



Securing

THE FUTURE

Final 2003

Program and Budget

November 2002

Metra

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When Metra first came into existence in 1984, we inherited rail yards and shops that were terribly outmoded. Since then, our focus on updating the infrastructure and its impact on the reliability of the service you experience cannot be overstated.

Imagine that car cleaners used to carry a bucket of water a block or more just to clean a car. During the winter months, diesel locomotives ran all through the night because we had no standby power to keep the diesel engines warm. Our locomotives and passenger cars already had a very old average life. The signaling system was not centralized or computerized. Almost none of the rail was welded. Of the 700 bridges in the system, 350 were at least 75 years old and approximately 100 were approaching the ends of their useful lives.

Today that picture is dramatically improved. We now have less than 50 miles of unwelded track in our 500-mile service territory. We were able to buy 173 new rail cars and 30 locomotives in 1989 with increased state funding. This year, again with

increased state funding, we awarded contracts for 300 additional new passenger cars and 27 locomotives. We also issued a contract for replacement of 26 cars on the Metra Electric line.

We have an aggressive bridge replacement program that has already replaced 36 bridges and engineered the replacement of 39 more. The region's basic signaling system has been largely centralized and computerized. In addition, we have added in excess of 33,000 commuter parking spaces, improved almost 11,000 more, and rehabbed or replaced half of our 224 outlying stations.

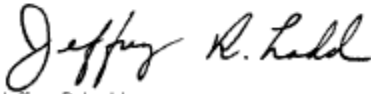
In short, we have made good use of taxpayer dollars to reverse a deferred maintenance program and to improve dramatically the cost efficiency of our operations. Largely because of these capital improvements, fares have increased only 20 percent since 1984 while the cost of living has increased 71 percent.

Our theme this year is "Securing Our Future." Metra can now begin to focus on the next set of challenges in its mission of providing a safe, reliable and high-quality alternative to the automobile. We will now begin to look at new routes in addition to the extension and improvement of existing lines. We will also continue to support and work for an end to interference with our on-time performance on the Heritage and Southwest Services lines.

Shortly we will announce our vision for the future of Metra. We have been working closely with communities throughout the region to develop a plan that will drastically improve inter-suburban service in a continued effort to provide a suburban alternative to the automobile.

The result will be increased reliability and more of the kind of service you continue to demand: greater express service, greater off-peak service, and more reverse-commute service.

Metra firmly believes you are a customer, not a fare. We take great pride in the fact that our customers enjoyed an on-time performance of 96 percent last year - the best reliability of any commuter rail service in the country. We appreciate your support and the entire Metra organization is working daily to deserve it.



Jeffrey R. Ladd
Chairman

Chairman's Message



Final
2003

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Securing our future

Transit and commerce are inexorably linked. Each day commuter railroads, the nation's commercial airlines, and the nation's rail and air freight carriers feed the very infrastructure of this global economy. On any given weekday, Metra serves 150,000 passengers to and from 228 stations in communities throughout a 500-mile service territory in Northeast Illinois into the hub of the Chicago's downtown business district.

Metra is key to the region's transportation infrastructure and its continued growth. Metra's guiding principles of safety, reliability, and frequency have proven a successful formula for the region's business and leisure commuter rail passengers.

In Illinois, residents have been, and continue to be, well served by an integrated approach to transportation ... on the ground and in the air. This robust transportation system has continued to grow demand from the area's residential and business communities.

Metra has met that demand with continued high-quality service. Metra's focus on safety, reliability, modernization and comfort have garnered consistently high levels of satisfaction from its diverse customer base.

Since its inception, Metra has been focused on delivering the highest levels of service and safety, planning for future expansion

will continue to meet demand and deliver the service levels consumers expect.

With the onset of a recession in early 2001 and then the devastating economic impact in the wake of the September 11 terrorist attacks, funding streams that face reauthorization in 2003 and 2004 do so in the midst of a challenging economic climate. For the nation's commuter rail users, funding is not a foregone conclusion. Clearly, the region's integrated transportation community has benefited from a robust funding stream on the state and federal levels. A loss of dollars or curtailment of existing capital improvement funds would mean an inability to meet future demand. In this current challenging economic environment, Metra has been successful in implementing a program of budget cuts and operational efficiencies that have allowed it to curtail costs without a disruption to its current service or without the deferral of needed growth. We have achieved these cost cuts while rebuilding the Region's commuter routes and transforming it into a well-maintained and modernized system.

We, however, remain vulnerable to the impact of sales tax collections and moderate funding levels.

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and grown, maintaining a constant focus on operational efficiencies and financial stability, and the aggressive pursuit of an equitable share of federal, state and local funding. Metra wages a continuing capital-intensive battle to reclaim and modernize the region's aging infrastructure. While a comprehensive program of preventive maintenance is ensuring a high level of passenger service, the region has a critical need for continued state and federal dollars to fund needed capital improvements that

Aggressive cost containment over the years has served us well. Metra's 2003-2007 capital program will cost \$1.5 billion. (Details can be found in the Capital Program section.) Major elements of the program include 300 new state-of-the-art



Major locomotive rehabilitation work, including mid-life and life extending overhauls, continues to be undertaken as part of Metra's rolling stock program. Carried out by Metra Shop personnel, locomotive rehabilitation includes all major components from engines to traction motors and costs more than \$600,000 per unit. The average age of Metra's locomotives is 20 years. Rehabilitation work adds ten years of dependable service.

Introduction

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Metra's Rolling Stock is designed to ensure that an adequate number of locomotives and commuter rail cars are available to meet the current and future needs of the system. This capital program category includes rehabilitation of, and improvements to, existing vehicles. Rolling Stock leads all 2003 spending categories, largely because of the new car and locomotive orders.



passenger cars and 27 new locomotives for much-needed replacement of equipment as well as the accommodation of planned service expansions. Our program also includes further rebuilding of nearly century-old

Today, the funding mix is diverse and allows for focused capital improvement initiatives. TEA-21 funds up to 80 percent of capital project costs. The Illinois FIRST program is providing the capital assistance for our new commuter cars and bridge reconstruction. In addition, this state program is providing the 20 percent local match for our new locomotives and nearly half of the 40 percent local match for our service expansions/extensions.

It is critical to the region's future that the transportation community continue to benefit from the reauthorization and full appropriations of groundbreaking legislation. We, too, must encourage cooperative relationships and develop non-traditional funding sources to balance the allocation of resources that speaks to the vitality of the region. Metra's North Central Service would never have been built without the active participation and financial support of federal, state and local governments. It will take similar initiatives, approaches, and cooperation to ensure needed future service expansion.

As we face the future with uncertain funding sources, the transit community across the nation has joined forces to reinforce with legislators on the state and federal levels the consumer mandate for service improvements. There is no doubt about the key role between transit service and economic benefits that result in jobs, capital projects that stimulate local economies, and the environmental benefits of an efficient commuter rail system.

Organizations representing public transportation agencies and highways have already demonstrated to state and federal legislators that they work well together under flexible-funding programs. As the current funding authorization period nears an end, the entire transportation community's support is needed to reinforce state and federal commitment to prudent, strategic, and focused investments in a

bridges, continuing rehabilitation of aging cars and locomotives, station and parking improvements, and service expansion and/or extension on three routes.

Commuter rail service is an integral part of a dynamic urban area and supporting a robust business community. Without question, transit and commerce are economic partners. In this region, Metra and the Chicago downtown business center are inexorably linked. It's a virtuous circle: Metra's reliable, dependable, and safe service keeps commuters out of their cars, benefits the environment, eases highway congestion, and connects passengers to the downtown business district.

In recent years, Metra's annual Program and Budget document has expressed appreciation for transportation funding legislation — legislation that allowed us to remain optimistic about the future. With federal initiatives such as the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), the Transportation Equity Act for the 21st Century, (TEA-21), as well as the state's Illinois FIRST transportation program, Metra tapped into funds that allowed us to implement an aggressive program to deliver passengers state-of-the-art equipment, while implementing an equally aggressive

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program to modernize the region's railway infrastructure.

safe, efficient, modern and consumer-driven transportation system.

About Metra...

Metra provides safe, reliable commuter rail service to approximately 150,000 passengers daily, with annual ridership of over 80 million trips. Metra service is a key component of the Region's transportation network, providing service on 12 lines spanning 546 miles and 228 commuter stations.

Metra serves the region on routes owned by Metra or freight carriers; service also is operated by private railroads Union Pacific and Burlington Northern Santa Fe. The South Shore Line, operated by the Northern Indiana Commuter Transportation District, is another Metra partner, providing service between Chicago and South Bend, Indiana. The South Shore Line shares Metra Electric right-of-way between downtown Chicago and 115th Street. Under a unique funding contract with the District, Metra pays a percentage of the operating costs, based on service operated within Illinois.

Metra's hub is the downtown Chicago business district, which feeds service to all its 12 service lines. Today, approximately one-half of all commuter trips made from the suburbs to downtown Chicago are on Metra. Moving 70,000 commuters daily on the region's existing transportation network during rush hours would require the addition of 35 new traffic lanes, without delivering Metra's on-time performance of 96 percent or higher.

Metra's system revenues cover at least 55 percent of current operating costs. This represents one of the highest public transportation recovery ratios in the country.

Metra employs nearly 2,700 employees directly, and as many as 7,000 when

including the Union Pacific and Burlington Northern Santa Fe. Full details of commuter service provided by Metra and individual carriers are included in the Appendix. It is the second-largest commuter railroad in North America.

New cars and locomotives

In December of 2000, Metra's Board of Directors approved the largest procurement of commuter rail cars in Illinois' history and one of the largest ever in the commuter railroad industry. Metra began taking delivery of 300 new stainless bi-level commuter railcars in 2002, with the last car scheduled for delivery in 2005.

The new cars allow Metra to replace more than 250 of its oldest Union Pacific and Burlington Northern Santa Fe cars now in operation. In addition, the new cars will allow Metra to add trains for customers on the North Central Service route to Antioch and the SouthWest Service to Orland Park, following scheduled track and signal

There is no doubt about the key role between transit service and economic benefits that result in jobs, capital projects that stimulate local economies, and the environmental benefits of an efficient commuter rail system.



Quite often, the availability of commuter parking spaces is the driving force behind increased ridership. In the year 2002, Metra programmed the construction of 2,800 additional parking spaces throughout the region to ensure that this factor does not restrict growth. More than 14,000 are programmed through 2006.

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improvements. Valued at \$400 million, the procurement effort was made possible from funds under the Illinois FIRST program.

Additionally, an order for 26 self-propelled Highliner cars for the Electric District was awarded in late 2002. This will allow for replacement of Electric District equipment first introduced in the early 1970s.

Metra currently is in production of 27 efficient and more powerful locomotives, 15 of which will replace units that went into service in 1974 on the Milwaukee District routes.

Seven of those new locomotives will replace units currently in service on routes that are yet to be designated; the remaining five new locomotives are slated to support planned service increases. As with the cars, delivery of the locomotives will start in this year. The federal government, through the Federal Transit Administration, will cover 80 percent of the locomotives' cost, while Illinois FIRST funds will provide the entire 20 percent local match.

Metra expansion projects

At a July 2002 ceremony at Ogilvie Transportation Center, U.S. Congressman Mark Kirk (R-IL) and Federal Transit Administrator Jennifer Dorn announced the release of a \$54 million federal grant for New Start improvements on three Metra routes. This grant marked the second installment of three federal full-funding grant agreements targeted to support Metra's ability to expand commuter service by 2005. Under the agreements, Metra will receive 57 percent of the total \$558 million cost from federal funds. The state of Illinois, primarily through Illinois FIRST, the RTA, Metra and communities along the three routes, will provide the 43 percent local share.

Components of Metra's "New Start" program include a series of infrastructure work that allows us to improve the peak and off-peak service we provide our customers. Specifically, the work includes more second track, allowing additional trains to more efficiently share the Chicago-to-Antioch North Central Service route with freight trains; improvement of the Chicago-to-Orland Park SouthWest Service route plus extension to Manhattan; and extension of the Chicago-to-Geneva Union Pacific West Line to Elburn. These projects serve communities that are experiencing significant population growth and economic development, with forecasts for continued growth.

Although the signing of the federal full-funding grant agreements essentially dedicates the support of the federal government for these service improvements, the U.S. Congress still must approve the project dollars under its formal annual appropriations process. In previous years, Metra was awarded \$68 million in federal "New Start" monies for the projects.



An aggressive maintenance and infrastructure improvement program results in better system performance, fewer service disruptions, and increased customer satisfaction. Metra prioritizes its track rehabilitation based on train volumes, age and condition of the roadbed, and track speed necessary to maintain on-time performance.

The \$47 million represent the 2002 appropriations level. Approximately \$20.6 million will be applied to the SouthWest Service extension; \$16.4 million will go toward the Union Pacific West Line extension; and \$17 million will be earmarked for North Central Service expansion.

Satellite-based monitoring system provides customer service beyond automated announcements

Metra recently observed the one-year anniversary of the launch of its satellite-based Global Positioning System (GPS), which monitors the position and movement of all trains in real-time on its routes. While commuters have become familiar with on-board announcements from the GPS system, the program's benefits for customers extends well beyond a highly efficient and reliable informational tool.

As an overlay to the multi-source network of Metra and freight railroad train dispatching centers and control towers, GPS works as a single source of timely information on train location anywhere on our 500-mile service territory, ensuring better on-time operations and flow of information to customers and our operational team.

GPS offers Metra's operations professionals a snapshot that details overall system performance and information regarding the performance of every train during an operational day. The real-time information supports and delivers a more effective response to any service disruptions or emergencies.

Before the start of each trip, the conductor enters the train route and number plus an individual radiophone number into the computer keypad terminal located on the train. The computer then gears up to automatically play the applicable on-board station

Metra is involved in an ambitious bridge reconstruction and replacement program. As work on 14 bridges on the Union Pacific Northwest Line reaches completion over the next two years, emphasis will be shifted to repair or rebuild the Union Pacific's North Line and Rock Island's most deteriorated bridges without disruptions to customers. Shown below is a completed structure along Irving Park Road.



announcements while simultaneously sending a message to the main computer at Metra that the train is ready for service.

From that point, the flow of information is automatic. Based on train location calculated through GPS technology, on-board computers trigger automated announcements including station stops. If a train is delayed, the conductor relays the cause to a trained GPS specialist who then can send the appropriate pre-recorded announcement.

Industry leader in emergency-response training

Metra is recognized as the commuter rail industry leader in providing training to emergency responders. In fact, Metra has trained over 7,000 fire, police and emergency management personnel. The Federal Railroad Administration (FRA) has praised Metra's program as a model for other commuter railroads. Metra's emergency-response training program "Passenger Train Emergency Preparedness" is the only state-certified course of its kind.

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Overview

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Commuter station facilities are highly visible to Metra's customers and non-customers alike, providing a focal point for many communities. Good-looking stations, like Palatine below, make communities proud.



Proposed 2003 Service Changes

With limited federal and local funding available for service changes, the implementation of major service changes may be constrained in 2003. However, Metra has developed a revised schedule for the Rock Island Line that adds a new main-



Metra's new satellite-based monitoring system provides operations professionals a snapshot that details overall system performance and information regarding the performance of every train during an operational day. The real-time information supports and delivers a more effective response to any service disruptions or emergencies.

While local police and fire departments are experts in the fundamental emergency needs of traffic control, first aid, and evacuation, many do not have expertise in the unique challenges presented by emergencies involving passenger trains. Serious train accidents require cooperation and integrated response between railroad officials, sheriff departments, local police, fire personnel and hospitals working together on the specific challenges that can range from passenger evacuation to management of hazardous-materials spills.

Metra's Fire Marshall and Public Safety Director work alongside these emergency-response personnel to provide their training expertise.

Metra created and launched its training program following a commuter train emergency in Maryland in 1996, during which police and fire rescue crews had difficulty entering train cars. The FRA mandated that all commuter railroads offer integrated training for emergency responders and conduct a joint mock disaster drill each year. Metra's program, offering hands-on training in emergency evacuation, electrical safety and other issues, was the first of its kind.

line express train during each rush hour and provides a major restructuring of off-peak train service, providing customers with greatly reduced travel times. We also are reviewing possible weekend service revisions on the Union Pacific Northwest Line to fill existing service gaps. Metra also is reviewing the addition of more off-peak trains on the North Central Service. All of these improvements are subject to sufficient resources being available.

Commuter Rail Fares

Metra's demonstrated success in managing expenses has allowed us to avoid raising fares since 1996. A planned increase of five percent was implemented on June 1, 2002, which was only the second adjustment in the last 13 years. Today's fares haven't risen only 12 percent since 1990, while the Consumer Price Index has risen 37 percent.

Metra fares are calculated on a one-way base fare (currently \$1.85) plus an incremental charge for each five-mile fare zone boundary crossed. Most other ticket prices are set as multiples of the applicable one-way fare. The price of the Weekend Ticket is a flat \$5, which allows unlimited travel for a given weekend. This rate did not change with the June 2002 adjustment.

The surcharge for purchasing a ticket on-train (when possible at time of boarding) was raised from \$1 to \$2 on June 1, 2002. The surcharge was last changed in April 1990, when it was raised from 50 cents. The premise for the surcharge is to

encourage riders to pre-purchase their transportation from either at a station, by mail or by the Internet, thereby reducing money-handling by our conductors on board the trains. See the Appendix for detailed information on the fare-zone system and rate schedules. Fares on the South Shore Line are set by the Northern Indiana Commuter Transportation District.

Accessibility

The Americans with Disabilities Act (ADA) of 1990 mandated that key commuter stations and at least one car per train be accessible. As a result, Metra has designated one key station in each five-mile fare zone. Key station improvements

Metra is the only transit agency to have received three simultaneous, full-funding grant agreements for New Start service upgrades on three of its existing routes. Once completed, customers will enjoy more increased operational performance, and more express and reverse commute service.



may include accessible parking, curb cuts, ramps and/or elevators, wider doorways, new or rebuilt restrooms, tactile strips to mark the edge of platforms and improved signage.

Metra's system has 73 key stations. All but one (Jefferson Park on the Union Pacific Northwest Line) are currently accessible. In addition to our normal station rehabilitation program, we have spent \$35 million on special projects to make our system accessible. We have also provided a visual system which displays the same information as the public address system voice announcements.

All Metra trains are now accessible. Accessible Station Connecting Service provides transportation to and from the nearest accessible train station for those who are within 1/2-mile of an inaccessible station and request a ride to the station.



Metra is now proceeding with construction activities associated with the three "New Start" projects. Components of Metra's expansion include move second main line track to additional trains can comfortably share the Chicago-Antioch North Central Service route with freight trains; improvement of the Chicago-Oakland Park SouthWest Service route plus extension to Manhattan; and extension of the Chicago-Geneva Union Pacific West route to Elburn.



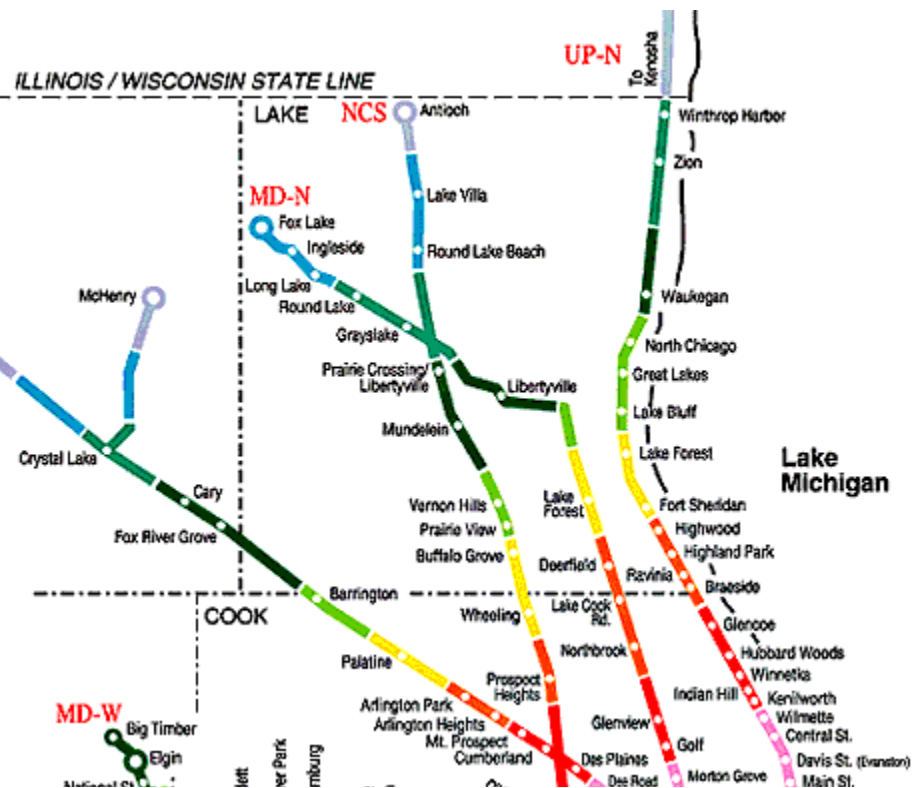
Metra's service upgrade on the Union Pacific West Line, with extension of service to Elburn, will provide more and better service to residents and communities along the 17 suburban communities and the city of Chicago. The Union Pacific accounts for 6.0 million annual passenger trips.

Overview

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Metra System

- UP-N** Metra/Union Pacific North Line Chicago (OTC) to Kenosha, WI
- UP-NW** Metra/Union Pacific Northwest Line Chicago (OTC) to Harvard and McHenry
- UP-W** Metra/Union Pacific West Line Chicago (OTC) to Geneva
- MD-N** Metra/Milwaukee District North Line Chicago (Union Station) to Fox Lake
- MD-W** Metra/Milwaukee District West Line Chicago (Union Station) to Elgin/Big Timber
- NCS** Metra/North Central Service Chicago (Union Station) to Antioch
- BNSF** Metra/Burlington Northern Santa Fe Chicago (Union Station) to Aurora
- ME** Metra Electric



February 1987	Metra begins its capital program (a program unique in the transit industry).
April 1989	Metra hosts APTA's 1st full-fledged Commuter Rail Conference.
April 1990	30 new diesel locomotives ordered.
May 1990	Completion of \$44.5 million Western Avenue train maintenance facility.
May 1991	Metra participates in Amtrak's \$32 million renovation of Chicago Union Station, then terminal for five Metra routes.
January 1992	30 new F40PHM-2 locomotives are delivered.
April 1992	Completion of \$75 million Rehabilitation of Rock Island District's LaSalle Street Station.
Summer 1992	FAST(Future Agenda for Suburban Transportation) program unveiled.

November 2001	Announcement of full-funding grant agreements with the Federal Transit Administration. The landmark agreements cover the 60 percent federal share of the \$558 million needed to expand Metra's North Central Service, Union Pacific West, and SouthWest Service lines.
December 2001	Satellite-based train tracking system installed on all Metra routes after testing since 1999.
February 2002	Announcement of ridership record for 2001: 82.3 million passenger trips.
June 2002	Five percent fare increase takes effect. Even with this boost, the cost of Metra service has risen only about 20 percent since assuming control of commuter operations in 1984.

Milestones

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Budget Overview

Metra's 2003 Operating Budget and 2004-2005 Financial Plan aggressively deals with the challenges of a weakened economy and certain external costs that are beyond our control. The fragile economy and its effects on ridership and revenues demand that we use maximum measures to meet our dual mandates of providing safe, reliable, and quality service to the region while living within the constraints of the revenue recovery ratio requirements. This challenge has been made more difficult in 2002 because Metra has been forced to absorb significantly greater than budgeted health insurance expenses, principally from the national rail carriers contract health insurance plan, and higher security charges in the aftermath of the September 11th attacks.

Early in 2002, Metra recognized that ridership in its core market of serving the central business district of Chicago was declining in concert with the declining economy and lower employment levels. Discretionary non-rush-hour ridership also was adversely affected. Overall, passenger revenues are estimated to be \$8.3 million less than the 2002 budget, even though a 5% fare increase was enacted

Metra determinedly met the challenges of lowered revenues and higher cost pressures. Expenses were reduced through new successful risk management programs, through fixed price diesel fuel purchase contracts, aggressive reduction of discretionary programs, and from the pursuit of cost-recovery opportunities. Overall, Metra estimates that it will generate \$8.9 million in savings to offset higher operating costs. In addition, staff researched various agreements to determine that an additional \$12.2 million in costs are excluded from the revenue recovery ratio calculation. The effect of these efforts increased the calculated recovery ratio by 1.55%.

Table 1
Metra Operating Budget Comparisons
2003 Budget vs. 2002 Estimate and Prior Budget's 2003 Financial Plan
(in \$ in 000's)

	2002 Budget	2002 Estimate	2003 Budget	2003 Financial Plan	2003 Budget Changes from 2003 Financial Plan
Total Revenue	\$245,747	\$242,563	\$242,615	\$255,335	(\$12,720)
Base Expense	402,492	393,590	398,629	418,293	(19,664)
Health Insurance, Security, and Expanded Service	47,129	55,958	60,045	50,408	9,637
Total Expense	\$449,621	\$449,548	\$458,674	\$468,701	(\$10,027)
Total Deficit	\$203,874	\$206,985	\$216,059	\$213,366	\$2,693

Table 1 illustrates the magnitude of the financial challenges and cost savings enacted in 2002. Expenses are grouped into two

on June 1, 2002. Worse yet, higher health insurance premium rates are estimated to be \$5.2 million or 13.3% more than budgeted. In addition, security costs in the post-September 11th environment are projected to be \$2.2 million or 27.4% over the 2002 budget.

categories. The first group (Base Expense) comprises approximately 90% of Metra's 2002 Budget. For this cost grouping, Metra expects to finish the year \$8.9 million or 2.2% below budget. For the other 10% of the 2002 budget, costs are estimated to be \$8.8 million or 18.7% greater than planned.

Budget

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Included in this second group is health insurance, security, and newly expanded services. As can be seen, the cost savings programs are projected to offset the higher 2002 costs.

The net result of all of these efforts is that Metra estimates it will generate a 56.2% recovery ratio in 2002. The added payback is that by attacking and limiting costs in 2002, Metra developed a tight, constrained expense base to deal with the projected limited resources for 2003, 2004, and 2005. Although Metra and the region face lowered passenger revenues and other revenues as well as lower sales tax proceeds, Metra projects that it will achieve a 55% revenue recovery ratio and live within its statutory funding limits without the need for a fare increase. The proposed operating budget and financial plan have, in fact, lowered proposed operating deficits more than the funding marks passed by the RTA in September. Additionally, Metra projects it will continue as in previous years to conserve sales tax funds normally available for operations and apply these to needed capital programs for all three years.

Revenues

Passenger revenues for 2003 are projected to be \$189 million, which is \$3 million less than the 2002 Budget. Weaknesses in the economy and employment have impacted Metra's core ridership and discretionary trips. Metra projects passenger revenue to recover slowly over the period from 2003 through 2005.

Other revenues are projected to total \$50.2 million, which is unchanged versus the 2002 Budget. Growth is projected to be moderate for many components of other revenue. This item includes capital grant project reimbursements, lease and advertising income, and joint facility income from other railroads for services provided

by Metra. Interest income, however, is projected to be low in 2003 because of market rates not expected to increase until 2004-2005.

Also included in revenue for 2003 is \$3 million of estimated proceeds from the State of Illinois for the Reduced Fare Reimbursement Program. The intent of this program is to reimburse Metra for part of the half-fare discount provided to senior citizens, students and mobility-limited individuals.

Expenses

As illustrated in Table 1, the 2003 expense budget for the majority of operations (Base Expense) is only \$5 million or 1.3% greater than the 2002 estimate and actually \$3.9 million or 1.0% less than the 2002 Budget. The expected cost for separately grouped health insurance, security, and expanded non-base services, however, is \$4.1 million or 7.3% higher than the 2002 estimate. Total proposed 2003 expenses are \$9.1 million or only 2.0% higher than the 2002 Budget and the 2002 Estimate.

Health insurance for Metra contract workers is a national program for the railroad industry. The board that administers the program for both the passenger and freight railroads has passed along annual premium increases that have ranged from 17% to 30% over the past three years. The annual premium increases are not unique to the railroad industry, as health insurance coverage for workers and the increasing annual cost has become a major issue for employers in all industries.

Overall expense growth has been contained by a continuing review of programs and actions taken to reduce costs. One measure of the success of these efforts is comparison to the 2003 Financial Plan contained in the 2002 Budget document. As shown in Table 1, the proposed 2003

Budget Base Expense (excluding the separately discussed items) is \$20 million lower than the corresponding base expenses estimated in the 2003 Financial Plan. Total Expense is \$10 million lower. This lower expense is in line with even lower projected revenues. The net result is a proposed 2003 budget deficit that is \$2.7 million larger than that projected in the 2003 Financial Plan.

Base Operations

During 2001, Metra concluded new wage agreements with its labor unions. The agreements reached with Metra's unions are in effect for up to seven years. The purchase-of-service carrier wage agreements expired at the end of 1999 and are currently still under negotiations. The 2003 Budget includes estimated expense growth consistent with the pattern of a recently ratified freight labor agreement.

Nationwide health insurance costs have been increasing at double digit rates and the rail industry is not immune from this trend. Metra contract workers are covered by a national health care plan covering passenger and freight railroads, and the annual premium is established by a governing board and passed along to Metra. The health insurance premium for 2002 increased 17% from 2001. In 2003, health insurance is budgeted to increase a total of 12%.

Security costs have fluctuated greatly with terrorist threats since September 11, 2001. Metra has responded by increasing uniformed presence at stations and facilities, using outside security services. This is in addition to the increased police presence Metra uses during downtown festivals, holidays, and periods of high terrorist alerts.

An important part of Metra's emergency response is gathering and sharing information with employees and

passengers. In 2001, Metra installed Global Positioning System (GPS) equipment on some of its trains to test the technology. In 2002, this technology was installed on Metra's entire fleet. The GPS system is tied into a communication system, which allows Metra managers to determine the location of Metra trains and contact the train crews to determine the reasons for delays. Thus, service can be adjusted more quickly, and more accurate announcements can be made to the passengers regarding delays. In addition, train crews and other operations personnel have been equipped

Table 2
Calculation of 2003-2005 Farebox Recovery Ratios
(\$ in 000's)

	2003	2004	2005
Farebox Recovery Ratio Revenue	\$242,615	\$249,544	\$257,905
Funded Operating Expenses	\$458,674	\$471,709	\$487,363
Exclusions from Recovery Ratio	(17,553)	(17,992)	(18,445)
Farebox Recovery Ratio Expenses	\$441,121	\$453,717	\$468,918
Ratio of Revenue to Allowable Expenses	55.00%	55.00%	55.00%

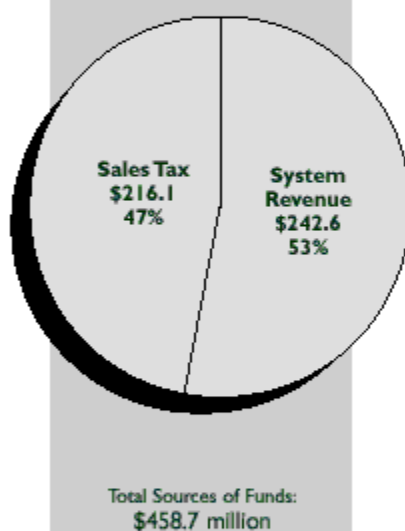
with cell phones which expands the capabilities of the train radio system, and provides a communications channel for other personnel.

Property and Liability Insurance coverage is another expense item that was influenced by outside economic concerns and higher risks. As Metra's current policies expired, pricing for the identical coverage increased substantially in new policies. The insurance industry, dealing with higher risk factors, payments for prior claims and losses in investment portfolios, has increased premiums and raised deductibles and retentions in the new insurance policies.

Metra will continue to monitor expenses to maintain budgetary control and to ensure achievement of the 55.0% recovery ratio mark in 2003.

Figure 1.

2003 Operating Program Sources of Funds (\$ In Millions)



2004-2005 Financial Plan

Metra's projections for 2004 and 2005 are characterized by constrained growth in both revenue and expense. Passenger revenue is expected to slowly recover at an average ridership growth rate of 1% per year. Other revenue, including interest income, is expected to grow in conjunction with the economy over the next three years. While total revenue is recovering, it will be at minimal rates. This will require that Metra management continue its full and dedicated efforts to contain costs so

that the revenue recovery ratio requirements will be met. The existing fare structure should be adequate for the 2003-2005 timeframe. The proposed 2004 and 2005 Revenue Recovery Ratios are 55.0%.

Development Process

The Metra Operating Budget and Financial Plan was developed with the objective of holding costs down, striving to meet the continuing challenges of improving services, and complying with increasingly more comprehensive and complex regulatory mandates, all while achieving and maintaining a region-high 55.0% revenue recovery ratio. Expenses were projected based upon analysis of current expenses, economic forecasts and existing contracts. Information was received from contract carriers and Metra departments regarding projections of ridership and the costs of commuter operations. Included were staffing requirements for operating and support services, various price and rate changes and other information related to railroad operations.

Using the information provided, the 2003 Preliminary Budget and 2004-2005 Financial Plan were assembled and

reviewed by Metra management working under the direction of the Budget Committee of the Metra Board of Directors. Information on Metra's projected 2002 Estimate, the proposed 2003 Budget, and the 2004-2005 Financial Plans was submitted to the RTA. The RTA has established an operating deficit funding mark for Metra for each of the years 2003, 2004 and 2005 and a required revenue recovery ratio of 55.0% in 2003. The Financial Plans for 2004 and 2005 developed by Metra project farebox recovery ratios of 55.0% each year. A final proposed 2003 Budget and 2004-2005 Financial Plan will be submitted to the RTA in November for adoption.

The revenue recovery ratio established for each year represents the ratio of Metra system revenues to expenses, less certain deductions, that must be achieved. The proceeds from Metra's Capital Farebox Financing Program are excluded from the 2003 through 2005 farebox recovery ratio calculations, as presented in Table 2.

The funding marks established by the RTA represent Metra's estimated share of regional sales and replacement taxes distributed by statutory formula. No federal operating assistance is received. Figures 1 and 2 summarize Metra funding requirements related to the 2003 operating program. Metra's operating revenues and share of 2003 sales and replacement tax proceeds fully fund all operating costs and provide \$35.0 million for Metra's 2003 Capital Program. Those funds available for capital are the direct result of the many years Metra has strived to contain costs and improve revenues so that the maximum investment in capital projects can be made.

In addition to sales tax proceeds, funds generated from Metra's Capital Farebox Financing Program and operational savings

Budget

with the \$9.4 million to be generated by the 5% Capital Farebox Financing Program, will enable Metra to finance \$35.0 million of Capital projects. The use of these funds, as well as estimated federal, state and local capital assistance, is discussed in more detail in the 2003-2007 Capital Program section of this document.

Services, Activities and Functions

Metra provides commuter rail service on eleven lines to residents of northeastern Illinois and Southeastern Wisconsin. Legislation creating the Regional Transportation Authority gave Metra responsibility for coordinating and operating all commuter rail operations in the six-county area. Metra directly operates commuter rail service on seven lines and controls all operating support functions necessary to maintain the passenger lines, equipment and facilities. Metra also is responsible for the administration of commuter rail services provided under contract by private freight carriers such as the Union Pacific and Burlington Northern Santa Fe.

Direct operation of commuter rail services requires various activities necessary to meet published train schedules and abide by federal and state transportation regulations. Metra classifies these activities under the headings used in railroad regulatory reporting: Transportation, Maintenance of Way, Maintenance of Equipment and Administration. The following is a brief description of the underlying functions included in the major operating categories:

- Transportation includes the functions and activities directly responsible for the operation of the commuter trains. The major functions include Train and Engine Crews, Dispatching, Tower Operations, Ticket

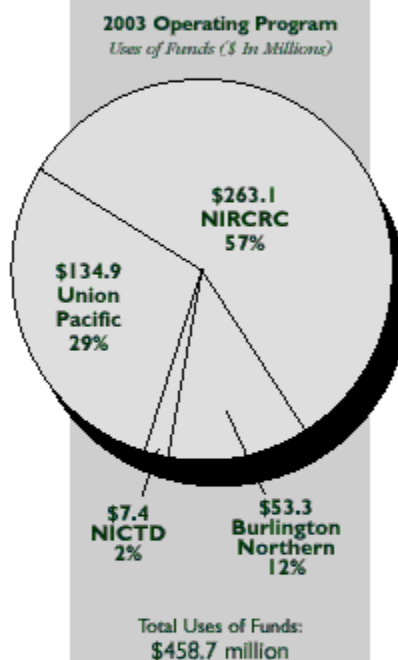
service consistent with the published train schedules in a safe and efficient manner; and in accordance with federal and state regulations.

- Maintenance of Way activities include the maintenance of track, structures, communications and facilities to maintain operational safety, reduce travel time and service interruptions and increase passenger comfort.

Maintenance work is concentrated on safety inspections and short term projects to maintain overall track and structure condition until renewals or replacements can be completed through the Metra Capital Program. Major functions in this category include track, rail, crossing, signal, bridge, communication, facilities maintenance, supervisory support areas and materials management.

- Maintenance of Equipment activities include regular repairs, inspections and preventive maintenance on passenger train equipment to ensure that equipment is safe and in good working order to support the train schedules and passenger demand for seating. Maintenance work is concentrated on performing regular safety inspections as mandated by federal regulations, maintaining cleanliness and proper heat or air conditioning in the equipment, and preventive maintenance to keep the equipment operational between major rehabilitations. Major equipment rehabilitations are completed through the Metra Capital Program. Major functions in this category include the operation of the passenger maintenance shops and yards, supervisory support areas and materials management.

Figure 2



Budget

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- Administration activities include general support functions for the organization to ensure that the overall corporate goals and regulations are met. Examples of Administration activities include Human Resources, Labor Management Committee, Information Systems, Training, Accounting and other support areas. Management of the Metra owned and operated rail services is also included in this category.

senger terminal lease costs are directly controlled by Metra. Metra reports these expenses on the financial schedules based upon each carrier's representative share of the cost items.

Summary

Table 3 presents Metra's 2003 Preliminary Budget by carrier and type of expense, and Table 4 summarizes Metra's 2003 Preliminary Budget and 2004-2005

Metra also is responsible for region-wide expenses, referred to as centralized expenses, for its own carriers and the contract rail carriers. Metra is responsible for setting fare and service levels, capital improvement planning and oversight, and planning for the whole region.

Expenses for these functions are included in the Regional Services category. Various expense items, such as diesel fuel, claims, insurance and downtown Chicago pas-

Financial Plan. The Metra Preliminary Budget and Financial Plan is presented in a manner consistent with its financial statements, which are maintained on the accrual basis of accounting for a proprietary (enterprise) fund type using Generally Accepted Accounting Principles.

Revenues are recognized when earned, and expenses are recorded in the period in which goods and services are used. Metra's 2003 Projected Cash Flow Summary is included in the Appendix.

**2003 Commuter Rail Operating Budget
by Carrier and Type of Expense**

Table 3

	NIRCRC	Burlington Northern Santa Fe	Union Pacific	NICTD/ So.Shore®	Total Metra
REVENUES:					
Passenger Revenue	\$88,151,207	\$36,834,796	\$61,366,003	\$3,006,470	\$189,358,476
Reduced Fare Subsidy	1,376,117	496,990	1,148,056	18,837	3,040,000
Other Revenue	49,383,333	5,520	408,000	420,000	50,216,853
TOTAL REVENUE	\$138,910,657	\$37,337,306	\$62,922,059	\$3,445,307	\$242,615,329
OPERATING EXPENSES:					
CARRIER LEVEL EXPENSES:					
Transportation	\$90,219,564	\$20,206,200	\$47,160,010	\$2,436,278	\$160,022,052

Maintenance of Way	57,420,912	4,707,592	20,422,381	1,270,341	71,312,166
Maintenance of Equipment	54,000,933	15,762,146	33,896,568	1,404,904	105,064,551
Administration	23,549,914	1,139,407	9,806,521	1,319,610	35,815,452
TOTAL CARRIER EXPENSE	\$226,996,883	\$41,877,145	\$117,088,460	\$6,451,733	\$392,414,221
CENTRALIZED EXPENSES:					
Diesel Fuel	\$7,334,663	\$3,465,448	\$7,943,178	\$0	\$18,743,289
Motive Electricity	7,052,637	0	0	312,370	7,365,007
Claims, Insur. & Risk Management	6,695,806	1,814,227	4,040,753	294,358	12,845,144
Regional Services	9,051,811	1,806,225	4,662,436	342,761	15,863,233
Downtown Stations	5,928,193	4,315,181	1,200,000	0	11,443,374
TOTAL CENTRALIZED EXP.	\$36,063,110	\$11,401,081	\$17,846,367	\$949,489	\$66,260,047
TOTAL OPERATING EXPENSE	\$263,059,993	\$53,278,226	\$134,934,827	\$7,401,222	\$458,674,268
FUNDING REQUIREMENT	\$124,149,336	\$15,940,920	\$72,012,768	\$3,955,915	\$216,058,939
RECOVERY RATIO					55.00%

*South Shore Line service to South Bend, IN, is operated by the Northern Indiana Commuter Transportation District, using Metra Electric District tracks from downtown to 115th Street in Chicago. Metra contributes 21% of South Shore Line operating costs, based on the number of Illinois residents who use this service.

2003 Budget Summary and 2004-2005 Financial Plan

Table 4

(\$ in 000's)	2003 Budget	2004 Plan	2005 Plan
OPERATING REVENUES (Note 1)			
Passenger Revenue	\$189,358	\$191,252	\$193,165
Reduced Fare Subsidy	3,040	3,040	3,040
Other Revenue	<u>50,217</u>	<u>55,252</u>	<u>61,700</u>
TOTAL OPERATING REVENUE	<u>\$242,615</u>	<u>\$249,544</u>	<u>\$257,905</u>
OPERATING EXPENSES:			
Transportation	\$160,022	\$163,460	\$168,944
Maintenance of Way	91,512	93,780	97,210
Maintenance of Equipment	105,065	107,458	111,044
Administration	35,815	36,751	38,112
Fuel & Power	26,108	26,667	27,238
Claims, Insurance & Risk Management	12,845	15,637	15,980
Regional Services	15,864	16,278	16,896
Downtown Stations	<u>11,443</u>	<u>11,678</u>	<u>11,939</u>
TOTAL OPERATING EXPENSES	<u>\$458,674</u>	<u>\$471,709</u>	<u>\$487,363</u>
TOTAL FUNDING REQUIREMENT	<u>\$216,059</u>	<u>\$222,165</u>	<u>\$230,458</u>

TOTAL FUNDING REQUIREMENTS	\$215,007	\$222,160	\$227,908
RECOVERY RATIO (Note 2)	55.00%	55.00%	55.00%
Note 1. System Generated Revenues and Revenue Recovery Ratio calculations do not include proceeds from Metra's 5% Capital Farebox Program.			
Note 2. For Calculation of Revenue Recovery Ratios, see Table 2.			

2003-2007 Capital Program: Securing the Future

Modernization

Since its creation in 1984, Metra has committed to an ambitious capital program focused on modernizing and improving its existing capital assets. This capital investment policy has allowed Metra to maintain its focus on delivering customers safe, reliable, and quality services and facilities, while allowing for continuous improvement in the efficiency and cost-effectiveness of its operations.

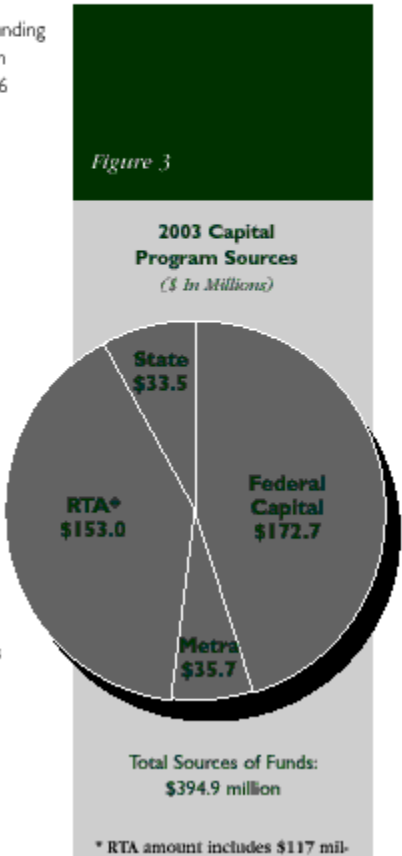
Metra has always placed a high priority on the continuous maintenance and modernization of its infrastructure. Consequently, every year Metra undertakes a multitude of modernization projects, with each one preserving and improving some part of capital assets. For Metra's customers, these modernization projects ensure continued on-time and reliable public transportation services in an efficient and cost-effective manner ... the very hallmarks of what customers have come to expect from our service.

Metra's **Rolling Stock** is designed to ensure that an adequate number of locomotives and commuter rail cars are available to meet the current and future needs of the system. This program

The five-year program also includes funding for the completion of the construction of 300 new bi-level commuter cars, 26 new electric cars, and 27 new diesel electric locomotives.

The **Track and Structure** program provides for the continued rehabilitation and upgrading of Metra's commuter railroad right-of-way. This activity results in improved operating safety, reduced train running time, fewer service disruptions, and increased passenger comfort. This program of rail, ties, and ballast replacement on a cyclical basis is included throughout the 2003-2007 Capital Program.

The next five years will mark a significant increase in the activities associated with the rehabilitation and replacement of bridges and retaining walls. As work on 14 bridges on the Union Pacific (UP) Northwest line reaches completion over the next two years, the emphasis will be shifted to the rehabilitation of 22 bridges on the UP's North line. Additionally, major construction activities will get underway next year



service needs of the system. This program includes rehabilitation of, and improvements to, existing vehicles, along with the purchase of new vehicles for replacement of obsolete equipment and expanded service requirements. Over the next five years, major rehabilitation work, including mid-life and life-extending overhauls, will continue to be undertaken as part of Metra's rolling stock program. Additionally, Metra will continue to undertake fleet component overhauls mandated by the Federal Railroad Administration (FRA).

on 24 of the Rock Island District bridges. All of these bridge-renewal projects will take multiple years to complete and will be accomplished without disruptions to our customers.

Improvements to Signaling, Electrical and Communications systems and equipment are designed to maximize operating efficiencies, increase reliability of service, and ensure a safe system for dispatching and controlling train movements. The five-year Capital Program

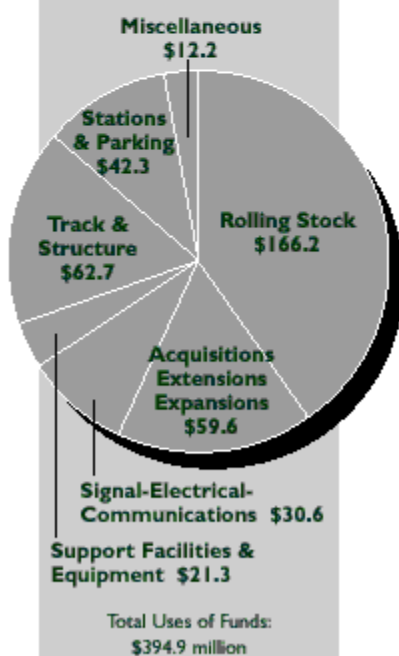
tion Illinois FIRST SCIP Bonds administered through the RTA.

Capital Program

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Figure 4

2003 Capital Program Uses (\$ In Millions)



provides continued funding for the modernization and consolidation of major interlocking plants throughout the region. Consolidating the control of many of these interlockers at Metra's Consolidated Control Facility will result in improved operating efficiencies and reduced operating costs. Enhancements to the power distribution system on the Electric District will continue throughout the next five years. The Capital Program also will continue the installation of backup-power generators at critical locations on the system. These installations will be especially critical during power outages caused by severe weather.

Visual and audible communication as related to both equipment and passengers has become a very important element in Metra's capital program. To this end, Metra is moving forward to enhance its Global Positioning System (GPS). Included in the Capital Program is a new passenger information display system at downtown terminals. This system, as well as the new satellite-based system, will provide time-of-arrival and related information to customers at stations and on trains. It also will enhance Metra's ability to coordinate transportation efforts during emergency situations.

Metra's **Support Facilities and Equipment** are not highly visible to the daily commuting public. However, these maintenance yards, layover and storage facilities, support vehicles and equipment are essential to maintaining reliable and efficient commuter services. Since its inception, Metra has embarked on an aggressive program to modernize, consolidate, and expand its downtown storage and maintenance yards

productivity, reduce operating expenses, and provide more efficient support to Metra operations.

Commuter Stations are highly visible parts of Metra's rail system. As portals to the system, and very often to the communities in which they are placed, Metra is committed to offering its customers stations that are functional as well as aesthetic. The rehabilitation, modernization, and construction of station facilities is necessary to maintain a safe, secure passenger environment and improve accessibility to the system. Within the five-year program, the focus of the **Commuter Parking** program is to expand parking capacity to relieve overcrowding at existing facilities and to accommodate future ridership growth. Both station and parking improvements are performed in accordance with all requirements of the Americans with Disabilities Act.

Metra's **Acquisition, Extensions, and Expansions** portion of the 2003-2007 Capital Program consists exclusively of "New Start" projects. On November 5, 2001, Metra achieved a major success with the signing of three Full Funding Grant Agreements (FFGAs) with the FTA. These FFGAs funded expansion and extension of services on the North Central Service, the Union Pacific West line, and the SouthWest Service. When awarding the grants to Metra, U.S. Secretary of Transportation Norman Mineta stated, "For the first time ever, the Federal Transit Administration will enter into three simultaneous Full Funding Grant Agreements with one entity." Metra is now proceeding with construction activities associated with the three New Start projects. With a total price tag of \$558 million, they are scheduled to be completed by the end of 2006.

and outlying storage facilities. The company is committed to upgrades and improvements to the facilities that improve

Financing of these New Start projects could not have been realized without the existence of TEA-21 and Illinois FIRST, and

the leadership of Speaker of the U.S. House of Representatives J. Dennis Hastert and members of the Illinois delegation.

Agenda for Major Investments and Growth

While total funding for the 2003-2007 Capital Program shown in Table 5 is almost \$1.5 billion, this amount still falls short of funding received in recent years to implement service and system improvements that Metra has completed in recent years. To secure our future, Metra's Capital Program needs continued consistent funding. This will keep the existing infrastructure viable, efficient, and cost effective, while also ensuring that sufficient financial resources are available to meet the growing transportation needs of Northeastern Illinois.

In recent years, Metra's agenda for its discretionary funding programs has provided the financing for the procurement of new rolling stock, major infrastructure improvements, and service expansions. However, as we look beyond the major projects we are currently implementing, we can identify many areas where Metra needs additional investments beyond forecasted levels. For example, Illinois FIRST is funding the replacement of 26 Highliner cars used on the Electric District. Another major funding initiative will be needed in order to replace the remaining 140 cars and provide for future service growth on that line.

The modernization portion of the program also has provided for the rehabilitation and/or replacement of aging railroad bridges. Funding levels have usually meant that Metra could replace only one or two bridges on a line at a time. Funding provided by Illinois FIRST has allowed us to undertake larger projects that can replace 10 or more bridges. Future funding programs will be necessary to reduce the backlog of bridge replacements needed.

Similarly, there is a backlog of railroad grade separations that need to be constructed in the region. The high cost of these projects has generally excluded them from Metra's modernization program. The Chicago Plan Group, which is a cooperative venture of eight freight railroads, Metra and Amtrak, is housed in Metra's Consolidated Control Facility. This group has been working together to improve service reliability and speed throughout the Chicago metropolitan area. It is developing recommendations on operating practices and physical plant improvements in addition to studying a myriad of bottlenecks throughout the region. This working group foresees the need for new funding programs to finance these major and necessary improvements.

Improvements in parking facilities and availability continue to be a major need throughout our system. Many of our most utilized stations are in communities where land is no longer available for surface commuter parking lots. This, of course, restricts access to the system. The one solution to this problem is construction of parking decks, a very expensive option. With Metra partnering with local communities and funding agencies to develop parking decks as joint development ventures, a future source of funding is required to continue this endeavor.

Finally, in recent years many service expansions and commuter line extensions, as well as new commuter lines have been under study. As in the past, to make these projects viable, they must have considerable funding support at the federal, state, and local levels. Metra will continue to work with representatives from all levels of government to secure the large-scale funding that is needed to make these needed projects a reality.

2003 - 2007 Capital Program October 2002 (\$ in 000's)

Table 5

CAPITAL ASSET & PROJECT	RR	2003	2004 - 2007	TOTAL
Rolling Stock				
Purchase of New Locomotives	MIET	36,012	0	36,012
Mid Life Rehabilitation of 130 Locomotives	MIET	9,000	12,655	21,655
New Bi-Level Commuter Cars	MIET	76,317	85,000	161,317
Life Extending Rehabilitation of Commuter Cars	BINS	0	10,139	10,139
Life Extending Rehabilitation of Commuter Cars	MIET	6,250	40,290	46,540
Mid Life Rehabilitation of Commuter Cars	MIET	0	8,000	8,000
FRA Required Window Glazing	MIET	250	375	625
Rolling Stock Replacement	MED	28,716	33,284	62,000
Maintenance Tracking System	MIET	0	1,500	1,500
Fleet Component Overhaul or Replacement	MIET	9,700	41,550	51,250
Rolling Stock Subtotal		166,245	232,793	399,038
Track & Structure				
Track Work	BINS	2,400	10,680	13,080
Track Work	UPR	4,330	19,935	24,265
Track Work	MIET	8,100	40,275	48,375
Track Improvements From Rondout to Fox Lake	MWD	0	6,500	6,500
Extend Sidings and Other Improvements	INCS	4,000	2,000	6,000
Rehabilitate Bridges	MED	3,000	8,875	11,875
Bridges For Illinois FIRST	MIET	24,481	88,050	112,531
Rehabilitate Bridges	MWD	250	33,800	34,050
Rehabilitate Bridges	RID	4,000	20,500	24,500
Rehabilitate Bridges	SWS	0	1,000	1,000
Rehabilitate Bridges	UPR	0	3,200	3,200
Rehabilitate Bridges on NW Line	UPR	2,500	0	2,500
Rehabilitate Retaining Walls	BINS	0	1,220	1,220
Bridge Fills and Closures	MIET	0	500	500
Rehabilitate Retaining Walls	MIET	0	4,000	4,000
Rehabilitate Retaining Walls in Gresham Area	RID	0	3,000	3,000
Rehabilitate Retaining Walls	UPR	0	4,000	4,000
Miscellaneous Structural Improvements	MIET	450	2,225	2,675
Belmont Road Grade Separation	BINS	4,000	6,000	10,000
Bunker Road Grade Separation	UPR	5,200	1,200	6,400
Rehabilitate Catenary Structures	MED	0	3,700	3,700
Track & Structure Subtotal		62,711	260,660	323,371
Signal, Electrical & Communications				
Coded Track Circuits and Underground Cable	BINS	3,000	15,600	18,600
Coded Track Circuits and Underground Cable	MED	0	2,000	2,000
Upgrade Signal Systems	MED	600	7,000	7,600
Upgrade Signal Circuits	MWD	1,000	2,900	3,900
Upgrade Signal Circuits	RID	0	500	500
Upgrade Signal Circuits	UPR	0	3,600	3,600
Signal & Crossing Improvements	BINS	0	800	800
Crossing Improvements and Upgrades	MIET	1,700	9,000	10,700
Consolidate Crossovers	BINS	5,600	0	5,600
Lake Street Interlocker Improvements	CUS	9,900	31,700	41,600
Upgrade Interlockers	MWD	0	6,000	6,000
Upgrade Interlockers	RID	0	7,100	7,100
Upgrade Interlockers	UPR	2,000	15,500	17,500
Replace Signal Bridges	BINS	150	250	400
Upgrade Electrical Systems at Substations	MED	300	300	600

Table 5

CAPITAL ASSET & PROJECT	RR	2003	2004 - 2007	TOTAL
Signal, Electrical & Communications continued				
Replace Catenary Wire & Transmission Lines	MED	0	5,200	5,200
Electrical Power Efficiency Improvements	MET	150	375	525
Vehicle Fueling Control System	MET	0	150	150
Air Compression for Locomotives in Yards	UPR	2,000	1,500	3,500
Misc. Communications System Improvements	MET	1,130	2,080	3,210
Relocation of PAL Center to Metra Headquarters	MET	750	0	750
Replace Switch Heaters	MET	2,000	1,000	3,000
Cable and Battery Replacements	UPR	300	1,200	1,500
Signal, Electrical & Communications Subtotal		30,580	113,755	144,335
Facilities & Equipment				
14th Street Yard Upgrades	BNS	500	1,500	2,000
Upgrade Substation Buildings	MED	1,000	2,000	3,000
547 W. Jackson Blvd.	MET	5,650	6,700	12,350
Facility Improvements	UPR	0	4,800	4,800
Employee Welfare Facilities	UPR	0	1,700	1,700
Miscellaneous Engineering	MET	2,000	10,000	12,000
Downtown Terminal Facilities	MET	7,400	11,020	18,420
Office Equipment and Furniture	MET	480	1,920	2,400
Equipment and Vehicles	MET	2,800	11,991	14,791
Renew Yards, Shops, and Other Facilities	MET	1,500	56,900	58,400
Facilities & Equipment Subtotal		21,330	108,531	129,861
CMAQ Funded Stations & Parking Projects				
Vernon Hills Station Parking	NCS	380	0	380
80th Avenue Station and Parking	RID	1,085	0	1,085
Robbins Station Improvements and Parking	RID	700	0	700
Ivanhoe Station Parking	MED	116	0	116
Fox Lake Station Parking	MWID	400	0	400
Manhattan - New Station	SWS	2,000	0	2,000
Roselle Station Parking	MWID	280	0	280
Washington Heights Station Parking	RID	60	0	60
Oak Lawn Station Parking	SWS	400	0	400
Great Lakes Station Parking	UPR	350	0	350
Winthrop Harbor Parking	UPR	195	0	195
Elburn Station Parking	UPR	1,600	0	1,600
LaFox Station Parking	UPR	1,600	0	1,600
West Chicago Station Parking	UPR	600	0	600
Franklin Park - New Station	NCS	800	0	800
Grayslake - New Station	NCS	1,500	0	1,500
Rosemont - New Station	NCS	1,200	0	1,200
Schiller Park - New Station	NCS	850	0	850
Lanarway Road - New Station	SWS	2,200	0	2,200
CMAQ Projects Subtotal		16,316	0	16,316
Other Stations & Parking				
Cicero Avenue Station and Parking	BNS	0	3,150	3,150
Hollywood Station	BNS	0	1,000	1,000
Randolph Street Station and Concourse	MED	1,400	0	1,400
South Chicago Branch Stations and Parking	MED	2,421	12,600	15,021
93rd Street Commuter Station Relocation & Parking	MED	428	0	428
Station and Parking Engineering	MET	7,000	28,000	35,000

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Table 5

CAPITAL ASSET & PROJECT	RR	2003	2004 - 2007	TOTAL
Stations & Parking continued				
ADA Related Improvements	MET	750	3,300	4,050
Station Signs and Station Upgrades	MET	0	3,350	3,350
Willow Springs Station	MED	350	0	350

VIEW Spang Station	MWD	2,500	0	2,500
Bartlett Station and Parking	MWD	0	3,300	3,300
National Street Station	MWD	1,500	0	1,500
Schaumburg Station	MWD	2,400	0	2,400
80th Avenue Station and Parking	RID	0	5,000	5,000
99th Street Station on Beverly Branch	RID	0	2,875	2,875
Robbins Station Improvements and Parking	RID	350	0	350
College Avenue Station	UPR	3,100	0	3,100
Davis Street Station	UPR	350	0	350
Main St.-Evanston Station	UPR	600	0	600
Edison Park Station	UPR	1,100	0	1,100
Oak Park Transportation Center	UPR	285	0	285
Winnetka & Hubbard Woods Stations	UPR	0	8,100	8,100
Parking Lot Construction	MIET	0	800	800
Site Acquisition for Parking and Stations	MIET	3,250	8,966	12,216
Palos Heights - New Station and Access	SWS	800	0	800
Pingree Road New Station	UPR	0	1,400	1,400
Miscellaneous Station and Parking Improvements	MIET	0	47,400	47,400
Stations & Parking Subtotal		25,983	129,241	155,224
Acquisitions-Extensions-Expansions				
NCS Expansion	NCS	26,587	69,474	96,060
SWS Improvements and Extension	SWS	26,907	60,895	87,802
UPRR West Line Extension	UPR	6,107	51,126	57,233
Acquisitions-Extensions-Expansions Subtotal		59,600	181,495	241,095
Miscellaneous				
System Operations Studies	MIET	100	0	100
Unanticipated Capital	MIET	2,050	12,154	14,204
Material Handling Additives	MIET	5,000	20,000	25,000
Project Administration and Contingencies	MIET	5,005	2,000	7,005
Miscellaneous Subtotal		12,155	34,154	46,309
TOTAL PROGRAM		394,920	1,060,628	1,455,548

Note: Subtotals and Grand Total may not sum precisely due to rounding to nearest thousand within individual figures.

Abbreviations:

BNS = Burlington Northern Santa Fe
 CUS = Chicago Union Station
 MED = Metra Electric District
 MET = Metra, System Wide
 MWD = Milwaukee District
 RID = Rock Island District
 NCS = North Central Service
 SWS = Southwest Service
 UPR = Union Pacific Railroad

ADA = Americans With Disabilities Act
 CMAQ = Congestion Mitigation Air Quality
 FRA = Federal Railroad Administration
 NW = Northwest
 PAL = Passenger Assistance Link (Metra Electric)
 NIRCRC = Northeast Illinois Regional Commuter Railroad Corporation

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Physical Description

Carrier/Line	Location of Outlying Terminal	Downtown Chicago Terminal	Number of Stations in Illinois	Number of Stations Out of State	Total Stations	Accessible Stations Partial	Accessible Stations Full	Rolling Stock Locomotives	Rolling Stock Trailer Cars	Rolling Stock Cab Cars	Rolling Stock Electric Propelled	Track Miles	Route Miles
Burlington Northern Santa Fe	Aurora, IL (Kane Co.)	CUS*	27	0	27	7	12	26	132	29	0	144.0	37.5
Union Pacific North	Kenosha, WI (Kenosha Co.)	C-IC#	25	1	26	0	15					107.5	51.6
Northwest	Harvard, IL (McHenry Co.)	C-IC	21	0	21	5	10					161.1	63.1
West	Geneva, IL (Gene Co.)	C-IC	17	0	17	3	11					128.0	35.5
McHenry Branch	McHenry, IL (McHenry Co.)	C-IC	1	0	1	1	0					8.0	7.4
Total***			61	1	62	9	35	26	251	62	0	402.0	154.7
South Shore Line (NICTD)**	South Bend, IN (St. Joseph Co.)	Randolph	8	12	20	0	4	0	0	0	58	148.9	90.1
Electric District Main Line	University Heights, OH (Will Co.)	Randolph	34	0	34	0	13					86.0	31.5

Blue Island Branch	Blue Island, IL (Cook Co.)	Randolph	7	0	7	0	0					50	4.4
So. Chicago Branch	Chicago, IL (Cook Co.)	Randolph	8	0	8	0	2					113	4.7
Total***			49	0	49	0	15	0	0	0	165	162.3	40.6
Heritage Corridor	Joliet, IL (Will Co.)	CUS	6	0	6	0	5	3	9	4	0	780	37.2
Milwaukee District North	Fox Lake, IL (Lake Co.)	CUS	21	0	21	4	14					970	49.5
West	Elgin, IL (Kane Co.)	CUS	23	0	23	4	14					960	39.8
Total**			42	0	42	8	28	27	100	47	0	1796	83.9
North Central Service	Antioch, IL (Lake Co.)	CUS	14	0	14	0	14	4	21	3	0	607	52.8
SouthWest Service	Orland Park, IL (Cook Co.)	CUS	10	0	10	0	9	4	18	4	0	445	28.9
Rock Island Main Line	Joliet, IL (Will Co.)	LaSalle St.	14	0	14	3	10					840	40.2
Beverly Branch	Blue Island, IL (Cook Co.)	LaSalle St.	12	0	12	6	2					133	6.6
Total***			25	0	25	9	12	16	71	29	0	971	46.8
System Totals***			228	13	241	33	125	130	602	178	223	1,189.4	545.8

*CUS—Chicago Union Station

**OTC—Ogilvie Transportation Center

**South Shore Line service to South Bend, Ind., is operated by the Northern Indiana Commuter Transportation District, using Metra Electric District tracks from downtown to 115th Street in Chicago. Metra contributes 21% of South Shore Line operating costs, based on the number of Illinois residents who use this service.

***Totals adjusted to avoid double-counting.

Operating & Service Characteristics

Carrier/Line	Revenue Trains			Train Miles Jul 01-Jun 02	Car Miles Jul 01-Jun 02	Scheduled Speeds			On-Time Performance	
	Weekday	Sat	Sun/Hol			Weekday Peak	Weekday Off-Peak	Weekend/Holiday	2001 Average	Jan-Jun 02 Average
Burlington Northern Santa Fe	54	28	18	948,334	6,745,825	36.0	28.6	29.7	96.1%	94.6%
Union Pacific										
North	52	22	16	666,844	3,665,940	31.0	27.5	27.7	98.0%	98.3%
Northwest	53	27	15	921,235	5,950,657	34.3	30.4	32.0	97.7%	98.0%
West	59	20	14	541,706	3,316,554	31.8	31.1	31.1	95.3%	95.2%
Total	164	69	45	2,149,785	12,953,151				97.0%	97.2%
South Shore Line (100%)	41	21	21	748,742	3,440,173	35.3	35.8	38.1	87.3%	92.8%
Electric District										
Main Line	79	46	20	723,885	3,350,454	32.4	29.7	29.3	97.9%	98.0%
Blue Island	37	30	0	151,697	322,943	24.1	23.5	23.2	98.5%	98.9%
So. Chicago	54	48	20	226,547	648,335	19.4	16.7	18.0	98.9%	99.1%
Total	170	124	40	1,102,129	4,321,732				98.4%	98.6%
Heritage Corridor	6	0	0	56,547	226,483	35.0	—	—	92.1%	92.7%
Milwaukee District										
North	58	20	18	750,843	4,159,474	33.4	32.4	32.5	93.7%	92.2%
West	58	26	18	656,439	4,533,937	31.0	27.9	31.9	95.3%	96.2%
Total	116	46	36	1,357,282	8,693,411				94.5%	94.3%
North Central										

Service	10	0	0	134068	6/1240	36.9	36.8	—	90.7%	87.6%
SouthWest Service	16	0	0	128540	102/038	2/0	25.9	—	93.0%	93.8%
Rock Island District	58	20	16	658085	425/2271	29.2	26.7	30.1	98.0%	98.3%
System Totals	705	308	176	735352	424/1324	320	28.2	28.7	96.2%	96.4%

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[illegible]

Ridership Related Statistics – July 2001 - June 2002

Carrier/Line	Passenger Loads (conductor counts)								Annual Passenger Trips	Annual Passenger Miles	Annual Passenger Revenue*	Avg Rev Per Passenger Trip	Avg Trip Length (miles)
	Weekday Averages					Avg Saturday	Avg Sunday	Avg Week					
	Peak	Reverse	Midday	Evening	Total								
Burlington Northern Santa Fe	46,100	2,000	5,600	3,900	57,700	9,800	5,500	303,800	14,903,100	332,976,500	\$36,522,800	\$2.45	22.3
Union Pacific													
North	19,300	3,600	3,100	2,200	28,300	8,000	4,800	154,300	5,493,900	170,140,600	20,253,500	\$2.39	20.0
Northwest	29,300	2,400	3,900	2,000	37,600	8,200	5,300	201,500	5,229,400	231,128,000	24,141,600	\$2.62	25.0
West	23,400	1,000	2,500	1,500	28,400	5,700	3,500	151,200	5,902,400	151,288,900	16,452,000	\$2.38	21.9
Total	72,000	7,000	9,500	5,700	94,300	21,900	13,600	507,000	24,625,700	552,557,500	60,859,100	\$2.47	22.4
South Shore (NCTD)	10,300	300	1,900	800	13,200	3,800	2,600	72,400	3,890,400	11,428,500	13,900,600	\$3.57	29.4
Electric District													
Main Line	26,800	500	3,500	1,800	32,600	5,500	2,500	171,000	10,324,300	203,308,600	23,557,300	\$2.28	19.7
Bue Island	2,300	100	300	100	2,800	500	0	14,500	300,200	5,205,600	663,600	\$2.21	17.3
So Chicago	6,000	300	1,200	500	7,900	2,200	700	42,400	1,232,500	3,675,700	1,791,000	\$1.45	11.1
Total	35,100	900	5,000	2,400	43,300	8,200	3,200	227,900	11,857,000	222,191,900	26,011,900	\$2.19	18.7
Heritage Corridor	2,300	0	0	0	2,300	0	0	11,500	567,100	5,679,500	1,484,800	\$2.62	26.6
Milwaukee District													
North	16,700	1,700	2,300	1,600	22,300	3,800	2,300	117,600	5,710,800	162,675,600	17,558,700	\$2.62	24.2
West	17,500	1,000	2,300	1,000	21,800	4,200	2,600	115,800	5,383,800	149,096,800	16,097,900	\$2.52	23.3
Total	34,200	2,700	4,600	2,600	44,100	8,000	4,900	233,400	11,094,600	311,772,400	33,656,600	\$2.57	23.8
North Central Service	4,100	40	100	0	4,300	0	0	21,500	973,900	29,467,100	287,6800	\$2.95	30.3
SouthWest Service	6,200	30	400	100	6,700	0	0	33,500	1,530,900	29,207,600	3,451,100	\$2.25	19.1
Rock Island District	31,500	400	3,200	1,000	36,000	2,800	1,800	184,600	5,486,100	189,665,700	21,776,900	\$2.30	19.9
System Totals**	241,600	13,400	30,400	16,400	301,800	54,500	31,700	1,595,600	80,930,900	1,796,602,600	\$200,550,000	\$2.48	22.2

*Note: Values rounded to nearest 100. Values less than 50 rounded to nearest 10.

**Includes proceeds from 5% Capital Forebox Financing Program.

Ticket Sales by Ticket Type • July 2001 - June 2002

Carrier/Line	Monthly	25-Ride	Ten-Ride	Regular One-Way	Conductor One-Way	Weekend	Link-Up	PlusBus
Burlington								
Northern								
Santa Fe	222,900	N/A	352,700	822,900	479,500	184,100	11,700	7,100
Union Pacific								
North	100,500	N/A	261,600	540,100	613,100	164,000		
Northwest	120,000	N/A	224,000	727,000	662,900	176,000		
West	95,400	N/A	165,100	469,900	381,100	117,900		
Total	315,900	N/A	650,700	1,737,000	1,657,100	457,900	11,700	3,300
South Shore (NICTD)	53,100	14,100	23,200	556,800	472,400	N/A	N/A	N/A
Electric District								
Main Line	149,000	N/A	203,200	1,033,800	607,400	86,700		
Blue Island	4,700	N/A	4,900	25,000	17,600	1,900		
So Chicago	16,500	N/A	25,900	191,500	73,900	400		
Total	170,200	N/A	234,100	1,250,300	698,900	89,000	10,200	1,100
Heritage Corridor	9,900	N/A	10,700	19,100	14,800	N/A	**	**
Milwaukee District								
North	87,100	N/A	181,700	415,900	439,600	116,700		
West	90,800	N/A	134,600	407,100	442,200	118,000		
Total	177,900	N/A	316,400	823,000	881,900	234,700	8,800	1,900
North Central Service	15,200	N/A	19,800	39,900	90,000	1,200	200	100
SouthWest Service	26,900	N/A	26,100	45,500	64,500	500	**	**
Rock Island District	149,600	N/A	205,000	525,200	311,100	68,300	7,700	400
System Totals	1,141,800	14,100	1,838,600	5,819,700	4,670,100	1,035,700	50,400	13,900
**Included with Milwaukee District sales								
N/A: Not Available								

travel between designated fare zones, which are set at five-mile intervals beginning at each rail line's downtown Chicago terminal. The zone system does not apply to the South Shore fares, which are set by the Northern Indiana Commuter Transportation District (NICTD).

A base fare is charged for travel within a zone and increments are added as zone boundaries are crossed. The present base fare is \$1.85, and the incremental charge is \$0.40 for most zones.

Within the general structure of zones and one-way fares, an assortment of ticket forms and purchasing methods is designed to allow maximum flexibility in the use of Metra services. Most customers pay their fares prior to boarding, using either a time-limited ticket (i.e., monthly or weekend) or a trip-limited ticket (i.e., one-way or ten-ride). Riders can also purchase their transportation while on board a train, although a \$2 service charge is assessed if a ticket agent was on duty at the time and place of boarding. Tickets can be bought over the counter at stations staffed by agents, by mail (monthly and ten-ride tickets only), from vending machines on the Metra Electric District lines, or by the internet (monthly and ten-ride). The table below is a presentation of the pricing formula associated with each ticket form and other features of rail tickets.

Fares are also classified as full-fare or reduced. Riders eligible for reduced fares include elderly and mobility limited persons who are in possession of an RTA Special

(high school age and below, traveling to and from school) and military personnel traveling in uniform. Children under the age of 7 travel free if accompanied by a fare-paying adult passenger.

With their substantial price incentive, and the convenience of an unlimited ride "flash" ticket, monthly tickets account for about 61% of all passenger trips. The full-fare ten-ride ticket is priced at a 15% discount relative to an equivalent one-way rate and accounts for nearly 24% of all passenger trips.

Following are other features of Metra's pricing structure: The Regional Rail Ticket Program allows holders of monthly or ten-ride tickets to travel on any other Metra line (except the South Shore). However, travel beyond the fare zone limits of the ticket involves a surcharge of \$1 for the first zone and \$.50 for each additional zone line crossed.

Several fare programs are available to riders transferring between Metra and services provided by CTA and Pace. The \$36 LINK-UP STICKER affixes to Metra monthly tickets and is accepted on peak-period CTA service and most Pace routes. A \$1 shuttle fare for selected downtown CTA bus routes is available to commuters during morning and afternoon rush hours. Pace offers a \$30 monthly PLUSBUS STICKER, which allows unlimited use of the Pace System for monthly Metra ticket holders. Metra provides financial support to all three programs.

Fare Structure

Metra Ticket Pricing Formula

Ticket Type	Period of Validity	Number of Rides	Pricing Basis
Monthly*	Calendar Month	Unlimited	27.0 times one-way fare
Ten-Ride*	One Year	Ten	8.5 times one-way fare
One-Way*	One Year	One	Base fare plus increments
Weekend	Saturday/Sunday	Unlimited	Flat rate - \$5

*These ticket types are offered at a reduced rate to senior citizens, persons with disabilities, children and students through high school traveling to and from school. Military personnel in uniform are entitled to reduced one-way ticket rates.

Adult Fare Schedule

(Effective June 1, 2002)

ZONE															
MILES	TICKET	A	B	C	D	E	F	G	H	I		K	L		M
	Monthly	49.95													
A	Ten-Ride	15.75													

D	Ten-Ride	16.50	14.50	10.00	9.00								
	One-Way	.65	1.45	.00	0.90								
	Monthly	69.40	61.90	54.40	37.50	33.75							
E	Ten-Ride	18.50	16.50	14.50	10.00	9.00							
	One-Way	.85	1.65	.45	1.00	0.90							
	Monthly	78.90	69.40	61.90	54.40	37.50	33.75						
F	Ten-Ride	20.50	18.50	16.50	14.50	10.00	9.00						
	One-Way	2.05	1.85	.65	1.45	.00	0.90						
	Monthly	84.40	78.90	69.40	61.90	54.40	37.50	33.75					
G	Ten-Ride	22.50	20.50	18.50	16.50	14.50	10.00	9.00					
	One-Way	2.25	2.05	.85	1.65	.45	1.00	0.90					
	Monthly	91.90	84.40	78.90	69.40	61.90	54.40	37.50	33.75				
H	Ten-Ride	24.50	22.50	20.50	18.50	16.50	14.50	10.00	9.00				
	One-Way	2.45	2.25	2.05	1.85	.65	1.45	.00	0.90				
	Monthly	99.40	91.90	84.40	78.90	69.40	61.90	54.40	37.50	33.75			
I	Ten-Ride	26.50	24.50	22.50	20.50	18.50	16.50	14.50	10.00	9.00			
	One-Way	2.65	2.45	2.25	2.05	.85	1.65	.45	1.00	0.90			
	Monthly	106.90	99.40	91.90	84.40	78.90	69.40	61.90	54.40	37.50	33.75		
J	Ten-Ride	28.50	26.50	24.50	22.50	20.50	18.50	16.50	14.50	10.00	9.00		
	One-Way	2.85	2.65	2.45	2.25	2.05	1.85	.65	1.45	1.00	0.90		
	Monthly	114.40	106.90	99.40	91.90	84.40	78.90	69.40	61.90	54.40	37.50	33.75	
K	Ten-Ride	30.50	28.50	26.50	24.50	22.50	20.50	18.50	16.50	14.50	10.00	9.00	
	One-Way	3.05	2.85	2.65	2.45	2.25	2.05	.85	1.65	1.45	1.00	0.90	
	Monthly	121.90	114.40	106.90	99.40	91.90	84.40	78.90	69.40	61.90	54.40	37.50	33.75
L	Ten-Ride	32.50	30.50	28.50	26.50	24.50	22.50	20.50	18.50	16.50	14.50	10.00	9.00
	One-Way	3.25	3.05	2.85	2.65	2.45	2.25	2.05	1.85	1.65	1.45	1.00	0.90
	Monthly	129.40	121.90	114.40	106.90	99.40	91.90	84.40	78.90	69.40	61.90	54.40	37.50
M	Ten-Ride	34.50	32.50	30.50	28.50	26.50	24.50	22.50	20.50	18.50	16.50	14.50	10.00
	One-Way	3.45	3.25	3.05	2.85	2.65	2.45	2.25	2.05	1.85	1.65	1.45	1.00
	Monthly	136.90	129.40	121.90	114.40	106.90	99.40	91.90	84.40	78.90	69.40	61.90	54.40

Deviations from Previously Adopted RTA Three-Year Program

(Fiscal Years 2002-2004)

Section 3B.10 of the Regional Transportation Authority Act (as amended November 9, 1983) requires that the proposed One-Year Commuter Rail Program address any deviations from the RTA's previously adopted Three-Year Program. Differences in projections for Fiscal Year 2003 are in the following table. Minor differences are not addressed.

Fiscal Year 2003 Projections

Program Category	As Adopted in RTA's Three Year Program (2002-2004)	As Currently Proposed	Remarks
------------------	--	--------------------------	---------

Passenger Revenue	\$201,668,000	\$189,358,000	The proposed revenue projection is reduced \$12.3 million from the prior Plan. Due to the severity of the economic downturn, ridership has declined rather than grown as projected.
Other Revenue	\$53,667,000	\$53,257,000	Investment income is projected to continue trending lower due to low interest rates. Capital credits are projected to grow moderately.
Total Expense	\$468,701,000	\$458,674,000	The proposed expense projection is reduced \$10.0 million from the prior Plan. Expense is projected to be rigidly controlled in response to lower revenue projections.

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Passenger Revenue	\$79,161,695	\$86,750,783	\$83,080,091	\$81,129,249	\$79,013,401	\$77,776,167	\$76,161,205	\$74,786,630	\$74,487,961	
Other Revenue	19,110,009	20,105,512	20,246,434	21,422,845	21,301,528	20,035,943	21,465,630	21,544,153	19,557,361	242,615,329
Total Revenue	17,566,000	17,054,000	19,320,000	20,222,000	20,710,000	21,401,000	20,892,000	19,039,000	20,085,000	240,717,000
Operating Expenses	12,014,000	0	0	0	0	0	0	0	0	12,014,000
Capital Expenses	74,1088	704,580	750,725	656,674	627,959	770,922	655,503	657,389	751,575	9,420,052
Total Expenses	14,665,453	14,665,453	14,665,453	14,665,453	14,665,453	14,665,453	14,665,453	14,665,453	14,665,453	192,465,733
Operating Income	2,664,250	2,664,250	2,664,250	2,664,250	2,664,250	2,664,250	2,664,250	2,664,250	2,664,250	27,510,000
Investment Income	12,350,563	12,350,563	12,350,564	13,415,864	13,415,864	13,415,866	15,564,318	15,564,319	15,564,321	166,150,717
Total Income	\$78,912,363	\$67,555,368	\$69,407,426	\$74,565,636	\$74,972,614	\$74,307,984	\$76,765,704	\$76,453,114	\$74,406,510	\$881,770,831
Operating Expenses	\$39,035,459	\$37,054,234	\$37,505,451	\$39,565,917	\$39,350,281	\$39,040,377	\$39,351,258	\$36,052,761	\$39,766,334	\$459,674,268
Capital Expenses	9,446,725	9,446,725	9,446,725	10,225,775	10,225,775	10,225,775	10,225,775	10,225,775	10,225,775	112,625,000
Total Expenses	5,022,728	5,022,728	5,022,728	5,022,728	5,022,728	5,022,728	5,022,728	5,022,728	5,022,728	69,872,733
Operating Income	1,174,775	1,174,775	1,174,775	1,400,025	1,400,025	1,400,025	1,400,025	1,400,025	1,400,025	16,535,000
Investment Income	105,850	105,850	105,850	227,150	227,150	227,150	227,150	227,150	227,150	2,470,000
Total Income	1,134,270	1,134,270	1,134,270	1,134,270	1,134,270	1,134,271	1,134,271	1,134,271	1,134,271	13,611,244
Operating Expenses	872,550	872,550	872,550	1,066,450	1,066,450	1,066,450	1,066,450	1,066,450	1,066,450	11,634,000
Capital Expenses	945,775	945,775	945,775	1,033,725	1,033,725	1,033,725	1,033,725	1,033,725	1,033,725	11,277,000
Total Expenses	401,625	401,625	401,625	490,875	490,875	490,875	490,875	490,875	490,875	5,355,000
Operating Income	2,355,560	2,355,560	2,355,560	2,715,119	2,715,119	2,715,119	3,305,527	3,305,527	3,305,528	32,121,508
Investment Income	1,052,272	1,052,272	1,052,272	1,572,727	1,572,727	1,572,728	2,892,727	2,892,728	2,892,728	14,483,182
Total Income	7,224,986	7,224,986	7,224,986	7,275,723	7,275,723	7,275,723	7,275,723	7,275,723	7,275,723	99,146,783
Operating Expenses	3,780,000	3,780,000	3,780,000	4,620,000	4,620,000	4,620,000	4,620,000	4,620,000	4,620,000	50,400,000
Capital Expenses	\$71,422,275	\$71,422,275	\$71,422,275	\$76,681,404	\$76,164,948	\$75,022,946	\$78,140,279	\$76,751,783	\$79,685,358	\$896,912,718
Total Expenses	7,405,088	(3,662,692)	(958,942)	(2,115,940)	(2,337,234)	(514,962)	(474,575)	(298,669)	(5,278,940)	(15,133,097)
Total Income	\$86,750,783	\$83,080,091	\$81,129,249	\$79,013,401	\$77,776,167	\$76,161,205	\$74,786,630	\$74,487,961	\$74,406,510	\$881,770,831

ing is completed and/or responses to requests for construction proposals are received.

METRA - METROPOLITAN RAIL 2003 PROJECTED CASH FLOW SUMMARY			
	JANUARY	FEBRUARY	MARCH
BEGINNING BALANCE December 31, 2002	\$94,545,000	\$90,708,617	\$77,626,893
OPENING BALANCE LINE			
SOURCE OF FUNDS:			
OPERATING REVENUE	19,757,330	13,430,689	19,304,885
PUBLIC FUNDING -			
2003 BUDGET	19,591,000	19,545,000	24,434,000
PUBLIC FUNDING -			
2002 FUNDING POLICY	0	0	0
CAPITAL PAREBOX PROCEEDS	767,492	716,684	725,461
FTA CAPITAL GRANTS	14,265,452	14,265,452	14,265,452
FTA SHARE,			
IDOT CAPITAL GRANTS	2,063,250	2,063,250	2,063,250
(IDOT SHARE/OTHER)			
RTA CAPITAL GRANTS	14,616,825	14,616,825	14,616,825
(RTA SHARE/100%)			
TOTAL SOURCE OF FUNDS	\$70,505,349	\$69,649,900	\$74,971,873
USE OF FUNDS			
OPERATING EXPENSE	\$39,027,655	\$37,855,547	\$33,204,994
FTALOCAL SHARE	9,446,725	9,446,725	9,446,725
PROJ FTA SHARE			
FTALOCAL SHARE PRO,	5,822,737	5,822,737	5,822,737
FTA SHARE NEW START			
FTALOCAL SHARE PRO,	1,117,475	1,117,475	1,117,475
IDOT SHARE			
FTALOCAL SHARE PRO, RTA SHARE	105,850	105,850	105,850
FTALOCAL SHARE PRO,			
RTA SHARE BONDS NEW START	1,154,270	1,154,270	1,154,270
FTALOCAL SHARE PRO,			
METRA SHARE	872,550	872,550	872,550
100% IDOT FUNDED PROJECTS	845,775	845,775	845,775
100% RTA FUNDED PROJECTS	401,625	401,625	401,625
DISCRETIONARY			
100% RTA FUNDED PROJECTS	2,282,963	2,282,963	2,282,963
BONDS FIRST A			
100% RTA FUNDED PROJECTS	0	0	0
BONDS REISSUED			
100% RTA FUNDED PROJECTS	10,612,117	10,612,117	10,612,117
BONDS SCIP II BONDS A			
100% METRA FUNDED PROJECTS	3,789,000	3,789,000	3,789,000
TOTAL USE OF FUNDS	\$74,059,732	\$72,211,624	\$73,287,071
NET CHANGE	(3,554,383)	(3,161,724)	1,654,802
ENDING BALANCE	\$90,708,617	\$77,626,893	\$79,281,695
Projected expenditures of RTA/SCIP bonds are subject to revision after final engine			

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Ordinance

Commuter Rail Board, Ordinance No. MET 02-34

Commuter Rail Board
Ordinance No. MET 02-34

This proposed budget and financial plan is submitted to comply with Section 4.11 of the RTA Act. The following 2003 Operating and Capital Program and Budget is based upon the funding estimates provided by the Regional Transportation Authority.

WHEREAS, the Board of Directors of the Commuter Rail Division of the Regional Transportation Authority has prepared and distributed a Preliminary 2003 Operating and Capital Program and Budget, and

WHEREAS, the Commuter Rail Board has held at least one public hearing in each of the counties in the metropolitan region in which the Division provides service, and

WHEREAS, the Commuter Rail Board has held at least one meeting for consideration of the program and budget with the county board of each of the several counties in the metropolitan region, and

WHEREAS, the RTA Board has advised the Commuter Rail Board of funding estimates;

NOW, THEREFORE, BE IT ORDAINED THAT:

1. The Board of Directors of the Commuter Rail Division of the Regional Transportation Authority ("Commuter Rail Division") hereby approves the 2003 Operating and Capital Program and Budget, the 2004-2005 Financial Plan, and the 2004-2007 Capital Program, a copy of which is attached hereto and made a part hereof, and further authorizes its transmittal to the Board of Directors of the Regional Transportation Authority ("Authority") in full compliance with Section 4.11 of the RTA Act, as amended.
2. The Chairman of the Commuter Rail Division and, at the Chairman's designation, the Executive Director of the Commuter Rail Division are hereby authorized and directed to take such action as they deem necessary or appropriate to implement, administer, and enforce this Ordinance.
3. This Section shall constitute the annual program of the Commuter Rail Division for services to be provided, operations to be continued

or begun, and capital projects to be continued or begun during the fiscal year beginning January 1, 2003 and ending December 31, 2003. Authorization is hereby given that the programs and projects herein named may be implemented, or actions toward their implementation taken, during said fiscal year.

4. Sections 5 through 7 of this Ordinance shall constitute the Budget for operations of the services ("Operations") provided by the Commuter Rail Division other than for capital projects as provided in Section 8 through 10 of this Ordinance for the fiscal year beginning January 1, 2003 and ending December 31, 2003. Sections 8 through 10 of this Ordinance shall constitute the capital budget for project expenditures incurred during the fiscal year beginning January 1, 2003 and ending December 31, 2003.

5. The estimated Commuter Rail Division revenues expected to be available from all sources during 2003 are (In 000's):

2003 System Generated Revenues	\$242,615
2003 Metra Sales Tax	<u>216,059</u>
Total Sources of Operating Funds	\$458,674

November 2002

6. The following named sums, or so much as may be necessary, are hereby appropriated for the specified use (In 000's):

Operating Commuter Rail Services and Support	\$458,674
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7. The following are estimates of the revenues and expenses for the Commuter Railroads (In 000's):

Operating Revenues	\$242,615
Operating Expenses	<u>458,674</u>
Total Funded Deficit	\$216,059

8. The following named sum, or so much thereof as may be necessary, respectively, for technical studies and capital projects which remain unexpended as of December 31, 2002, is hereby reappropriated to meet all obligations of the Commuter Rail Division incurred during the fiscal year beginning January 1, 2003 and ending December 31, 2003 (In 000's).

Total Estimated Cost of Continuation Projects:	\$886,301
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9. The estimated Commuter Rail Division Capital Funds expected to be available from all sources to finance the 2003 Capital Program are (In 000's):

Federal Transit Administration	\$172,672
Regional Transportation Authority	
SCIP Bonds (Illinois FIRST)	120,521
RTA Bonds	7,696
RTA Bonds (Reissued)	<u>24,770</u>
RTA Subtotal	152,987
Illinois Department of Transportation	33,564

Metra

Sales Tax	25,556
FY 2003 Farebox Capital	9,428
Reobligation of Prior Years' Funds	<u>713</u>
Metra Subtotal	35,697

Total Sources of 2003 Capital Funds \$394,920

10. The following named sum, or so much thereof as may be necessary, respectively, for technical studies and capital projects are hereby appropriated to meet all obligations of the Commuter Rail Division incurred during the fiscal year beginning January 1, 2003 and ending December 31, 2003 (In 000's):

Rolling Stock	\$ 166,245
Track & Structure	62,711
Signal, Electrical & Communications	30,580
Support Facilities & Equipment	21,330
CMAQ Projects	16,316
Stations & Parking	25,983
Acquisitions, Extensions & Expansions	59,600
Miscellaneous	<u>12,155</u>
Total Uses of 2003 Capital Funds	\$394,920

Public Hearings

The legal notice of the 2002 public hearings was published in the Chicago Sun-Times on October 18, 2002. The legal notice also appeared in the following local newspapers, Northwest Herald (Crystal Lake), Herald News (Joliet), Courier News (Elgin), and News Sun (Waukegan).

The Commuter Rail Division of the Regional Transportation Authority (Metra) held public hearings on its proposed Operating and Capital Program and Budget for Fiscal Year 2003 (January 1, 2003 to December 31, 2003). Listed at right are the dates, times, and locations of the Public Hearings.

Suburban Cook - (North)

Wednesday, November 6, 2002 • 4:00 - 7:00 P.M.
Arlington Heights Village Hall
Buechner Room
33 S. Arlington Heights Road
Arlington Heights, Illinois

Chicago

Wednesday, November 6, 2002 • 4:00 - 7:00 P.M.
Metra 13th Floor Board Room
547 W. Jackson Blvd.
Chicago, Illinois

DuPage County

Thursday, November 7, 2002 • 4:00 - 7:00 P.M.
Village of Clarendon Hills
Village Board Room
1 N. Prospect Avenue
Clarendon Hills, Illinois

Kane County

Wednesday, November 6, 2002 • 4:00 - 7:00 P.M.
Kane County Government Center
Bldg. A, Auditorium
719 Batavia
Geneva, Illinois

McHenry County

Wednesday, November 6, 2002 • 4:00 - 7:00 P.M.
McHenry County Court House
Room B-170
2200 N. Seminary Avenue
Woodstock, Illinois

Will County

Thursday, November 7, 2002 • 4:00 - 7:00 P.M.
Joliet Municipal Building
1st Floor
East Wing Conference Room
150 W. Jefferson Street
Joliet, Illinois

Lake County

Thursday, November 7, 2002 • 4:00 - 7:00 P.M.
College of Lake County Grayslake Campus
Room C131
19351 West Washington Street
Grayslake, Illinois

Suburban Cook - (South)

Thursday, November 7, 2002 • 4:00 - 7:00 P.M.
Oak Lawn Village Hall
Municipal Center Auditorium
9446 S. Raymond
Oak Lawn, Illinois

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