-	70%	30% of remaining 85%)

Table 5. Regional Sales Tax & Public Transportation Fund (PTF) Trends (000’s)

	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>2013 Plan</u>
Regional Funds					
Sales Tax - Part I	\$660,183	\$687,785	\$719,849	\$737,060	\$765,108
PTF Match to Part I Sales Tax (25%)	169,353	171,169	181,428	184,265	191,277
Sales Tax - Part II	234,055	243,650	255,822	261,158	272,917
PTF Match to Part II Sales Tax (+5% Part I)	113,188	116,235	123,967	123,609	129,174
Total Sales Tax and PTF	\$1,176,779	\$1,218,839	\$1,281,066	\$1,306,092	\$1,358,476
Pace Share of Regional Funds					
Sales Tax - Part I	\$70,439	\$73,054	\$76,085	\$78,234	\$80,869
PTF Match to Part I Sales Tax	2,267	0	535	3,000	3,694
Sales Tax II and PTF	54,668	56,244	58,809	58,016	58,971
Total Pace Share	\$127,374	\$129,298	\$135,429	\$139,250	\$143,535
Pace Funding As a Percent of Regional Funding					
PTF Match to Part I Sales Tax (RTA Discretionary)	1.3%	0.0%	0.3%	1.6%	1.9%
Sales Tax I and PTF I	8.8%	8.5%	8.5%	8.8%	8.8%
Sales Tax II and PTF II	15.7%	15.6%	15.5%	15.1%	14.7%
Total Receipts	10.8%	10.6%	10.6%	10.7%	10.6%

Funding Sources - Part 1

Sales Tax

The Part I sales tax amount represents the pre-2008 sales tax imposed by the RTA. The effective sales tax rate for Part I is 1% in Cook County and .25% in Will, Lake, Kane, DuPage and McHenry Counties. Part I sales taxes are distributed to Pace, the RTA, and the other Service Boards (CTA and Metra) in accordance with the allocation shown on Table 4.

The RTA has established a preliminary sales tax funding mark of \$80.869 million for Pace for 2013. This represents approximately 10.6% of the total RTA region's estimate of \$765.108 million. The RTA projects Pace sales tax will increase by 3.4% over budgeted 2012 sales tax receipts. The RTA estimate is based on a projection of current sales tax trends which continue to rise over prior year levels. Table 5 highlights recent and upcoming estimates for Part I sales tax revenues for both the region and Pace.

Public Transportation Fund (PTF) - Part 1

Section 4.09 of the RTA Act establishes a Public Transportation Fund in the State Treasury. The PTF is to be funded by transfers from the General Revenue Fund, and all funds in the PTF are to be allocated and paid to the RTA, provided it meets the budgeting and financial requirements as set forth in the Act. The amount transferred to the fund under Part I equals 25% of the net revenue realized from the Part I sales tax.

The RTA has, over time, reduced the level of PTF Part I sales tax funds to Pace. For 2013, they will provide Pace with \$3.694 million of these funds.

Federal Funds

Pace is eligible for federal funding from several programs in 2013.

Congestion Mitigation/Air Quality (CMAQ) Program

Since 1996, Pace has benefited from the Federal Congestion Mitigation/Air Quality (CMAQ) program which awards funds to implement and maintain various new services that support program objectives. Continued funding from this source is included in 2013.

Job Access and Reverse Commute (JARC) Program

Since 2001, Pace has qualified for funds under the JARC program. Funding is provided for transportation services designed to increase access to jobs and employment related activities. Pace has programmed the use of JARC funds in 2013.

New Freedom Program

The Federal Transit Administration provides for a program which encourages service and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act. Pace has programmed use of New Freedom funds in 2013.

Funding Sources - Part II Sales Tax & PTF

The passage of Public Act 95-0708 in January 2008 restructured RTA governance, oversight responsibilities and funding. Pace operating funding has been enhanced with additional resources that are based on new sales taxes and matching PTF allocations.

Under the new funding package, the regional sales tax is increased by 1/4 of 1% throughout the six county region. A new additional PTF grant from the State equal to 5% of total sales tax collections—both the Part I existing sales tax and the new additional 1/4% sales tax—is established.

The existing PTF match of 25% of sales tax is extended to the new 1/4% sales tax. Lastly, authorization for a real estate transfer tax (RETT) was created in the City of Chicago with the proceeds of the RETT and a State 25% match from PTF on the RETT going to the CTA.

Funds generated by the new package are pooled and then allocated by the state statute. The allocation for the initial year of the package (2008) was as follows:

- \$100 million was allocated to Pace for the provision of the Regional ADA Paratransit Service. This amount was increased by legislation to \$115.000 million for 2012 with allocations based on program requirements.
- \$20 million was allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$10 million was allocated to the RTA for an Innovation, Coordination and Enhancement (ICE) fund.

The SCMF and RTA/ICE amounts are adjusted annually for sales tax performance which is expected to recover to 2008 levels in 2013 (Table 6).

The remaining balance is allocated to the CTA (48%), Metra (39%) and Pace (13%). In addition to these funds, the RTA is required to fund Pace an additional \$7.5 million annually for services in South Cook County.

Table 6 shows the allocation of the new funding sources for the 2013 RTA budget.

Suburban Community Mobility Fund (SCMF)

The SCMF provides \$21.1 million (2013) to Pace for the provision of non-traditional transit services. Services such as dial-a-ride, vanpool, ridesharing, reverse commute, bus rapid transit and other innovative services that enhance suburban mobility are eligible. Both new and existing services are eligible for SCMF funding. Pace is already providing in excess of \$50 million in qualifying services; however, the decision as to whether these funds are used for new or existing services will be made annually via the budget process. For 2013, Pace will use these funds to support existing services.

SCMF fund levels are tied to the percentage change in sales taxes.

South Suburban Cook Job Access Fund

While not representing a new source of funds, the RTA legislation (January 2008) established a requirement that the RTA provide \$7.5 million annually to Pace for the provision of services in South Cook County.

The \$7.5 million does not grow with sales tax growth. These funds can be used for new or existing services that focus on employment opportunities. Pace currently expends in excess of \$32.0 million for services in South Cook County for two of its operating divisions - Pace South and Pace Southwest.

ADA Paratransit Fund

In 2011, the RTA Act was amended to establish the ADA Fund at a level of \$115.000 million for 2012 with future allocations based on program requirements. The 2013 requirement is \$127.767 million.

Operating Revenues

Pace is budgeting for \$59.165 million in Suburban Service operating revenue for 2013, a \$2.279 million or 4.0% increase from estimated 2012 levels. The revenue growth at the Pace Divisions, Public Contract and Private Contract operators is based on projected fixed route service ridership growth of 3.5% for 2013.

Ridership growth of 7.8% for the Vanpool program and 6.5% for the Dial-A-Ride program result in the projected revenue growth for 2013.

Growth in other revenue is based on grant reimbursements for study efforts.

Table 6. Part II Regional Public Funding Distribution - RTA New Funding (000's)

	<u>2013 Plan</u>
New Sales Tax	\$272,917
Public Transportation Funds	
5% Match-New/Old Sales Tax, Chicago RETT	\$51,895
25% PTF Match-New Sales Tax	68,229
Total New Sales Tax & PTF	\$393,041
Distribution	
Regional ADA Paratransit Fund - Pace/RTA	\$127,767
Suburban Community Mobility Fund - Pace	21,100
RTA Innovation, Coord/Enhancement Fund	10,550
Balance Available for Allocation	\$233,624
Service Board Distribution	
CTA-48%	\$112,139
Metra-39%	91,113
Pace-13%	30,371
Total to Service Boards	\$233,624
South Suburban Cook Job Access*	\$7,500

*Not sourced from new sales tax/PTF

Uses of Funds

All funds received in 2013 will be used to support Pace services. The components of the 2013 Suburban Service operating program are fixed route carriers (Pace-owned, public/municipal contract and private contract carriers); dial-a-ride services; the vanpool program; centralized support expenses and costs for administration.

Pace-Owned Services

Pace is responsible for the direct operation of nine carriers in the six county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry 85% of the total suburban service ridership. Pace expects to provide \$83.510 million for expenses to these carriers in 2013. Pace carriers will also provide a portion of the Federal Congestion Mitigation/Air Quality (CMAQ) and the Job Access Reverse Commute (JARC) program services in 2013 totaling \$1.478 million. The combined total cost for Pace-owned carriers in 2013 is \$84.988 million. Further information on the Pace-owned services budget can be found on page 12.

Public/Municipal Contracted Services

Pace will contract directly with three municipalities (Niles, Downers Grove and Highland Park) and maintains an agreement with the Village of Schaumburg for additional fixed route services. These services are expected to cost an estimated \$3.385 million in 2013. Further information on the public/municipal contracted services budget can be found on page 13.

Private Contract Services

Pace provides service to more than 28 communities by directly contracting with three private transit companies. In 2013, Pace will contract for Job Access Reverse Commute (JARC) service. The combined total cost for privately contracted service in 2013 is \$6.815 million. Further information on the private contract services can be found on page 14.

Dial-a-Ride Services

Pace participates in 68 dial-a-ride service projects throughout the six county region. Services are operated by townships or local municipalities under contract with Pace or directly by private carriers. Pace provides partial funding to these services, requiring the local government

to support a portion of the net service cost based upon a formula applied to the total service cost. Pace also oversees the Community Transit Program. The total cost for dial-a-ride services in 2013 is \$20.267 million. Further information on the dial-a-ride services budget can be found on pages 15 and 16.

Vanpool Services

The 2013 budget for vanpool services is \$5.564 million. This program is targeted specifically at the short and intermediate range work-trip market where the majority of peak period travel occurs. In 1994, the Advantage element was added with the intent to provide a transit alternative to individuals who commute on a regular basis to work sites or rehabilitative workshops. In 1997, the Employer Shuttle element was created to allow suburban employers to shuttle employees to and from nearby transit connections. Pace expects this program to have 755 vans in service by the end of 2013. Further information on the vanpool services budget can be found on pages 17 and 18.

Centralized Support

Pace provides a variety of direct operational support items through a centralized support program. Pace has been able to save money by buying in bulk and consolidating services. In total, Pace will spend \$64.625 million to provide fuel, insurance, healthcare and other support items in 2013. Further detail on the centralized support program budget is contained on page 19.

Administration

In order to accomplish the duties of direct operational support, service planning, capital planning, financial control and MIS support, Pace's 2013 administrative budget is set at \$26.067 million. Further information on the administration budget can be found on page 20.

Regional ADA Paratransit Credit

Beginning in July 2006, Pace assumed responsibility for providing all ADA paratransit trips in the northeastern Illinois six county region. These costs represent support from Pace's MIS, Accounting, Purchasing and other departments which support the ADA program. Pace has applied a credit to the Suburban Service budget of \$3.949 million which has been allocated to the Regional ADA Paratransit Services budget.

Table 7. 2013 Suburban Service Revenue Summary (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Operating Revenues			
Pace-Owned Services	\$28,192	\$29,385	\$30,390
Public/Municipal Contracted Services	1,607	1,533	1,562
Private Contracted Services	2,125	1,587	1,635
Dial-A-Ride Services	11,084	12,057	12,633
Vanpool Program	3,676	4,048	4,364
Half-Fare Reimbursement	2,571	2,571	2,610
Investment/Other Income	1,610	1,270	1,531
Advertising Revenue	4,355	4,435	4,440
Total Operating Revenue	\$55,221	\$56,886	\$59,165
Public Funding			
Sales Tax (Part I)	\$76,085	\$79,038	\$80,869
RTA Discretionary (PTF - Part I)	535	3,000	3,694
Sales Tax and PTF (Part II)	31,450	30,333	30,371
Suburban Community Mobility Fund (SCMF)	19,860	20,527	21,100
South Suburban Cook Job Access Fund	7,500	7,500	7,500
Federal CMAQ/JARC/New Freedom Funds	1,597	1,399	2,284
Federal 5307	2,000	0	2,778
RTA/ICE Funds	38	0	0
Total Public Funding	\$139,064	\$141,797	\$148,596
Total Source of Funds	\$194,285	\$198,683	\$207,761

Chart B. Sources of Funds (000's) - Total \$207,761

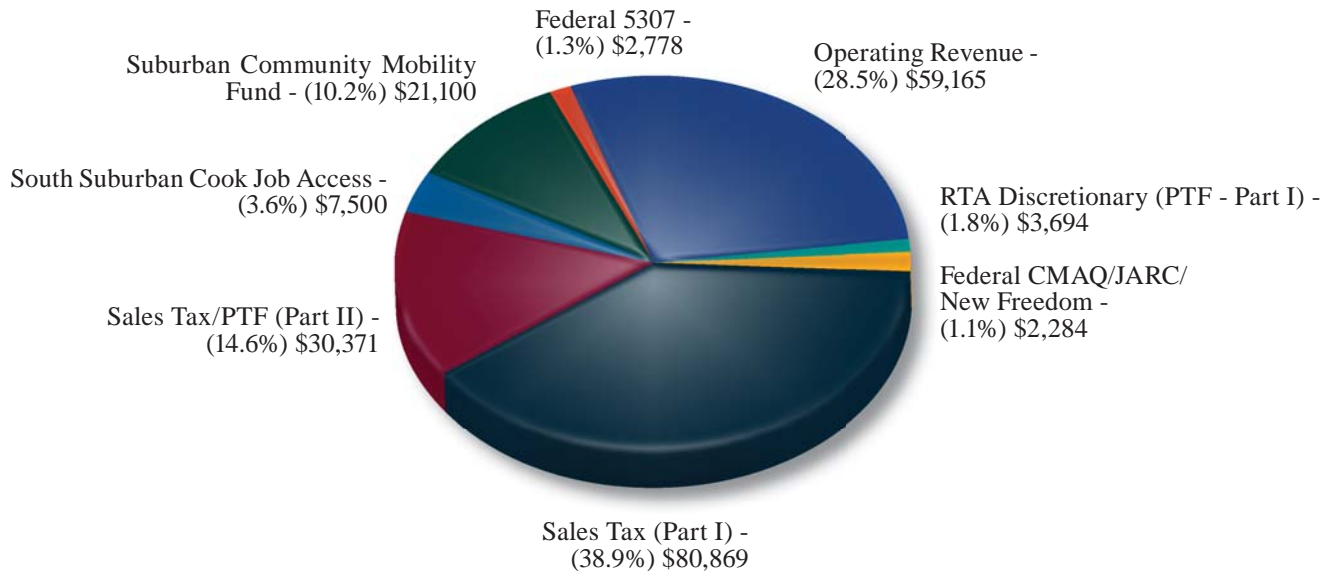
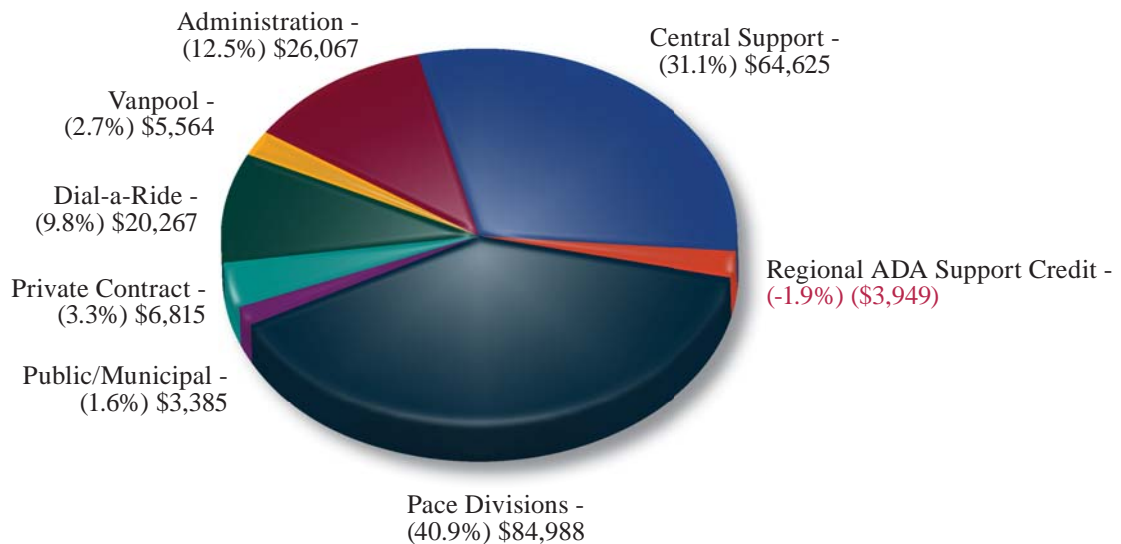


Table 8. 2013 Suburban Service Expense Summary (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Expenses			
Pace-Owned Services	\$74,521	\$79,966	\$84,988
Public/Municipal Contracted Services	3,457	3,277	3,385
Private Contracted Services	7,211	6,480	6,815
Dial-A-Ride Services	17,495	18,665	20,267
Vanpool Program	4,530	4,954	5,564
Centralized Operations*	55,149	59,549	64,625
Administration	21,145	23,802	26,067
Regional ADA Support Credit	(3,816)	(3,992)	(3,949)
Total Expenses	\$179,690	\$192,701	\$207,761
Net Funding Available	\$14,595	\$5,982	\$0
Recovery Rate	36.00%	30.00%	30.00%

* Includes Ventra Fare System

Chart C. Uses of Funds (000's) - Total \$207,761



2013 Pace-Owned Carrier Budget

PACE directly operates fixed route service from nine facilities located throughout the six county region: Fox Valley in North Aurora, Southwest in Bridgeview, Northwest in Des Plaines, River in Elgin, North Shore in Evanston, Heritage in Joliet, South in Markham, West in Melrose Park and North in Waukegan. Combined, these carriers account for 85% of the system's suburban ridership.

In 2013, Pace will spend \$54.6 million to provide service in these areas. This represents a 7.9% increase over estimated 2012 levels.

Total revenues will increase in 2013 due to a projected growth in base ridership and projected growth from expansion of the Bus On Shoulder Program on I-55 and new service in the I-90 Corridor.

Total operating expenses will grow 6.3% over 2012 levels. Service improvements and labor and fringe benefit costs are the primary factors affecting the rising costs in 2013.

Recovery performance will decline slightly at the divisions for 2013 due to the growth in operating expenses.



Pace plans to add CNG fueling capabilities to South Division garage in Markham.

The budget for Pace Divisions is summarized on the table below.

2013 Goals

Pace's efforts for 2013 include providing 31.4 million rides with a minimum recovery ratio of 35.8%.

Table 9. Budget Summary - Pace Owned Carriers (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Revenue			
Pace Divisions	\$28,192	\$29,385	\$30,286
CMAQ/JARC	0	0	104
Total Revenue	\$28,192	\$29,385	\$30,390
Expenses			
Operations	\$51,993	\$55,911	\$58,297
CMAQ/JARC	209	0	1,478
Maintenance	11,902	12,952	13,276
Bus Parts/Supplies	3,049	3,138	3,414
Non-Vehicle Maintenance	2,046	2,320	2,373
General Administration	5,322	5,645	6,150
Total Expenses	\$74,521	\$79,966	\$84,988
Funding Requirement	\$46,329	\$50,581	\$54,598
Recovery Ratio	37.83%	36.75%	35.76%
Ridership	28,614	30,297	31,379
Vehicle Miles	21,376	22,172	22,548
Vehicle Hours	1,425	1,461	1,488
Full Time Equivalents (FTE's)	1,160	1,195	1,218

2013 Public/Municipal Contracted Service Budget

PACE will contract with three municipalities—Highland Park, Downers Grove and Niles—to provide fixed route bus service in these communities, and maintains an agreement with the Village of Schaumburg for additional fixed route service in 2013. The services included in this category are identified below with detailed information provided in Appendix F.

Municipal Fixed Route Services

The City of Highland Park and the Village of Niles will continue to contract with Pace in order to provide fixed route services in their areas in 2013. Combined, these services will provide .806 million rides, and generate \$1.179 million in revenue via the farebox or local share contributions. Total service expenditures will reach \$2.823 million in 2013, and net required funding will increase slightly to \$1.644 million. The goal for these two providers in 2013 includes increasing ridership by 3.0% and achieving a minimum 36% recovery ratio.

Downers Grove

The Village of Downers Grove operates the Grove Commuter Shuttle, transporting passengers to the Metra/Burlington Northern rail station in Downers Grove. This service is included in Pace’s 2013 budget at a cost of

\$287,000, offset by revenue of \$117,000. The goal for Downers Grove in 2013 is to achieve a minimum 36% recovery ratio.

Schaumburg

A trolley service was implemented in the Woodfield area in 2001 and continues in 2013. The cost of this service is estimated at \$275,000 and is partially funded by the Village of Schaumburg.



Trolley bus service is operated by First Transit through a contract with the Village of Schaumburg.

Table 10. Budget Summary - Public/Municipal (000's)

	2011 <u>Actual</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>
Revenue			
Highland Park	\$556	\$623	\$638
Niles	568	531	541
Schaumburg	260	266	266
Downers Grove	223	113	117
Total Revenue	\$1,607	\$1,533	\$1,562
Expenses			
Highland Park	\$1,251	\$1,245	\$1,322
Niles	1,625	1,474	1,501
Schaumburg	308	287	275
Downers Grove	273	271	287
Total Expenses	\$3,457	\$3,277	\$3,385
Funding Requirement	\$1,850	\$1,744	\$1,823
Recovery Ratio	46.49%	46.78%	46.14%
Ridership	875	892	919
Vehicle Miles	624	633	642
Vehicle Hours	54	54	55

2013 Private Contract Carrier Budget

IN 2013, Pace will contract directly with three private transit providers for fixed route service in 28 different communities.

Private contractors doing business with Pace include:

- Coach USA
- First Group
- MV Transportation

The net cost of providing fixed route contracted service will increase by \$0.287 million in 2013 or 5.9% over estimated 2012 levels. The increase is due primarily to increased contract cost in 2013. Included in the contracted services budget is the South Suburban Express Service. JARC funding is expected to cover 50% of the cost of this service.

Operating revenues are projected to increase by 3.0% next year to correspond with the projected increase in ridership.

The budget for private contracted services is summarized on the following table.



In 2012, Pace implemented new express service on I-294 from the south suburbs to job markets in Rosemont and Schaumburg.

2013 Goals

2013 goals include providing service to 0.957 million riders, while achieving a minimum recovery ratio of 24.0%.

Table 11. Budget Summary - Private Contract Carriers (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Revenue			
Private Contract	\$2,085	\$1,550	\$1,597
CMAQ/JARC	40	37	38
Total Revenue	\$2,125	\$1,587	\$1,635
Expenses			
Private Contract	\$7,129	\$5,731	\$6,051
CMAQ/JARC	82	749	764
Total Expenses	\$7,211	\$6,480	\$6,815
Funding Requirement	\$5,086	\$4,893	\$5,180
Recovery Ratio	29.47%	24.49%	23.99%
Ridership	1,141	929	957
Vehicle Miles	1,705	1,582	1,560
Vehicle Hours	102	97	96

2013 Dial-a-Ride Services Budget

DIAL-A-RIDE service is available in a large portion of the Pace service area through 68 dial-a-ride projects. Nearly all service is provided with Pace-owned paratransit vehicles.

Pace has service agreements with villages and townships for the operation of 22 dial-a-ride projects. In most cases, the local community operates the service referred to as Municipal Provided Service. For 2013, Pace's funding formula for service agreements is based on providing a subsidy of \$3.00 per trip or 75% of deficit, whichever is less (\$3.00/75%). As in past years, individual project funding will also be limited to the inflationary growth rate for 2013. Pace raised the subsidy from \$2.25 to \$3.00 at the beginning of 2009 as part of a planned new initiative program.

Pace contracts directly with private providers for the operation of 46 dial-a-ride projects referred to as Contractor Provided Service. The communities served continue to partner with Pace to provide financial support for these projects through "local share agreements." Pace continues to receive funding to help cover a portion of dial-a-ride service costs through 45 local share agreements. A large group of contracted services are provided in the Eastern McHenry area, and through parts of Lake, Kane, DuPage and Will counties.

In 2010, two new projects were implemented in an effort to further coordinate paratransit services between ADA and fixed route services. The Northwest Lake project coordinates services in and between Avon, Grant, Lake Villa and Antioch Townships. The McHenry County project coordinates services between the cities of Woodstock, McHenry, Crystal Lake, and McHenry and Dorr Townships. Services are provided by the contracted service providers for Lake and McHenry Counties.

The budget shown in Table 13 is based on the \$3.00/75% subsidy formula for local dial-a-ride and will provide \$20.267 million for service throughout the six county region including the Ride DuPage, Ride in Kane and Community Transit programs.

Call-n-Ride

In 2008, Pace launched its first Call-n-Ride program in West Joliet and its second, in the Round Lake Area, at the end of 2009. In 2011, Call-n-Ride projects were implemented in the Wheaton-Winfield area and the St.

Charles-Geneva area. Three additional Call-n-Rides are planned in 2012, the first being implemented in the Vernon Hills-Mundelein area. Call-n-Ride service is a reservation-based, curb-to-curb service that picks up riders and takes them anywhere within a designated geographic service area. This service differs from other demand response services like Dial-a-Ride and ADA Paratransit service because it is designed to supplement fixed route service by providing first and/or last mile to connect people to the routes in the area. Fares for the service are the same as the local Pace fixed route fare.

Community Transit Program

The Community Transit Program replaced the Municipal Vanpool Program. This program allows local municipalities to provide flexible public transportation in their communities. This program was reclassified to the dial-a-ride budget in 2009. Pace will cover maintenance expenses on qualifying vehicles in 2013 at a cost of \$74,865. Revenues for this program are projected at \$101,651 with 87 vehicles in service by year-end 2013. The 2013 budgeted recovery rate for this program is 135.78%.

Ride DuPage

In 2004, the Ride DuPage program was implemented. The program coordinates paratransit operations which were previously operated and dispatched by numerous private and public organizations. Pace coordinates dispatching and provides service through a mix of transportation providers. This service is included in Pace's 2013 budget at a cost of \$1.509 million. Program costs are offset by local subsidies and federal grant funding.

Ride in Kane

In 2008, the Ride in Kane program was implemented. The program coordinates paratransit operations through a centralized call center and provides service through a mix of transportation providers. The cost of this service is estimated at \$4.054 million. It is funded by a combination of federal grant funding and local share agreements.

2013 Goals

Combined dial-a-ride efforts in 2013 will include carrying 1.4 million riders while maintaining recovery performance at a level of 62.33%.

Table 12. Budget Summary - Dial-a-Ride Services (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Revenue			
Municipal Provided Service	\$4,076	\$4,287	\$4,411
Contractor Provided Service	2,280	2,392	2,458
Call-n-Ride	19	44	89
Eastern McHenry/Ride McHenry	1,197	1,214	1,261
Ride DuPage	1,105	1,102	1,141
Ride Kane	2,309	2,922	3,171
Community Transit	98	97	102
Total Revenue	\$11,084	\$12,057	\$12,633
Expense			
Municipal Provided Service	\$5,066	\$5,287	\$5,435
Contractor Provided Service	4,883	5,015	5,275
Call-n-Ride	311	559	1,340
Eastern McHenry/Ride McHenry	2,303	2,480	2,579
Ride DuPage	1,479	1,474	1,509
Ride Kane	3,388	3,779	4,054
Community Transit	65	71	75
Total Expense	\$17,495	\$18,665	\$20,267
Recovery Rate			
Municipal Provided Service	80.46%	81.07%	81.16%
Contractor Provided Service	46.70%	44.89%	46.59%
Call-n-Ride	6.15%	7.87%	6.64%
Eastern McHenry/Ride McHenry	52.00%	48.95%	48.88%
Ride DuPage	74.68%	74.79%	75.59%
Ride Kane	68.16%	77.33%	78.21%
Community Transit	150.00%	135.78%	135.78%
Total Recovery Rate	63.36%	64.60%	62.33%
Ridership			
Municipal Provided Service	334	341	348
Contractor Provided Service	290	283	289
Call-n-Ride	18	44	94
Eastern McHenry/Ride McHenry	227	217	223
Ride DuPage	43	43	43
Ride Kane	150	165	172
Community Transit	230	231	242
Total Ridership	1,293	1,324	1,410

2013 Vanpool Budget

THE Vanpool Program is a commuting option which provides passenger vans to small groups of 5 to 14 people, allowing them to commute to and from work together. The program continues to grow and Pace estimates to have 755 vans in service by year-end 2013, providing 2.099 million rides. Revenue and expenses are projected to increase 7.8% and 12.3%, respectively, over 2012 levels.

Pace's Vanpool Program is comprised of three elements: the Vanpool Incentive Program (VIP), Employer Shuttle and the Advantage Program, all of which are detailed on Table 13. The budget for the total Vanpool Program is also summarized in the table. There is no fare increase included in the budget at this time. However, in 2013, Pace will impose a surcharge on vanpools using the Skyway or Indiana Toll Road to offset the significant toll costs.

Vanpool Incentive program (VIP)

The Vanpool Incentive Program (VIP) is the core element of the program and is projected to achieve a ridership level of 1.059 million rides with 354 vans in service by the end of 2013. The 2013 budgeted revenue is expected to grow 7.8%, in line with the growth in vans and ridership. Total expenses are projected to increase 12.3%. Recovery performance is budgeted at 93.19% for 2013.

Employer Shuttle Program

The Employer Shuttle Program provides vans to suburban employers to shuttle employees to and from nearby transit connections with CTA, Metra and Pace facilities. Pace estimates to have 25 shuttle vans in service by the end of 2013, an increase of two vans over 2012 year-end levels. The 2013 budgeted recovery rate for this program is 123.91%.

Advantage Program

In 1994, Pace expanded the Vanpool Program to include the Advantage element. Advantage is intended to provide a transit alternative to individuals that commute on a regular basis to worksites or rehabilitative workshops supported by qualifying not-for-profit human service organizations. It is an alternative for those unable to use the regular ADA paratransit service or those living outside the 3/4 mile ADA service area.

The Advantage program revenue and expense for 2013 will grow a respective 7.8% and 12.3%, also consistent with the growth in vans and ridership. Pace estimates to have 376 vans in service at year-end 2013. The recovery rate for the Advantage Program is budgeted at 61.57% for 2013.

2013 Goals

Pace's efforts for the entire Vanpool Program in 2013 will include providing 2.099 million passengers and maintaining a recovery ratio of 78.43%. Pace projects to have 755 vans in service by the end of 2013.



Pace is wrapping its Vanpool vans for increased visibility.

Table 13. Vanpool Budget (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Revenue			
VIP	\$2,054	\$2,254	\$2,429
Employer Shuttle	137	210	227
Advantage	1,484	1,584	1,708
Total Revenue	\$3,676	\$4,048	\$4,364
Expense			
VIP	\$2,092	\$2,321	\$2,607
Employer Shuttle	110	163	183
Advantage	2,327	2,470	2,774
Total Expenses	\$4,530	\$4,954	\$5,564
Funding Requirement	\$854	\$906	\$1,200
Recovery Rate			
VIP	98.18%	97.09%	93.19%
Employer Shuttle	124.63%	129.09%	123.91%
Advantage	63.78%	64.14%	61.57%
Total Recovery Rate	81.15%	81.71%	78.43%
Ridership			
VIP	895	982	1,059
Employer Shuttle	49	76	82
Advantage	833	889	959
Total Ridership	1,778	1,947	2,099
Vehicle Miles			
VIP	6,896	7,564	8,155
Employer Shuttle	247	379	409
Advantage	4,589	4,898	5,280
Total Vehicle Miles	11,732	12,841	13,843
Vehicles in Service (year-end) - VIP	299	328	354
Vehicles in Service (year-end) - Employer Shuttle	15	23	25
Vehicles in Service (year-end) - Advantage	327	349	376
Total Vehicles in Service (year-end)	641	700	755

2013 Centralized Support Budget

PACE manages numerous functions and expenditures “centrally” on behalf of the entire Agency. The centralized support budget will reach \$64.6 million in 2013. This budget includes expenses for fuel, liability insurance and healthcare.

In 2012, Pace’s centralized support expense is estimated to end the year \$4.4 million or 8.0% over 2011 levels.

The movement of four positions in 2012 to the administration budget has mitigated the growth which will come primarily from healthcare, liability insurance, and tire lease costs.

The 2013 centralized support budget will grow 8.5% over estimated 2012 levels.

The operations component is comprised of 34 positions that provide support to all operation areas of Pace. Total operations expense is projected to grow 5.1% over 2012 levels. Most of this growth is attributed to expanded service initiatives which require the addition of one position.

Fuel expenses are projected to grow 8.7% in 2013. Suburban Service fuel consumption is budgeted at 5.9 million gallons at \$3.32 per gallon next year. Fuel is one of the most volatile components of our budget that has negatively affected total operating costs.

The maintenance area is comprised of 39 positions and includes both maintenance and materials management personnel. Total maintenance expense is projected to

grow 3.4% over 2012 levels with most of the growth attributed to rising labor and fringe benefit costs, as well as the addition of centralized bus part purchases for the public contracted carriers.

The non-vehicle maintenance area consists of 10 positions which provide support to all building maintenance and bus shelter functions. This area will grow 8.8% over 2012 levels due to added facility and shelter expenses, as well as labor and fringe benefit costs for two additional positions that will handle expanded initiatives.

The administration portion of the central support budget is comprised of numerous items, including marketing, liability insurance, and healthcare. In 2013, healthcare and liability insurance expenses are forecasted to rise a respective 3.4% and 2.5% over 2012 levels. Added expenses for the marketing of new services and a new STARCOM21 radio system will contribute to the 9.7% growth in administration expenses. In 2013, \$1.75 million will be needed for expenses associated with the Ventra Fare System.

2013 Goals

Pace’s 2013 budgetary efforts for centralized support will include constraining non-labor expenditures wherever possible while maintaining a staffing level of 83 positions.

Further detail of the following table is provided in Appendix F.

Table 14. Centralized Support Budget (000’s)

	2011 <u>Actual</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>
Expenses			
Operations	\$4,457	\$4,743	\$4,983
Fuel	17,628	17,955	19,521
Maintenance	3,796	4,422	4,573
Non-Vehicle Maintenance	1,262	1,325	1,442
Administration	4,126	4,449	4,879
Liability Insurance	7,752	8,537	8,750
Healthcare	16,128	18,117	18,731
Ventra Fare System	0	0	1,746
Total	\$55,149	\$59,549	\$64,625
Full-Time Equivalents (FTE’s)	83	80	83

2013 Administrative Budget

THE 2013 administrative budget is estimated to reach \$26.1 million. Pace will utilize 197 positions to manage all of the Agency’s administrative responsibilities including accounting, financial and capital assistance programs, marketing, information systems, legal services, purchasing, risk management, and strategic planning.

The following table summarizes the two major activity areas of the administrative budget: Non-Vehicle Maintenance, which represents the operating costs for the headquarters facility, and the General Administration category. Administration costs include labor, parts and supplies, utilities and other expenses.

In 2012, administrative expenses are estimated to end the year \$2.7 million or 12.6% over 2011 levels. A large part of this growth is attributed to added labor and fringe benefit costs as a result of the movement of four staffing positions from the centralized support budget and one less FTE allocated to the Regional ADA Paratransit Service. Included in this growth are higher consulting and data processing costs associated with the Trapeze Intelligent Bus System (IBS) and other ongoing or new projects.

The 2013 administrative budget will increase 9.5% over 2012 estimated levels and includes projected increases in labor, data processing, service studies and consulting costs.

Looking at the individual areas of the administrative budget, non-vehicle maintenance expenses are estimated to grow 7.5% over 2012 year-end levels. Additional expenses are projected in 2013 for the upkeep of Pace’s facilities.



Pace Administrative Office Building in Arlington Heights.

Labor and fringe benefit costs will grow 9.2% in 2013 due largely to additional staffing needs. Administrative staffing will rise by 12 Full-Time Equivalents (FTE’s) to administer capital program projects. Increasing pension costs are also affecting the overall growth in fringe benefit expenses.

The expense category “Other” will rise 10.8% next year with continued cost growth for data processing, consulting and planning studies. Additional information on Pace’s planning initiatives is contained in Appendix E of the document.

Further information on staffing levels as well as an organization chart is provided in Appendix A.

2013 Goals

Pace’s 2013 budgetary efforts for administration include constraining non-labor expense growth while maintaining a staffing level of 197 positions.

Table 15. Administrative Budget (000’s)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Non-Vehicle Maintenance	\$235	\$294	\$316
General Administration			
Labor/Fringe Benefits	14,147	15,796	17,255
Parts/Supplies	197	230	233
Utilities	273	280	284
Other	6,289	7,202	7,979
Total Expenses	\$21,142	\$23,802	\$26,067
Full Time Equivalents (FTE’s)	173	185	197

2013 Suburban Service Budget & Three Year Business Plan

General

The following section presents Pace’s Suburban Service budget and three year financial business plan for the period 2013 through 2015. The RTA Act requires that the Service Boards submit a budget and three year financial plan. The plan is required to show a balance between the funding estimates provided by the RTA (known as “the marks”) and the anticipated costs of providing services. Pace’s plan for 2013 – 2015 achieves this balance. The assumptions and highlights for the three years in review are provided in this section.

The plan presented for review includes several enhancements to operations. Among the service enhancements planned for 2013 are new service on the I-90 corridor and expansion of the Bus On Shoulder Program along I-55. Also included is the implementation of the Ventra Fare System in conjunction with the CTA. The new system will expand the types of media used by riders to pay fares. The good news is that 2012 shows a moderate growth in ridership—up 5.0% over 2011 levels. The outlook for 2013 continues this trend. Demand is forecasted to grow at a rate of 3.9% due to the enhanced service planned for next year. A recovery is seen for ridership over the three year planning cycle.

The RTA also suggests a slow economic recovery as supported by their conservative outlook for sales tax growth for 2013 and the out-years. They are forecasting public funding to grow by a conservative 3.0% annually for the

three years of the plan. However, despite the projection for conservative growth, they have raised their estimate for public funding growth for the current year (2012). They are projecting that state public funding will finish the year up 3.9% over 2011 levels and will exceed the 2012 budgeted funding marks that were set for the Service Boards back in September 2011. This is positive news, and will allow Pace to finish with a net surplus of \$5.982 million for 2012.

The conservative outlook for funding growth over the three year plan will require Pace to use a modest amount of Federal 5307 funds to help balance funding needs in each year of the plan. The use of these funds is consistent with Pace’s prior multi-year plan. The use of Federal funds will also help achieve annual recovery ratio requirements.

As noted, the budget and three year financial plan are balanced, and Pace will achieve the 30% recovery ratio set by the RTA for the Suburban Service program for 2013. No fare increases are planned for 2013 at this time. For plan years 2014 and 2015, we have applied the use of federal capital funds to a maximum level of \$7.4 million. The capital funds help balance the funding gap and achieve the recovery ratio. A discussion of the assumptions used in developing the multi-year plan and a review of the highlights of the plan are provided in the following pages, along with Table 18 showing the full details of the plan.

Table 16. Baseline Economic Assumptions

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Change in Demand (Based on Total Ridership) (1)	5.0%	3.9%	2.1%	2.0%
T-Bill Rates (90 Day) (2)	0.2%	0.3%	0.4%	0.8%
CPI-U (National) (3)	2.0%	1.9%	1.5%	1.7%
Ultra-Low Sulfur (Price Growth) (4)	2.0%	6.4%	1.8%	3.0%
Pace Public Funds (Sales Tax) (5)	3.9%	2.3%	3.2%	3.5%

(1) Assumptions for demand, as measured by estimates for total ridership, are generated by Pace’s planning staff. Demand estimates are used to forecast fare increases.

(2) T-Bill rates are considered when forecasting investment income

(3) While numerous sources are referenced for CPI, The Congressional Budget Office (CBO) was the source for most CPI data.

(4) Reflects fuel price estimates for the current and future years for diesel. Oil futures contract prices were used for budget and plan years 2013-2015.

(5) Reflects RTA sales tax estimates for Pace for the budget and three year plan cycle.

Assumptions

NUMEROUS factors are considered in order to develop an annual budget and multi-year plan. The amount of demand has to be evaluated and identified for both the short and long term. The demand is measured by estimates for ridership and these estimates translate into the forecasts for farebox revenues. Economic assumptions related to the costs of providing transit services must be identified. Estimates for the consumer price index (CPI) and estimates for fuel are assumptions of significant importance. The outlook for public funding growth as verified by the RTA's estimates for state sales tax revenues is highly important as it provides between 60% and 70% of annual funding for operations. A list of baseline assumptions used to develop the Pace three year plan is summarized in Table 16. The following list of key sources were also referenced for information/outlooks on the industry/economy: the Congressional Budget Office – CBO (the primary source used for infla-

tion indices); The Kiplinger Letter (referenced for general economic information including outlooks for inflation, interest rates, etc.); The Bureau of Labor Statistics – BLS (a source for key indicators including the Producer Price Index – PPI, Utilities, Inflation, etc.); EIA – The U.S. Energy Information Administration (a source for energy price growth for fuel); The Oil Daily (an oil industry newsletter providing up-to-the-minute activities in the oil market); and the Wall Street Journal, which was referenced for general economic trends.

The outcome of applying the assumptions identified on Table 16 to known or anticipated conditions is reflected in Table 17.

Table 17. Multi-Year Category Growth

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Fare Revenue	3.7%	2.4%	2.1%
Total Revenue	4.0%	2.1%	2.1%
Labor/Fringes	6.3%	3.0%	3.0%
Healthcare	3.4%	6.0%	6.0%
Parts/Supplies	4.9%	4.3%	4.9%
Purchased Transportation	7.7%	3.3%	3.7%
Utilities	2.3%	4.0%	4.4%
Insurance/Claims	2.5%	4.5%	5.1%
Fuel (Costs)	9.5%	2.1%	3.3%
<hr/>			
Fuel Costs - Diesel - Suburban Service	\$19.521 mil	\$19.872 mil	\$20.468 mil
Number of Gallons - Suburban Service	5.879 mil	5.879 mil	5.879 mil
Price per Gallon - Diesel	\$3.32	\$3.38	\$3.48
<hr/>			
Fuel Costs - Gasoline - Vanpool	\$3.362 mil	\$3.488 mil	\$3.668 mil
Number of Gallons - Vanpool	.981 mil	1.000 mil	1.020 mil
Price per Gallon - Gasoline	\$3.43	\$3.49	\$3.59

Highlights - 2013 Budget and Three Year Plan

PACE'S 2013 Budget presented in Table 18 is balanced using RTA Sales Tax funding marks and Federal CMAQ, JARC, New Freedom, and Capital Cost of Contracting funds. For the two out-years (2014 - 2015) the plan is balanced with continued use of Federal 5307 funds. Pace maintains a robust program of privately contracted services which are eligible (under the Federal Capital Cost of Contracting program) for a reimbursement of the private Capital consumed in the delivery of public transit services. We will rely on this source of funds along with RTA discretionary funding to balance the three year plan. For all three years, Pace achieves a 30% recovery ratio, due, in part, to the allowed use of credits approved by the RTA when calculating the ratio.

Some of the highlights for the three years include operating revenues which will grow at an annual compound rate of 2.8%. The growth in revenue reflects continued ridership growth over the three year horizon.

Expenses will grow at an annual compound rate of 5.2% over the three year period. This is largely due to service enhancements planned for 2013 and the growth rate will decline to less than 4% in the two remaining plan years.

Total public funding will grow at an annual compound rate of 2.9% as forecasted by the RTA. The conservative outlook for funding requires the continued use of federal funds in order to maintain a status quo program over the three year horizon and to achieve recovery rate compliance.

Suburban Service Budget and Three Year Plan

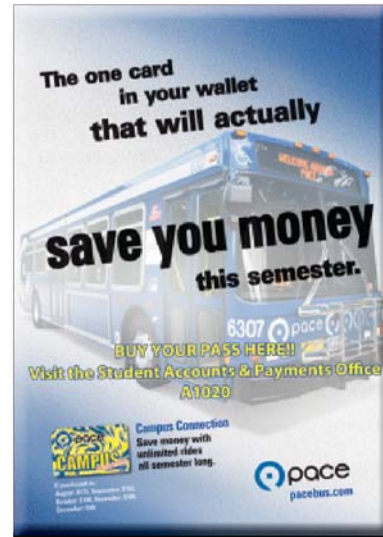
Table 18. 2013-2015 Suburban Service Operating Budget and Three Year Business Plan (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>	<u>2014 Plan</u>	<u>2015 Plan</u>
Operating Revenue					
Farebox Revenue	\$34,651	\$35,979	\$37,310	\$38,204	\$38,990
Reduced Fare Reimbursement	2,571	2,571	2,610	2,610	2,610
Investment Income	130	104	124	162	258
Advertising	4,355	4,435	4,440	4,444	4,444
Local Share/Other	13,514	13,798	14,680	14,978	15,386
Total Revenue	\$55,221	\$56,886	\$59,165	\$60,396	\$61,687
Operating Expense					
Labor/Fringes	\$91,594	\$97,888	\$104,086	\$107,258	\$110,451
Healthcare	16,128	18,117	18,731	19,854	21,046
Parts/Supplies	5,901	6,412	6,729	7,022	7,368
Purchased Transportation	26,919	27,438	29,559	30,546	31,685
Fuel	20,252	20,903	22,883	23,360	24,136
Utilities	1,662	1,685	1,724	1,793	1,872
Insurance	7,752	8,537	8,750	9,144	9,610
Ventra Fare System	0	0	1,746	3,053	3,114
Other	13,298	15,713	17,502	17,778	18,081
Regional ADA Support Credit	(3,816)	(3,992)	(3,949)	(4,050)	(4,167)
Total Expenses	\$179,690	\$192,701	\$207,761	\$215,756	\$223,196
Funding Requirement	\$124,469	\$135,815	\$148,596	\$155,360	\$161,509
Public Funding					
Sales Tax (Part I)	\$76,085	\$79,038	\$80,869	\$83,457	\$86,378
RTA Sales Tax and PTF - (Part II)	31,449	30,333	30,371	30,991	31,756
Suburban Community Mobility Funds (SCMF)	19,860	20,527	21,100	21,776	22,538
South Suburban Job Access Funds	7,500	7,500	7,500	7,500	7,500
RTA Discretionary (PTF - Part I)	535	3,000	3,694	4,649	4,905
Federal CMAQ/JARC/New Freedom	1,597	1,399	2,284	1,449	1,080
RTA ICE Funding	38	0	0	0	0
Federal 5307/Capital Cost of Contracting	2,000	0	2,778	5,538	7,352
Total Public Funding	\$139,064	\$141,797	\$148,596	\$155,360	\$161,509
Net Funding Available	\$14,595	\$5,982	\$0	\$0	\$0
Recovery Ratio	36.00%	30.00%	30.00%	30.00%	30.00%

Pace Suburban Service Cash Flow - 2013

THE following provides an estimate of Pace’s revenues, expenses and cash position for Suburban Service operations on a monthly basis. Cash flow estimates for Suburban Services public funding are included in total revenues and are based on information provided by the RTA.

The projected cash flow for Pace’s Suburban Service operations shows sufficient funds for Pace to maintain operations during 2013.



Pace has various monthly fare cards including this student fare card.

Table 19. Pace Suburban Service Projected Cash Flow Summary - 2013 (000's)

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net Results</u>	<u>Ending Balance</u>
January	\$44,054	\$15,700	\$16,746	(\$1,046)	\$43,008
February	43,008	15,859	16,746	(887)	42,122
March	42,122	17,536	19,677	(2,140)	39,982
April	39,982	15,223	16,746	(1,523)	38,459
May	38,459	15,077	16,746	(1,669)	36,790
June	36,790	16,388	18,040	(1,651)	35,139
July	35,139	16,155	16,746	(591)	34,547
August	34,547	17,750	16,746	1,004	35,552
September	35,552	17,094	18,040	(946)	34,606
October	34,606	19,178	16,746	2,432	37,039
November	37,039	16,792	16,746	46	37,085
December	37,085	25,009	18,040	6,969	44,054

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ADA Paratransit

ADA Paratransit

2013 Regional ADA Paratransit Operating Budget

Summary

The 2013 Regional ADA Service program is summarized below and detailed throughout this section. The table below shows total operating expenses will reach \$148.762 million in 2013 – up 8.2% or \$11.246 million over estimated 2012 levels. Revenues will increase by 7.9% or \$0.919 million to \$12.495 million. The ADA program will receive \$136.267 million in funding - the amount identified as available by RTA for 2013 at this time.

The outlook for 2012 shows the ADA program finishing the year at budget. The 2012 budget was amended to accommodate ridership growth of 7.8%. For 2013, ridership is expected to grow by 5.9% reaching 4.040 million trips. This growth is accommodated by the projected funding level of \$136.267 million.

Pace implemented a number of improvements in 2012 which increased service productivity. These initiatives included the deployment of an Interactive Voice Recognition (IVR) system which confirms scheduled trips and alerts riders to arrivals.

The 2013 Regional ADA Paratransit program, as presented in this section, is balanced to the \$136.267 million funding mark and will achieve a 10.00% recovery ratio next year using capital cost exemption credits allowed by the RTA.

Table 20. Regional ADA Paratransit Budget Summary (000's)

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
Total Operating Expenses	\$128,109	\$137,516	\$148,762
Less: Total Operating Revenue	13,762	11,576	12,495
Funding Requirement	\$114,346	\$125,940	\$136,267
Less: Sales Tax & PTF (Part II)	\$99,298	\$115,000	\$127,767
State Funds	8,500	8,500	8,500
RTA Funding / Budget Balancing Actions	6,548	2,440	0
Net Funding Available	\$0	\$0	\$0
Recovery Ratio*	10.00%	10.00%	10.00%

*Capital cost exemption credits applied for all years.

Regional ADA Paratransit Sources of Funds

THE Regional ADA Paratransit Budget is funded from two sources—public funds and revenues generated from operations.

ADA Fund

In January 2008, the amended RTA Act dedicated a new source of funding for the Regional ADA Paratransit Program. Section 2.01(d) required that the RTA establish an ADA Paratransit Fund and each year, amounts, as specified in Section 4.03.3, were to be deposited into the fund, including any additional funds provided by the state for this purpose. Any amounts deposited into the fund are for the exclusive purpose of funding the ADA paratransit services. The RTA can carry over positive fund balances should they exist from one year to the next and use those proceeds to fund future year ADA paratransit services.

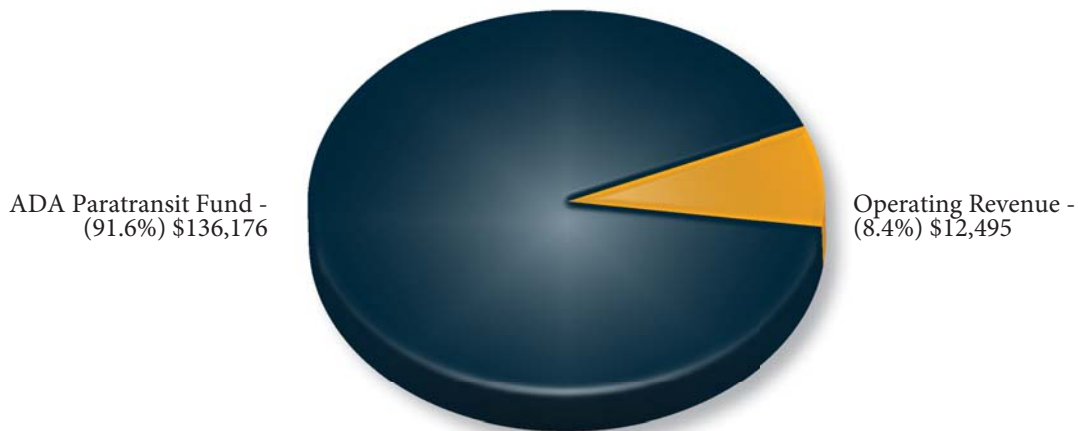
For 2012, the RTA Act was amended to increase the ADA Fund level to \$115.000 million. The amendment also states that for each year thereafter, an amount equal to the final budget funding for ADA paratransit service

for the current year shall be provided. Based on this amendment, the RTA has established the amount of \$136.176 million for 2013, which includes \$8.500 million in additional State funding. This level of funding will represent 91.6% of the total available source of funds for the ADA Paratransit Program next year.

Operating Revenue

The second source of funding available to fund the ADA Paratransit Program comes from operations. Operating revenues are generated largely from passenger fares. As ridership/demand grows, passenger fare revenues also move in the same direction. Operating revenues also include income generated from reimbursements for services provided. In the case for 2013, Pace will be reimbursed for certification and recertification trips. Pace will also receive reimbursement from Medicaid for trips determined to be eligible under their guidelines. For 2013, Operating revenues will represent \$12.495 million or 8.4% of the total sources of funds available to fund the Regional ADA Paratransit Program.

Chart D. ADA Sources of Funds (000's) - Total \$148,762



Regional ADA Paratransit Uses of Funds

ALL funds received in 2013 will be used to provide and support ADA paratransit services. The major components of the ADA program consist of City ADA services and Suburban ADA services. Service delivery under both of these programs is contracted to private service operators. Another service element offered in the City of Chicago is a Taxi Access Program (TAP). This program provides subsidized taxi service to ADA eligible riders. In addition to the City and Suburban cost elements, there are regional support costs which represent the indirect overhead costs of supporting the Regional ADA Paratransit service overseen by Pace. Details on the City, Suburban ADA services, and TAP are included on Table 21, page 30.

City ADA Services

Pace will continue to provide all ADA service within the City of Chicago. For 2013, Pace expects to spend \$115,059 million for City ADA service. The majority of these expenditures (94.1%) will be spent on service delivery through private contractors. The balance includes costs for insurance, administration and costs related to trips for certifying ADA eligible participants.

Taxi Access Program (TAP)

Pace is also responsible for the provision of subsidized taxi service to ADA eligible riders in the City of Chicago. Pace will spend \$2.446 million for TAP in 2013.

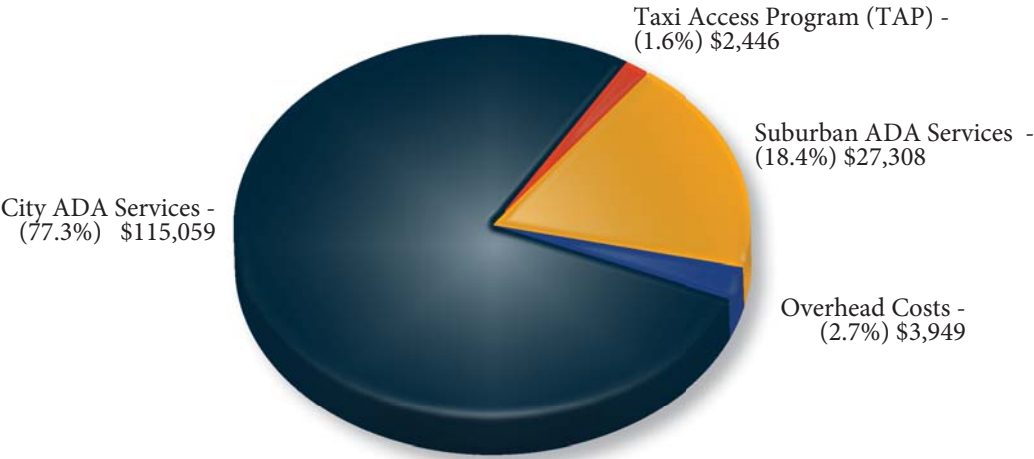
Suburban ADA Services

Pace provides ADA service in the suburbs. For 2013, Pace will spend \$27,308 million for Suburban ADA service. Costs for contracted service in the suburbs will account for 96.2% of the total cost, including fuel. Similar to the City service, the balance of the costs are also for insurance, administration and the costs for certifying ADA eligible participants.

Indirect Overhead Costs

There are regional support costs that Pace incurs on behalf of managing and operating the ADA program. For 2013, Pace will incur \$3.949 million in overhead costs that will be allocated to the Regional ADA program.

Chart E. Uses of Funds (000's) - Total \$148,762



2013 Regional ADA Paratransit Service Budget - City/Suburban Detail

PACE'S 2013 proposed revenue, expense and funding requirements for the Regional ADA Paratransit services are presented in Table 22 below. The estimates for 2012 and the proposed budget for 2013 are broken down into City, TAP and Suburban components.

The 2013 program is balanced to both the funding and recovery marks set by the RTA.

The recovery ratio for Regional ADA Paratransit services is established at 10% by the RTA Act. In determining compliance with the 10% requirement, the RTA can allow the use of capital credits to expense, consistent with the federal capital cost of contracting provisions. The purpose of the capital expense exemption from the recovery rate calculation is to exclude those capital costs—similar to the exclusion of capital costs from the calculation of the regional recovery ratio.

Table 21. 2013 Regional ADA Paratransit Service Budget - City/Suburban Details (000's)

Revenue	2012 Estimate			2013 Budget			Net Change 2012-2013
	City	Suburban	Region Total	City	Suburban	Region Total	
Fares—Contract	\$7,163	\$1,988	\$9,151	\$7,629	\$2,087	\$9,716	\$565
Fares—TAP	331	-	331	331	-	331	\$0
RTA Certification	1,723	371	2,094	2,054	394	2,448	354
Total Revenue	\$9,217	\$2,359	\$11,576	\$10,014	\$2,481	\$12,495	\$919
Expenses							
Contract Services	\$99,777	\$21,887	\$121,664	\$108,421	\$23,442	\$131,863	\$10,199
TAP Services	2,446	-	2,446	2,446	-	2,446	0
Fuel	-	2,559	2,559	-	2,816	2,816	257
Insurance	291	-	291	276	-	276	(15)
Administration	4,528	747	5,274	5,378	689	6,068	794
RTA Certification	890	341	1,231	944	361	1,305	74
Other	58	-	58	39	-	39	(19)
ADA Support Allocation	-	-	3,992	-	-	3,949	(43)
Total Expenses	\$107,990	\$25,534	\$137,516	\$117,504	\$27,308	\$148,762	\$11,247
Funding Requirement	\$98,773	\$23,175	\$125,940	\$107,490	\$24,827	\$136,267	\$10,328
Public Funding	-	-	\$125,940	-	-	\$136,267	\$10,327
Net Funding Available	-	-	0	-	-	0	0
Recovery Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	-
Base Ridership—Contract	2,388	685	3,073	2,543	720	3,263	190
Total Ridership—Contract	2,920	768	3,688	3,110	806	3,916	228
Ridership—TAP	124	-	124	124	-	124	0
Ridership—Total	3,044	768	3,812	3,234	806	4,040	228

Regional ADA Budget & Three Year Business Plan

General

The following section presents Pace’s Regional ADA Paratransit Budget and Three Year Business Plan for the period 2013 through 2015.

In summary, the 2013 ADA Paratransit Budget is balanced to the \$136.267 million funding mark set by the RTA. The two out-years of the plan achieve the funding marks presented by the RTA and the 10% recovery requirement for the ADA program.

In order to reach the funding marks in the two out-years of the plan, additional RTA funds and/or budget balancing actions have been applied. As specified in the amended RTA Act, the RTA is responsible for ensuring that adequate resources are budgeted each year for the ADA program; therefore, we provide this information to the RTA for their consideration.

Assumptions

In order to prepare this plan and forecast, a number of assumptions have been made. The economic assumptions used in this plan are the same as those used for Pace’s Suburban Service budget and are described in detail on page 21 and 22 of this document.

The assumptions for specific expense growth items unique to this ADA Paratransit Financial Plan; specifically service related elements like contractor costs, demand and fuel, are shown in Table 22.

Highlights – 2013 Budget and Three Year Plan

The budget and two-out years presented in Table 23 shows the ADA program balanced using additional RTA funds and/or budget balancing actions. Some of the highlights for the three years include fare revenues which will grow at an annual compound rate of 5.4%. Fare revenue grows consistent with the annual compound growth rate for ridership–5.4%.

Expenses will grow at an annual compound rate of 8.0% during the three year period, consistent with demand as well as price increases.

Total ADA funding is growing at an annual compound rate of 8.0% over the three years of this plan. Given the outlook for the continued growth rate for demand and associated costs, the conservative outlook for funding will continue to require additional funding and/or identification of budget balancing actions.

Table 22. Expense Growth Factors

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractor Costs - City	2.2%	3.0%	3.0%
Contractor Costs - Suburban	2.0%	3.2%	3.1%
Demand - City	.5%	5.0%	5.0%
Demand - Suburban	.1%	5.0%	5.0%
<hr/>			
Fuel Costs - ADA	\$2.816 mil	\$3.010 mil	\$3.258 mil
Number of Gallons - ADA	.820 mil	.861 mil	.904 mil
Price per Gallon - ADA	\$3.43	\$3.50	\$3.61

Regional ADA Paratransit Budget and Three Year Business Plan

Table 23. 2013-2015 Regional ADA Paratransit Budget and Three Year Business Plan (000's)

	2011 Actual	2012 Estimate	2013 Budget	2014 Plan	2015 Plan
Operating Revenue					
Fares	\$8,873	\$9,482	\$10,047	\$10,549	\$11,076
Other/Certification Revenue	4,889	2,094	2,448	2,519	2,594
Total Revenue	\$13,762	\$11,576	\$12,495	\$13,068	\$13,670
Operating Expense					
Labor/Fringes	\$2,414	\$2,645	\$2,727	\$2,797	\$2,878
Healthcare	352	393	403	443	488
Administrative Expense	1,905	2,295	2,977	3,020	3,075
Fuel	2,512	2,559	2,816	3,010	3,258
Insurance/Claims	353	291	276	289	303
RTA Certification Trips	1,091	1,231	1,305	1,371	1,438
Suburban ADA Purchased Transportation	20,646	21,887	23,442	25,353	27,419
City ADA Purchased Transportation	92,920	99,777	108,421	117,051	126,581
TAP & Mobility Direct Services	2,100	2,446	2,446	2,568	2,696
Regional ADA Support Allocation	3,816	3,992	3,949	4,050	4,167
Total Expenses	\$128,109	\$137,516	\$148,762	\$159,952	\$172,303
Funding Requirement	\$114,346	\$125,940	\$136,267	\$146,884	\$158,633
Public Funding					
Sales Tax and PTF (Part II)	\$99,298	\$115,000	\$127,767	\$134,581	\$141,734
State Funds	8,500	8,500	8,500	8,500	8,500
RTA Funds/Budget Balancing Actions	6,548	2,440	0	3,803	8,399
Total Public Funding	\$114,346	\$125,940	\$136,267	\$146,884	\$158,633
Net Funding Available	\$0	\$0	\$0	\$0	\$0
Recovery Ratio With Credits	10.0%	10.0%	10.0%	10.0%	10.0%

Pace Regional ADA Paratransit Cash Flow - 2013

THE following provides an estimate of Pace's 2013 revenues, expenses and cash position for Regional ADA Paratransit service operations on a monthly basis. Estimates for public funding are included in total revenues and are based on information provided by the RTA.

The projected cash flow presented below for Pace's Regional ADA Paratransit service shows sufficient funds for Pace to maintain operations during 2013.



Pace provides ADA and Dial-a-Ride service from its bus garage in McHenry County.

Table 24. Pace Regional ADA Projected Cash Flow Summary - 2013 (000's)

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net Results</u>	<u>Ending Balance</u>
January	(\$5,137)	\$12,397	\$12,397	\$0	(\$5,137)
February	(5,137)	12,397	12,397	0	(5,137)
March	(5,137)	12,397	12,397	0	(5,137)
April	(5,137)	12,397	12,397	0	(5,137)
May	(5,137)	12,397	12,397	0	(5,137)
June	(5,137)	12,397	12,397	0	(5,137)
July	(5,137)	12,397	12,397	0	(5,137)
August	(5,137)	12,397	12,397	0	(5,137)
September	(5,137)	12,397	12,397	0	(5,137)
October	(5,137)	12,397	12,397	0	(5,137)
November	(5,137)	12,397	12,397	0	(5,137)
December	(5,137)	12,397	12,397	0	(5,137)

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Capital Budget
Suburban Service

Capital Budget
Suburban Service

Suburban Service Capital Budget & Five Year Business Plan

Overview

This year the RTA failed to provide the required funding marks before the statutory deadline of September 15th. Therefore, this budget reflects the RTA staff recommendations. The RTA is requiring the Service Boards to address how they will work toward returning the system to a “State of Good Repair (SGR).” The RTA, in concert with the Service Boards, continue to work toward developing a set of performance measures; Pace has had its own set of Capital investment criteria it uses to evaluate projects on an annual basis for the last 20 years. Finally, the RTA, in cooperation with the Service Boards, continues to develop a prioritization tool which will eventually be used to ensure asset preservation, enhance quality and expand rider capacity.

The main focus of the RTA criteria places projects into one of three categories:

- System Stability Investments - “Maintain” which protects the existing system and service levels and addresses critical safety, security and regulatory projects, and moves towards returning the system to a “State of Good Repair.”
- System Capacity Investments - “Enhance” which makes improvements to the existing system and includes increasing capacity, operational efficiencies and new technologies.
- Market Capture Investments - “Expand” which includes major new capital projects of regional significance, addresses congestion relief and proposes new transit alternatives.

The RTA, in cooperation with the Service Boards, is currently updating the Capital Asset Condition Assessment which was last developed in 2010. This update is expected to be completed by fall of 2012 and will be updated annually by the RTA for the next three years. The

report provides an assessment of the current physical conditions and ten year capital reinvestment needs. This report accumulated an inventory of all assets in the region, reviewed the condition of the assets of all the Service Boards, and has placed them into one of three categories: (1) Backlog, (2) Normal Replacement, or (3) Capital Maintenance. The definitions of each category are as follows:

- Backlog - Replacement Costs for assets characterized by an age greater than their useful life. These assets are still in service and have not been replaced within their useful life due to the lack of sufficient funding.
- Normal Replacement - Replacement Cost for assets that will reach the end of their useful life during the five year program.
- Capital Maintenance - Cost associated with keeping an asset in a state of good repair. Capital Maintenance is typically significant, and is the cost associated with keeping the asset in service for the full term of its useful life.

Summary

As of December 2011, the Region’s total capital reinvestment needs over ten years are estimated to be roughly \$30.9 billion. This includes \$18.5 billion to address the existing investment backlog (60% of total needs) and an additional \$12.3 billion to address normal reinvestment needs expected over the next ten years (2012 to 2021).

As for Pace, our SGR backlog alone is \$432 million and as funding levels continue to fall short, this amount will increase annually. The Regional backlog and ten year capital needs have grown by 17% since the 2010 Baseline Assessment.

Table 25. Regional Ten Year Program Needs (in Billions)

	<u>CTA</u>	<u>Metra</u>	<u>Pace</u>	<u>Total</u>	<u>% of Total</u>
State of Good Repair - Backlog	\$11.55	\$6.55	\$0.43	\$18.53	60.05%
Normal Replacement	4.46	2.24	1.22	7.92	25.65%
Rehabilitation	2.42	0.61	0.44	3.47	11.25%
Capital Maintenance	0.53	0.26	0.15	0.94	3.06%
Total Ten Year Needs	\$18.96	\$9.66	\$2.24	\$30.86	100.00%
% of Program Needs	61.44%	31.30%	9.16%	100.00%	

Source: RTA Capital Asset Condition Up-date - Report for Calendar Year 2011

2013 Suburban Service Capital Program/Project Descriptions

Capital Budget Mark Assumptions

The 2013 Preliminary Capital Program marks from RTA provide \$32.070 million in Federal 5307 formula funding and \$15.310 million in Federal CMAQ funding from the Federal Transit Administration (FTA). Furthermore, Pace plans to apply for \$1.800 million in Homeland Security funding.

Additionally, \$42.850 million is expected to be available from the Illinois Department of Transportation (IDOT). Lastly, Pace plans to use \$17.150 million of its own funds for capital projects.

Table 26. Pace 2013 Proposed Capital Program Marks

<u>(000's)</u>	<u>Amount</u>
Federal 5307 Formula	\$32,070
Federal CMAQ Funds	15,310
Federal Homeland Security	1,800
State IDOT Bond Funding	42,850
Pace Funds	17,150
Total	\$109,180

Summary

The 2013 Suburban Capital Program totals \$109.180 million. Most of the funding will be used for projects needed to return the Pace system to a "State of Good Repair." However, Pace is expected to be awarded CMAQ funding for new service in the I-90 corridor.

Rolling Stock (\$76.740 Million)

- 108 Fixed Route buses (\$56.022 million): 20 over the road (OTR) buses for I-90 expansion, 75 CNG replacement buses and 13 diesel 40' buses.
- 106 paratransit vehicles (\$9.030 million): All Replacement.
- 140 vanpool vans (\$5.600 million): All Replacement.
- Capital Cost of Contracting (\$2.778 million): Funds to cover capital cost of contracting expenses incurred by private contract carriers operating suburban service.
- Associated Capital (\$.250 million): Purchase of engines, transmissions, and other bus component assemblies.

- Diesel Engine Retrofit (\$3.060 million): Replace the current 2006 model year engines with upgraded 2007 model year engines.

Operating Cost Impacts

Pace's average fleet age is 8.0 years for fixed route, 2.9 years for paratransit, 5.1 years for vanpool and 3.9 years for community based service. The typical life expectancy is 12 years, four years, and four to five years, respectively. For fixed route buses, mid-life expenses begin increasing at the six to eight year mark. Most of the vanpool vans are past their useful life and out of warranty. These units will incur additional annual operating costs of approximately \$3,000 each.

Electrical/Signal/Communications (\$.500 Million)

- IBS Upgrade-Phase I design development (\$.500 million): The current IBS mobile equipment are DOS based units which were purchased in 2001 and are in need of upgrades. The program will provide funding for Phase I design development. Additional funding will be needed in future years.

Operating Cost Impacts

IBS systems support more efficient scheduling and on time performance which can lead to cost savings and ridership growth.

Support Facilities & Equipment (\$27.600 Million)

- Improvement to Garages/Facilities (\$9.700 million): Projects include replacement of heat recovery units and exhaust fans at Pace West Division, underground tank piping improvements at Fox Valley Division, security fencing for Chicago Heights Transportation Center, replacement fuel dispensers for North Shore Division, land acquisition for a new Northwest Cook Garage, site location work, and related environmental compliance work. Additionally, Pace will build a new 20,000 square foot ancillary building in Arlington Heights to accommodate a replacement print shop, copy center, vanpool distribution center, training and storage.

- Security Projects – (\$1.800 million): Projects includes security work upgrades at the garages. This includes access controls for vehicles, access controls for employees entering the premises, and video surveillance.
- Ventra Fare System (\$10.600 million): Project includes the purchase of the Ventra Fare System. Pace and CTA have entered into agreements with Cubic Transportation Systems (CTS) to purchase a design, build, finance, operate, maintain, repair and replace the Ventra Fare System. The total capital cost to Pace is \$14 million. A payment in the amount of \$3.5 million is expected to come due in fall of 2012 with the remainder totaling \$10.6 million due in 2013.
- Farebox Overhaul – Existing System Phase I (\$.500 million): The current fare collection equipment has surpassed its useful life. In order to return the current system to an acceptable level of reliability, the fareboxes must be upgraded and overhauled.
- Computer Hardware/Software and Systems (\$3.500 million): Project includes miscellaneous hardware and software replacements/upgrades to existing systems. Systems that will be upgraded/replaced include the HASTUS scheduling software, Mobile Data Terminals (MDT's), and the Trapeze Pass system.
- Support Equipment/Non-Revenue Vehicles (\$.800 million): Project includes maintenance/support equipment including non-revenue vehicles.
- Office Equipment/Furniture (\$.700 million): Project includes office equipment/furniture such as copiers, fax machines, file cabinets, desks, etc. for the garages and headquarters.

Operating Cost Impacts

It is important to recognize that individual projects in this category cannot be analyzed from an operating cost impact vantage point in isolation of their overall system impact. In general, the replacement of equipment and other improvements to garages covered in this program will result in cost avoidance which would otherwise impact the operating budget. With regard to the farebox

initiative, the Ventra Fare System project results in an increased operating cost of \$3.0 million on an annual basis. Ridership and revenue gains as well as maintenance and operational savings are expected from the replacement of the existing system which will mitigate this expense to some degree.

Stations and Passenger Facilities (\$2.700 Million)

- Posted Stops Only Conversion (\$1.700 million): Project includes improvements to bus stops along 200 bus routes.
- Bus shelters/pads (\$1.000 million): Project includes the purchase of passenger shelters.

Operating Cost Impacts

Two additional positions will be needed to implement and maintain these initiatives at an estimated annual cost of \$127,000. Ridership and revenue increases will mitigate these costs to some degree.

Miscellaneous (\$1.640 million)

- Pace Funded Capital/Unanticipated Capital (\$.250 million): Project includes funds for capital eligible items not anticipated in the budget.
- Project Administration/Force Account (\$1.390 million): Project includes funds for staff time spent on the administration of various grants and force account work for construction management inspection services. This reduces operating expense by an equal amount.

Table 27. Suburban Service 2013 Capital Program - (000's)

	<u>AC</u>	<u>EC</u>	<u>Total Budget</u>	<u>Federal Section 5307</u>	<u>Federal CMAQ</u>	<u>Federal Homeland Security</u>	<u>State IDOT Bond</u>	<u>Pace Funds</u>
Rolling Stock								
20 Fixed Route Buses I-90	N/A	EX1	\$12,250	\$0	\$12,250	\$0	\$0	\$0
75 Fixed Route Buses CNG	NR	M3	37,280	0	0	0	37,280	0
13 Fixed Route Buses Diesel	NR	M3	6,492	6,492	0	0	0	0
106 Paratransit Buses	NR	M3	9,030	3,460	0	0	5,570	0
140 Vanpool Vans	B	M3	5,600	5,600	0	0	0	0
Capital Cost of Contracting	N/A	N/A	2,778	2,778	0	0	0	0
Associated Capital	CM	M3	250	250	0	0	0	0
Diesel Engine Retrofit	CM	M3	3,060	0	3,060	0	0	0
Subtotal			\$76,740	\$18,580	\$15,310	\$0	\$42,850	\$0
Electrical/Signal/Communications								
IBS Upgrade - Phase I	NR	M3	500	500	0	0	0	0
Subtotal			\$500	\$500	\$0	\$0	\$0	\$0
Support Facilities & Equipment								
Improve Facilities	B	M3	\$9,700	\$4,900	\$0	\$0	\$0	\$4,800
Security Projects	B	M3	1,800	0	0	1,800	0	0
Ventra Fare System	B	M3	10,600	0	0	0	0	10,600
Farebox Overhaul - Existing	B	M3	500	500	0	0	0	0
Computer Systems	NR	M3	3,500	3,000	0	0	0	500
Support Equipment	NR	M3	800	800	0	0	0	0
Office Equipment/Furniture	NR	M3	700	700	0	0	0	0
Subtotal			\$27,600	\$9,900	\$0	\$1,800	\$0	\$15,900
Stations And Passenger Facilities								
Posted Stops Only Conversion	NR	EN2	\$1,700	\$1,700	\$0	\$0	\$0	\$0
Bus Shelters/Pads	NR	M3	1,000	0	0	0	0	\$1,000
Subtotal			\$2,700	\$1,700	\$0	\$0	\$0	\$1,000
Miscellaneous								
Unanticipated Capital	NR	M3	\$250	\$0	\$0	\$0	\$0	\$250
Project Admin/Force Account	N/A	N/A	1,390	1,390	0	0	0	0
Subtotal			\$1,640	\$1,390	\$0	\$0	\$0	\$250
Total 2013 Capital Program - Suburban			\$109,180	\$32,070	\$15,310	\$1,800	\$42,850	\$17,150
2013 Marks			\$109,180	\$32,070	\$15,310	\$1,800	\$42,850	\$17,150

LEGEND

EC = EVALUATION CRITERIA

AC = ASSET CONDITION

B - BACKLOG

NR - NORMAL REPLACEMENT

CM - CAPITAL MAINTENANCE

M = MAINTAIN

M1 - SAFETY/SECURITY

M2 - REGULATORY

M3 - STATE OF GOOD REPAIR

EN=ENHANCE

EN-1 - CAPACITY IMPRVM

EN-2 - OPERATIONAL EFFIC

EN-3 - NEW TECHNOLOGIES

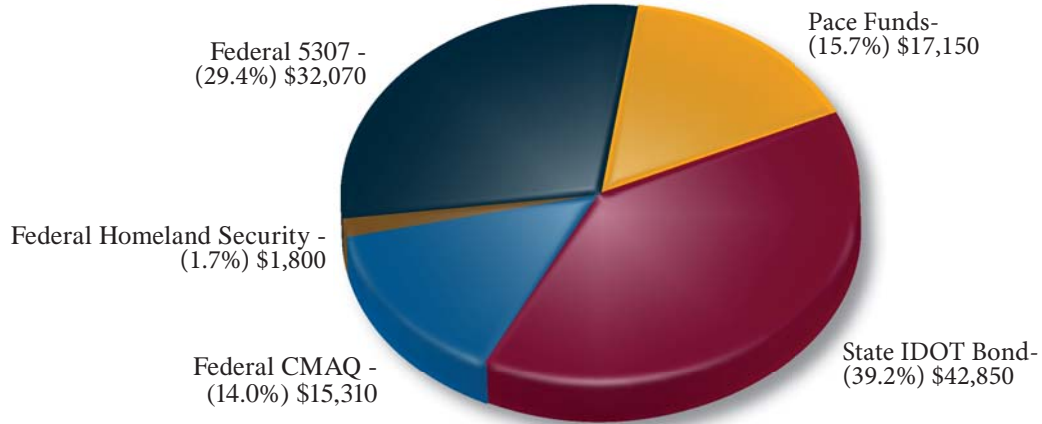
EX=EXPAND

EX-1 - CONGESTION RELIEF

EX-2 - TRANSIT ALTERNATIVES

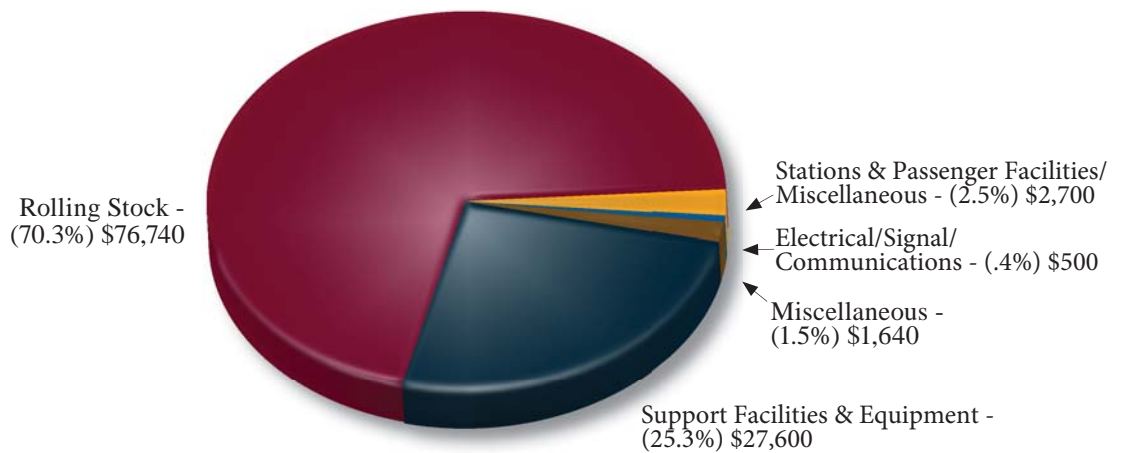
Chart F. 2013 Suburban Services Capital Program - Sources/Uses of Funds - Total \$109,180

Sources (000's)



Over 45% of Pace's program is expected to be derived from Federal sources

Uses (000's)



Over 70% of the 2013 program will be spent on the replacement of rolling stock

Capital Funding Sources

The pages that follow explain the typical capital funding sources that are available to Pace.

Federal Funding

The Surface Transportation Extension Act of 2012, Part II, found in Division G of the Moving Ahead for Progress in the 21st Century (MAP-21), Public Law 112-141 replaces the previous authorization, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy of Users (SAFETEA-LU). SAFETEA-LU expired on September 30, 2009 but was continued with a series of short-term extensions until September 30, 2012. MAP-21 consolidates certain transit programs to improve their efficiency and provides funding increases specifically for improving the State of Good Repair of the country's transit systems. The new law will provide steady and predictable funds for the next two years starting October 1, 2012. It also continues the authorization of the current Federal transit programs and extends contract authority for the Formula and Bus Grants programs through September 30, 2012.

The current national estimates by program take 2010 Census data into account, including the designation of new urbanized areas. Also, several MAP-21 formulas require funds to be apportioned using data on persons with low-incomes, older adults, or people with disabilities. Because the Census Bureau no longer collects this demographic information as part of its decennial census, FTA's apportionments will rely on data from the Census' American Community Survey (ACS). The most recent ACS data was published in December 2011 and does not yet align data on persons with low incomes, older adults, or people with disabilities residing in urbanized areas to the 2010 Urbanized Area boundaries, published by the Census in March, 2012. Since newer data is not yet available, the estimates in the marks are subject to change.

At the time of this publication, RTA is assuming current 2011 federal levels of funding for 2013 and 2014. With the current state of the economy and the national focus on reducing federal budget deficits, the RTA believes it is prudent for the out-years 2015-2017 to assume a growth rate close to the estimated nominal growth forecast. Lastly, FTA has to provide additional program guidance as this program contains many changes in eligibility of projects and programs.



Pace will be completing a mid-life renovation to its Northwest Transportation Center in Schaumburg in 2013.

In 2013, urbanized areas will receive apportionments from four programs:

- Urbanized Area Formula Program (Section 5307 Formula and Section 5340 Growing and High Density States)
- Enhanced Mobility for Seniors and Individuals with Disabilities Program (Section 5310)
- State of Good Repair Program (Section 5337)
- Bus and Bus Facilities Formula Grants Program (Section 5339)

The Section 5307 Urbanized Area Formula program now allows funding to be used for activities that were once eligible under the Job Access and Reverse Commute (JARC) Program. This Section 5307 Program continues to be the largest program for federal investment in public transportation.

The New Freedom Program (Section 5317) for projects serving persons with disabilities supplemental to ADA requirements, merges with the Elderly and Disabled Program (Section 5310) and funding formulas are modified in light of new eligibilities and program features. The consolidated program will continue to ensure support for non-profit transportation providers and will continue to make available funds for public transportation services that exceed the requirements of the Americans with Disabilities Act, as previously provided under the "New Freedom" Program. Finally, a new formula

Bus and Bus Facilities Program (Section 5339) is established for grants to all agencies operating bus service in lieu of the current Bus Discretionary Program (Section 5309). This program will assist in replacement, rehabilitation and purchase of buses and related equipment, and in construction of bus related facilities.

In 2013, in accordance with the Preliminary MAP-21 Program Funding, the State of Good Repair Program (Section 5337) will be receiving federal formula funding. It replaces the Fixed Guideway Modernization Program. This new program and its two major components of Rail Fixed Guideway State of Good Repair and a high intensity bus State of Good Repair focuses on the age of the system, revenue vehicle miles and directional route miles.

Flexible, Homeland Security/Other Federal Funds – these funds are competed for and awarded on a project specific basis. Each Service Board must apply individually to the FTA or FEMA for these funds. The Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) funds are transferred from the Federal Highway Administration (FHWA) to the FTA for transit purposes. Similarly, the Service Boards compete at the State level for federal funds from the Department of Homeland Security.

State Funding

State funds historically have been provided to the Service Boards through grants administered by the Illinois Department of Transportation (IDOT) on a discretionary basis. The primary use of the funds has been to satisfy the match requirements associated with federal funds for critical transit projects in the region. Additionally, in 1999, the State provided capital assistance to the RTA in the form of increased RTA bonding authority through the Strategic Capital Improvement Program (SCIP), with annual funding equal to the actual debt service paid by the State.

On April 3, 2009, Governor Pat Quinn signed into law the “Jump Start” capital bill, providing \$900 million to make grants to fund public transportation projects in northeastern Illinois. Of this amount, \$45 million of this funding was allocated to Pace for Regional ADA Para-



Pace Fixed Route Hybrid Bus

transit rolling stock and support equipment. The balance of the funding was allocated 58% to the CTA, 34% to Metra and 8% to Pace. Additionally, on July 13, 2009, the Governor signed the “Illinois Jobs Now” capital bill that provided \$1.8 billion for regional transit projects. The legislation allocated 50% of these funds to the CTA, 45% to Metra and 5% to Pace. Pace understands from RTA that the \$45 million slated for Regional ADA will likely not be available; therefore, the RTA did not allocate any funding in the marks for Regional ADA capital needs.

The current RTA Capital Program assumed \$573.2 million to be provided in 2011 and \$784.1 million in 2012 from the Illinois Jobs Now Program. In addition, the currently adopted 2012 Capital Program assumed the receipt of \$133.4 million in 2012 for the CTA projects provided from the Illinois Jobs Now Program. Pace has been told that it also can expect \$56 million from the Illinois Job Now bill the governor signed in July, 2012. These funds will provide \$49.0 million for fixed route buses, \$1.7 million for the proposed Joliet multi-modal station, and \$5.3 million for paratransit vehicles. Since we understand that these were 2012 funds, they are not included in RTA’s 2013 Marks.

Similarly, the Preliminary Marks also assume the receipt of \$363.1 million in 2013 and \$403.5 million in 2014 from the “Jump Start” Program despite the current economic climate and an absence of the revenue sources at this time.

Service Board Funding

Operational savings achieved by the Service Boards also provides funds for capital investments. Service Board funds and “Transfer Capital” represent funds available for operations; however, cost containment efforts have enabled the use of these funds for capital investment.

RTA Funding

The RTA has traditionally provided modest funding for capital projects from its unrestricted general revenues. Because of limited growth in RTA revenues and the Service Board’s needs for operating subsidies, the RTA does not plan to allocate any of its general funds for capital projects.

Service Board Bonds

All three Service Boards now have authority to issue bonds for funding capital projects. CTA has had this authority for years, Metra received authority in 2008 and Pace received authority in July, 2012. Specifically for Pace, House Bill 4036 was enacted as P.A. 97-0770 and, effective January 1, 2013, grants Pace \$100 million in bond authority for construction of four projects; a new Northwest Cook garage for \$60 million, renovation of Pace’s South Division garage in Markham involving the conversion to a CNG facility for \$12 million, a new para-transit garage in DuPage for \$25 million, and expansion of Pace’s North Shore garage in Evanston for \$3 million. These projects are currently in the planning stages. Since bond debt service must be paid for from the operating budget, the RTA requires that the total annual debt service for such outstanding capital debt obligations cannot exceed in any year 50% of that Service Boards’ allocation of Sections 5307/5340 and 5309 formula funds.



The 2013 capital budget contains funds to purchase compressed natural gas (CNG) buses.

2013-2017 Five Year Suburban Service Capital Business Plan - Constrained to Marks

THE preliminary funding marks released for Pace by the RTA total \$439.280 million for the five year period 2013-2017.

The 2013-2017 program heavily relies on the receipt of federal funding (totaling \$228.430 million) and much of this funding is discretionary which Pace must compete for nationally and regionally. If Pace receives all the funding expected for the next five years, it is still grossly inadequate. Our unconstrained needs for the five year period are \$792 million in order to achieve a State of Good Repair. This means Pace has a shortfall of more than \$353 million. The primary shortfall is in rolling stock replacements and facility upgrades. With a significant backlog of capital needs, coupled with insufficient funding, the RTA has directed the Service Boards to develop their Capital Programs by concentrating on the maintenance and preservation (“State of Good Repair”) of existing facilities and equipment. This program reflects just that.

Listed below is a summary description of Pace’s Five Year Capital Plan. It is constrained to the preliminary marks established by the RTA, and it assumes a total of \$85.700 million in Illinois Department of Transportation funding for only a two year period between 2013 to 2014. Table 28 summarizes the amount of funding over the next five years that RTA has estimated Pace will receive.

Rolling Stock (\$232.310 million)

- Fixed route buses – 243 buses, 223 replacements and 20 expansion buses
- Paratransit buses – 476 replacement buses and minor expansion

- Vanpool/Community Vehicles – 550 replacement vehicles and some expansion
- Engine retrofit, associated capital, capital cost of contracting

Electrical/Signal/Communications (\$1.900 million)

- Arterial Rapid Transit (ART) Program
- Intelligent Bus System (IBS) Replacement

Support Facilities/Equipment (\$185.780 million)

- Ventra Fare System
- Farebox overhaul of existing system
- I-90 Corridor Infrastructure
- Improve garages/facilities - systemwide
 - Northwest Cook Garage
 - South Division Renovation to CNG (Markham)
 - New DuPage County Paratransit Garage
 - North Shore Division Expansion (Evanston)
 - Security Project
- Computer systems/hardware and software
- Support equipment/non-revenue vehicles
- Office equipment and furniture

Stations & Passenger Facilities (\$11.300 million)

- Improve existing passenger facilities
- Posted stop only conversion, shelters/signage/amenities

Miscellaneous (\$7.990 million)

- Unanticipated capital
- Project Administration/Force Account

Table 28. Pace FY2013–2017 Capital Program Marks (000)

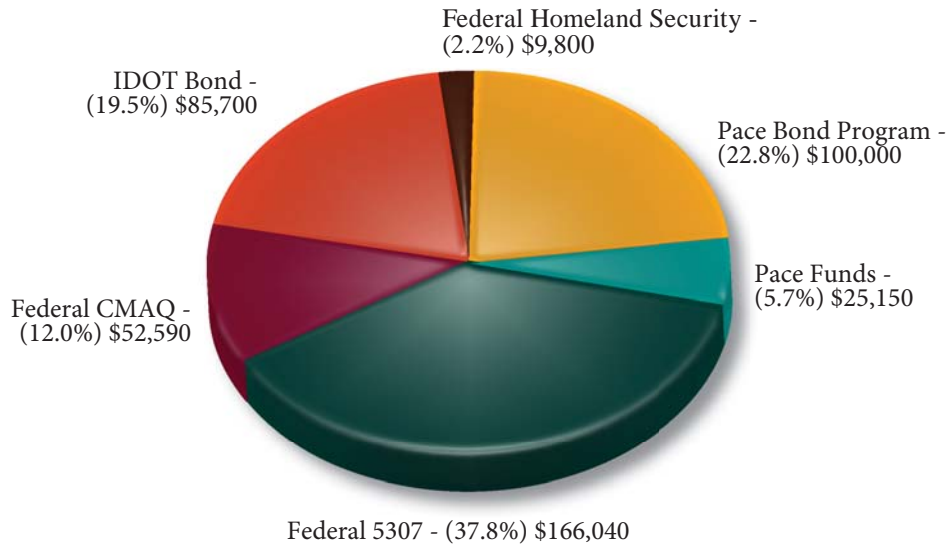
<u>Funding Source</u>	<u>Amount</u>
Federal 5307 Formula	\$166,040
Federal Homeland Security	9,800
Federal CMAQ	52,590
State IDOT Bond Funding	85,700
Pace Bond Program	100,000
Pace Funds	25,150
Total	\$439,280

Table 29. 2013-2017 Suburban Service Capital Business Plan (000's) - Constrained

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>5 YEAR 2013-2017</u>
Rolling Stock Quantities						
Fixed Route Buses	108	93	5	17	20	243
Paratransit Buses - Suburban	106	100	70	100	100	476
Vanpool/ Community Vehicles	140	110	100	100	100	550
Rolling Stock						
Fixed Route Buses	\$56,022	\$46,280	\$2,500	\$8,500	\$10,000	\$123,302
Paratransit Buses - Suburban	9,030	8,500	5,950	8,500	8,500	40,480
Vanpool/Community Vehicles	5,600	4,850	4,000	4,000	4,000	22,450
Engine Retrofit	3,060	0	3,100	3,100	3,100	12,360
Associated Capital	250	0	1,000	1,000	1,000	3,250
Capital Cost of Contracting	2,778	5,538	7,352	7,400	7,400	30,468
Subtotal	\$76,740	\$65,168	\$23,902	\$32,500	\$34,000	\$232,310
Electrical/Signal/Communications						
ART Program	\$0	\$0	\$500	\$0	\$0	\$500
Intelligent Bus System Replacement	500	500	400	0	0	1,400
Subtotal	\$500	\$500	\$900	\$0	\$0	\$1,900
Support Facilities & Equipment						
Ventra Fare System	\$10,600	\$0	\$0	\$0	\$0	\$10,600
Farebox Overhaul-Existing System	500	1,000	500	500	0	2,500
I-90 Corridor Infrastructure	0	12,500	14,780	0	0	27,280
Improve Facilities - Systemwide	9,700	2,500	2,500	2,500	2,500	19,700
Northwest Cook Garage	0	60,000	0	0	0	60,000
South Division Garage Renovation - CNG	0	12,000	0	0	0	12,000
DuPage County Garage	0	0	25,000	0	0	25,000
North Shore Garage Expansion	0	0	0	3,000	0	3,000
Security Projects	1,800	2,000	2,000	2,000	2,000	9,800
Computer Systems - Hardware and Software	3,500	2,500	2,000	2,000	2,000	12,000
Support Equipment/Non-Revenue Vehicles	800	500	500	500	500	2,800
Office Equipment/Furniture	700	100	100	100	100	1,100
Subtotal	\$27,600	\$93,100	\$47,380	\$10,600	\$7,100	\$185,780
Stations & Passenger Facilities						
Improve Passenger Facilities	\$0	\$500	\$500	\$500	\$500	\$2,000
Shelters/Posted Stops Only Program	2,700	2,500	2,500	800	800	9,300
Subtotal	\$2,700	\$3,000	\$3,000	\$1,300	\$1,300	\$11,300
Miscellaneous						
Unanticipated Capital	\$250	\$500	\$500	\$500	\$500	2,250
Project Administration/Force Account	1,390	1,152	1,098	1,060	1,040	5,740
Subtotal	\$1,640	\$1,652	\$1,598	\$1,560	\$1,540	\$7,990
Grand Total - Constrained	\$109,180	\$163,420	\$76,780	\$45,960	\$43,940	\$439,280

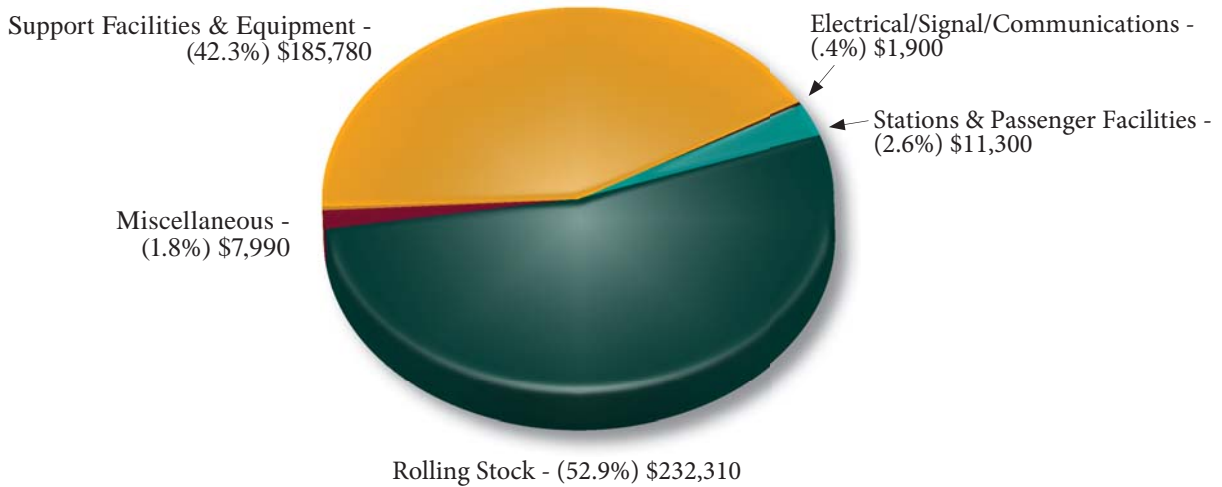
Chart G. 2013 -2017 Suburban Service Capital Business Plan - Sources/Uses of Funds - Constrained - Total \$439,280

Sources (000's)



52% of Pace's entire program would be funded with federal sources

Uses (000's)



Over 52% of Pace's program is for the purchase of rolling stock

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**Capital Budget
ADA Paratransit**

Capital Budget
ADA Paratransit

Regional ADA Paratransit Capital Budget & Five Year Business Plan

Overview

The Five Year Regional ADA Capital Program is considered Unconstrained as it does not have any capital funding at the present time. The \$45 million which was slated from the state to Pace to purchase the replacement of contractor owned ADA buses in the City and Pace ADA buses operated in the suburbs has not been appropriated by the state legislature. In the absence of any future funding from the state, the Regional ADA capital needs remain unfunded.

The Unconstrained Regional ADA Five Year Capital Plan totals \$156.380 million for the five years. A detailed five year program is contained in Table 30.

Highlights of the Five Year Regional ADA Program include:

- 1,183 replacement buses
- STARCOM21 Radio System
- Call recorder equipment for contractor sites
- Construction of two garage facilities in the City of Chicago
- Construction of an ADA administration facility
- Lease of three regional call center facilities and purchase of call center telephone equipment, furniture and related equipment
- Computer Equipment
- Farebox System
- Construction of two passenger transfer centers in the City of Chicago



Pace provides Regional ADA Services in the six county area of Northeastern Illinois.



Pace's farebox system is in need of replacement.

Table 30. 2013-2017 Regional ADA Paratransit - Unconstrained Capital Budget (000's)

Project Description	2013	2014	2015	2016	2017	5 YEAR 2013-2017
Regional ADA Vehicle Needs	333	248	134	135	333	1,183
Rolling Stock						
Paratransit buses	\$28,305	\$21,080	\$11,390	\$11,475	\$28,305	\$100,555
Associated Capital	200	200	200	200	200	1,000
Subtotal	\$28,505	\$21,280	\$11,590	\$11,675	\$28,505	\$101,555
Electrical/Signal/Communications						
Radio System- STARCOM21	\$0	\$1,000	\$1,000	\$0	\$0	\$2,000
Call Recorder for Contractor Sites	0	0	125	0	0	125
Subtotal	\$0	\$1,000	\$1,125	\$0	\$0	\$2,125
Support Facilities And Equipment						
Construct Two Garage Facilities	\$0	\$1,000	\$9,000	\$1,000	\$9,000	\$20,000
Construct ADA Administration Facility	0	0	1,100	225	4,275	5,600
Regional Call Centers - 3 leased facilities	7,200	0	0	0	0	7,200
Regional Call Center Telephone Equipment	1,800	0	0	0	0	1,800
Regional Call Center Furniture and Equip.	600	0	0	0	0	600
Computers and Systems	1,000	1,000	1,000	1,000	1,000	5,000
Farebox System	0	10,000	0	0	0	10,000
Subtotal	\$10,600	\$12,000	\$11,100	\$2,225	\$14,275	\$50,200
Stations And Passenger Facilities						
Construct Two Transfer Facilities	\$0	\$250	\$1,000	\$250	\$1,000	\$2,500
Subtotal	\$0	\$250	\$1,000	\$250	\$1,000	\$2,500
GRAND TOTAL NEEDS	\$39,105	\$34,530	\$24,815	\$14,150	\$43,780	\$156,380

Combined Plan

Combined Plan

Combined Suburban Service/ADA Budget & Three Year Plan

PACE'S Combined Budget and Three Year Business Plans are included in the table below. A table presenting anticipated cash flows for 2013 has also been provided on the following page.

The combined programs are balanced and show adequate funds to support the operations over the three year planning horizon.

Table 31. Combined Suburban Service/ADA Budget and Three Year Business Plan (000's)

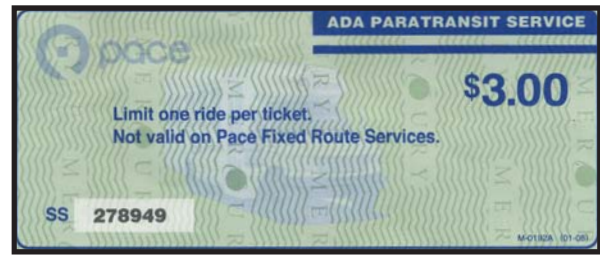
	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>	<u>2014 Projected</u>	<u>2015 Projected</u>
Suburban Service					
Revenue	\$55,221	\$56,886	\$59,165	\$60,396	\$61,687
Expense	179,690	192,701	207,761	215,756	223,196
Funding Requirement	124,469	135,815	148,596	155,360	161,509
Public Funding	139,064	141,797	148,596	155,360	161,509
Net Funding Available	\$14,595	\$5,982	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$29,436	\$43,157	\$44,054	\$26,904	\$24,904
Net Operating Results	14,595	5,982	0	0	0
Less: Capital Expended from Fund Balance	874	5,085	17,150	2,000	2,000
Ending Balance	\$43,157	\$44,054	\$26,904	\$24,904	\$22,904
Regional ADA Paratransit Service					
Revenue	\$13,762	\$11,576	\$12,495	\$13,068	\$13,670
Expense	128,109	137,516	148,762	159,952	172,303
Funding Requirement	114,346	125,940	136,267	146,884	158,633
Public Funding*	114,346	125,940	136,267	146,884	158,633
Net Funding Available	\$0	\$0	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	(\$5,137)	(\$5,137)	(\$5,137)	(\$5,137)	(\$5,137)
Net Operating Results	0	0	0	0	0
Less: Capital Expended from Fund Balance	0	0	0	0	0
Ending Balance	(\$5,137)	(\$5,137)	(\$5,137)	(\$5,137)	(\$5,137)
Combined Service					
Revenue	\$68,983	\$68,462	\$71,660	\$73,464	\$75,358
Expense	307,799	330,217	356,523	375,708	395,498
Funding Requirement	238,816	261,755	284,863	302,244	320,140
Public Funding*	253,411	267,737	284,863	302,244	320,140
Net Funding Available	\$14,595	\$5,982	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$24,299	\$38,020	\$38,917	\$21,767	\$19,767
Net Operating Results	14,595	5,982	0	0	0
Less: Capital Expended from Fund Balance	874	5,085	17,150	2,000	2,000
Ending Balance	\$38,020	\$38,917	\$21,767	\$19,767	\$17,767

*Regional ADA Public Funding reflects Budget Balancing Actions beginning in 2014.

Combined Suburban Service/ADA Cash Flow

THE following table provides an estimate of 2013 revenues, expenses and the cash position for Pace’s combined operations - Suburban Service and Regional ADA Service.

The agency budget is balanced to the funding levels and meets the recovery marks set by the RTA for 2013. Pace’s combined cash position appears balanced and sufficient to meet next year’s needs.



Pace accepts various fare media on Regional ADA buses.

Table 32. Pace Combined Services Projected Cash Flow Summary - 2013 (000's)

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net Results</u>	<u>Ending Balance</u>
January	\$38,917	\$28,097	\$29,143	(\$1,046)	\$37,871
February	37,871	28,256	29,143	(887)	36,985
March	36,985	29,933	32,073	(2,140)	34,845
April	34,845	27,620	29,143	(1,523)	33,322
May	33,322	27,474	29,143	(1,669)	31,653
June	31,653	28,785	30,436	(1,651)	30,002
July	30,002	28,551	29,143	(591)	29,410
August	29,410	30,147	29,143	1,004	30,415
September	30,415	29,491	30,436	(946)	29,469
October	29,469	31,575	29,143	2,432	31,902
November	31,902	29,189	29,143	46	31,948
December	31,948	37,406	30,436	6,969	38,917



Appendices



Appendices

Organizational Overview

THE Pace organization's staffing requirements can be classified into four primary categories: administration, central support, Pace-owned divisions and Regional ADA services. Within each category, employees are further classified into four activity areas: operations, maintenance, non-vehicle maintenance and administration. These activity areas are defined by the National Transit Database (NTD) reporting requirements which apply to all public transit operators.

The administration category for 2013 is budgeted at 197 filled full-time equivalents (FTE's), and represents an increase of 12 additional positions over 2012. The increase in FTE's is required to administer and maintain expanded service programs.

The central support category is budgeted at 83 filled FTE positions for 2013, up three positions from 2012 levels. The increase in staffing requirements will provide additional support for new initiatives.

The Pace division element is comprised of nine Pace division garages and is budgeted at 1,218 filled FTE positions for 2013. The increase of 23 positions over prior year levels accommodates increased service levels at the divisions.

The Regional ADA Budget includes 35 FTE positions for 2013 and reflects no change from the previous year.

Pace's administrative function is organized into four main units: Internal Services, Revenue Services, External Relations and Strategic Services. Each area is headed by a Deputy Executive Director who reports to the Executive Director. The Ethics Office, General Counsel, Internal Audit, Human Resources, DBE and Project Management Office also report directly to the Executive Director.

All areas of the organization are shown on the organization chart on page 52. An overview of each department's duties and responsibilities is presented on pages 53 through 55.

Table 33. Full-Time Equivalent Personnel (FTE's)

	<u>Admin</u>	<u>Central Support</u>	<u>Pace Divisions</u>	<u>Total</u>
2011 Actual				
Operations	0	36	907	943
Maintenance	0	39	205	244
Non-Vehicle Maintenance	0	8	15	23
Administration	173	0	33	206
Suburban Service Total	173	83	1,160	1,416
Regional ADA Paratransit	36	0	0	36
Total	209	83	1,160	1,452
2012 Estimated				
Operations	0	33	938	971
Maintenance	0	39	208	247
Non-Vehicle Maintenance	0	8	15	23
Administration	185	0	34	219
Suburban Service Total	185	80	1,195	1,460
Regional ADA Paratransit	35	0	0	35
Total	220	80	1,195	1,495
2013 Budget				
Operations	0	34	960	994
Maintenance	0	39	209	248
Non-Vehicle Maintenance	0	10	15	25
Administration	197	0	34	231
Suburban Service Total	197	83	1,218	1,498
Regional ADA Paratransit	35	0	0	35
Total	232	83	1,218	1,533

Chart H. Pace Organizational Chart

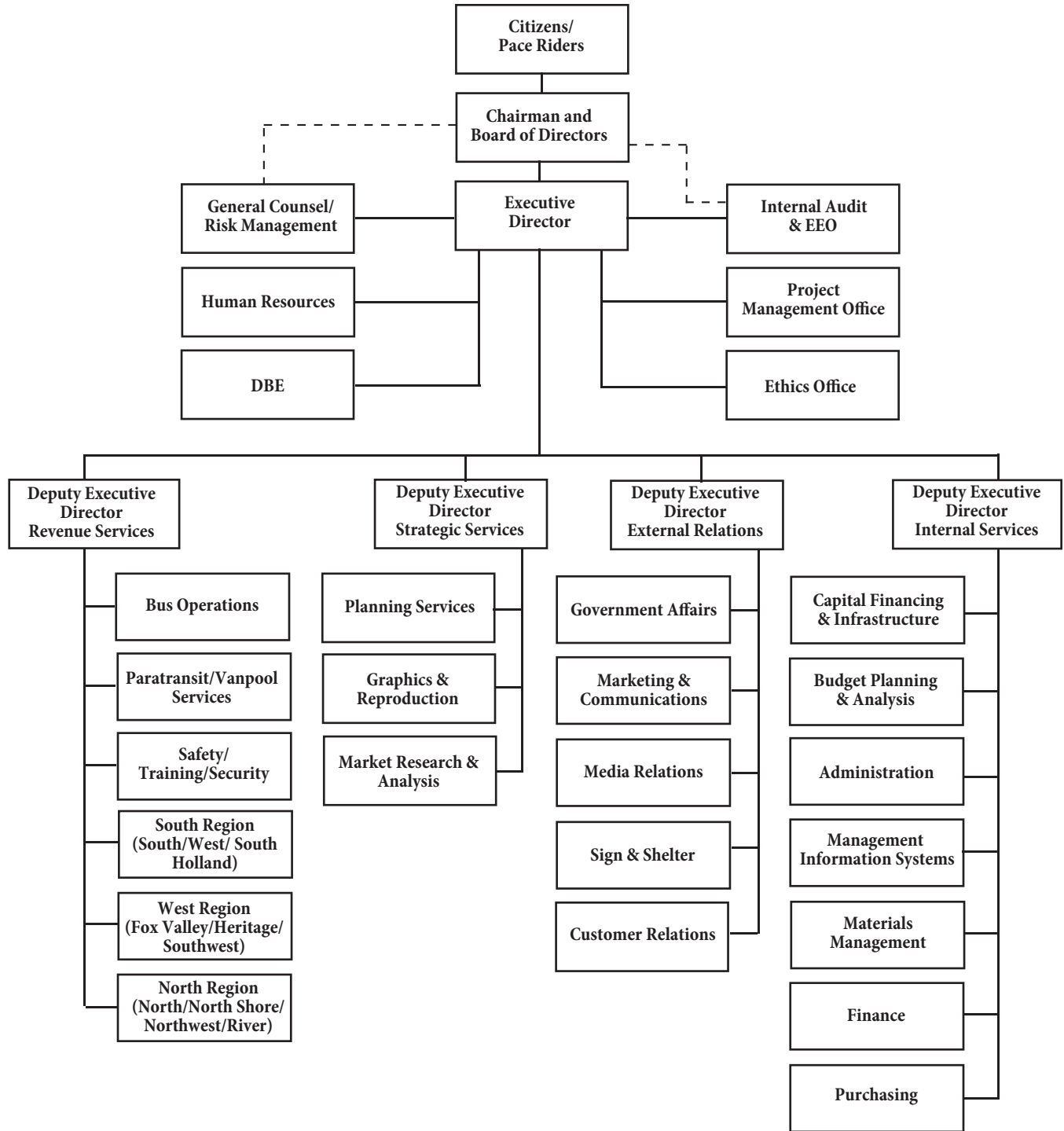


Table 34. Pace’s 2013 Proposed Operating Budget - Department Budgeted Positions

<u>Suburban Service</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>2013 Budget</u>
Office of the Executive Director	3.0	3.0	4.0
General Counsel/Risk Mgmt	6.0	6.0	9.0
Internal Audit	6.0	6.0	6.0
Human Resources	8.5	8.5	8.5
Project Management Office	2.0	2.0	2.0
Ethics Office	0.0	3.0	3.0
Total	25.5	28.5	32.5
Revenue Services			
DED, Revenue Services	5.0	5.0	5.0
Bus Operations	9.5	9.5	9.5
Maintenance/Tech Services	24.0	24.0	24.0
Vanpool	16.0	16.0	18.0
Paratransit	12.0	12.0	10.0
Safety	4.0	4.0	4.0
Pace Divisions:			
Bus Operators	840.0	871.0	887.0
Operations Supervisors	67.0	67.0	73.0
Maintenance	205.0	208.0	209.0
Non-Vehicle Maintenance	15.0	15.0	15.0
Administration	33.0	34.0	34.0
Total	1,230.5	1,265.5	1,288.5
Internal Services			
DED Internal Services	2.0	2.0	2.0
Capital Financing & Infstr	16.0	16.0	21.0
Budget Planning	6.0	6.0	6.0
Materials Management	16.0	16.0	16.0
Purchasing	8.0	9.0	11.0
Risk Management	4.0	3.0	0.0
Administration	4.0	4.0	4.0
Finance	25.0	25.0	26.0
MIS	30.0	30.0	34.0
Total	111.0	111.0	120.0
Strategic Services			
DED, Strategic Services	2.0	2.0	2.0
Graphic Services	7.0	7.0	7.0
Market Research/Analysis	3.0	3.0	14.5
Planning Services	28.5	31.5	21.0
Total	40.5	43.5	44.5
External Relations			
DED, External Relations	2.0	2.0	2.0
Government Affairs	11.5	11.5	11.5
Marketing & Communications	5.0	5.0	5.0
Media Relations	1.0	1.0	1.0
Customer Relations	4.0	4.0	4.0
Sign/Shelter	4.0	4.0	5.0
Total	27.5	27.5	28.5
Total Suburban Service	1,435.0	1,476.0	1,514.0

<u>Regional ADA</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>2013 Budget</u>
City ADA Paratransit	30.0	30.0	30.0
Suburban Service Allocation	6.0	5.0	5.0
Total Regional ADA	36.0	35.0	35.0
Total Suburban & Regional ADA	1,471.0	1,511.0	1,549.0
Suburban Svc Vacancy Factor	(13.0)	(11.0)	(11.0)
ADA Allocation	(6.0)	(5.0)	(5.0)
Total - With Vacancy Factors	1,452.0	1,495.0	1,533.0

Departmental Overview

A detailed description of each department is provided as follows.

Office of the Executive Director

Office of the Executive Director: The Executive Director is responsible for overall management of the agency including all staffing, employment and contractual relationships necessary to carry out the powers of the Suburban Bus Board (Pace) in accordance with the RTA Act.

General Counsel: Responsible for reviewing contracts, monitoring litigation, handling claim defense litigation and assuring legal compliance with all required federal, state and local regulations. General Counsel is also responsible for the risk management functions for the entire agency, including protecting assets, claims handling, and securing insurance coverage.

Internal Audit: Responsible for directing performance, financial and compliance audits to ensure maintenance of organizational and professional ethical standards.

Human Resources: Responsible for recruitment, compensation, benefit administration, employee relations and development of the agency’s human resource policies/procedures.

Project Management Office: Responsible for providing centralized project management services including standardization of processes, tracking, reporting and communication. Training & Development for the agency is also managed through this office.

DBE: Responsible for agency DBE compliance with regulatory agencies. Sets DBE performance goals, assesses and reports on performance of the program. Reviews contract specifications for DBE participation.

Ethics Office: Responsible for promoting and ensuring the accountability and integrity of the administration of programs and operations at Pace. Essential functions include audits, inspections, evaluations and investigations of all official functions of Pace as well as EEO responsibilities.

Internal Services

Budget Planning: Responsible for budget planning, analysis and management reporting. Performs special analysis and reporting on financial impact topics. Produces quarterly reports to RTA. Prepares annual budget document and materials for public hearings.

Capital Financing and Infrastructure: Responsible for capital budgeting and grants administration, real estate management, design, engineering and construction of all fixed facilities, environmental management and facility maintenance management.

Finance: Responsible for managing Pace's financial activities including all accounting and treasury & revenue services. Produces monthly and annual financial statements, national transit database reporting and all regulatory financial compliance reporting. Oversees the 401(k) plan and pension plan performance.

Management Information Systems: Responsible for direction and provision of all information technology systems for the Agency. The department includes client services, systems and procedures, telecommunications, Internet services and GIS.

Purchasing: Responsible for directing and coordinating all purchasing and procurement activities and contracting services.

Materials Management: Responsible for all parts and supply inventories at Pace operating divisions. Procurement of non-routine bus maintenance components. Develops vehicle component contract specifications.

Administration: Responsible for Pace headquarters facilities maintenance, building security, space planning, utilities, fleet management, purchasing card program, records management and related policies/procedures.

Strategic Services

Planning Services: Responsible for all fixed route planning, identification of new service opportunities, schedule modifications and service reductions.

Graphic Services: Responsible for designing/producing communication pieces, providing audio/visual communication resources and print production of bus schedules and other printed materials.

Market Research/Analysis: Responsible for scheduling including, but not limited to, the creation of operator run-picks (work schedules), as well as the management of customer satisfaction measurement and reporting as well as special studies that support business objectives. Produces ridership reporting, performance measures, on-time performance measures and other operational data.

Revenue Services

Bus Operations: Responsible for managing and controlling the provision of bus service contracts and direct operations of Pace's owned and subsidized fixed route service providers.

Paratransit/Vanpool: Responsible for the management and control of Pace's suburban dial-a-ride paratransit program, the VIP Advantage and corporate vanpool programs as well as the Regional (City and Suburban) ADA paratransit programs.

Safety/Training/Security: Responsible for safety and training programs for all Pace fixed route and paratransit direct operations and contract operations. Establishes program guidelines and assures compliance with regulatory requirements. Assures security and safety of Pace assets, employees and passengers.

Pace Divisions: Regional management (South, West and North) oversees and manages the employees and the provision of fixed route services from Pace's nine operational garages and support facilities. Each area is under the direction of a Regional Manager who is responsible for the day-to-day operations of fixed route services and all related activities including, but not limited to, employment, work assignment, collective bargaining, equipment and facility preventative maintenance, reporting and employee safety oversight (in coordination with the Safety Department).

External Relations

Government Affairs: Responsible for coordinating governmental outreach campaigns as well as planning and directing legislative strategies.

Marketing & Communications: Responsible for planning, developing and administering marketing programs to promote the agency and its services to the public.

Media Relations: Responsible for managing the organization's external communications with stakeholders. Serves as the organization's primary media contact.

Customer Relations: Responsible for handling customer inquiries and schedule information to Pace customers. Administers customer management system for tracking customer complaints, produces customer complaints metrics and follows up with responsible business units.

Sign/Shelter: Responsible for installation and maintenance of Pace's network of bus stop shelters and signage. Oversees field activities for ad shelter program contractors.



Pace monitors on-time performance and boarding locations.

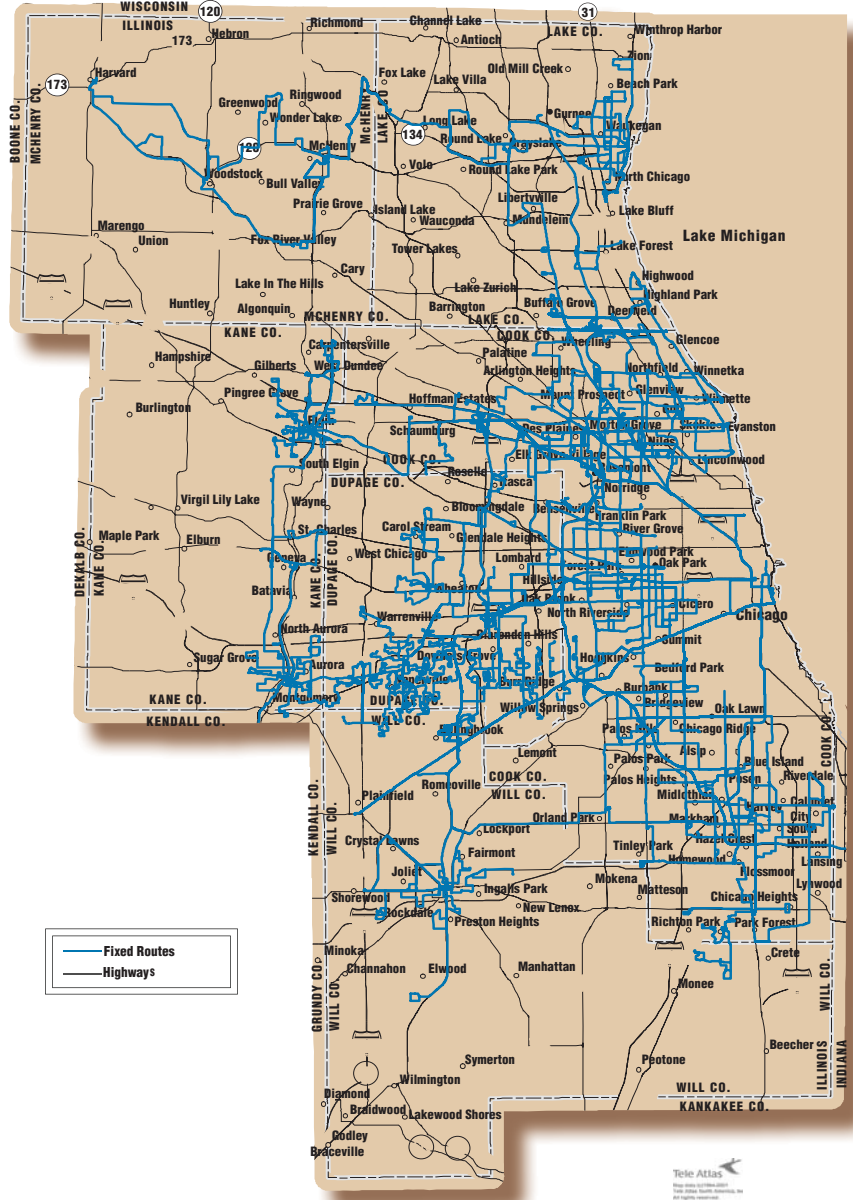
Fixed Route Service Characteristics

THE following map and description summarizes the operating characteristics of the Fixed Route system.

Fixed Route Service

138 regular, 35 feeder routes, 14 shuttle routes, numerous special event services, and 7 seasonal routes are operated by Pace. These routes serve 220 communities and carry over 2.618 million riders per month utilizing 581 vehicles during peak periods.

Map 1. Fixed Route Service Characteristics



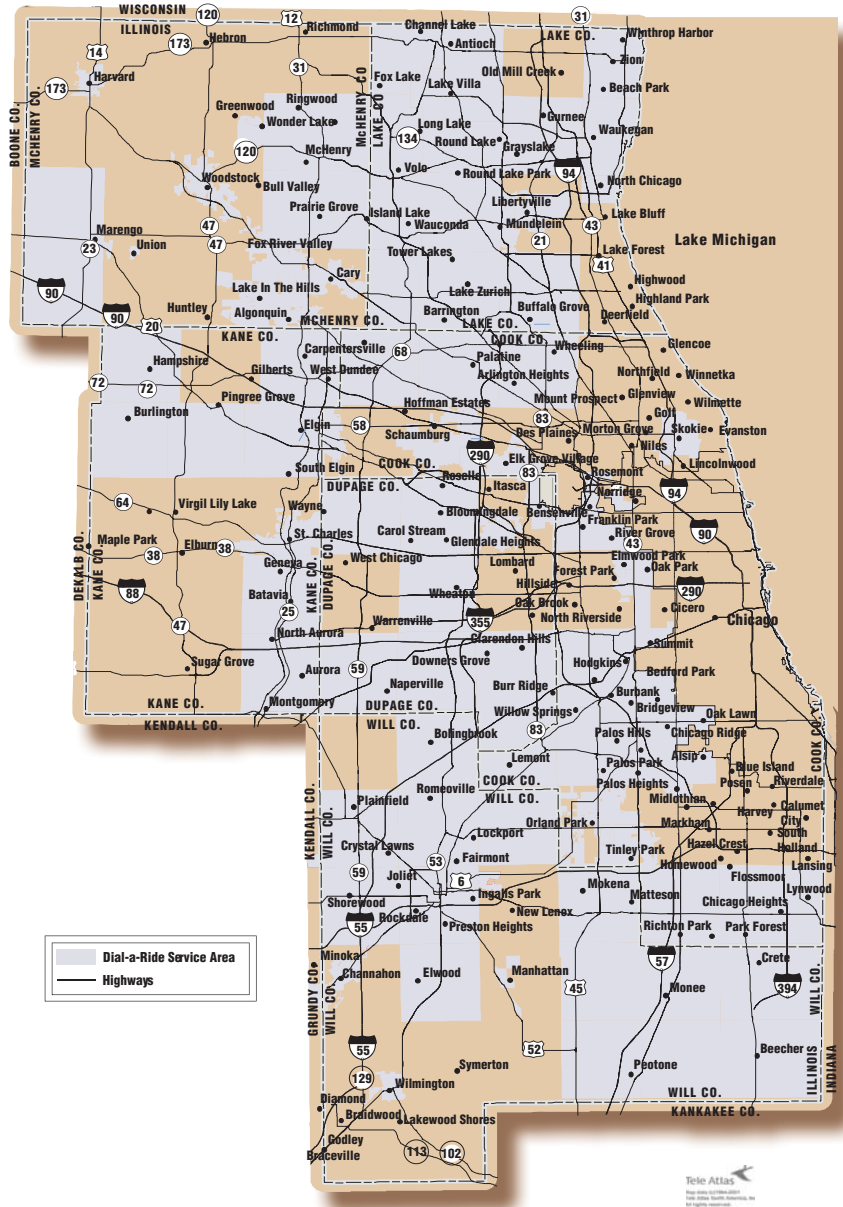
Dial-a-Ride Characteristics

THE following map and description summarizes the operating characteristics of the dial-a-ride system.

Dial-a-Ride

176 Pace-owned lift-equipped vehicles are utilized to provide curb-to-curb service to approximately 107,000 riders each month. The majority are elderly and/or have disabilities. Pace contracts directly with private providers for the operation of 46 dial-a-ride projects and has grant agreements with villages and townships for the operation of 22 other dial-a-ride projects. Also, three other projects are operated by Pace River Division. These 68 projects provide services to over 210 communities throughout the six county area.

Map 2. Dial-a-Ride Service Characteristics



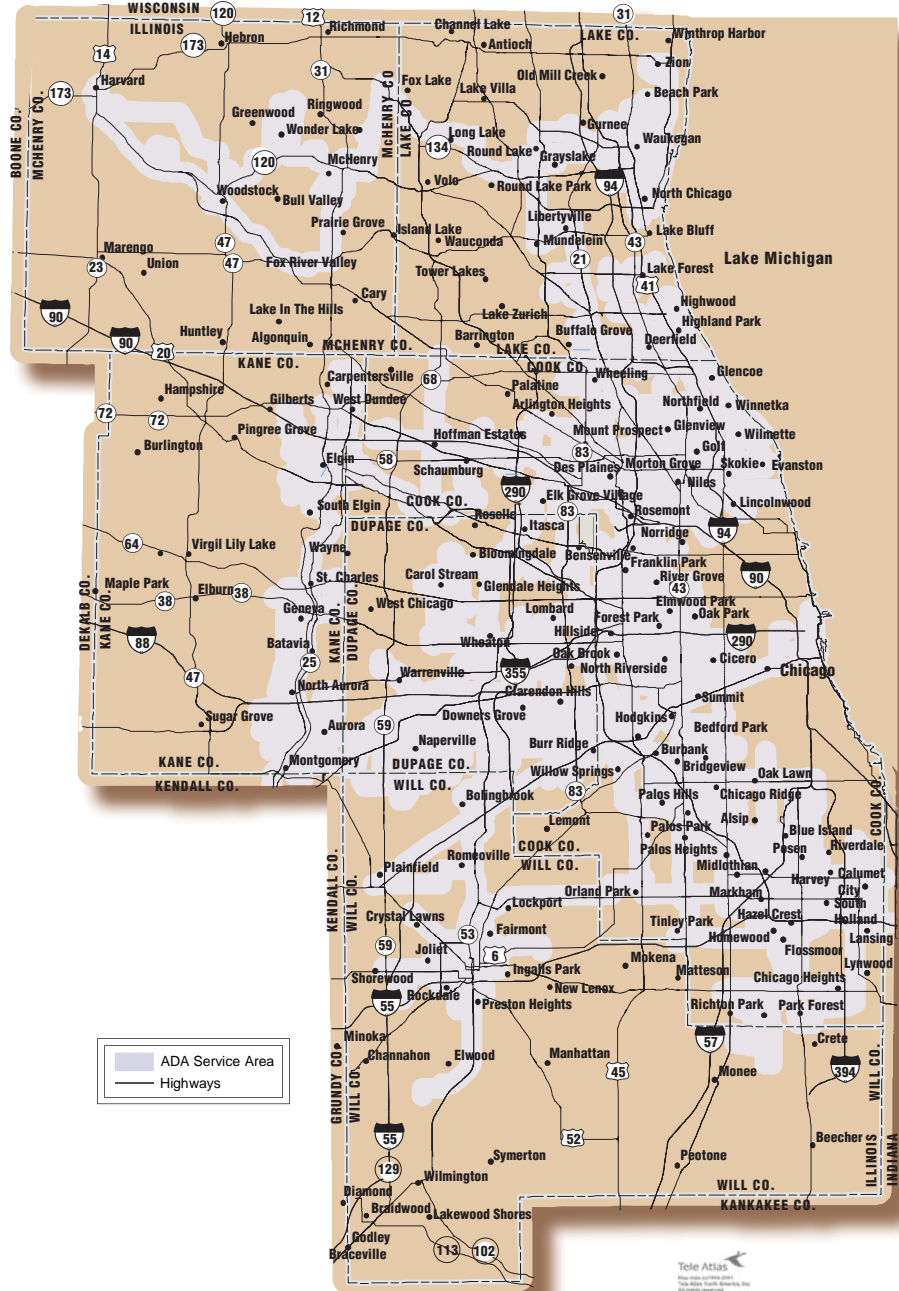
Suburban ADA Paratransit Service Characteristics

THE following map and description summarizes the operating characteristics of the Suburban ADA Paratransit Service Program.

Suburban ADA Paratransit

234 Pace-owned lift-equipped vehicles are utilized to provide curb-to-curb service to approximately 64,300 riders each month. Individuals that are not able to use Pace's fixed routes can register to utilize Pace's ADA Paratransit Service. The RTA administers a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area represents a corridor of 3/4 mile to either side of Pace's regular fixed routes in the suburban areas as called for by federal regulations. Pace contracts with private operators strategically located throughout the service area to provide this service.

Map 3. Pace Suburban ADA Paratransit Service Characteristics



City ADA Paratransit Service Characteristics

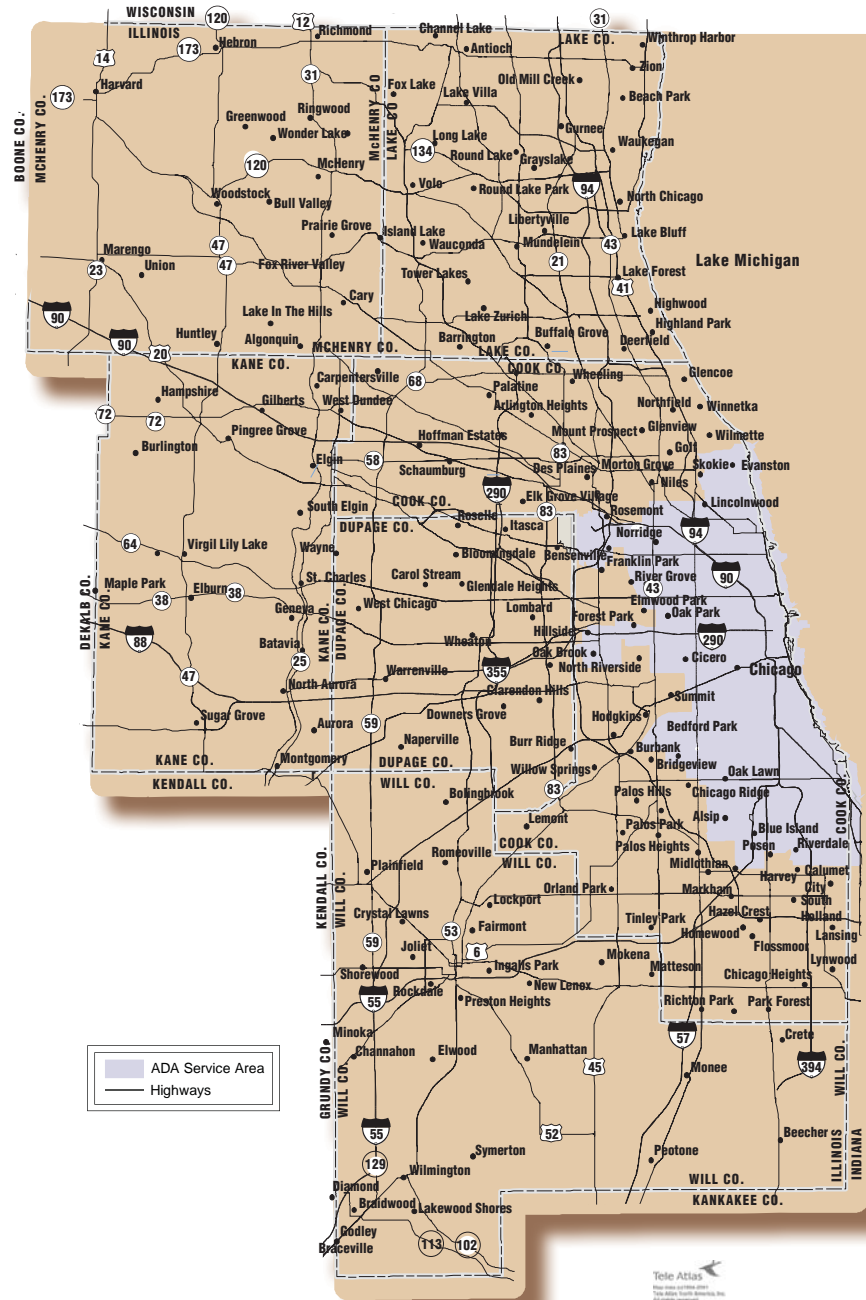
FOUR ADA Paratransit service contractors provide ADA Paratransit services to locations within 3/4 mile of CTA bus routes and up to a 3/4 mile radius of each CTA rail station.

The area served essentially covers the City of Chicago and close-in suburban communities served by regular CTA services.

In efforts to improve efficiency, a zone system was implemented for all four contract service providers in spring 2008. SCR Transportation is the service provider for AREA 1, the South Region. Cook-DuPage Transportation (CDT) provides service in AREA 2, the Central Region. MV Transportation provides service in AREA 3, the North Region. Jays Transportation also provides service throughout the regions.

652 contractor-owned vehicles are used to provide service to approximately 250,500 riders each month. Each contractor can provide service anywhere within the City ADA service area.

Map 4. City ADA Paratransit Service Characteristics



Pace Rolling Stock - Active Fleet

Table 35. Pace Rolling Stock - Active Fleet

<u>Fixed Route (Fully Accessible)</u>					<u>Vanpool</u>				
<u>Manufacturer</u>	<u>Year</u>	<u># of Vehicles</u>	<u>Age</u>	<u>Length</u>	<u>Manufacturer</u>	<u>Year</u>	<u># of Vehicles</u>	<u>Age</u>	<u>Length</u>
NABI	1999	29	13	35'	Vans	1998	2	14	Various
NABI	1999	10	13	40'	Vans	2000	6	12	Various
Chance Trolleys	2000	7	12	25'	Vans	2001	10	11	Various
Orion	2000	85	12	40'	Vans	2002	16	10	Various
Orion	2001	66	11	40'	Vans	2003	52	9	Various
MCI	2002	8	10	40'	Vans	2004	16	8	Various
NABI	2003	84	9	35'	Vans	2005	82	7	Various
NABI	2003	98	9	40'	Vans	2006	150	6	Various
Orion	2004	6	8	40'	Vans	2007	84	5	Various
NABI	2005	60	7	40'	Vans	2008	60	4	Various
Eldorado	2006	102	6	30'	Vans	2009	80	3	Various
Eldorado	2008	38	4	30'	Vans	2010	82	2	Various
Eldorado	2008	5	4	32'	Vans	2011	54	1	Various
Eldorado	2009	25	3	30'	Total		694		
Eldorado	2010	58	2	30'	Average Age			5.1 years	
Orion Hybrid	2011	2	1	30'					
Eldorado	2011	4	1	30'					
Total		687							
Average Age			8.0 years						

<u>Paratransit (Fully Accessible)</u>					<u>Community Transit</u>				
<u>Manufacturer</u>	<u>Year</u>	<u># of Vehicles</u>	<u>Age</u>	<u>Length</u>	<u>Manufacturer</u>	<u>Year</u>	<u># of Vehicles</u>	<u>Age</u>	<u>Length</u>
Eldorado Buses	2008	145	4	23'	Vans	2002	1	10	Various
Eldorado Vans	2009	28	3	19'	Vans	2006	4	6	Various
Eldorado Buses	2009	69	3	23'	Champion Crusader	2007	28	5	22'
Eldorado Vans	2010	20	2	19'	Vans	2007	12	5	Various
Eldorado Buses	2010	170	2	23'	Sedans	2007	2	5	Various
Startrans Hybrid	2010	10	2	23'	Vans	2009	7	3	Various
Total		442			Champion Crusader	2009	25	3	22'
Average Age			2.9 years		Vans	2010	5	2	Various
					Vans	2011	8	1	Various
					Total		92		
					Average Age			3.9 years	



Fixed route 40' bus



Paratransit bus



Vanpool vehicle



Hybrid bus under 30'

Pace System Infrastructure

Pace's garages provide inside bus storage for nearly 600 buses with a total building size of over 1.0 million square feet.

Fixed Facilities Owned or Operated by Pace Garages/Administrative Headquarters

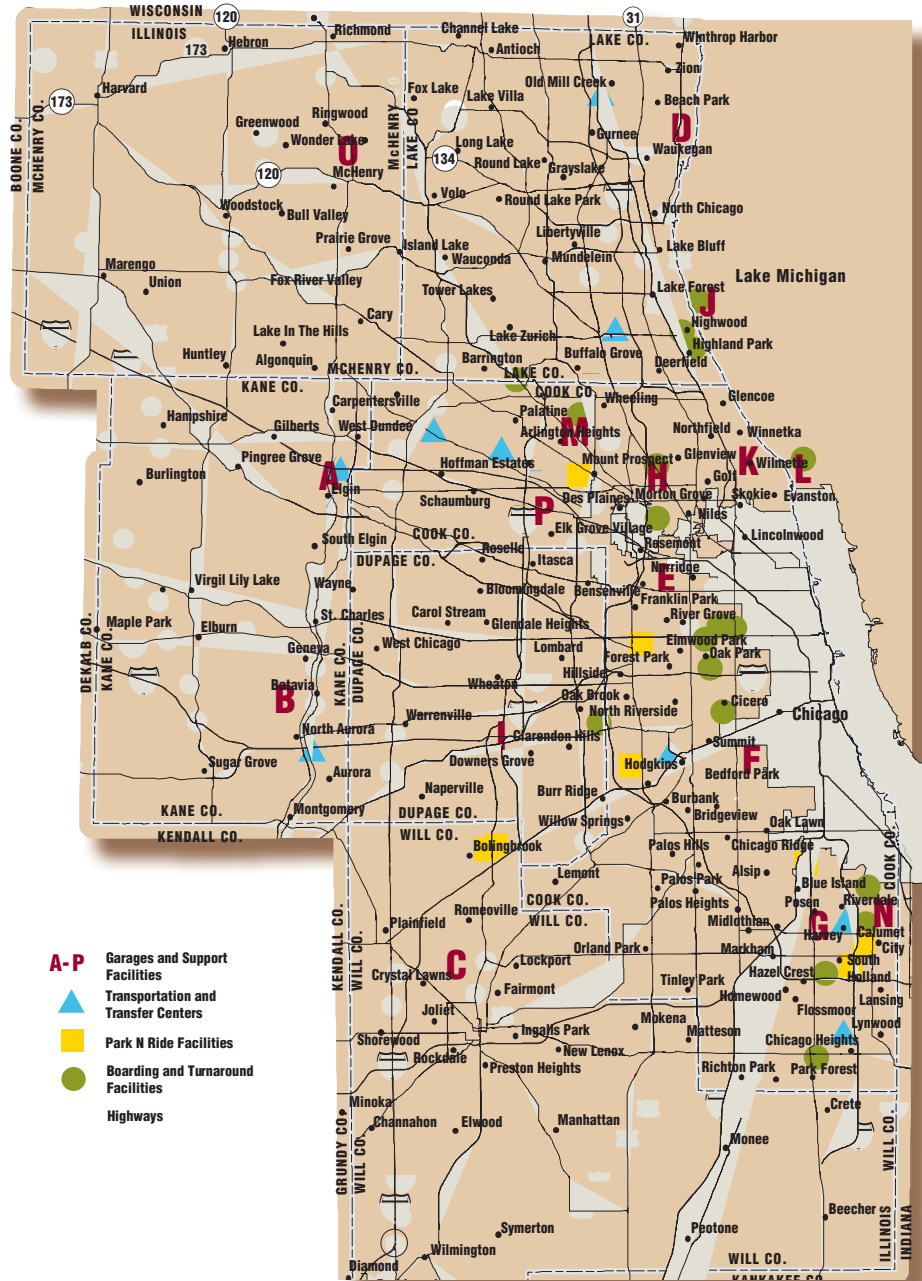
- | | |
|---|--|
| <p>A. Pace River Division
975 S. State, Elgin
63,000 square feet, 1989</p> <p>B. Pace Fox Valley Division
400 Overland Dr., North Aurora
56,800 square feet, 1994</p> <p>C. Pace Heritage Division
9 Osgood St., Joliet
57,000 square feet, 1926 and 1985</p> <p>D. Pace North Division
1400 W. Tenth St., Waukegan
57,800 square feet, 1987</p> <p>E. Pace West Division
3500 W. Lake St., Melrose Park
221,570 square feet, 1986</p> <p>F. Pace Southwest Division
9889 Industrial Dr., Bridgeview
81,500 square feet, 1994</p> <p>G. Pace South Division
2101 W. 163rd Place, Markham
191,000 square feet, 1988</p> <p>H. Pace Northwest Division
900 E. Northwest Hwy.,
Des Plaines
83,700 square feet, 1962</p> <p>I. Village of Downers Grove
801 Burlington Ave.,
Downers Grove</p> <p>J. City of Highland Park*
1150 Half Day Road,
Highland Park</p> <p>K. Village of Niles*
7104 Touhy Ave., Niles</p> <p>L. Pace North Shore Division
2330 Oakton St., Evanston
81,500 square feet, 1995</p> <p>M. Pace Administrative
Headquarters
550 W. Algonquin Rd.,
Arlington Heights
65,000 square feet, 2009</p> <p>N. South Holland
Acceptance Facility
405 W. Taft Dr., South Holland
44,700 square feet, 1984</p> | <p>O. Pace Paratransit Garage
5007 Prime Parkway, McHenry
28,097 square feet, 2001</p> <p>P. Pace Print Shop
86 Lively Blvd., Elk Grove Village
3,500 square feet, 2010 (Leased Premises)</p> <p><i>*Municipal Garages</i></p> <p>Pace has established numerous passenger facilities throughout the region. The facilities provide convenient transfers and connections between our services and those provided by CTA and Metra.</p> <p><i>Transportation and Transfer Centers ▲</i></p> <ul style="list-style-type: none"> • Aurora Transportation Center, Aurora • Buffalo Grove Transportation Center, Buffalo Grove • Chicago Heights Transfer Center, Chicago Heights • Elgin Transportation Center, Elgin • Gurnee Mills Transfer Facility, Gurnee • Harvey Transportation Center, Harvey • Northwest Transportation Center/Charles Zettek Facility, Schaumburg • Prairie Stone Transportation Center, Hoffman Estates • United Parcel Service Transportation Center, Hodgkins <p><i>Boarding and Turnaround Facilities ●</i></p> <ul style="list-style-type: none"> • Arlington Heights Metra • Clarendon Hills Metra • Deerfield Metra • Des Plaines Metra • Elmwood Park • Evanston-CTA Davis Street • Forest Park CTA Station • Highland Park Metra • Homewood Metra • Lake Cook Road Metra • North Riverside Park Turnaround • Oak Park CTA/Metra • Palatine Metra • Park Forest Bus Turnaround • River Road CTA |
|---|--|

- Riverdale Bus Turnaround
- South Suburban College (South Holland)
- Summit CTA/Pace

Map 5. Pace System Garage and Support Facilities

Park and Ride Facilities ■

- Blue Island Park-n-Ride
- Bolingbrook Park-n-Ride (Canterbury Lane)
- Bolingbrook Park-n-Ride (Old Chicago Road)
- Buffalo Grove Transportation Center (Park-n-Ride)
- Burr Ridge Park-n-Ride
- Elk Grove Village Park-n-Ride
- Hillside Park-n-Ride
- Homewood Park-n-Ride
- South Holland Park-n-Ride



Pace Ridership

The following table identifies projected ridership changes by operating element for years 2011 through 2015.

Table 36. Pace 2013-2015 Ridership Projections (000's)

	2011 Actual	2012 Estimated	% Change	2013 Projected	% Change	2014 Projected	% Change	2015 Projected	% Change
Pace Owned Carriers	28,614	30,297	5.9%	31,379	3.6%	32,062	2.2%	32,700	2.0%
Public Carriers	875	892	1.9%	919	3.0%	937	2.0%	956	2.0%
Private Carriers	1,141	929	-18.6%	957	3.0%	976	2.0%	995	2.0%
Total Fixed Route	30,630	32,118	4.9%	33,255	3.5%	33,975	2.2%	34,651	2.0%
Dial-a-Ride*	1,293	1,324	2.4%	1,410	6.5%	1,438	2.0%	1,467	2.0%
Vanpool	1,778	1,947	9.5%	2,099	7.8%	2,141	2.0%	2,184	2.0%
Suburban Service Total	33,701	35,389	5.0%	36,764	3.9%	37,554	2.1%	38,302	2.0%
Regional ADA Paratransit Service*	3,546	3,812	7.5%	4,040	5.9%	4,242	5.0%	4,454	5.0%
Combined Pace Service	37,247	39,201	5.3%	40,804	4.1%	41,796	2.4%	42,756	2.3%

*Ridership includes companions and personal care attendants.



Easy bus connections for Pace riders makes transit attractive.



Convenient bus shelters also improve ridership.

Ridership & Fares

Suburban Service Ridership

The ridership projections shown on the previous page are based on current status quo levels.

For 2012, Pace Suburban Service ridership is estimated to increase over 2011 levels by 5.0%.

For 2013, Suburban Service ridership is projected to grow by 3.9%. Fixed route is projected to increase over 2012 levels by 3.5%. Vanpool ridership is projected to grow by 7.8% over 2012.

Regional ADA Paratransit ridership is estimated to finish 2012 up 7.5% over prior year levels. For 2013, ADA ridership is expected to grow at 5.9%.

Ridership is projected to grow at 2.2% and 2.0 % respectively for outlying years—2014 and 2015 in Suburban Service.

Regional ADA ridership is forecasted to grow at 5.9% next year (2013). This is consistent with the large growth in demand that is occurring this year (+7.5% in 2012). ADA demand is forecasted to grow at a 5.0% rate in 2014 and 2015, which is consistent with historical levels prior to the recent 18 month spike in demand.

Pace Fares

There is no fare increase included in the 2013 budget for either Suburban Service or the Regional ADA Program. Pace will implement a new fare collection system in 2013 in conjunction with CTA. The new system will expand the availability of Pace and CTA passes and also accept contactless credit and debit cards. These initiatives should foster ridership growth in 2013 and beyond.

Tables 37 and 38 on the following pages identify the current fare structure for Pace Suburban Service—fixed route, dial-a-ride and vanpool.



Pace provides special events services like this one to U.S. Cellular Field.



Pace will expand the I-55 Bus On Shoulder service in 2013.

Pace Fare Structure - Current

Table 37. Pace Fare Structure

	Full Fare	Reduced Fare
Regular Fares		
Full Fare	\$1.75	\$0.85
Transfer to Pace	\$0.25	\$0.15
	Free Local Transfer	
Passes		
Pace/CTA (30-Day)	\$86.00	\$35.00
Pace/CTA 7-day Pass	\$28.00	N/A
Commuter Club Card (CCC) (Pace Only)	\$60.00	\$30.00
Link-Up Ticket	\$39.00	N/A
Plus Bus	\$30.00	N/A
Regular 10 Ride Plus Ticket	\$17.50	\$8.50
Student (Haul Pass)	N/A	\$30.00
Student Summer Pass	N/A	\$45.00
Pace Campus Connection (College Student Pass) - Valid for One Semester - 5 months		
Purchased in:		
August or January	\$175.00	N/A
September or February	\$165.00	N/A
October or March	\$140.00	N/A
November or April	\$105.00	N/A
December or May	\$75.00	N/A
Campus Connection - Summer Pass	\$140.00	N/A
Express/Other Fares		
Premium Routes (see below)*	\$4.00	\$2.00
Premium 10 Ride Plus Ticket (855)	\$40.00	\$20.00
Dial-a-Ride	\$1.75	\$1.00
Call-n-Ride	\$1.75	N/A
ADA Paratransit		
ADA Paratransit	\$3.00	N/A
Mobility Direct (Chicago Only)	\$3.00	N/A
TAP (Chicago Only)	\$5.00	N/A

*Premium routes included: 237, 282, 284, 755, 768, 769, 773, 774, 775, 776, 779, 855.

Please visit www.pacebus.com for further information concerning Pace's current fares and other special programs.

Table 38. Monthly VIP & Other Vanpool Services Fare Schedule

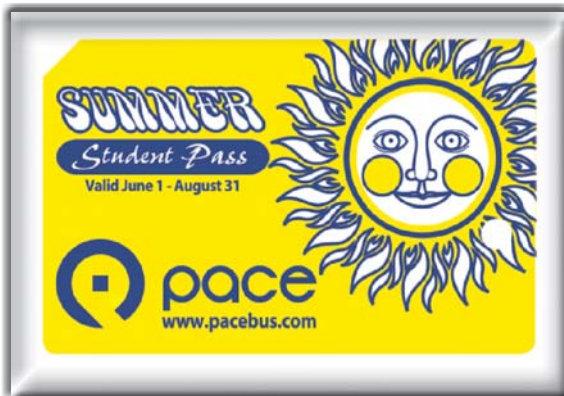
Current Fare

Daily Round Trip Van Miles	Mini Van Fare*					
	4 Pass*	5-6 Pass*	7-8 Pass*	9-10 Pass*	11-12 Pass*	13-14 Pass*
1-20 Miles	\$112	\$99	\$85	\$73	\$73	\$73
21-30 Miles	\$117	\$103	\$89	\$75	\$73	\$73
31-40 Miles	\$122	\$109	\$95	\$78	\$73	\$73
41-50 Miles	\$128	\$114	\$99	\$81	\$73	\$73
51-60 Miles	\$133	\$119	\$103	\$86	\$75	\$73
61-70 Miles	\$138	\$124	\$107	\$89	\$77	\$73
71-80 Miles	\$142	\$130	\$112	\$92	\$79	\$73
81-90 Miles	\$146	\$134	\$116	\$97	\$81	\$73
91-100 Miles	\$150	\$138	\$119	\$100	\$85	\$75
101-110 Miles	\$153	\$141	\$123	\$103	\$87	\$77
111-120 Miles	\$160	\$145	\$127	\$107	\$89	\$79
121-130 Miles	\$163	\$149	\$130	\$112	\$91	\$81
131-140 Miles	\$166	\$153	\$134	\$116	\$94	\$85
141-150 Miles	\$171	\$157	\$138	\$119	\$97	\$87
151-160 Miles	\$174	\$161	\$141	\$123	\$99	\$89

*Maxi or Conversion vans of 6 passengers or less require a monthly surcharge per passenger of \$15.00.

Fares are based on 21 work/commute days per month (approximately 5 work/commute days per week). Fares will be adjusted to accommodate van operation which is consistently greater or fewer than 21 work days per month.

*The van driver is excluded from this passenger/van count.



Discounted fare for students is very successful in the suburbs.

Current Fare for 2013 (Monthly)

Program	Current Fare
Advantage	\$401
Non-Profit *	\$600
Shuttle *	\$750
Non-Emergency Medical *	\$750
Community Transit	\$100
VIP Metra Feeder/Per Rider	\$58

* Pace reduced the fares for these programs in June, 2011

Indiana Tollway Surcharge (Monthly \$27/Per Passenger)

Beginning in 2013 Pace will surcharge vanpools using the Indiana Tollway and Chicago Skyway systems. Pace is exempt from tolls on the Illinois Tollway system; however, our vans are not exempt from tolls on these systems. In the past year, Pace paid over \$100,000 in tolls for vanpools using these systems.



A fare media used on ADA service in the City of Chicago.

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Demographic Profiles of Pace User (Customers)/Non-Users

Table 39. User/Non-User Demographic Profiles

	Non-Users	Users (weekday only)
Age in Years		
Group Median	47.0	42.4
Sex:		
Male	48%	49%
Female	52%	51%
Education		
Some high school or less	2%	8%
High school graduate	12%	23%
Some college or technical school	20%	33%
College graduate	37%	26%
Graduate or Professional Degree	29%	9%
Total Annual Household Income		
Group Median (000)	\$74.80	\$38.50
Auto Ownership		
None	5%	30%
One	26%	39%
Two or more	69%	31%
Ethnic Background		
African American	7%	43%
Asian	3%	6%
Hispanic	10%	15%
Caucasian	79%	33%
Other	1%	3%

Data Source

Non-user: South Cook County-Will County Service Restructuring Initiative, 2006, regional sample size = 1,195
 User: 2011 CSI/User Survey, regional sample size = 5,568

The summary demographic profile of Pace users (customers) and non-users as based on our research is presented on Table 39.

Research indicates that Pace customers earn significantly less than non-users and are much less likely to own an automobile. This underscores the critical role Pace plays in getting residents to jobs. Over 80% of Pace customers use the service to get to work—without Pace services and without an automobile, many of our residents would not be able to get to work.



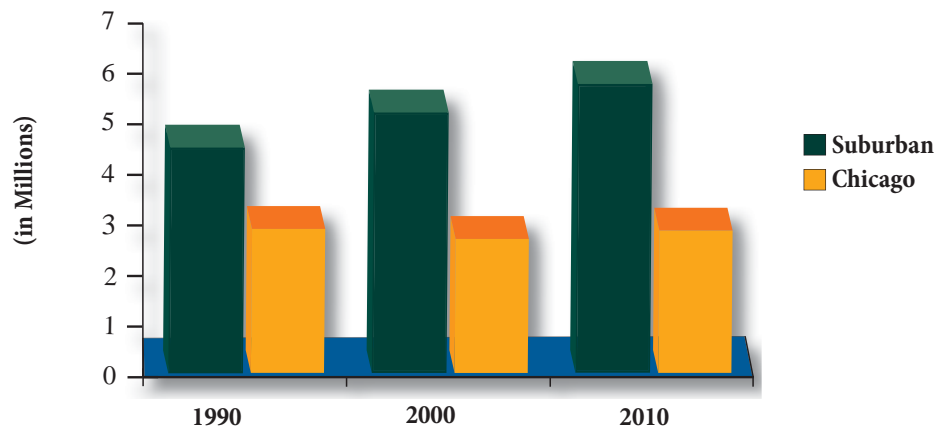
The majority of Pace customers rely on our service to get to work.

Regional Population

Population

The suburban population increased by over .5 million between 2000 and 2010, from 5.2 million residents to 5.7 million residents. Chicago's population grew by nearly .2 million between 2000 and 2010 from approximately 2.7 million to 2.9 million. The following graphs depict the recent population trends in the metropolitan Chicago region from 1990 through 2010.

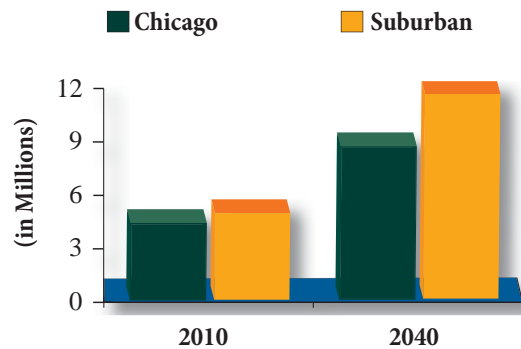
Chart I. 1990 to 2010 Regional Population



Regional Population Change 2010 to 2040

The Chicago Metropolitan Agency for Planning (CMAP) provides official 30 year population forecasts for the region. These forecasts project population growth rates and patterns. According to CMAP, the regional population is expected to increase by 2.4 million people between 2010 and 2040 to 11.0 million. CMAP projects the number of residents between 65 and 84 years of age will double between 2010 and 2040. Furthermore, they anticipate the number of residents in the region who are over 85 years old is projected to triple during the same time period. Between 2010 and 2040, 2.3 million new residents in households will accrue to Pace's service region while Chicago's population will increase by 0.4 million new residents in households.

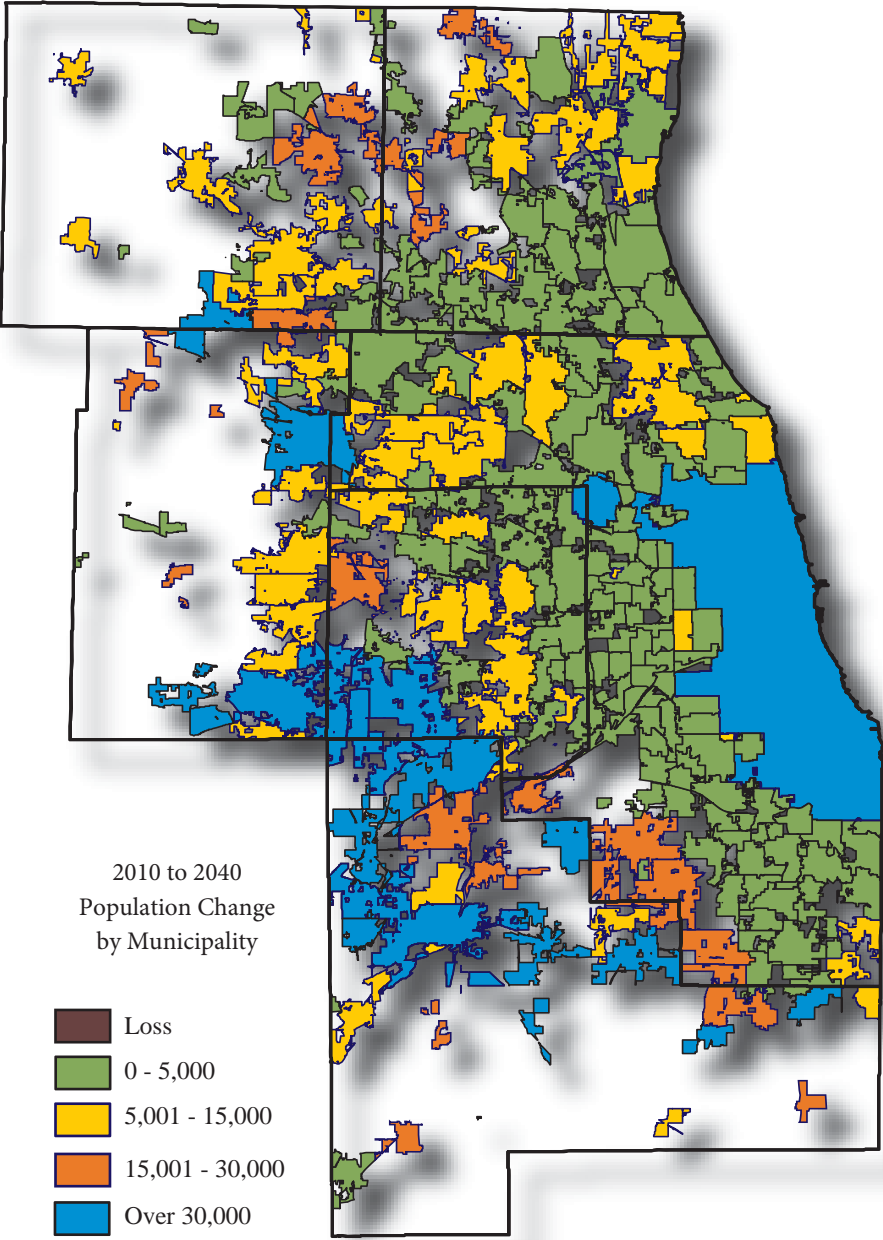
Chart J. 2010 to 2040 Regional Population Projection



*Regional Population Change
2010 to 2040*

CMAQ population growth forecasts through 2040 are depicted on the adjacent map. Will County is expected to experience population growth of nearly one-half million people between 2010 and 2040 followed by the City of Chicago which is expected to add 380,000 residents by 2040.

Map 6. Regional Population Change



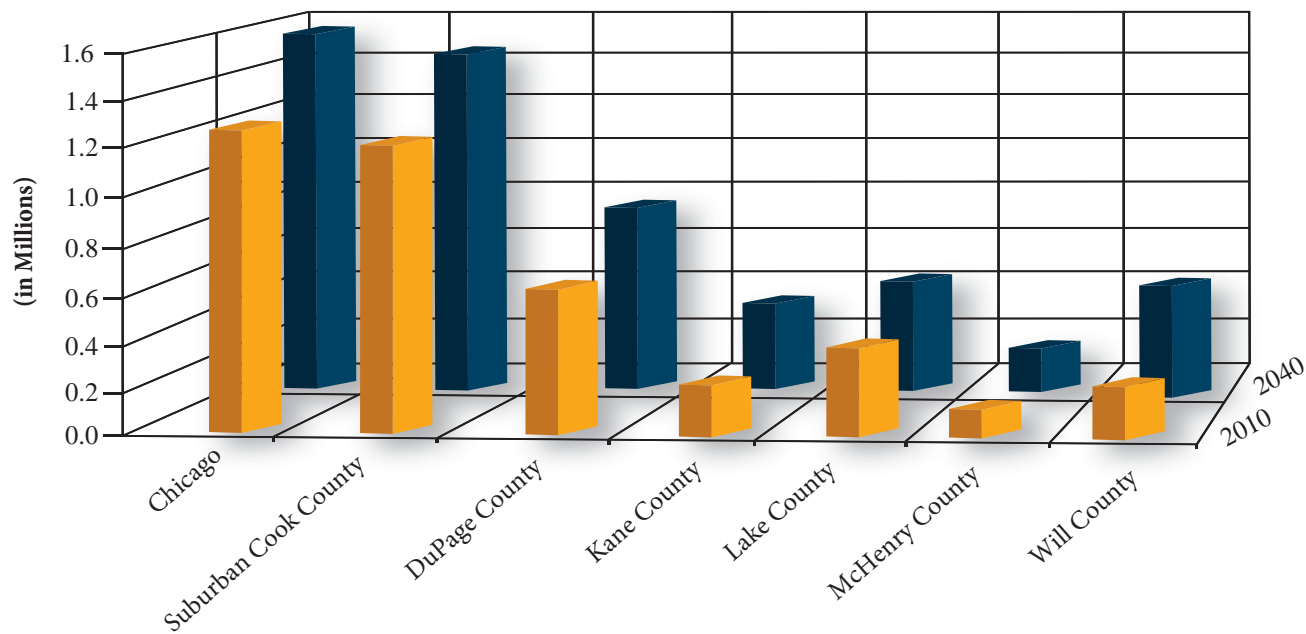
Regional Employment

Employment

CMAP’s forecast anticipates an increase of 1.2 million jobs in the region by 2040, of which 1.0 million will accrue to the suburban areas. As a percentage of 2000 employment, Will County’s increase is projected to be the greatest at 110%, followed by Kane County (64%) and McHenry County (52%), representing an increase

of 252,000, 144,000 and 64,000 jobs, respectively. Will County’s projected employment growth is also the largest in absolute terms followed by growth in Chicago (222,000), Suburban Cook County (205,000) and DuPage County (152,000).

Chart K. 2010 to 2040 Employment Projection



Travel & Congestion

Travel Patterns

According to the Texas Transportation Institute’s 2010 Urban Mobility Report, in 2009, the Chicagoland area was tied with Washington D.C. for the longest peak period travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 52 million gallons of fuel, at a cost of \$1,738 per auto commuter annually, just sitting in traffic.

The regional cost of traffic congestion reaches \$9.48 billion annually when you factor in lost time and wages, increased shipping costs and fuel wasted. Over 373 million hours of travel delay time are lost in the region annually according to the report. This loss takes into account that public transit in the region reduces time lost by 49 million hours annually.

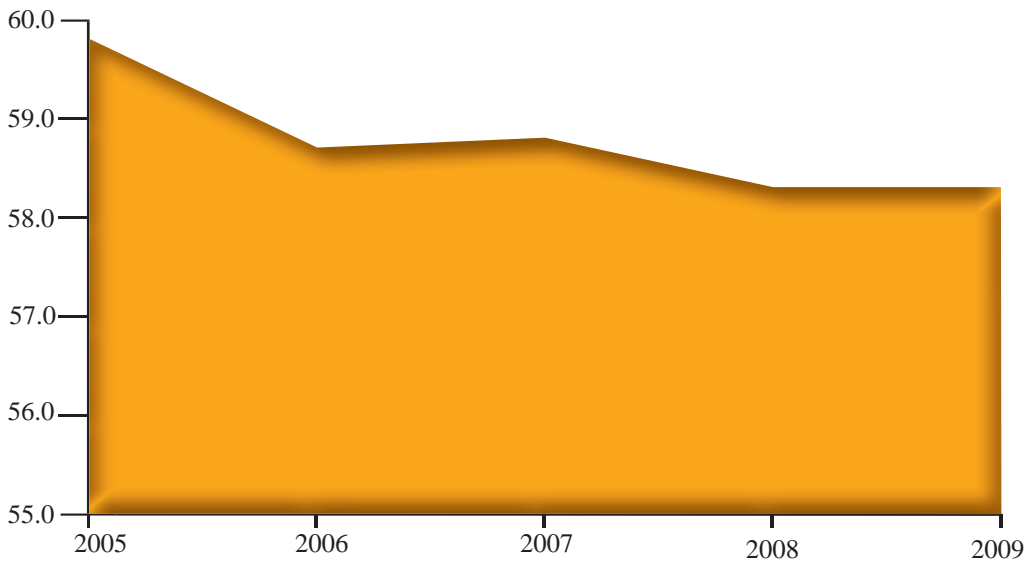
The impact congestion has on the regional economy underscores the need for increased public transportation. Without it, traffic congestion will continue to worsen as it has since 1982, and the cost in wasted time and fuel will continue to rise.



Pace implemented Bus On Shoulder operations in the I-55 Corridor in 2012. The service avoids traffic congestion and reduces travel time while increasing on time performance.

Regional studies such as the RTA’s Moving Beyond Congestion have documented that for every \$1.00 invested in improving transit, the region saves \$1.50 on transportation costs.

Chart L. Annual Vehicle Miles—RTA Region—In Billions



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Pace Goals & Performance Measures

PACE has established agency wide performance goals which support the core business purpose of providing excellent public transportation service. The goals are to provide public transportation that is:

- Safe
- Reliable
- Courteous
- Efficient
- Effective

Table 40 identifies the measures and performance standard that Pace has established for each goal. Actual performance for 2011, projected performance for 2012 and 2013 goals are identified. Performance standards marked with an asterisk (*) are in the process of being further evaluated and those shown are preliminary.

Results that exceed the performance standard are shown in green, those that fall within 10% of meeting the standard are shown in yellow. Performance more than 10% below the standard is indicated in red.

In addition to these goals and performance standards, this appendix provides comparative performance data for Pace’s peer groups.



Convenient bus connections to rail lines is important to the Region.



Express bus service on I-55 provides an alternative to driving.

Table 40. Pace Goals & Performance Measures

		<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Projected</u>
Safety				
Goal: Provide Safe Public Transportation Services				
Measure(s):	<i>Performance Standard</i>			
Accidents per 100,000 Revenue Miles	Less than 5	5.88	5.80	5.80
Reliability				
Goal: Provide Reliable Public Transportation Services				
Measure(s):	<i>Performance Standard</i>			
On-Time Performance	Greater than 85%	74.2%	76.4%	76.6%
Actual Vehicle Miles per Road Call	Greater than 14,000	13,135	12,600	13,000
Percent Missed Trips per Total Trip Miles	Less than .5%	0.10%	0.10%	0.10%
Courtesy				
Goal: Provide Courteous Public Transportation Services				
Measure(s):	<i>Performance Standard</i>			
Complaints per 100,000 Passenger Miles	Less than 4	3.34	2.60	2.60
Website Hits on Web Watch Site (000's)	Increase over prior period	18,776	29,000	29,000
Efficiency				
Goal: Provide Efficient Public Transportation Services				
Measure(s):	<i>Performance Standard</i>			
Revenue Miles per Revenue Hour	Greater than 17	16.79	16.99	16.90
Revenue Miles per Total Operator Pay Hours	Greater than 10*	9.48	9.97	9.90
Expense per Revenue Mile	Less than \$6.50*	\$6.02	\$5.93	\$6.00
Expense per Revenue Hour	Less than \$125.00*	\$101.06	\$100.89	\$101.50
Recovery Ratio	Greater than 18%	26.7%	26.8%	26.5%
Subsidy per Passenger	Less than \$4.00	\$2.86	\$2.77	\$2.80
Effectiveness				
Goal: Provide Effective Public Transportation Services				
Measure(s):	<i>Performance Standard</i>			
Ridership	Increase from prior period	6.19%	6.00%	4.60%
Passenger Miles per Revenue Miles	Greater than 9*	9.97	10.00	9.50
Productivity (Passengers per Revenue Hour)	Greater than 24*	26.04	26.80	24.80
Ridership per Revenue Mile	Greater than 1.5*	1.55	1.57	1.48
Vanpool Units in Service	Increase from prior period	718	738	745

* Performance Standard Under Evaluation

Below performance standard
 Within 10% of performance standard
 Meets/exceeds performance standard

Peer Performance Comparison

THE following analysis compares Pace’s performance to a select group of peers. Peers include a group of transit agencies selected by the RTA and a set of statistics representing the national average for transit bus service. The RTA selected their peer group for Pace based on what they identified as similar service characteristics—operating in suburban areas; providing comparable amounts of service levels; and contracting with private providers for some of the service.

The RTA’s peer group includes the following systems:

Long Island Bus (MTA) – New York, NY

Orange County Transportation Authority (OCTA) – Orange, CA

San Mateo County Transit District (SamTrans) – San Francisco, CA

Alameda-Contra Costa Transit District (AC Transit) – Oakland, CA

RTA is in the process of redeveloping its peer group performance reporting process and may identify additional or different peers for Pace in the future.

The State of Illinois Auditor General released a performance audit of Pace, CTA and Metra in March, 2007. The Auditor General also used Long Island Bus (MTA) and San Mateo County Transit (SamTrans) in their peer comparisons for Pace. The complete report is available on the Illinois Auditor General’s website at <http://www.auditor.illinois.gov>.

Performance was measured against six performance criteria as reported by the Federal Transit Administration (FTA) in their National Transit Database (NTD). The following performance measures were reviewed:

Service Efficiency

- Operating Expense per Revenue Hour
- Operating Expense per Revenue Mile

Cost Effectiveness

- Operating Expense per Passenger
- Operating Expense per Passenger Mile

Service Effectiveness

- Passengers per Revenue Hour
- Passengers per Revenue Mile

The following charts are prepared using 2010 National Transit Database (NTD) data for bus only, which is the latest data available at this writing.



Peer Performance Comparison

Service Efficiency

Chart M. Operating Expense per Revenue Hour

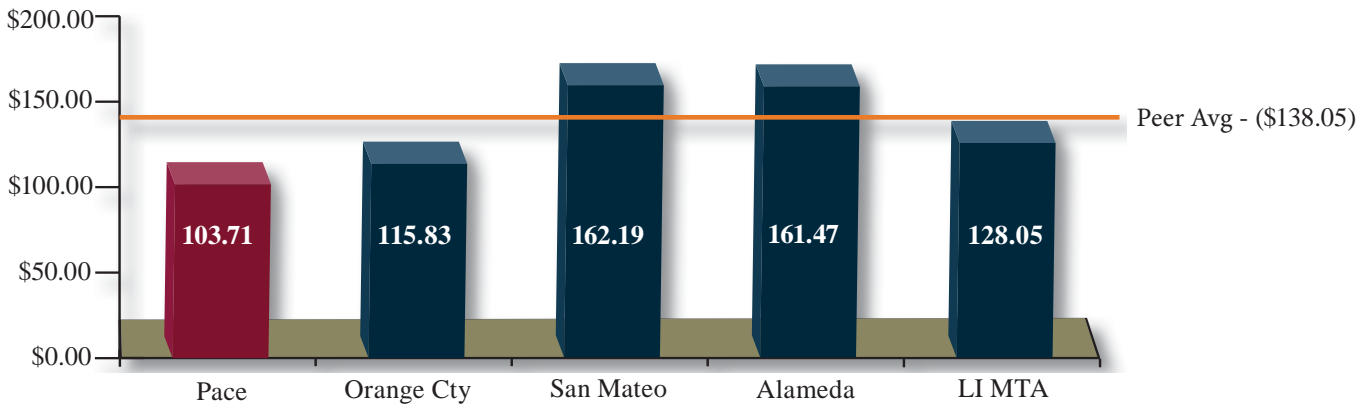


Chart N. Operating Expense per Revenue Mile

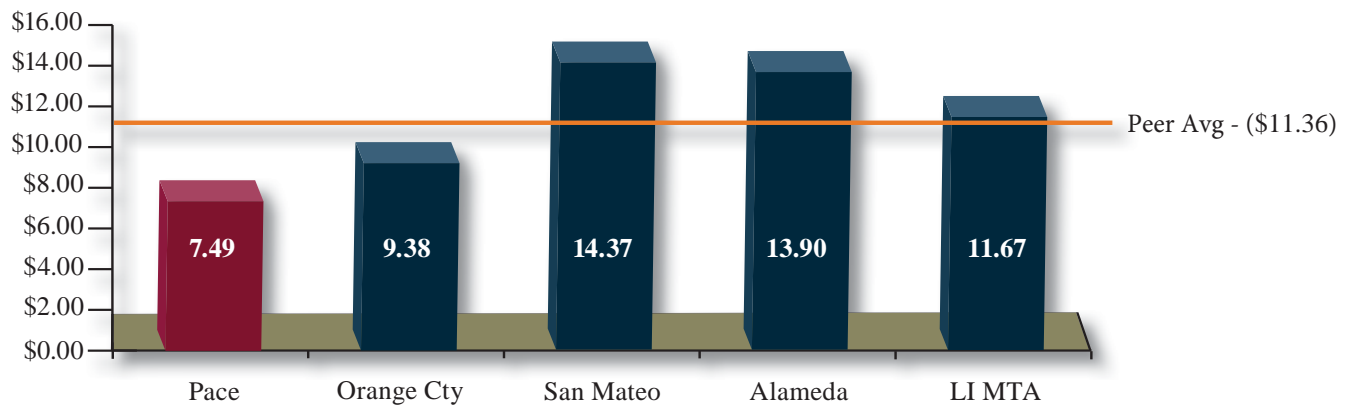


CHART M - Service efficiency, as measured by the performance ratio operating expense per total revenue hour shows Pace to be the most efficient compared to all peers in this group. At \$103.71, Pace’s cost per hour is 10.5% less than the nearest peer—Orange County (CA). Pace’s costs are also \$34.34 per hour or 24.8% less than the peer average for this performance measurement category.

CHART N - Pace’s operating expense per mile is also well below everyone in this peer group. At \$7.49 per mile, Pace’s cost is \$1.89 per mile or 20.1% below the nearest peer, Orange County (CA), and \$3.87 per mile or 34.0% below the peer average.

Cost Effectiveness

Chart O. Operating Expense per Passenger

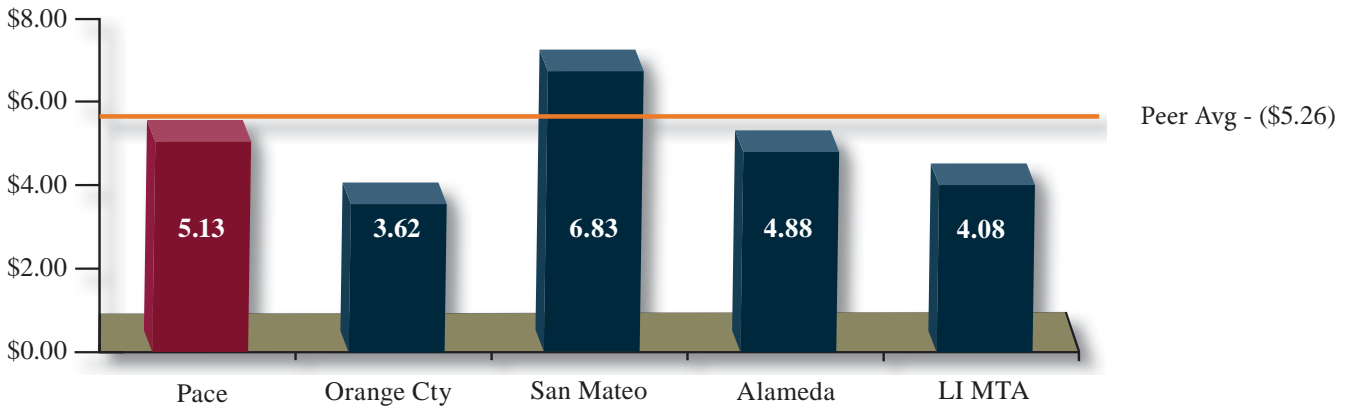


Chart P. Operating Expense per Passenger Mile

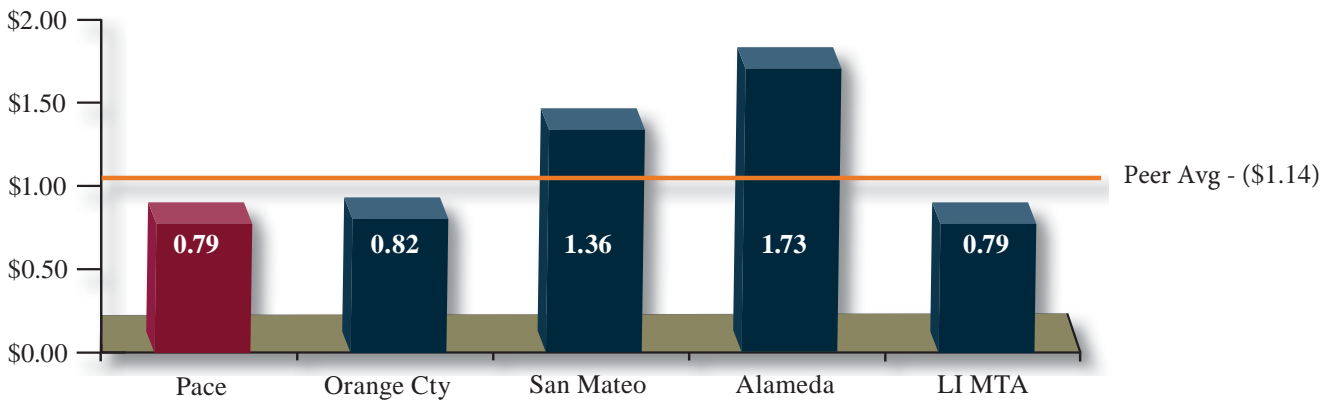


CHART O - Cost effectiveness, as measured by the performance ratios operating expense per passenger and passenger mile, shows Pace to be consistent with the agencies within this peer group. At \$5.13, Pace’s operating expense per passenger is the second highest next to San Mateo (CA). Pace has the lowest population density service area of the peer group.

CHART P - At \$0.79, Pace’s expense per passenger mile is tied with Long Island MTA as the lowest of all the peers. Pace’s expense per passenger mile was 30.7% or \$0.35 lower than the peer average.

Service Effectiveness

Chart Q. Passengers per Revenue Hour

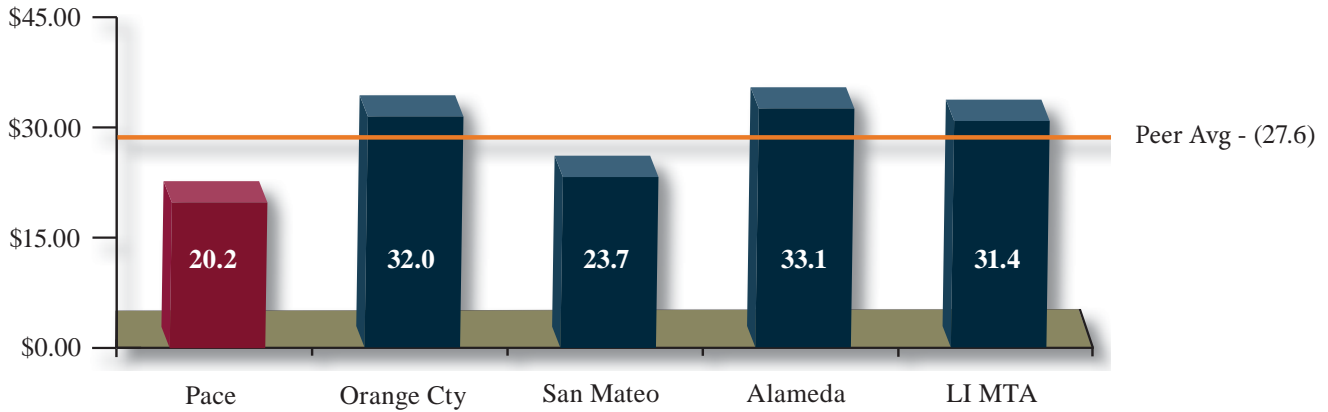


Chart R. Passengers per Revenue Mile

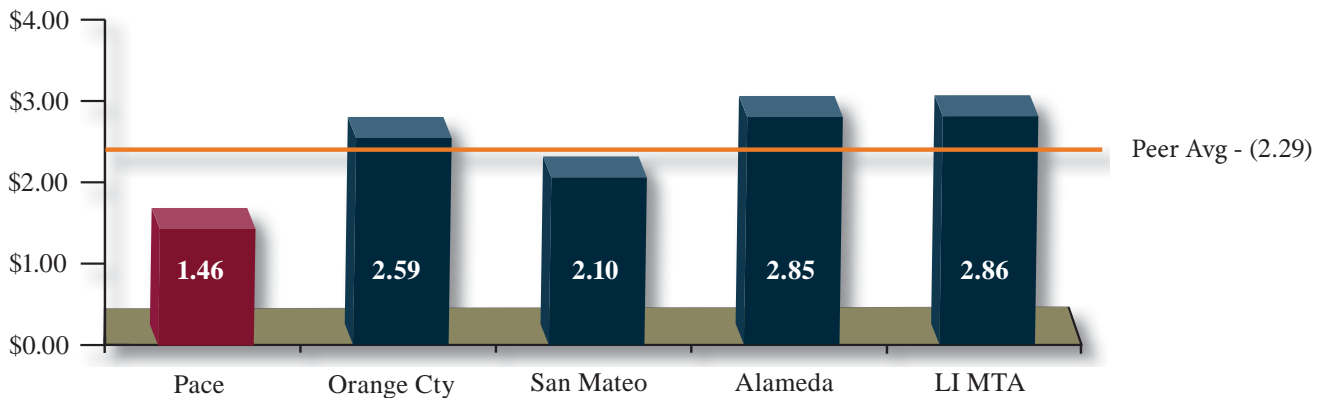


CHART Q - Service effectiveness, as measured by the performance ratio passengers per total revenue hour shows Pace to have the lowest performance ratio compared to all agencies in this group, and 7.4 below the national average. The size of the service area directly affects this performance indicator and, at nearly 3,500 square miles, Pace has the largest service area of all the bus peers in this group.

CHART R - Pace ranks with the lowest number of passengers per total revenue mile compared to the peer group. Pace’s large service area, combined with lower population densities (than our peers) contributes to this result.

Farebox Recovery Ratio

Chart S. Farebox Recovery Ratio

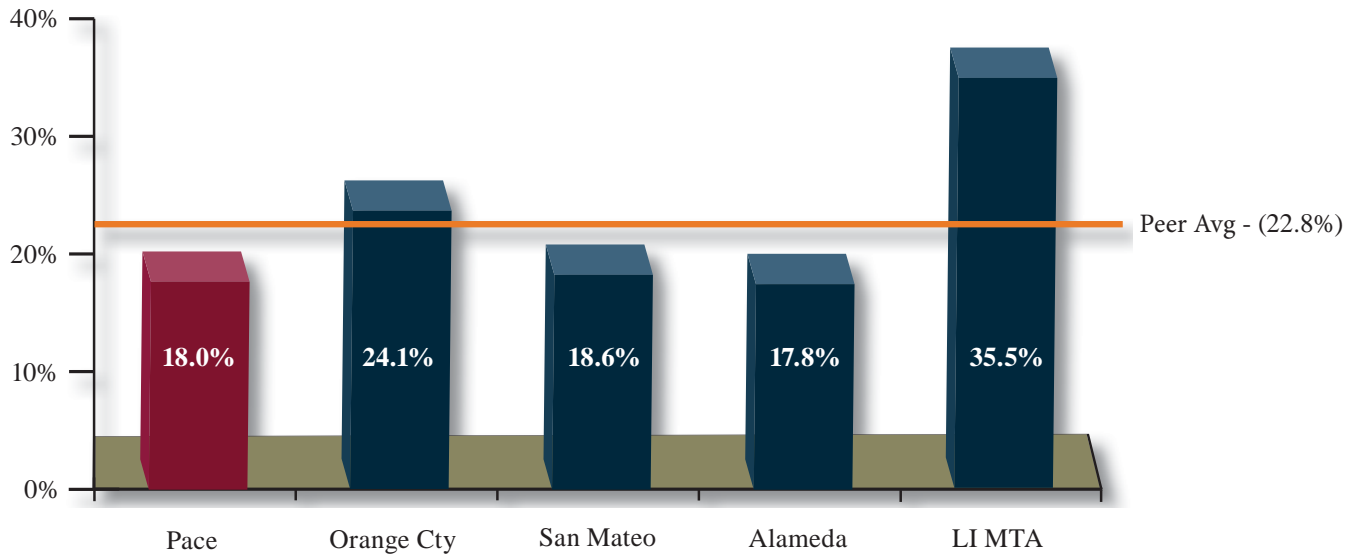


CHART S - Pace's bus only farebox recovery rate of 18.0% is lower than the peer average ratio of 22.8%, but is comparable to San Mateo and Alameda; both are in California.

Vision 2020 - The Blueprint for the Future

Overview: Vision 2020

Pace continues to use its Vision 2020 Plan to inform its short and long range strategies to provide efficient and effective suburban bus service. Since the adoption of the Vision 2020 Plan in 2001, Pace has been working to prioritize and advance enhanced bus services. The plan outlined an extensive network comprised of a family of services, including Arterial Rapid Transit (ART), express bus on limited access highways, park-n-ride facilities, transit centers, traditional fixed-route bus services and demand responsive services. Intelligent Bus System (IBS) technology and extensive market/data analysis supports each of the program elements. The market and data analysis tools provide a better understanding of the travel patterns within the service area. These analytical tools will provide the framework for the development of new and existing services to continue to provide improved regional mobility. Significant progress has been made to implement key components of the Vision 2020 Plan.

- Corridor Development
- Increase Network Speed
- Alternatives to Mass Transit

Corridor Development

Arterial Rapid Transit Network

Pace's ART Network will provide an innovative, high-quality transit solution to improve connectivity within the region's growing suburban communities. The system will offer faster, more efficient service to link passengers to jobs, hospitals, schools and colleges. The ART network will feature limited stops, stations electrified with heating, lighting and real-time information, enhanced fare collection methods, information kiosks, low floor buses and distinctive vehicles using TSP to improve service reliability.

Pace will partner with a team of consultants to plan, design, construct and implement the first phase of its ART system. The first key travel corridors selected for ART service include Milwaukee Avenue, from Jefferson Park CTA station in Chicago to Golf Mill Mall in the Village of Niles and Dempster Avenue, from Davis Street CTA station in Evanston to the O'Hare Kiss and Fly.

Pace is currently working to secure a Project Management Oversight (PMO) consultant to oversee the planning,

construction and administration of the ART program and its supporting components. Once the PMO is on-board, they will assist Pace in refining the ART program schedule, preparing a program budget and in managing all aspects of the ART design, engineering and construction process.

Arterial Corridor Development Studies

The goal of the corridor development studies is to understand land use patterns and market conditions to provide congestion relief, improved regional mobility, sustainable employment access and economic development in preparation for Arterial Bus Rapid Transit (ART) Service. A study has been completed in the Harlem Avenue corridor. A Corridor study will be conducted for the Cicero Avenue Corridor between Midway Station and 127th Street. This study will be completed in 2013. Pace is also partnering with the Southwest Conference of Mayors to create a transportation and economic development plan for the 95th Street Corridor between Western Avenue on the east and LaGrange Road on the west, and one half mile north and south of 95th Street. This study will be completed in mid-2014.

I-55 Corridor

The Bus On Shoulder demonstration project was implemented in November 2011 and is a collaborative project between Pace, IDOT, RTA, and the Illinois State Police which allows Pace express Routes 755 & 855 to operate on the I-55/Stevenson Expressway shoulder between Kedzie Avenue and I-355 during congested conditions. The purpose of this demonstration is to determine whether using the highway shoulder for transit can improve transit service and the customer experience while also maintaining the primary function of the shoulder and overall traffic safety, and to examine this new strategy to increase the capacity of the urban transportation system.

During the short time that the Bus On Shoulder program has been in effect, Routes 755 & 855 have seen a significant increase in on-time performance and ridership. The increase in ridership, improvements in on-time performance and perfect safety record have demonstrated early success with the program. Pace also plans to add service in late 2012 or early 2013 using CMAQ funds to

provide additional trips on Routes 755 and 855, as well as the establishment of a new park-n-ride. The new trips will provide increased frequency and alleviate overcrowding on these popular routes. The CMAQ committee supports the I-55 corridor project as it is a component of the regional GO TO 2040 plan and for the coordination of a transit and a highway major capital project.

I-90 Corridor

Pace and the Illinois Toll Highway Authority are partnering to implement a multi-modal transit/highway project within the Jane Addams I-90 Corridor. This project will serve new and expanded markets between Rosemont and Elgin in conjunction with the Tollway's proposed managed lane improvements on I-90, as called for in the regional GO TO 2040 plan. The project will be developed utilizing CMAQ funding.

As the corridor continues to undergo major reconstruction over the next several years, Pace is committed to enhance existing service in order to mitigate some of the traffic congestion during the construction period starting in mid to late 2013, including the establishment of a new park-n-ride in the IL 59/I-90 area. With the completion of the managed lanes, new and expanded express bus service will be implemented along with local distribution zones (Call-n-Ride service), the purchase of new transit vehicles, construction of new park-n-ride lots, improved access at the Rosemont terminal, and potential improvements in access on I-90 to and from Schaumburg.

Guidelines for Transit Supportive Communities

Pace is in the process of updating its Development Guidelines which were last revised in 1999. The resulting document Guidelines for Transit Supportive Communities will include a robust, dynamic, and dramatically expanded scope, providing municipal planners and the development community with a thorough examination of why transit supportive development is important and beneficial, what it entails, and how it can and should be achieved. The guidelines will be attractive yet functional in getting the message out on the design practices that support public transit use and increase ridership.

The primary function of the guidelines is land use and site design practices and policies that support public bus

service. The guidelines purpose and goals will be directly related to Pace's Vision 2020, CMAP's GO TO 2040 Regional Plan, and RTA's Community Planning and Sub-regional Planning Programs. The guidelines will make the case for why public transportation is important and beneficial to municipalities and developers and why they should actively support them. They will be paramount in determining how land use policy has a central role in realizing transit supportive communities.

The guidelines will be aggressively marketed with an outreach plan that raises awareness and generates participation from municipalities, planners, developers and transit patrons alike.

Increase Network Speed

Transit Signal Priority

The Transit Signal Priority (TSP) Program is geared to providing a more reliable regional transit system with improved bus travel times, schedule adherence and customer satisfaction. Transit Signal Priority recognizes that most buses operate on the arterial system, where delay is largely related to congestion and traffic signal timings that have not been oriented to bus operations. TSP allows bus transit vehicles to adhere to their published schedule by giving priority green time to buses that are behind schedule.

Implementation of TSP on designated corridors is a multi-year program. Implementation of corridor segments and locations are determined, based on delay analysis, funding and coordination with the ART and posted stop programs.

The Harvey TSP Demonstration Project was successful both in terms of benefits to Pace riders and technology implementation. Some key evaluation benefits include: Bus Travel times were reduced up to 15%; Cumulative Daily Delay for buses was reduced by 27 minutes at TSP-equipped intersections during AM and PM Peak Periods; Average Travel time for all traffic was reduced by as much as 6 minutes during peak hours; the number of stops made by buses at signalized intersections with TSP at a corridor level was reduced by a range of three to a maximum of 13 on a directional basis by route.

Beginning in 2013, Phase 2 of this project extends the existing TSP System from the Harvey Transportation Center to Chicago Heights Terminal with ten additional TSP equipped signals. An additional 40 buses will be equipped with TSP system.

As part of the regional TSP working group, Pace, CTA, City of Chicago, CDOT and IDOT are evaluating various technology integration options for TSP deployment along Milwaukee Avenue and other corridors operated by both Pace and CTA.

A regional \$40 million dollar, five year Transit Signal Priority Program begins in 2013 to design and implement TSP on designated Pace and CTA corridors. This program is the result of a multi-agency CMAQ program application submitted by the RTA, Pace, CTA and supported through the regional signal operators including IDOT, CDOT and the counties. Initial implementation will focus on corridors with optimized and approved TSP signal timing plans.

Improving On-Time Performance

In order to make service more reliable and predictable for riders, Pace Strategic Services and Revenue Services are jointly working on a project to improve the on-time performance of Pace fixed routes throughout the six-county region. By analyzing the running times of existing trips and evaluating traffic patterns, the schedules for the selected routes will be optimized to allow service to operate on time which will allow for improved connections with other routes and fewer delays. This is part of an ongoing program to make transit work better for existing riders and to encourage non-users to put their car aside and try public transit.

Posted Stops

Pace is continuing to improve service, safety, speed, reliability and visibility by converting routes from the current “flag stop” service where buses will stop anywhere along the route where it is safe to do so, to “posted stop” service where buses stop at fewer designated stops along a route. The posted stops project enhances Pace’s ability to operate safely by clearly communicating the location of each route’s bus stops to operators and passengers through marked bus stop locations with the goal of increasing passenger amenities at those stops. Posted bus stops help speed up Pace service by establishing efficient

stop patterns and by laying the groundwork for other strategic programs such as Transit Signal Priority (TSP) and Arterial Rapid Transit (ART). The posted stops project helps current and future passengers make reliable connections with Pace service in their communities.

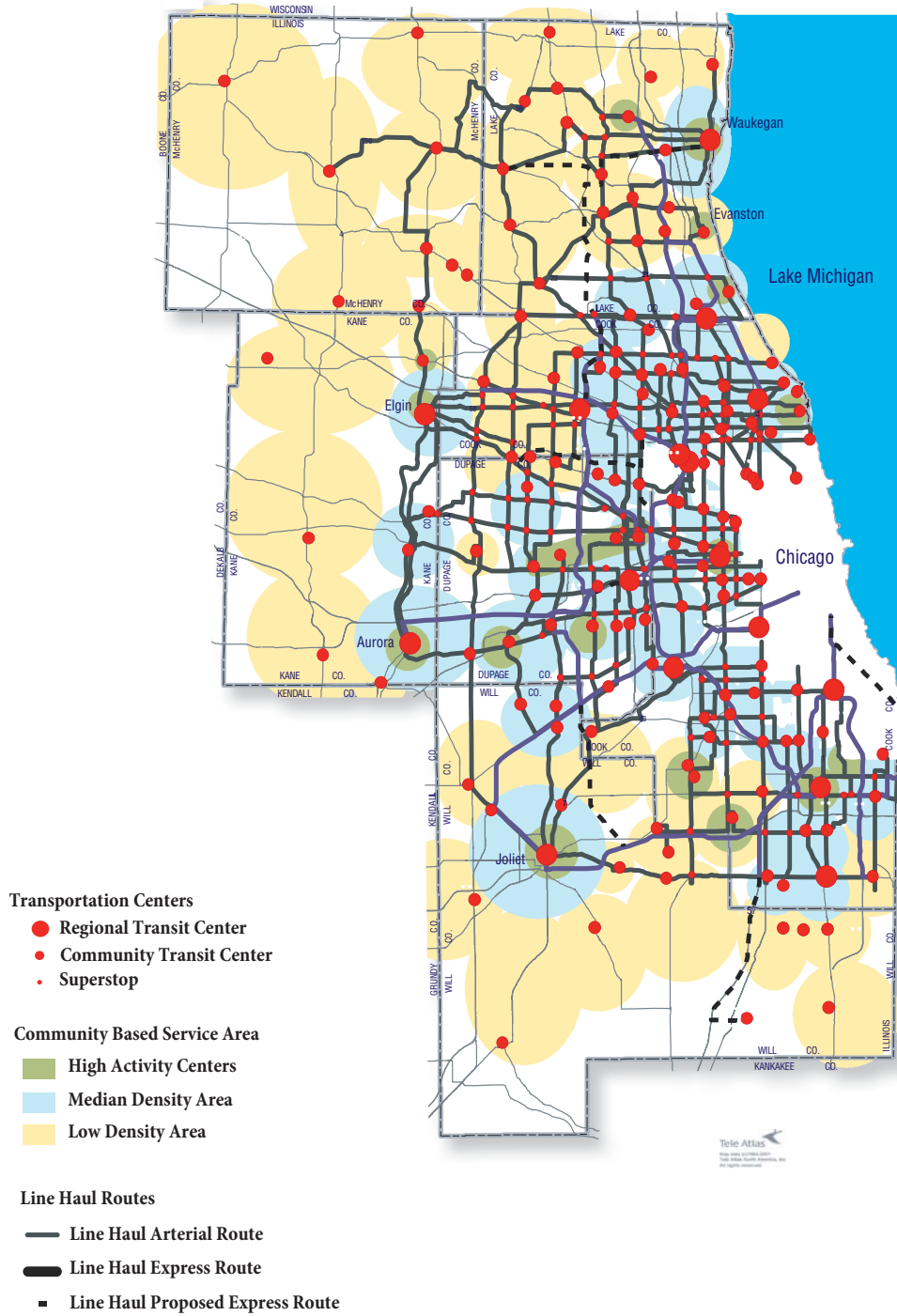
Alternatives to Mass Transit

Call-n-Ride

Call-n-Ride is an innovative approach to community transit. It is a curb to curb reservation-based service open to the general public utilizing small lift-equipped para-transit vehicles which take riders anywhere within the designated geographic service area and often connects with other arterial bus routes in the region to provide the first/last mile of the transit trip. Reservations are made by calling the published cell number of the bus operator directly who then books trips on the same day with at least an hour’s notice.

Call-n-Ride is designed to operate in areas where ridership demand for fixed route services may be low or to serve as a distributor service to take riders to/from a transit connection to home or work. Call-n-Ride is valuable to Pace and its customers because it provides greater service coverage than would be possible with a fixed route.

Map 7. Vision 2020



Marketing & Communications Plan

IN 2012, Pace undertook an extensive analysis of the attitudes of both riders and non-riders, with the goal of developing marketing materials that would attract more people to Pace's fixed route service. Early in the year, we utilized the results of Pace's Customer Satisfaction Index survey (and those from the RTA and other service boards) to gauge how existing riders feel about the service, amenities for riders, and Pace's communication with them. Then, later in the year, Pace conducted focus groups with non-riders to learn more about why some suburbanites do not ride Pace buses. The knowledge we are gaining through these two studies will influence the advertising campaign Pace is set to release in fall 2012.

Once again this year, Pace invested heavily into reaching out to persons with disabilities. Pace sought to encourage existing ADA paratransit riders to ride fixed route buses and trains. Our new spokesperson Bridget Brown spoke on our behalf at many events and appeared in print and video advertisements directed towards people with disabilities. Our continued partnership with the advocacy organization JJ's List and our visits to high school and college training programs for students with disabilities enhanced our proficiency in communicating directly with this segment of our riding public. Statistics from 2011 and 2012 convey tremendous success with this initiative, with Circuit Permit (formerly known as "People with Disabilities Ride Free") ridership on fixed route up 22% in 2011 and 46% in the first half of 2012, and use of wheelchair lifts on fixed route buses up 17% in 2011 and 15% through the first half of 2012.

Continuing a successful campaign in 2011, spearheaded by Chairman Kwasneski's goal to increase vanpool participation by 10%, Pace invested heavily in promoting the vanpool program to employers. The number of vanpools in operation reached an all-time high in 2012 and Pace staff recruited a record number (62) of new vanpooling groups.

Also in 2012, Pace delved more deeply into the realm of social media—an increasingly popular method of communication amongst people of all ages and income levels. Pace now has 41 videos about different bus routes on its own YouTube channel. Pace's YouTube channel has been viewed 126,000 times (and counting) since its launch in 2009. Facebook and Twitter also serve as great sources of communications, allowing us to post route updates,

passenger notices, and transit related news stories as means of communicating to our riders.

The agency also continued to market its Express Services to Popular Destinations to attendees of regional sporting events and concerts, and developed a new route—the Pace NU Ryan Field Express—for fans of Northwestern University football. That route is partially funded by NU's Athletics Department and involves a substantial trade of advertising space between Pace and Northwestern.

The Pace Marketing Department also continued its pursuit of enhancing passenger amenities throughout the region. After installing an all-time high of 74 bus stop shelters in 2011, Pace has installed another 61 in the first seven months of 2012. The new contracts which grow Pace's non-farebox revenue performed well in 2012, as the advertising over the audio announcement system on fixed route buses and the sale of advertisements on the Pace website saw revenue outpace expectations.

Promotion of the Pace/CTA open standards fare system also began in 2012. Much more work on this project is forthcoming in 2013, as Pace and CTA will be educating customers on the advantages of the new fare media and implementing the technologies necessary to ensure a smooth transition.



This campaign encourages people to take public transportation to the Cubs game.

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2011 Actual Operating Results

2011 Actual Program, Activity and Object Matrix

	Pace ⁽¹⁾ Operating Divisions	Public Carriers	Private ⁽¹⁾ Carriers	Dial-a-Ride ⁽²⁾
Revenue				
Farebox	\$26,410,460	\$1,064,716	\$1,787,094	\$1,712,832
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	178,078	542,600	337,812	9,371,177
Total Revenue	\$28,191,538	\$1,607,316	\$2,124,906	\$11,084,009
Operating Expenses				
Operations				
Labor/Fringes	\$52,072,202	\$1,987,957	\$0	\$0
Parts/Supplies	21,746	38,570	0	0
Purchased Transportation	0	307,611	7,210,575	16,352,855
Fuel	0	0	0	0
Other	107,070	13,325	0	0
Total Operations	\$52,201,018	\$2,347,463	\$7,210,575	\$16,352,855
Vehicle Maintenance				
Labor/Fringes	\$12,512,565	\$449,501	\$0	\$0
Parts/Supplies	3,048,908	192,544	0	0
Other	(610,245)	70,814	0	404,387
Total Vehicle Maintenance	\$14,951,228	\$712,859	\$0	\$404,387
Non-Vehicle Maintenance				
Labor/Fringes	\$752,800	\$0	\$0	\$0
Parts/Supplies	511,402	0	0	0
Other	781,431	0	0	43,302
Total Non-Vehicle Maintenance	\$2,045,633	\$0	\$0	\$43,302
General Administration				
Labor/Fringes	\$3,027,795	\$358,363	\$0	\$0
Parts/Supplies	61,781	728	0	0
Utilities	1,389,028	759	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	843,431	36,062	0	694,511
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$5,322,035	\$395,912	\$0	\$694,511
Total Expenses	\$74,519,914	\$3,456,234	\$7,210,575	\$17,495,055
Funding Requirement	\$46,328,376	\$1,848,918	\$5,085,669	\$6,411,046
Recovery Ratio	37.83%	46.50%	29.47%	63.36%

(1) Includes CMAQ/JARC Service

(2) Includes Ride DuPage, Ride in Kane and Community Transit

<u>Vanpool</u>	<u>Administration</u>	<u>Centralized Support</u>	<u>Total Suburban Svc</u>	<u>Total Regional ADA Paratransit</u>	<u>2011 Actual</u>
\$3,675,781	\$0	\$0	\$34,650,883	\$8,872,880	\$43,523,763
0	2,571,462	0	2,571,462	0	2,571,462
0	4,355,475	0	4,355,475	0	4,355,475
0	129,548	0	129,548	0	129,548
0	1,480,866	0	13,513,773	4,889,272	18,402,805
\$3,675,781	\$8,537,351	\$0	\$55,220,901	\$13,762,152	\$68,983,053
\$0	\$0	\$2,920,039	\$56,980,198	\$0	\$56,980,198
0	0	1,537,063	1,597,379	0	1,597,379
0	0	0	23,871,041	115,665,621	139,536,662
2,623,984	0	17,627,813	20,251,797	2,512,548	22,764,345
1,905,586	0	0	2,025,981	0	2,025,981
\$4,529,570	\$0	\$22,084,915	\$104,726,396	\$118,178,169	\$222,904,565
\$0	\$0	\$2,801,155	\$15,763,221	\$0	\$15,763,221
0	0	291,065	3,532,517	0	3,532,517
0	0	703,854	568,810	0	568,810
\$0	\$0	\$3,796,074	\$19,864,548	\$0	\$19,864,548
\$0	\$0	\$563,524	\$1,316,324	\$0	\$1,316,324
0	0	0	511,402	0	511,402
0	235,449	698,005	1,758,187	0	1,758,187
\$0	\$235,449	\$1,261,529	\$3,585,913	\$0	\$3,585,913
\$0	\$14,147,439	\$0	\$17,533,597	\$2,414,248	\$19,947,845
0	196,940	0	259,449	0	259,449
0	272,593	0	1,662,380	0	1,662,380
0	0	7,752,029	7,752,029	352,692	8,104,721
0	0	16,128,127	16,128,127	351,826	16,479,953
0	6,292,848	4,126,195	11,993,047	2,996,039	14,989,086
0	0	0	(3,815,645)	3,815,645	0
\$0	\$20,909,820	\$28,006,351	\$51,512,984	\$9,930,450	\$61,443,434
\$4,529,570	\$21,145,269	\$55,148,869	\$179,689,841	\$128,108,619	\$307,798,460
\$853,789	\$12,607,918	\$55,148,869	\$124,468,940	\$114,346,467	\$238,815,407
81.15%	40.37%	0.00%	36.00%	10.00%	

2012 Estimated Operating Results

2012 Estimated Program, Activity and Object Matrix

	Pace ⁽¹⁾ Operating Divisions	Public Carriers	Private ⁽¹⁾ Carriers	Dial-a-Ride ⁽²⁾
Revenue				
Farebox	\$27,836,580	\$1,034,376	\$1,250,225	\$1,810,173
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,547,978	499,391	336,993	10,247,236
Total Revenue	\$29,384,558	\$1,533,767	\$1,587,218	\$12,057,409
Operating Expenses				
Operations				
Labor/Fringes	\$55,767,452	\$1,902,524	\$0	\$0
Parts/Supplies	25,468	40,550	0	0
Purchased Transportation	0	286,600	6,479,600	16,072,155
Fuel	0	0	0	0
Other	117,829	8,416	0	0
Total Operations	\$55,910,749	\$2,238,090	\$6,479,600	\$16,072,155
Vehicle Maintenance				
Labor/Fringes	\$13,703,536	\$474,837	\$0	\$0
Parts/Supplies	3,137,567	120,310	0	0
Other	(751,203)	67,018	0	463,300
Total Vehicle Maintenance	\$16,089,900	\$662,165	\$0	\$463,300
Non-Vehicle Maintenance				
Labor/Fringes	\$839,980	\$0	\$0	\$0
Parts/Supplies	577,043	0	0	0
Other	902,834	0	0	56,486
Total Non-Vehicle Maintenance	\$2,319,857	\$0	\$0	\$56,486
General Administration				
Labor/Fringes	\$2,563,185	\$368,591	\$0	\$0
Parts/Supplies	70,150	1,000	0	0
Utilities	1,403,274	1,388	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	1,608,821	4,993	0	2,072,625
ADA Overhead	0	0	0	0
Total Administration	\$5,645,430	\$375,972	\$0	\$2,072,625
Total Expenses	\$79,965,936	\$3,276,227	\$6,479,600	\$18,664,566
Funding Requirement	\$50,581,378	\$1,742,460	\$4,892,382	\$6,607,157
Recovery Ratio	36.75%	46.82%	24.50%	64.60%

(1) Includes CMAQ/JARC Service

(2) Includes Ride DuPage, Ride in Kane and Community Transit

<u>Vanpool</u>	<u>Administration</u>	<u>Centralized Support</u>	<u>Total Suburban Svc</u>	<u>Total Regional ADA Paratransit</u>	<u>Combined 2012 Estimate</u>
\$4,047,957	\$0	\$0	\$35,979,311	\$9,481,930	\$45,461,241
0	2,571,462	0	2,571,462	0	2,571,462
0	4,434,825	0	4,434,825	0	4,434,825
0	103,970	0	103,970	0	103,970
0	1,166,523	0	13,798,121	2,094,254	15,892,375
\$4,047,957	\$8,276,780	\$0	\$56,887,689	\$11,576,184	\$68,463,873
\$0	\$0	\$2,927,781	\$60,597,757	\$0	\$60,597,757
0	0	1,815,194	1,881,212	0	1,881,212
0	0	0	22,838,355	124,110,056	146,948,411
2,947,119	0	17,955,391	20,902,510	2,558,847	23,461,357
2,006,739	0	0	2,132,984	0	2,132,984
\$4,953,858	\$0	\$22,698,366	\$108,352,818	\$126,668,903	\$235,021,721
\$0	\$0	\$2,915,291	\$17,093,664	\$0	\$17,093,664
0	0	395,129	3,653,006	0	3,653,006
0	0	1,112,000	891,115	0	891,115
\$0	\$0	\$4,422,420	\$21,637,785	\$0	\$21,637,785
\$0	\$0	\$627,892	\$1,467,872	\$0	\$1,467,872
0	0	0	577,043	0	577,043
0	293,945	697,350	1,950,615	0	1,950,615
\$0	\$293,945	\$1,325,242	\$3,995,530	\$0	\$3,995,530
\$0	\$15,796,410	\$0	\$18,728,186	\$2,644,920	\$21,373,106
0	230,050	0	301,200	0	301,200
0	280,016	0	1,684,678	0	1,684,678
0	0	8,536,883	8,536,883	290,766	8,827,649
0	0	18,116,507	18,116,507	392,724	18,509,231
0	7,201,895	4,449,150	15,337,484	3,527,166	18,864,650
0	0	0	(3,991,705)	3,991,705	0
\$0	\$23,508,371	\$31,102,540	\$58,713,233	\$10,847,281	\$69,560,514
\$4,953,858	\$23,802,316	\$59,548,568	\$192,699,366	\$137,516,184	\$330,215,550
\$905,901	\$15,525,536	\$59,548,568	\$135,811,677	\$125,940,000	\$261,751,677
81.71%	34.77%	0.00%	30.00%	10.00%	

2013 Operating Budget

2013 Program, Activity and Object Matrix

	Pace ⁽¹⁾ Operating Divisions	Public Carriers	Private ⁽¹⁾ Carriers	Dial-a-Ride ⁽²⁾
Revenue				
Farebox	\$28,691,677	\$1,065,408	\$1,287,732	\$1,901,532
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,698,417	496,652	346,993	10,731,682
Total Revenue	\$30,390,094	\$1,562,060	\$1,634,725	\$12,633,214
Operating Expenses				
Operations				
Labor/Fringes	\$59,493,596	\$2,011,515	\$0	\$0
Parts/Supplies	26,076	43,535	0	0
Purchased Transportation	0	275,100	6,814,800	17,655,975
Fuel	0	0	0	0
Other	254,742	13,265	0	0
Total Operations	\$59,774,414	\$2,343,415	\$6,814,800	\$17,655,975
Vehicle Maintenance				
Labor/Fringes	\$14,015,599	\$504,440	\$0	\$0
Parts/Supplies	3,413,934	8,504	0	0
Other	(740,071)	65,738	0	474,705
Total Vehicle Maintenance	\$16,689,462	\$655,192	\$0	\$474,705
Non-Vehicle Maintenance				
Labor/Fringes	\$864,390	\$0	\$0	\$0
Parts/Supplies	594,200	0	0	0
Other	914,723	0	0	58,632
Total Non-Vehicle Maintenance	\$2,373,313	\$0	\$0	\$58,632
General Administration				
Labor/Fringes	\$2,684,902	\$379,503	\$0	\$0
Parts/Supplies	65,584	1,019	0	0
Utilities	1,438,377	1,392	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	1,960,949	5,056	0	2,078,435
ADA Overhead	0	0	0	0
Total Administration	\$6,149,812	\$386,970	\$0	\$2,078,435
Total Expenses	\$84,987,901	\$3,385,577	\$6,814,800	\$20,267,747
Funding Requirement	\$54,596,907	\$1,823,517	\$5,180,075	\$7,634,533
Recovery Ratio	35.76%	46.14%	23.99%	62.33%

(1) Includes CMAQ/JARC Service

(2) Includes Ride DuPage, Ride in Kane and Community Transit

<u>Vanpool</u>	<u>Administration</u>	<u>Centralized Support</u>	<u>Total Suburban Svc</u>	<u>Total Regional ADA Paratransit</u>	<u>Combined 2013 Budget</u>
\$4,363,697	\$0	\$0	\$37,310,046	\$10,046,818	\$47,356,964
0	2,610,000	0	2,610,000	0	2,610,000
0	4,439,825	0	4,439,825	0	4,439,825
0	124,311	0	124,311	0	124,311
0	1,406,431	0	14,680,175	2,447,825	17,128,000
\$4,363,697	\$8,580,567	\$0	\$59,164,357	\$12,494,743	\$71,659,100
\$0	\$0	\$3,135,718	\$64,640,829	\$0	\$64,640,829
0	0	1,847,155	1,916,766	0	1,916,766
0	0	0	24,745,875	134,309,404	159,055,279
3,362,251	0	19,520,924	22,883,175	2,815,604	25,698,779
2,201,392	0	0	2,469,399	0	2,469,399
\$5,563,643	\$0	\$24,503,797	\$116,656,044	\$137,125,008	\$253,781,052
\$0	\$0	\$3,040,966	\$17,561,005	\$0	\$17,561,005
0	0	420,129	3,919,077	0	3,919,077
0	0	1,112,000	912,372	0	912,372
\$0	\$0	\$4,573,095	\$22,392,454	\$0	\$22,392,454
\$0	\$0	\$700,811	\$1,565,201	\$0	\$1,565,201
0	0	0	594,200	0	594,200
0	316,118	741,218	2,030,691	0	2,030,691
\$0	\$316,118	\$1,442,029	\$4,190,092	\$0	\$4,190,092
\$0	\$17,254,511	\$0	\$20,318,916	\$2,727,489	\$23,046,405
0	232,751	0	299,354	0	299,354
0	283,924	0	1,723,693	0	1,723,693
0	0	8,749,877	8,749,877	276,309	9,026,186
0	0	18,730,639	18,730,639	403,252	19,133,891
0	7,979,256	6,624,555	18,648,251	4,280,285	22,928,536
0	0	0	(3,949,400)	3,949,400	0
\$0	\$25,750,442	\$34,105,071	\$64,521,330	\$11,636,735	\$76,158,065
\$5,563,643	\$26,066,560	\$64,623,992	\$207,759,920	\$148,761,743	\$356,521,663
\$1,199,946	\$17,485,993	\$64,623,992	\$148,595,563	\$136,267,000	\$284,862,563
78.43%	32.92%	0.00%	30.00%	10.00%	

Budget Process & Calendar

THE RTA Act, which governs Pace's existence, contains specific language describing both the budget process and the RTA review criteria.

The Budget Process

By September 15th, the RTA is to advise Pace and the other Service Boards (the CTA and Metra) of the amounts and timing for the provision of public funding via the RTA for the coming and two following fiscal years. At the same time, the RTA is to advise Pace, the CTA and Metra of their required system generated recovery ratio for the coming fiscal year. In establishing the recovery ratio requirement, the RTA is to take into consideration the historical system generated recovery ratio for the services subject to each Service Board. The RTA is not to increase the recovery ratio for a Service Board disproportionately or prejudicially to increases in the ratio for the other Service Boards.

With the amendment of the RTA Act in 2008 to address ADA paratransit, a specific recovery ratio of 10% was established for the ADA Paratransit program budget. The ADA recovery ratio is independent of the ratios set by the RTA for Pace's suburban service.

To facilitate the RTA action by September 15th, Pace and the other Service Boards meet with the RTA in August. The August meetings and budget discussions serve to improve the budget process by allowing the RTA to consider up-to-date input on financial matters prior to making their September 15th decision on funding levels and recovery rate requirements.

By November 15th, Pace is required to submit a budget proposal to the RTA for the coming fiscal year and a financial plan for the two following years which is consistent with the recovery ratio and funding marks established by the RTA in September.

Prior to submitting a budget and financial plan to the RTA, Pace is required to prepare and publish a comprehensive budget and program document (as represented by this document), and hold at least one public hearing on the budget in each of the six counties. Due to its large size, Pace typically holds three public hearings in Cook County. In order to facilitate public comment on the ADA paratransit program in the City of Chicago, Pace will hold four additional hearings in the City. Public notice of the hearings is run in several widely distributed newspapers throughout the service area. In addition,

Pace is to meet with each of the six county boards to review the proposed budget and program. Above and beyond these required meetings, Pace participates in numerous meetings of local government organizations and councils such as CMAP (Chicago Metropolitan Agency for Planning) and various transportation committees (TMA's, business chambers) to inform the public of the proposed budget and program. Thousands of copies of this proposed budget document and supplemental brochure are printed and distributed to elected officials, local governments, transportation interests, public libraries and citizens. A copy is also available on Pace's website.

At the conclusion of these meetings and hearings, the Pace Board meets to evaluate the input gained, make recommendations for changes to the proposed budget as necessary, and then adopts a final program and budget by ordinance. This action is taken prior to the submittal of the budget and program to the RTA by November 15th.

Once the RTA has evaluated the budget submittals of Pace and the other Service Boards, they then consolidate the information along with their own regional budget and plan information.

The consolidated regional budget must also achieve certain criteria. Chief among them is the requirement for the consolidated budget to cover 50% of its operating costs from fares and other operating revenues. This is considered the regional recovery rate requirement. The RTA also meets with each county board and holds public hearings in each county on the consolidated regional budget and plan. At the conclusion of these meetings and hearings, the RTA adopts a final budget and plan which requires the approval of twelve of the RTA's sixteen member Board. The RTA Act requires that the RTA is to adopt the consolidated regional budget no later than December 31st for presentation to the Governor and General Assembly.

Budget Amendment Process

The Pace Board may make additional appropriations, transfers between line items and other changes to its budget at any time, as long as the changes do not alter the basis upon which the RTA made its balanced budget determination. Budget amendments are made from time to time by the Pace Board and are generally accomplished

by revision to the annual appropriations ordinance. In the event a budget revision results in a general fare increase or a significant reduction of service, the Pace Board will also conduct public hearings in the affected areas.

Budget amendments which do not impact the RTA balanced budget determination basis are provided to the RTA for information purposes. The RTA may also initiate the need for a budget amendment by Pace or another Service Board if it determines such an amendment is necessary. Generally this would only occur if a Service Board failed to achieve its budgeted recovery ratio and/or exceeded its public funding allocation, in which case the RTA can direct the Service Board to submit an amended budget within a specified time frame. Addition-

ally, the RTA may require the Service Boards to submit amended budgets to reflect a revision to public funding or the recovery ratio as deemed necessary by the RTA. The Service Boards have thirty days from date of notice to submit a revision. There are no public hearing requirements for budget amendments which do not affect fares or services.

Budget Calendar

Below are key dates and events in the Pace FY 2013 budget development cycle. The annual capital budget and five year program, as well as the three year financial plan for operations, are also developed in accordance with this schedule.

Chart T. 2013 Budget Development Calendar

<u>Date (2012)</u>	<u>Event</u>
May 18	Release budget call to Agency management
June 15	Budget call requests due from management
July	Staff develops a preliminary budget
August	Budget Discussions/Meetings with RTA and other Service Boards
September 12	Pace Board meets to discuss preliminary 2013 budget
September 14	RTA to set 2013 Funding and Recovery Marks*
September 17 - 30	Staff develops Proposed 2013 Budget per Board directives
October 10	Pace Board releases Proposed 2013 Budget for Public Hearing
October 22 - 31	Public Hearings on Pace’s Proposed 2013 Budget
November 14	Pace Board adopts Final 2013 Budget
November 15	Submit Final 2013 Budget to RTA
November 16	RTA evaluates Pace budget for compliance
December 19	RTA scheduled to approve/adopt 2013 Budget for Pace

**RTA failed to adopt marks at this date, marks were subsequently adopted on October 10th.*

Budget & Financial Policies

Budget Policies Overview

Pace is one of three Service Boards (Pace, the CTA and Metra) subject to the budgetary control provisions of the Regional Transportation Authority Act which is an Illinois State statute. One of the RTA's chief responsibilities is to ensure compliance with the budgetary controls set forth by the Act.

In addition to the budgetary controls defined by the RTA Act, the Pace Board of Directors has adopted additional budgetary policies which further enhance the control and utilization of resources. The following sections describe the budgetary controls and policies that govern Pace at both the RTA level and internally.

Balanced Budget Definition and Criteria

As described in the Budget Process and Calendar section, the RTA Act requires Pace to submit an adopted budget for the coming fiscal year (calendar basis); a three year financial plan for the proposed budget year and two subsequent years; and a five year capital improvement program and budget by November 15th.

Once the final program and budget is submitted to the RTA, the RTA is required to evaluate it in accordance with seven key criteria as established in the RTA Act. These criteria constitute the definition of a balanced budget.

- The budget plan must show a balance between (a) anticipated revenues from all sources including operating subsidies and (b) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness.
- The budget and plan must show cash balances, including the proceeds of any anticipated cash flow borrowing, sufficient to pay with reasonable promptness all costs and expenses as incurred.
- The budget and plan must provide for a level of fares or charges and operating or administrative costs for the public transportation provided by, or subject to, the jurisdiction of the Service Board, sufficient to allow the Service Board to meet its required system generated recovery ratio and ADA paratransit recovery ratio.

- The budget and plan are based upon, and employ, assumptions and projections which are reasonable and prudent.
- The budget and plan must have been prepared in accordance with sound financial practices and be in the form and format as determined by the RTA Board.
- The budget and financial plan must meet such other financial, budgetary, or fiscal requirements that the Board may, by rule or regulation, establish.
- The budget and plan is consistent with the goals and objectives adopted by the RTA Board in its strategic plan.

If the RTA finds a Service Board budget submittal does not meet these criteria, it can withhold 25% of the public funding from the Service Board. The RTA Act further requires that the RTA adopt a budget for the Service Board, should the Service Board fail to submit a budget which meets the criteria.

In addition to the seven statutory criteria, the RTA has adopted additional budgetary and financial policies which govern Pace. They are summarized as follows:

Budget Monitoring and Reporting

In order to ensure compliance with the RTA Act requirements for a balanced budget, Pace is required to report quarterly budget results to the RTA within 45 days after the quarter end. The RTA evaluates the results and formally adopts an ordinance which assesses compliance with budgetary funding levels and recovery ratio requirements. If found to be non-compliant with the budget, the RTA may direct Pace to provide a corrective action plan and corresponding budget for their approval.

Pace also produces a monthly budget report for its Board and management. Managers are also advised on a monthly basis as to significant budget variances which are further evaluated by the Budget Department and the respective manager. In addition, all procurement contracts submitted to the Board require the sign off of the Budget Department Manager who reviews the contract proposal for budget compliance.

Budget Control Policies

The Pace Board of Directors has adopted three key budget policies which further govern the control of financial resources. They are summarized as follows:

Line Item Budget Control

This policy identifies the specific budgetary line items under control of the Pace Board as established via the annual appropriations ordinance. It further identifies that the Executive Director has control over the individual expense components and budgets which comprise the Board established line items.

Authorized Head Count

This policy establishes the Pace Board as controlling the total employee head count in full-time equivalents (FTE's) and allows the Executive Director to make FTE changes between individual areas within the Board approved total.

Use of Positive Budget Variance (PBV)

This policy establishes that earnings generated by favorable budgetary performance are restricted to capital uses, finite operating purposes or to offset future unfavorable budget performance.

Long Range Financial Planning

Pace is required by the RTA Act to prepare and submit to the RTA for review annually, a three year financial plan for operations and a five year capital investment program. The plans are to be balanced to the RTA's projections of available resources. Pace prepares these plans based on detailed assumptions and plans for each program element. Major assumptions regarding program service levels, ridership, fleet requirements, revenue and expense growth serve as the basis for these plans and are documented in the plan narratives, charts and tables.

Stabilization Funds/Working Cash Policy

In order to allow for the payment of obligations in a timely manner, the Pace Board of Directors has adopted a Working Cash Policy. The policy requires that Unrestricted Net Assets in the amount of 8% of annual budgeted operating expenses be retained for working cash purposes. Based on the policy, \$16,620,000 of Unre-

stricted Net Assets are being retained for working cash purposes during 2013.

Due to unfunded deficits resulting in the ADA Fund and the volatile cash flow, the ADA paratransit service is excluded from this policy.

Investment Policy

The Pace Board of Directors has adopted an investment policy that governs the investment of public funds. The policy conforms to all applicable State statutes. The primary objectives, in priority order, of Pace's investment activities shall be:

Safety of Principal

Safety of principal is the foremost objective of Pace. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Liquidity

The portfolio will be substantially liquid for the purpose of meeting all operating and capital requirements which might be reasonably anticipated.

Yield

The portfolio is designed with the objective of attaining a competitive rate of return throughout budgetary and economic cycles which is equivalent with the portfolio's investment risk constraints and the cash flow characteristics.

An objective of Pace's investment policy is to maximize earnings. To facilitate in the evaluation of investments, the 90 day Treasury Bill rate has been established as a performance benchmark.

Use of One Time Revenues

Pace's use of one time revenues are subject to policies established by both the Pace and RTA Boards.

RTA Funding Policy

This policy establishes the basis for RTA funding of Pace and places restrictions on the use of Pace's retained earnings. In summary, the RTA policy is to fund the established

budgeted deficit of Pace and not the actual results for the year. In addition, the policy restricts use of any funding provided as a result of a positive budget variance to capital projects or finite operating uses subject to RTA budgetary approval. The Pace policy is consistent with the RTA policy limitations for capital project use and finite operating expense.

RTA Lease Financing Transactions Policy

This policy establishes the allowable uses and budgetary requirements for equipment and facility lease transactions. In summary, it restricts the use of the proceeds from such transactions to capital expenditures and finite operating uses. It further establishes budgetary guidelines for capital projects funded with such proceeds. The Pace policy is consistent with the RTA policy limitations for capital project use and finite operating expense.

Asset Inventory/Condition Assessment

Pace performs a biennial fixed asset inventory as required by the Federal Transit Administration (FTA). The FTA has established stringent controls over the procurement, use, maintenance and disposition of federally funded public transportation assets. The FTA requires the biennial fixed asset inventory to be reconciled to records and accurately reported on the audited financial statements of the agency. Pace is required to ensure safeguards are in place to prevent loss, damage, theft and premature failure of assets. Leases of equipment by Pace to subcontractors must provide for use and control of assets in accordance with federal regulations. Disposition of assets is also strictly controlled by federal regulations with useful life standards established for each asset type. All Pace fixed assets are subject to these control standards.

In addition to management of fixed assets in accordance with FTA requirements, Pace performs routine assessments of its fixed assets to ensure they are maintained in good condition, to achieve their maximum useful life. All major assets are included in future capital improvement replacement plans contained in the annual capital program and budget document.

Risk Management

Pace purchases excess insurance for potential catastrophic occurrences and incorporates risk control and

claims management techniques to manage the cost of more frequent, predictable property/casualty loss exposures. Pace utilizes risk management and actuarial data to establish reserves for incurred, and incurred but not reported claims, in order to establish appropriate funded reserves to pay future potential liabilities.

Pace currently maintains a \$3 million Self-Insured Retention (SIR) for each occurrence for Automobile Liability exposures. Insurance provides \$12 million in excess coverage above the SIR. For claims above \$15 million, additional Risk Financing techniques are available including Excess Auto Liability coverage, and the ability to borrow funds through the RTA Loss Financing Plan. Excess General Liability insurance is also purchased from an insurance carrier for coverage above a SIR of \$250,000 each occurrence. Additionally, Pace may utilize the RTA Loss Financing Plan to finance recovery from General Liability losses that may exceed the \$15 million. Pace purchases other property/casualty excess policies including Workers Compensation, Pollution, Employment Practice Liability, Crime, Property and Boiler & Machinery.

Pace also has elected to self-insure a portion of its Health and Welfare exposures. Pace maintains stop-loss coverage for any individual health claims exceeding \$150,000 with an aggregate stop-loss of \$5.0 million.

Debt Policy

Pace has no outstanding debt. Pace may direct the RTA to issue up to \$5.0 million in working cash notes on its behalf. Pace has never exercised this option.

In 2012 Pace was authorized by the State of Illinois to issue up to \$100 million in bonds for the construction of four specific facilities, a new garage in Northwest Cook County (\$60 million), a new paratransit garage for DuPage County (\$25 million), conversion of the South Division garage in Markham to a compressed natural gas (CNG) facility (\$12 million), and expansion of the North Shore garage in Evanston (\$3 million).

We are in the process of developing a debt policy and management plan as of this writing, and expect to have them in place by 2013. We do not expect to issue debt to finance these projects until late 2013 or early 2014.

Basis of Accounting and Budgeting

Pace prepares its financial statements and budget reports using the accrual method of accounting.

Accounting

Pace maintains its accounting records and prepares its financial reports in conformity with generally accepted accounting principles. The financial activities of Pace are organized on a basis of an individual fund which is an accounting entity segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. Pace operates as an Enterprise Fund, a type of Proprietary Fund. Beginning January 1, 2007, Pace established a second enterprise fund to account for the financial activities of the Regional ADA Paratransit program. Revenue and expenses for these funds are recognized using the accrual basis of accounting.

Budgeting

Pace's operating budget is prepared in a manner consistent with Pace's financial statements which are prepared on the accrual basis of accounting for a proprietary (enterprise) fund type.

Pace maintains a chart of accounts consistent with the Federal Transit Administration's financial reporting requirements. In general, these accounts are established by activity type (i.e., labor, materials and other) for four main expense object areas—operations, maintenance, non-vehicle maintenance and administration. Further segregation of accounts is used to identify activities by object class for individual service programs (i.e., vanpool, dial-a-ride, etc.).

Reporting Entity

Pace has defined its reporting entity as a primary government unit based on the criteria in the Governmental Accounting Standard Board (GASB) Statement No. 14—"The Financial Reporting Entity." Pace's financial statements include the accounts of Pace's nine wholly-owned operating divisions.

External Audit

An independent accounting firm performs an annual examination of Pace's financial statements including Single Audit requirements. Pace's goal is to receive an unqualified opinion on the financial statement audit and a separate report that Pace is in compliance with all Federal Single Audit Requirements.

Glossary - Budget Terms

Budget Terms

administration expense

Expense of labor, materials, and fees associated with general office functions, insurance, MIS, legal services, and customer services.

capital budget

The appropriation of state, RTA and federal grants for the purchase of vehicles and for improvements to facilities and other infrastructure and equipment.

cost per mile

Operating expense divided by vehicle miles for a particular program or in total.

cost per passenger

Operating expense divided by ridership for a particular program or in total.

deficit

The excess of expense over revenue.

farebox revenue

Revenues gained from passengers and local, employer and other fare subsidies exclusive of the State Reduced Fare Subsidy Program. Also excludes interest income and advertising revenues.

fares

The amount charged to passengers for use of various services.

fringes (fringe benefit expense)

Pay or expense to, or on behalf of, employees not for performance of their work, including sick pay, vacation pay, pension contributions, life and health insurance, unemployment and workers' compensation, social security costs and other allowances.

full-time equivalent position (FTE)

A position (or positions) that total 2,080 hours of annual service.

funding formula

A specific formula used to determine a subsidy level.

labor expense

The cost of wages and salaries (including overtime) to employees for performance of their work.

maintenance expense

Expense of labor, materials, services, and equipment used to repair and service transit vehicles and service vehicles including all fuels for vehicle propulsion.

non-vehicle maintenance expense

Expense of labor, materials, services, and equipment used to repair and service way and structures, vehicle movement control systems, fare collection equipment, communication systems, buildings and grounds and equipment other than transit vehicles.

operating assistance

Financial assistance for transit operations (not capital expenditures). Such aid may originate with federal, local or state governments.

operating budget

The planning of revenues and expenses for a given period of time to maintain daily operations.

operations expense

Expense for labor, materials, fees and rents required for operating transit vehicles and passenger stations except electric propulsion power.

performance measure

Information collected to determine how efficient a route is operating.

private contract services

Expense of labor, materials, and fees paid to companies or organizations providing transit service under contract to Pace. Also known as purchased transportation.

program (noun)

Refers to groupings of expense accounts of similar activities or objects of expenditures (i.e., operations, maintenance, administration, or vanpool, dial-a-ride, as well as capital programs).

Transit Service Terms

ADA

The Americans with Disabilities Act of 1990. Transit systems are required to offer accessible mainline services and complementary ADA paratransit services by the Act and were given until January, 1997 to achieve full compliance.

ART (arterial bus rapid transit service)

An integrated high quality service providing regional connectivity.

BRT (bus rapid transit)

A combination of technologies, design features, operating practices and marketing approaches that allow rubber-tired transit vehicles to approach the speed and service quality of light rail transit service.

ADA paratransit service

Comparable transportation service required by the ADA for individuals with disabilities who are unable to use the fixed route transportation services.

Companion

A friend or family member of an ADA eligible rider.

CTA

The Chicago Transit Authority, created by state legislation, began operations in 1947. Operates bus and Rapid Transit service in the City and several suburbs.

Chicago Metropolitan Agency for Planning (CMAP)

A regional planning organization which merged Chicago Area Transportation Study (CATS) and Northeastern Illinois Planning Commission (NIPC) into one planning agency.

Dial-a-Ride service (D-A-R)

Non-fixed route (paratransit) service utilizing vans and small buses to provide prearranged trips to and from specific locations within the Dial-a-Ride service area to individuals deemed eligible based on local requirements.

Demand response service

Non-fixed route service utilizing vans and small buses based on demand activation or calls from passengers to Pace. Vehicles are dispatched to pick up passengers and transport them to their destinations.

express bus (or route)

A suburban or intercity bus that operates a portion of the route without stops or with a limited number of stops.

fixed route service

Pace service provided on a regularly scheduled basis along a specific route with vehicles stopping to pick up and discharge passengers along the route.

full size bus

A bus from 35 to 41 feet in length.

medium size bus

A bus from 29 to 34 feet in length.

Metra

The Commuter Rail Division of the RTA. Created in 1983 by amendment to the RTA Act to operate and oversee commuter rail operations in northeastern Illinois.

Pace

The Suburban Bus Division of the RTA. Created in 1983 by amendment to the RTA Act, responsible for all non-rail suburban public transit service with the exception of those services provided by the CTA.

paratransit service

A generic term used to describe non-fixed route service utilizing vans or buses to provide pre-arranged trips within the system service area.

Personal Care Attendant

A person designed or employed specifically to help an ADA eligible rider meet his or her personal needs.

Regional ADA Paratransit Service

The category referring to the combination of Suburban and the City of Chicago ADA Paratransit services.

ridership (unlinked passenger trips)

The number of transit vehicle boardings. Each passenger counted each time that person boards a vehicle.

rolling stock

Public transportation vehicles which, for Pace, includes all buses and vans.

service board

A reference to the region's transit operators—CTA, Metra and Pace.

small bus

A bus 28 feet or less in length.

subscription bus

A Pace service program which provides regular daily express bus service to 30 or more individuals with guaranteed seating that is open to the general public.

Suburban Service

The category referring to all existing Pace services and programs with the exception of ADA Paratransit services.

TAP

The taxi access program operated in the City of Chicago. The program provides subsidized taxi service to ADA eligible riders.

total vehicle miles

Sum of all miles operated by passenger vehicles, including mileage when no passengers are carried.

van

A 20-foot long or shorter vehicle, usually with an automotive type engine and limited seating normally entered directly through side or rear doors rather than from a central aisle, used for demand response and vanpool service.

vanpool

A group of 5 to 15 people who commute to and from work together in a Pace owned van. Pace offers several vanpool options.

wheelchair accessible vehicle (accessible vehicle)

A vehicle that a wheelchair bound person may enter either 1) via an on board retractable lift or ramp, 2) directly from a station platform reached by an elevator or a ramp that is either level with the vehicle floor or can be raised to floor level.

Funding Terms

ADA Complementary Service

The Federal Transit Administration reimburses transit operators for eligible capital costs of providing ADA complementary paratransit services. The maximum amount allowable is limited to 10% of the annual formula apportionment under Section 5307.

Alternate Analysis Program

A federal program designed to pay for studies conducted as part of the transportation planning process for the New Starts Program. These studies address issues of costs, benefits, environmental, community impacts and financial feasibility.

ARRA (American Recovery and Reinvestment Act)

The American Recovery and Reinvestment Act was signed into law by President Barack Obama on February 17, 2009. ARRA includes appropriations and tax law changes totaling approximately \$787 billion to support government wide efforts to stimulate the economy. Goals of the statute include the preservation or creation of jobs and the promotion of an economic recovery, as well as the investment in transportation, environmental protection and other infrastructure providing long-term economic benefits. Over \$48 billion will be invested in transportation infrastructure, including \$8.4 billion for transit capital improvements made available through three FTA programs—the Fixed Guideway Infrastructure Investment Program, Capital Investment Grants, and the Transit Capital Assistance Program.

Bus Overhaul/Maintenance Expense

The Federal Transit Administration reimburses transit operators for operating expenses for bus maintenance under Section 5307.

Capital Cost of Contracting

The Federal Transit Administration reimburses transit operators for capital consumed in the course of a private operated contractor service. The program is designed to encourage and support service privatization and is funded with Section 5307 urbanized area formula grant funds.

CMAQ (Congestion Mitigation/Air Quality)

A federal grant program designed to support transportation projects which reduce traffic congestion and improve air quality.

Discretionary funds

Funds which the RTA allocates, at its discretion, to the service boards. These funds include the 15% of the RTA Part I sales tax and PTF.

Federal SAFETEA-LU Program

The Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) provides for funding for federal surface transportation programs over four years through FFY 2009.

Federal MAP-21 (The Surface Transportation Extension Act of 2012, Part II, Found in Division G of the Moving Ahead for Progress in the 21st Century)

The new law will provide steady and predictable funds for the next two years starting October 1, 2012 and consolidates certain transit programs to improve their efficiency and provides federal funding increases specifically for improving the State of Good Repair of the country's transit system.

FTA (Federal Transit Administration)

The federal agency which provides financial and planning assistance to help build and operate transit systems through grant programs.

FEMA (Federal Emergency Management Agency)

FEMA is an Agency of the United States Department of Homeland Security. This Agency provides grant money to transit systems under the Freight Rail Security Grant Program and other such programs.

fund balance

See "unrestricted net assets."

grants

Monies received from local, federal and state governments to provide capital or operating assistance.

ICE (Innovative, Coordination and Enhancement Fund)

The RTA Act provides a special funding earmark to the RTA to pay for projects that support regional system development.

IDOT (Illinois Department of Transportation)

The State of Illinois, Illinois Department of Transportation provides capital and student reduced fare funding.

Illinois FIRST

A fund passed by the Illinois legislature for infrastructure, roads, schools and transit. The funding for the program has now been exhausted.

Illinois Jobs Now

A state program signed into law July 13, 2009. Approved \$1.8 billion for transit.

Illinois Jump Start

A state program signed into law April 3, 2009. Approved \$900 million for transit.

JARC (Job Access and Reverse Commute Program)

A federal program which provides funding for the provision of transportation services designed to increase access to jobs and employment related activities.

marks

Level of funding prepared by the Regional Transportation Authority to the Service Boards.

New Freedom

A federal program which provides funding for the provision of community based alternatives for individuals with disabilities; these include services provided that exceed the mandated ADA 3/4 mile area and hours of service.

New Starts Program

A federal program which provides funding for fixed guideway transit projects which utilize and occupies a separate right of way or other high occupancy vehicles.

Pace Bond Program

House Bill 4036 was enacted by P.A. 97-0770 and gives Pace authority to issue bonds for eligible capital projects. This Public Act is effective January 1, 2013 and totals \$100 million dollars.

Positive Budget Variance (PBV)

The amount by which a Service Board comes in favorable to available funding from the RTA in a given budget year. RTA policy allows the service boards to retain these funds in an unrestricted fund balance which can be used for capital projects or one time operating expenses.

Public Transportation Fund (PTF)

An operating subsidy from the State of Illinois equivalent to 30% of the RTA sales tax and Chicago real estate transfer tax (RETT) collected. The RTA is required to allocate these funds to the service boards, the basis is at their discretion, with the exception of a 25% PTF match on the Chicago RETT which is directed to CTA. (Also known along with 15% sales tax, as discretionary funds).

RETT

A real estate transfer tax in the City of Chicago implemented by Public Act 95-0708 in January 2008. The tax (of \$1.50 for every \$500 of sales price) went into effect April 2008. Proceeds are directed to the CTA.

RTA Sales Tax Part I

A sales tax of 1% in Cook County and 1/4% in the collar counties of DuPage, Kane, Lake, McHenry and Will.

- 85% of the sales tax is fully distributed to the service boards by the RTA according to formulas established by the RTA Act (also known as formula funds or 85% funds).
- 15% of the sales tax is retained by the RTA and distributed to the service boards at its discretion (also known as discretionary funds).

RTA Sales Tax Part II (PA 95-0708)

A 1/4% regionwide sales tax implemented in April 2008 as a result of passage of Public Act 95-0708 by the state legislature. Funds from this source are added with matching public transportation funds (PTF) and allocated according to a defined formula which is explained under the source of funds section.

RTA Bond Funding

Through the Illinois First Program the RTA was authorized to secure bonds for capital needs. The RTA authorized \$1.6 billion (\$1.3 billion for Strategic Capital Improvement Program (SCIP) and \$300 million for General Obligation Bonds (GO)). The State of Illinois reimburses the RTA for principal and interest expenses incurred on SCIP bonds. The funding for this program has now been exhausted.

SCMF (Suburban Community Mobility Fund)

The RTA Act provides a special funding earmark to Pace to pay for existing and new non-traditional transit services such as dial-a-ride, vanpool, reverse commute and others.

Small New Starts

A federal program providing capital assistance for non-fixed guideway corridor improvements (i.e. bus rapid transit).

SGR (State of Good Repair)

A Federal program which provides funding for capital asset replacements identified in a transit agency's backlog. A particular focus of the program is asset management and strategies to achieving a State of Good Repair and backlog reduction.

South Suburban Job Access

The RTA Act provides a designated amount (\$7.5 million) of RTA funding to Pace for the provision of employment related services in South Cook County.

TIGER (Transportation Investment Generating Economic Recovery)

Appropriated \$1.5 billion for obligation no later than September 30, 2011 for projects that have a significant impact on the Nation, a Metro Area or a Region. Projects eligible include highways/bridges, reconstruction of overpasses and interchanges, transit projects (investments in New Starts or Small Starts), passenger and freight rail transportation projects, and port infrastructure. Grants awarded will be no less than \$20 million and no more than \$300 million.

TIGGER (Transit Investment in Greenhouse Gas and Energy Reduction)

The American Recovery and Reinvestment Act provides for a discretionary program to support transit capital projects that resulted in greenhouse gas reductions or reduced energy use. A total of \$6.9 billion was appropriated for the Transit Capital Assistance Program. Of that amount, \$100 million was reserved for TIGGER.

unrestricted net assets

The portion of net assets that is neither restricted nor invested in capital assets net of related debt. These funds are considered by Pace to represent the available fund balance.

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Service Characteristics

Background data on the Pace service is provided below:

Fixed Route Service		Ridership (000's)	2011 <u>Actual</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>
Number of Fixed Routes (August, 2012)	194	Fixed Route	30,630	32,118	33,255
• Regular Routes	138	DAR/Ride DuPage/Kane*	1,293	1,324	1,410
• Feeder Routes	35	Vanpool	1,778	1,947	2,099
• Shuttle Routes	14	Total Suburban Service	33,701	35,389	36,764
• Seasonal Routes	7	Regional ADA*	3,546	3,812	4,040
Number of Accessible Routes	194	Total System	37,247	39,201	40,804
Peak Period Vehicle Requirements	581				
			2011 <u>Actual</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>
Pace-owned Fleet Size	687	Vehicle Miles (000's)			
Number Accessible	687	Fixed Route	23,704	24,386	24,750
Average Vehicle Age	8.0 years	DAR/Ride DuPage/Kane	5,357	5,535	5,876
Contractor-owned Vehicles in Pace service	0	Vanpool	11,732	12,841	13,843
Number of Private Contractors	3	Total Suburban Service	40,793	42,762	44,469
Number of Pace-owned Garages	11	Regional ADA	27,581	29,505	31,695
Number of Pace Municipal Contractors	3	Total System	68,374	72,267	76,164
			2011 <u>Actual</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>
Paratransit		Vehicle Hours (000's)			
Number of Communities Served	210	Fixed Route	1,581	1,612	1,639
Number of Local Dial-A-Ride Projects	68	DAR/Ride DuPage/Kane	285	300	324
Pace-owned Fleet Size (Includes Suburban ADA)	442	Vanpool	N/A	N/A	N/A
Average Vehicle Age	2.9 years	Total Suburban Service	1,866	1,912	1,963
Community Trnst Vehicles in Svc (August, 2012)	84	Regional ADA	1,895	1,882	1,976
Contractor-owned Vehicles in City ADA service	652	Total System	3,761	3,794	3,939
Vanpool		<i>*Ridership includes companions and personal care attendants</i>			
Vans in Service (August, 2012)—VIP	308				
Vans in Service (August, 2012)—Employer Shuttle	12				
Vans in Service (August, 2012)—Advantage	334				
Total Vans in Service	654				
Average Vehicle Age	5.1 years				
Other					
Number of Pace Employees (Includes ADA Staff)	1,533				

Ridership

The following table describes the ridership performance of Pace’s various services for the last ten years.

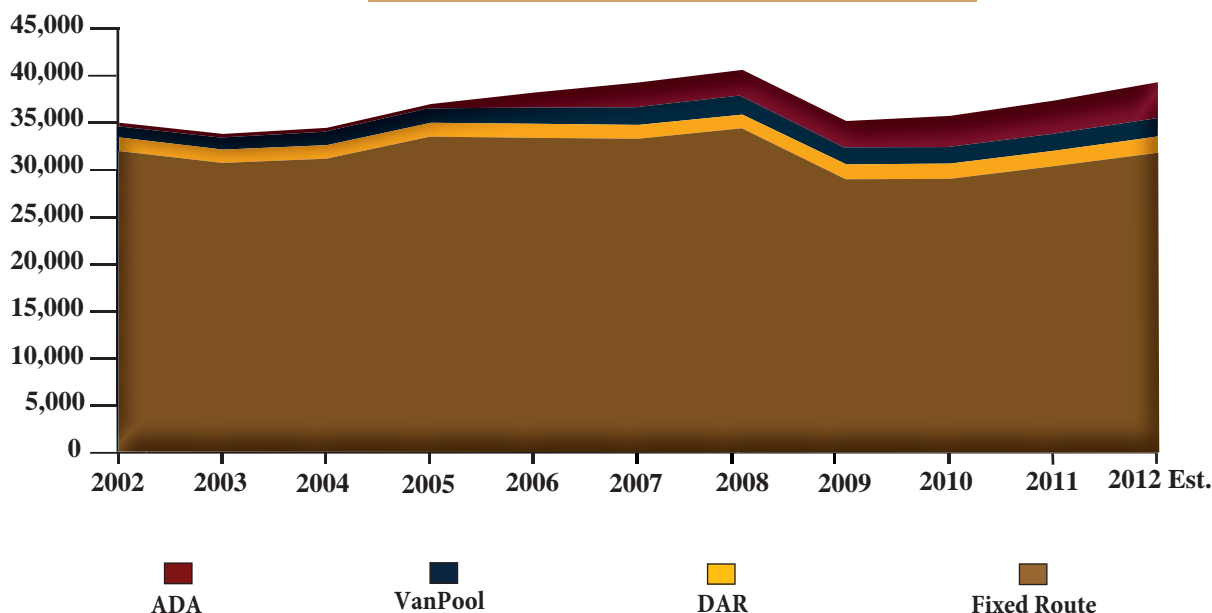
Table 41. Pace 2002–2012 Ridership Historical Summary (000's)

	<u>Fixed Route</u>	<u>DAR</u>	<u>Vanpool</u>	<u>Total Suburban Service</u>	<u>ADA</u>	<u>Total System</u>
2002	32,245	1,095	1,193	34,533	366	34,899
2003	30,979	1,067	1,281	33,327	381	33,708
2004	31,429	1,094	1,416	33,939	420	34,359
2005	33,770	1,122	1,529	36,421	459	36,880
2006*	33,642	1,145	1,718	36,505	1,598	38,103
2007	33,542	1,126	1,877	36,545	2,624	39,169
2008	34,655	1,103	2,021	37,779	2,727	40,507
2009	29,247	1,230	1,810	32,287	2,790	35,077
2010**	29,292	1,273	1,751	32,316	3,310	35,626
2011	30,630	1,293	1,778	33,701	3,546	37,247
2012 Est.	32,118	1,324	1,947	35,389	3,812	39,201

*Assumed City ADA service in July, 2006

**Effective in 2010 ridership includes companions and personal care attendants

Chart U. Pace 2002-2012 Historical Ridership (000's)



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THE Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to Pace Suburban Bus for its annual budget for the fiscal year beginning January 1, 2012.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



pace

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To view the full budget document,
visit Pace's website at:
www.PaceBus.com