



# Suburban Service Budget and Regional ADA Paratransit Budget

2009 Operating and Capital Program

2009 - 2018 Financial Business Plan for Operations

2009 - 2018 Capital Business Plan

Final Program • November 2008  
SERVING NORTHEASTERN ILLINOIS SINCE 1984



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## Chairman's Message

To our stakeholders—the riders, residents and officials of northeastern Illinois:

I am pleased to present to you the first Pace budget since 2003 that is balanced based on the RTA funding available. This was made possible by the passage in January, 2008 of Public Act 95-0708. The legislation represents the culmination of a multi-year effort to reform the RTA and resolve the transit financial crisis which had been worsening for years. As a result of the new legislation, the RTA Board has expanded representation from our suburban service area and a mandate to reform its planning and financial oversight of the region's three Service Boards—Pace, Metra and CTA. Pace welcomes the reforms and is grateful to the State Legislature, the Governor and the taxpayers for their confidence in our agency as represented by their increased public support.

The new legislation provides Pace with the resources needed to maintain its best services and fund opportunities for further improvements. A key result is that with the closure of what would have been a \$57 million budget deficit in 2009, Pace is now able to use all federal capital funding to address capital infrastructure repair and replacement—something that has not been possible since 2003. The budget contained in this document includes a \$43.3 million program of capital improvements for 2009, most of it directed at purchasing 165 sorely needed new transit vehicles.

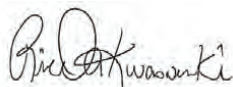
For the Regional ADA Paratransit program, the financial situation is much improved as well. We now have a dedicated source of funding of \$100 million (2008) for the program. In addition, the State Legislature has allowed the RTA some flexibility in meeting the 10% ADA recovery ratio.

While our financial situation has vastly improved, we continue to face challenges as we look to the future. The record high price of fuel has wreaked havoc on the budget, draining resources we had hoped would be available for further service improvements. Fuel costs alone have risen \$16 million since 2006. The economy is weak at best and the RTA projects sales tax results will be unfavorable in 2008 and decline (for Pace) into 2009. Another serious challenge is posed by rising ADA paratransit costs which are projected to exceed available funding by as early as 2010.

We will meet these challenges head on, identify corrective actions—many of which are included in this budget—and continue to build a sound future for suburban transit services.

Please take this opportunity to review our 2009 Budget and Program. We would welcome your comments at any of the 13 public hearings scheduled throughout the region.

Sincerely,



Richard A. Kwasneski  
Chairman

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# Executive Summary

## Budget Highlights

### New Transit Funding

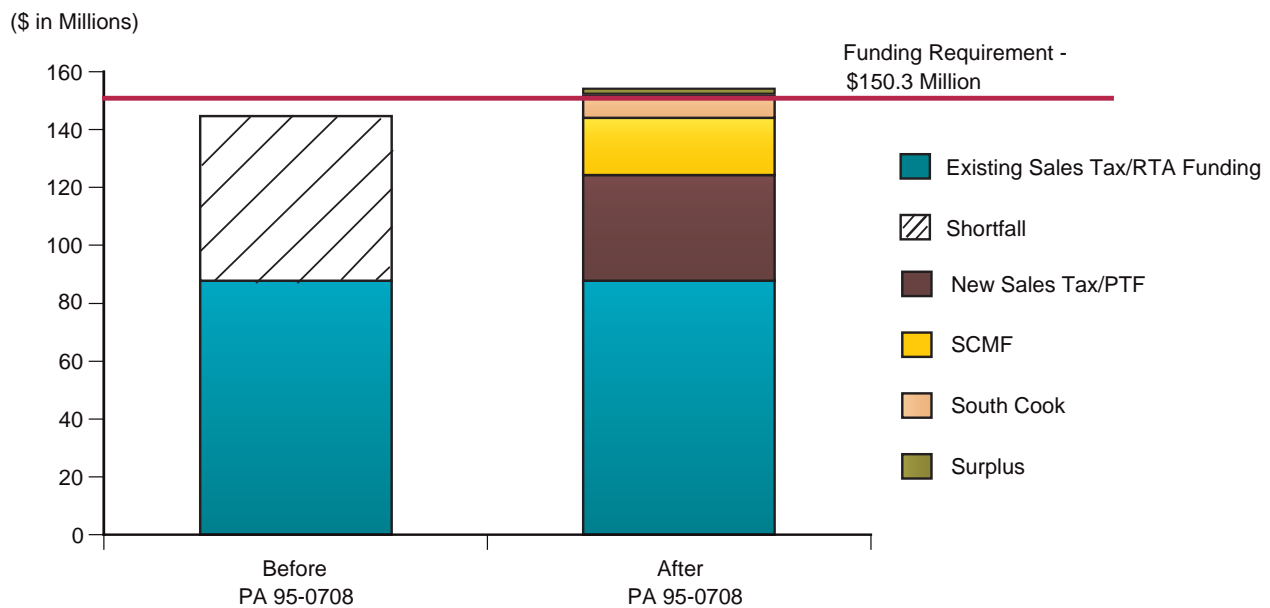
On January 17, 2008, Public Act (PA) 95-0708 was signed into law. The legislative action amended the RTA Act by establishing key RTA reforms and providing additional funding for the RTA and its three Service Boards (Pace, Metra and CTA).

For Pace Suburban Services, the new funding package means that for the first time since 2003, Pace will be able to restore its full allocation of federal dollars to fund much needed capital projects for fleet replacement and facility repairs. In addition, the new funding for Suburban Service operations closes what would have been a \$57 million deficit in 2009 and provides for a modest level (\$7.5 million) of service improvements.

The new funding for Pace Suburban Services operations is comprised of three main elements;

- *New Sales Tax and Public Transportation Funds (PTF) (\$36.4 million)* - The Pace allocation of the additional regional sales tax and PTF established by PA 95-0708 is equal to 13% of the amount available for distribution. (A breakdown of the allocation is shown on page 4).
  - *Suburban Community Mobility Fund (SCMF) (\$19.8 million)* - The fund is intended to support new and existing non-traditional service activities such as demand response, vanpool, reverse commute and others.
  - *South Cook Job Access (\$7.5 million)* - The funding is directed to pay for transit services in South Cook County that support employment opportunities.
- The following graph depicts the dramatic improvement in Pace public funding for 2009.

**Chart A. Suburban Service Funding Outlook Before and After PA 95-0708**



For the ADA Paratransit program, the new legislation provides that \$100 million annually (2008) be earmarked into a reserve fund for the RTA's use in funding the ADA paratransit services operated by Pace. The ADA fund starts at \$100 million in 2008 and adjusts annually based on regional sales tax performance.

### Service Improvements

A key benefit of the new funding package is that it will allow Pace to undertake a number of service improvements in 2009. At this time the budget earmarks a net expenditure of \$7.5 million for improvements. A number of opportunities are being evaluated and specific projects will be approved by the Pace Board on a case by case basis in the near future.

### Financial Stability

While the new funding package provides a great degree of financial stability, it does not mean we can ignore the financial challenges pressing upon us. Record high fuel prices have wreaked havoc on our operating budget—Pace will expend a projected \$29.5 million on fuel in 2009—this represents an increase of 467% or \$25 million since 2002. For the first time in our history, fuel costs are projected to equal all passenger revenues. The long range forecasts included in this document indicate significant shortfalls will occur in the future without corrective action being taken. Pace is developing a comprehensive ten year financial plan to address these challenges.

### Capital Restoration

Due to the increased operating funds from the new funding package, Pace will be able to fully utilize its allocation of Federal 5307 funds totaling \$32.9 million in 2009 for capital projects such as vehicle replacements, equipment purchases and facility improvements. These federal funds had been used to avert service disruptions since 2003 leaving a significant number of deferred capital projects. Federal funding is now restored to the capital budget and the 2009 budget contains \$43.3 million for capital improvements as detailed in this document.



*Wrapped buses provide increased operating revenue to Pace from advertisements.*

### CTA 7-Day/U-Pass/Visitor and Fun Passes

Since the last fare increase in 2001, farebox revenues declined from \$34.4 million to the budgeted level of \$29.7 million for 2009. A major factor in this decline has been due to Pace's acceptance of CTA sold 7-Day/U-Pass and Visitor/Fun passes. While Pace was reimbursed (albeit at a loss) by the RTA for acceptance of these passes for 2005 through 2007, as of the date of this budget document we have received no reimbursement from the RTA for 2008. Pace estimates losses from acceptance of these fare media will exceed \$12.6 million through 2008.

Pace has held numerous meetings with CTA and RTA officials in an effort to resolve the reimbursement issue, to date without success. Unless the matter is resolved, the Pace Board has indicated these CTA fare instruments will no longer be accepted as payment on Pace services effective January 1, 2009.

Should it come to this, it would be unfortunate for the customers that rely on these passes to transfer between systems and inconsistent with the goal of a seamless transit system. However, Pace cannot afford to provide what amounts to free trips to over 20% of its ridership base.

If these passes are no longer accepted on Pace, riders needing to ride both the CTA and Pace may use cash, transit cards or monthly passes.

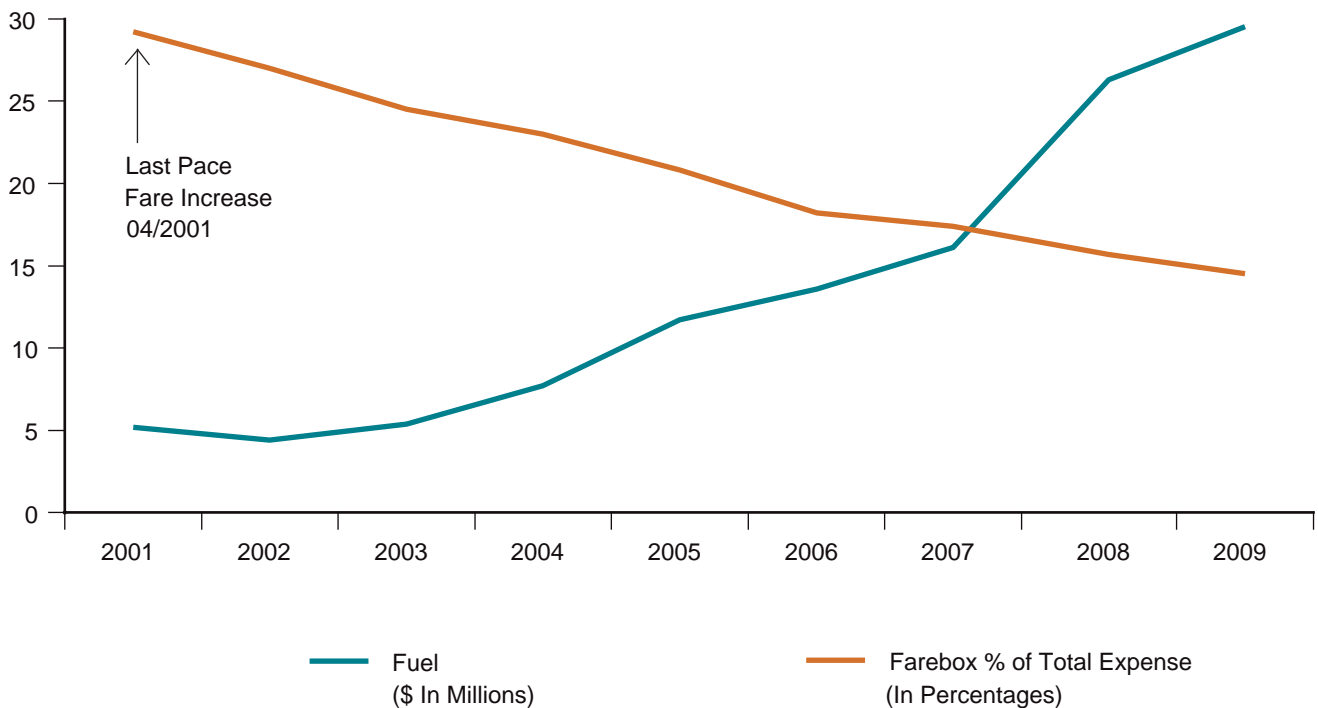
### Fare Increases

The Pace Board is considering a general fare increase of \$.25 (from \$1.50 to \$1.75) for 2009 for the Suburban Services program. The basic regular adult fare has been set at \$1.50 since 2001. Since then rising costs (most notably fuel), inflation and other factors have undermined the contribution to the budget from farebox receipts. In 2001, farebox revenues recovered 29% of total operating expense; for 2009 at current fare levels, that percentage will fall to 14%, less than half the 2001 level.

For 2009, Pace projects to spend \$29.5 million dollars on fuel, an increase of nearly \$16 million since 2006. The fare changes under consideration will generate less than \$3 million annually. While far from offsetting the increase in fuel, the increase, along with Pace's successful efforts to control costs, will help stabilize the recovery ratio and maintain our financial stability.

Pace and its customers are truly fortunate that the legislature took action to provide additional public funding for transit in January, 2008. Transit agencies across the country are facing severe budget shortfalls and resorting to service reductions at a time when public demand for transit is at an all time high due to unaffordable gasoline prices. Pace Suburban Service ridership is up 4.6% in 2008 over 2007, indicating suburban northeastern Illinois area commuters are also looking to transit as an alternative to high fuel prices.

**Chart B. Suburban Service Fuel Costs and Farebox % of Total Expense**



## 2009 Operating Budget Summary

On September 15, 2008, the RTA established funding and recovery rate marks for Pace's traditional Suburban Services budget and the Regional ADA Paratransit program operated by Pace. The RTA Act as amended in 2005 established Pace as the provider of all ADA paratransit service throughout the six county region in north-eastern Illinois, including the City of Chicago.

The status quo expense budget for Suburban Services in 2009 is \$204.597 million. Suburban Services operating revenues are budgeted at \$54.248 million. Total public funding for Suburban Services will reach \$151.502 million based on funding marks provided by the RTA. This funding level will leave an additional \$1.153 million for application to a positive improvement in the Suburban Service fund balance.

The status quo expense budget for the Regional ADA Paratransit program in 2009 is \$107.153 million.

At current levels, ADA paratransit fare revenues do not achieve the 10% farebox recovery ratio requirement established by the RTA Act. The RTA Act was amended in 2008 to allow for an exclusion of private contractor capital expenses, on a basis similar to the federal capital cost of contracting allowances allowed by the FTA. With RTA approval of the exclusion of a portion of these expenses, a 10% recovery ratio can be obtained for 2009.

The ADA paratransit program funding requirement of \$98.595 million is slightly less than the RTA's estimate of available ADA funding of \$98.996 million for 2009. The RTA is required to hold any excess funding in reserve for ADA paratransit services.

Combined total Pace services expenditures will total \$311.750 million for 2009 and are balanced using total system revenues and RTA funding.



*Pace constructed the Harvey Transportation Center in 1999. It is the most heavily used facility in our system.*

**Table 1. 2009 Operating Budget Summary (000's)**

	<b>Suburban Service</b>	<b>Regional ADA Paratransit</b>	<b>Combined Pace Services</b>
Total Operating Expenses	\$ 204,597	\$ 107,153	\$ 311,750
Less: Total Operating Revenue	54,248	8,558	62,806
Funding Requirement	\$ 150,349	\$ 98,595	\$ 248,944
Less: Sales Tax (85% Formula)	\$ 82,288	\$ 0	\$ 82,288
Sales Tax & PTF (PA 95-0708)	36,361	98,595	134,956
RTA Discretionary	3,158	0	3,158
Suburban Community Mobility Funds (SCMF)	19,800	0	19,800
South Suburban Job Access Funds	7,500	0	7,500
Federal CMAQ/JARC/New Freedom Funds	2,395	0	2,395
Total Funding	\$ 151,502	\$ 98,595	\$ 250,097
Net Funding Available	\$ 1,153	\$ 0	\$ 1,153
Recovery Ratio	36.00%	10.00%	N/A



## 2009 Capital Budget Summary

The 2009 Capital Program totals \$43.3 million. The program contains \$31.1 million for the purchase of 37 fixed route buses, 128 suburban dial-a-ride paratransit buses, a federal earmark for the fourth year of bus funding for Oak Park and a Diesel Engine Retrofit Program. Additionally, we have programmed funds for Associated Capital, which is used to purchase bus components, such as engines and transmissions, and funds to help pay for bus overhaul maintenance expenses.

The program contains \$1 million for the purchase of various Traffic Signal Priority projects receiving special federal earmarked funding from the Federal Transit Administration. Corridors include Cermak Road, Cicero Avenue, Rand Road and South Suburban Transit Signal Priority.

The program contains \$9.0 million for Phase IV of the HPe3000 system replacement, replacement of miscellaneous garage equipment, cars and trucks, improvements to facilities including much needed repairs and equipment upgrades to Pace's fixed facility garages as well as Phase I for regional call centers.

Finally, the program contains \$.6 for a Park and Ride expansion in Homewood and funds for passenger amenities, \$1.6 million to initiate an I-GO Car Share Program, funds for unanticipated capital items and project administration.

Table 2 details the projects by asset category and anticipated funding sources.

**Table 2. 2009 Suburban Capital Budget (000's)**

<b>Project Description</b>	<b>Amount</b>
<b>ROLLING STOCK</b>	
37 Fixed Route Buses	\$ 11,470
128 Paratransit Dial-a-Ride Buses	10,240
Buses for Oak Park-Year Four	226
Diesel Engine Retrofit	5,685
Associated Capital	1,500
Bus Overhaul Maintenance Expense	2,000
Subtotal - Rolling Stock	\$ 31,121
<b>ELECTRICAL/SIGNAL/COMMUNICATIONS</b>	
Transit Signal Priority Projects	\$ 1,019
Subtotal - Electrical/Signal/Communications	\$ 1,019
<b>SUPPORT FACILITIES/EQUIPMENT</b>	
Computer Systems	\$ 5,100
Improvements to Garages/Facilities	800
Maintenance/Support Equipment/Vehicles	851
Regional Call Center-Phase I	2,233
Subtotal - Support Facilities/Equipment	\$ 8,984
<b>STATIONS AND PASSENGER FACILITIES</b>	
Homewood Park and Ride	\$ 500
Passenger Amenities	100
Subtotal - Stations and Passenger Facilities	\$ 600
<b>PROJECT ADMINISTRATION/MISCELLANEOUS</b>	
I-GO Car Share Program	\$ 1,000
Unanticipated Capital	250
Project Administration	350
Subtotal - Project Administration/Misc.	\$ 1,600
<b>Total Capital Program</b>	<b>\$ 43,324</b>
<b>TOTAL FUNDING</b>	
Federal 5307	\$ 32,900
Federal 5309	1,256
Federal CMAQ	5,548
JARC/New Freedom	1,786
Pace Funds	1,834
<b>Total Funding</b>	<b>\$ 43,324</b>



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

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**PACE**

**Illinois**

For the Fiscal Year Beginning

**January 1, 2008**

Handwritten signature of Charles S. Cox in cursive.

President

Handwritten signature of Jeffrey R. Egan in cursive.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to Pace Suburban Bus for its annual budget for the fiscal year beginning January 1, 2008.

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

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

# 2009 Suburban Service Operating Budget

## Summary

The 2009 Suburban Service program summarized below and detailed throughout this section reflects a base (status quo) program along with a \$7.5 million expansion to begin next year. The service expansion is made possible from the new funding available from the State Legislature's action earlier this year. The accompanying table shows total operating expenses of \$204.597 million for 2009, including new initiatives, which will be offset by \$54.248 million in operating revenue. The remaining funding requirement of \$150.349 million will be covered by \$82.288 million in RTA sales tax funding provided under the original (85%) funding formula. Under the new funding provision (PA 95-0708), Pace will also receive \$36.361 million of additional sales tax and PTF funding. The RTA will also provide \$3.158 million in discretionary funding. The new funding provision also contains additional funding sources titled Suburban Community Mobility Funds (SCMF) and South Suburban Job Access Funds which have been earmarked for suburban services. Pace will receive \$19.800 million and \$7.500 million from these funding sources respectively. Pace will also receive \$2.395 million in federal operating grant funds from the Congestion Mitigation Air Quality (CMAQ) program; the Job Access Reverse Commute

(JARC) program; and the New Freedom funding program. After meeting 2009 funding requirements, Pace expects a slight positive balance which will be available to help offset a projected funding shortfall for 2008.

The shortfall in 2008 is the combination of declining revenues and the significant rise in fuel costs. Both elements will finish unfavorable to budget for 2008. The revenue decline is due to an unexpected loss in funding of the state half-fare reimbursement program and the elimination of reimbursement from the RTA for use of the CTA 7-day pass on the Pace system. On the expense side, fuel prices have skyrocketed and Pace projects fuel costs to run over budget by \$8.3 million in 2008.

The 2009 Suburban Service budget is balanced to both the funding and recovery marks set for Pace by the RTA. The program will achieve a 36.0% recovery ratio next year however, will do so using credits and allowances authorized by the RTA.

A detailed review of the 2009 Suburban Service operating program is presented in this section.

**Table 3. 2009 Suburban Service Operating Budget Summary (000's)**

	2007 Actual	2008 Estimate	2009 Budget
Total Operating Expenses	\$ 162,510	\$ 184,151	\$ 204,597
Less: Total Operating Revenue	56,153	52,082	54,248
Funding Requirement	\$ 106,357	\$ 132,069	\$ 150,349
Less: Sales Tax (85% Formula)	\$ 81,232	\$ 82,889	\$ 82,288
Sales Tax & PTF (PA 95-0708)	0	15,413	36,361
RTA Discretionary	6,960	4,139	3,158
Suburban Community Mobility Funds (SCMF)	0	20,000	19,800
South Suburban Job Access Funds	0	3,750	7,500
Federal CMAQ/JARC/New Freedom Funds	1,645	2,459	2,395
Federal 5307 Funds	22,585	0	0
Total Funding	\$ 112,422	\$ 128,650	\$ 151,502
Net Funding Available	\$ 6,065	\$ (3,419)	\$ 1,153
Recovery Ratio	36.00%	36.00%	36.00%

## Source of Funds

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

As a result, Pace’s public funding mix has been significantly revamped. In order to put the public funding environment in perspective we will segregate the elements into two main categories—Part I or old funding (pre-2008 funding reform) and Part II or the new funding element resulting from the January, 2008 legislative funding reform. The main sources of funding for both the old and new funding packages are the same—a regional sales tax and a state sales tax matching grant from the Public Transportation Fund (PTF). It is important to understand that the new funding is in addition to the old funding basis and the two taken together comprise total public funding available.

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

### Funding Sources - Part I (see Page 10 for Part II)

#### Sales Tax

Section 4.03(e) of the RTA Act allows the RTA to impose a 1% sales tax in Cook County and a 1/4% sales tax in Will, Kane, Lake, DuPage and McHenry Counties. Section 4.01(d) of the Act specifies the distribution of sales tax receipts to the Service Boards and the RTA as shown on Table 4.

**Table 4. Part I. Allocation of Sales Tax Receipts**

	RTA	CTA	Metra	Pace
Chicago	15%	85%	—	—
Suburban Cook	15%	(30%)	55%	15% of remaining 85%)
Collar Counties	15%	(—	70%	30% of remaining 85%)

**Table 5. Part I. Regional Sales Tax and Public Transportation Fund (PTF) Trends (000's)**

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Plan
<b>REGIONAL FUNDS</b>					
Sales Tax	\$ 700,395	\$ 746,829	\$ 752,925	\$ 758,400	\$ 758,400
PTF	175,099	186,707	188,931	189,600	189,600
Total Regional Receipts	\$ 875,494	\$ 933,536	\$ 941,856	\$ 948,000	\$ 948,000
<b>PACE SHARE OF REGIONAL FUNDS</b>					
Sales Tax	\$ 76,399	\$ 81,012	\$ 81,232	\$ 82,889	\$ 82,288
PTF	2,653	570	6,960	4,139	3,158
Total Pace Receipts	\$ 79,052	\$ 81,582	\$ 88,192	\$ 87,028	\$ 85,446
<b>PACE FUNDING AS PERCENT OF REGIONAL FUNDS</b>					
Sales Tax	10.9%	10.8%	10.8%	10.9%	10.9%
PTF	1.5%	0.3%	3.6%	2.1%	1.6%
Total Receipts	9.0%	8.7%	9.3%	9.1%	9.0%

The RTA has established a sales tax funding mark of \$82,288,000 for Pace for 2009. This represents approximately 10.9% of the total RTA region's estimate of \$758,400,000. The RTA estimate for Pace sales tax will decline slightly (.7%) from 2008 to 2009. The RTA estimate is based on a projection for a weakening economy. Table 5 highlights recent and upcoming estimates for Part I sales tax revenues for both the region and Pace.

### **Public Transportation Fund (PTF)**

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

The RTA is required by law to allocate all PTF revenues to the Service Boards on the basis of need for both capital and operating purposes. However, unlike the sales tax allocation which is established by the RTA Act, PTF is allocated at the discretion of the RTA. In Pace's first full fiscal year (1985), the RTA's allocation of PTF funds to Pace was approximately 16% but over the ensuing years, the RTA has reduced PTF allocations to Pace in favor of increased allocations to the CTA. Since 1985, the RTA has cut Pace from 16% of regional PTF to 1.6% for 2009, a funding loss of \$27.2 million. During this same period the regional PTF funds have increased by 123%.

For 2009, the RTA will allocate an estimated \$3,158,000 in PTF funds to Pace, which represents 1.6% of total PTF. The remaining 98.4% of PTF funds is being allocated to the CTA. As noted in Table 5, Pace's percentage share of regional PTF will decline in 2009 by \$1.0 million.

### **Federal Funds**

Pace is eligible for federal funding from several programs in 2009.

#### ***Congestion Mitigation/Air Quality (CMAQ) Program***

Since 1996, Pace has benefited from the federal Congestion Mitigation/Air Quality (CMAQ) program which awards funds to implement and maintain various new services that support program objectives. Continued funding from this source is included in 2009.

#### ***Job Access and Reverse Commute (JARC) Program***

Since 2001, Pace has qualified for funds under the JARC program. Funding is provided for transportation services designed to increase access to jobs and employment-related activities. Pace has programmed the use of JARC funds in 2009.

#### ***New Freedom Program***

The Federal Transit Authority has created a new program to encourage services and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act. This new program provides a formula grant for associated capital and operating costs. Pace has programmed use of New Freedom funds in 2009.

#### ***Federal 5307 Funding***

Pace has been using Federal 5307 funds to fund operating needs over the past several years. These funds include Capital Cost of Contracting (CCC); Bus Overhaul/Maintenance; and ADA Complementary Paratransit. For 2009, no Federal 5307 funds have been applied to the operating budget. With the advent of new funding provided by the amended RTA legislation (January, 2008), these funds have been restored to the capital program. For the period 2002 to 2007 Pace had used nearly \$90 million in these funds to support operations. The new funding provided under Part II essentially closed the budget shortfall allowing the federal funds to be returned to the capital program.

**New Funding Sources—Part II**

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

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

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

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

- \$100 million is allocated to Pace for the provision of the Regional ADA Paratransit Service, with any surplus retained by the RTA for future ADA service needs.
- \$20 million is allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$10 million is allocated to the RTA for an Innovation, Coordination and Enhancement (ICE) fund. These amounts are adjusted annually for sales tax performance (which is down slightly in 2009).

The remaining balance is allocated to the CTA (48%), Metra (39%) and Pace (13%). In addition to these funds, the RTA is required to fund Pace an additional \$7.5 million annually for services in South Cook County (\$3.75 million in 2008).

The following table shows the allocation of the new funding sources for the 2009 RTA budget.

**Table 6. Part II. Regional Public Funding Distribution—RTA New Funding**

	<b>2009 Estimated Total</b>
<b>NEW SALES TAX</b>	<b>\$ 281,746</b>
Public Transportation Funds	
5% Match—New Sales Tax & Old Sales Tax	\$ 52,007
5% Match—Chicago RETT	4,207
Total 5% PTF Match	\$ 56,214
25% PTF Match—New Sales Tax	70,437
Total New Sales Tax & PTF	\$ 408,397
<b>DISTRIBUTION</b>	
Regional ADA Paratransit Fund - Pace/RTA	\$ 98,998
Suburban Community Mobility Fund - Pace	19,800
RTA Innovation, Coordination/Enhancement Fund	9,900
Balance Available for Allocation to Service Boards	\$ 279,699
<b>SERVICE BOARD DISTRIBUTION</b>	
CTA—48%	\$ 134,256
Metra—39%	109,083
Pace—13%	36,361
Total to Service Boards	\$ 279,699
South Cook Job Access*	\$ 7,500
*Not sourced from new sales tax/PTF	

### **Suburban Community Mobility Fund (SCMF)**

The SCMF provides \$19.8 million (2009) to Pace for the provision of non-traditional transit services. Services such as dial-a-ride, vanpool, ridesharing, reverse commute, bus rapid transit and other innovative services that enhance suburban mobility are eligible. Both new and existing services are eligible for SCMF funding. Pace is already providing in excess of \$50 million in qualifying services; however, the decision as to whether these funds are used for new or existing services will be made annually via the budget process. For 2009, Pace will use these funds to support existing services.

Future SCMF growth is tied to the percentage growth in sales taxes.

### **South Cook County Job Access**

While not representing a new source of funds, the RTA legislation (January, 2008) established a requirement that the RTA provide \$7.5 million annually to Pace for the provision of services in South Cook County. The amount for 2008 was set at one half year of funding or \$3.75 million.

The \$7.5 million does not grow with sales tax growth. These funds can be used for new or existing services that focus on employment opportunities. Pace currently expends in excess of \$20.1 million for services in South Cook County for two of its operating divisions—Pace South and Pace Southwest.

### **ADA Paratransit Fund**

*A discussion of the ADA Paratransit Fund is included in the ADA section of this document.*

### **Operating Revenues**

Pace is budgeting for \$54.248 million in Suburban Service operating revenue in 2009, a \$2.166 million or 4.2% increase from estimated 2008 levels. Growth from new service will account for 3.6% or \$1.875 million of the total growth for 2009. Service expansion is made possible from the new funding available from the State Legislature. Base revenue is also growing next year by 3.1% or \$1.582 million. Farebox revenues will continue to grow next year, up 2.5%, and will account for 1.4% or

\$716,000 of base growth. Advertising revenues will also increase next year, projected to be up 6.4%, and will account for 0.6% or \$302,000. Other/Local Share revenue will also grow next year and will account for 1.4% or \$732,000 of the base growth. On the negative side, 2009 revenues reflect a loss in State reduced fare reimbursement which represents a minimum loss of \$2.5 million in revenue for next year's budget. Add to this the elimination of reimbursement from the RTA for use of the CTA 7-day pass on the Pace system and the outlook for fare revenues are less optimistic. These losses will negatively affect next year's recovery performance, and are also the cause for the \$1.091 million revenue budget shortfall estimated for 2008. Pace has requested the RTA provide a solution for the lost 7-day revenue. Therefore, the final outcome to this condition remains unresolved at this time. Pace will need to consider a final action on accepting the pass pending the resolution of these negotiations.

Further trends for operating revenues are discussed in the three year plan and ten year business plan section of this document.

## Use of Funds

All funds received in 2009 will be used to provide, expand and support Pace services. The components of the 2009 Suburban Service operating program are fixed route carriers (Pace-owned, public/municipal contract and private contract carriers); dial-a-ride services; the vanpool program; centralized support expenses and costs for administration.

### Pace-Owned Services

Pace is responsible for the direct operation of nine carriers in the six county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry 83% of the total suburban service ridership. Pace expects to provide \$71,757,000 for expenses to these carriers in 2009. Pace carriers will also provide a portion of the Federal Congestion Mitigation/Air Quality (CMAQ) program services in 2009 totaling \$2,370,000. The combined total cost for the Pace-owned carriers in 2009 is \$74,127,000. Further information on the Pace-owned services budget can be found on page 16.

### Public/Municipal Contracted Services

Pace will contract directly with two municipalities (Niles and Highland Park) and maintain agreements with other municipalities/providers for additional fixed route services. These services are expected to cost an estimated \$3,829,000 in 2009. Further information on the public/municipal contracted services budget can be found on page 17.

### Private Contract Services

Pace provides service to more than 31 communities by directly contracting with four private transit companies. In 2009, Pace will contract for Job Access Reverse Commute (JARC) service. The combined total cost for privately contracted service in 2009 is \$10,485,000. Further information on the private contract services can be found on page 18.

### Dial-a-Ride Services

Pace participates in 62 dial-a-ride service projects throughout the six county region. Services are operated by townships or local municipalities under contract with Pace or directly by private carriers. Pace provides partial funding to these services, requiring the local government to support a portion of the net service cost based upon a formula applied to the total service cost. Pace also coordinates paratransit operations in DuPage County and in Kane County. The total cost for dial-a-ride services in 2009 is \$17,947,000. Further information on the dial-a-ride services budget can be found on page 19.

### Vanpool/Community Transit Program

The 2009 budget for vanpool services is \$5,021,000. This program is targeted specifically at the short and intermediate range work-trip market where the majority of peak period travel occurs. The program has been expanded several times since inception. In 1994, the Advantage element was added with the intent to provide a transit alternative to individuals with disabilities who commute on a regular basis to work sites or rehabilitative workshops. In 1997, the Corporate Shuttle element was created to allow suburban employers to shuttle employees to and from nearby transit connections. And, most recently (2007) the Community Transit Program, formerly known as the Municipal Vehicle Lease element, was introduced. The formation of vanpools have been very popular and the demand continues to grow. Pace expects continued expansion of this program to 790 vans in service by the end of 2009. Further information on the vanpool services budget can be found on page 20.

### Centralized Support

Pace provides a variety of direct operational support items through a centralized support program. Pace has been able to save money by buying in bulk and consolidating services. In total, Pace will spend \$68,778,000 to provide fuel, insurance, health care and other support items in 2009. Further detail on the centralized support program budget is contained on page 22.





*Pace transportation center in Elgin.*



*Construction is nearing completion of Pace's new administrative office building.*

### **Administration**

In order to accomplish the duties of direct operational support, service planning, capital planning, financial control and MIS support, Pace's 2009 administrative budget is set at \$20,469,000. Further information on the administration budget can be found on page 23.

### **Regional ADA Support Credit**

Beginning in July, 2006, Pace assumed responsibility for providing all ADA paratransit trips in the northeastern Illinois six county region. In order to properly account for the ADA program, Pace began reporting all costs associated with providing ADA service separately from the other services provided. In addition to the identifiable direct costs, Pace developed a cost allocation model to accurately identify and separate ADA support costs incurred by the agency. These costs are from Pace's MIS, accounting, purchasing and other departments which support the ADA program. Pace has applied a credit to the Suburban Service budget of \$3,559,000 which has been allocated to the Regional ADA Paratransit Services budget.

### **New Initiatives**

The new legislation enacted in early 2008 has given Pace the opportunity to consider implementation of new and/or expanded service. In concert with the new long term (ten year) financial planning initiatives, Pace is currently evaluating the list of needs at this time. For 2009, Pace plans to implement \$7.5 million in new initiatives. Details will be forthcoming as the long range plan becomes final.

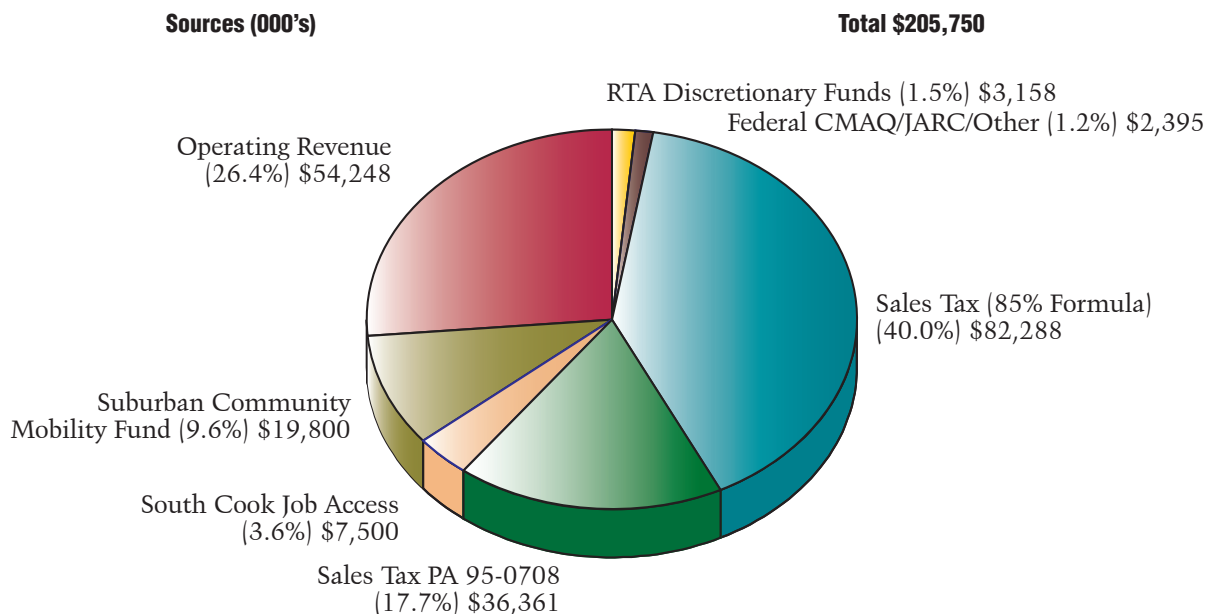
### **Unrestricted Net Assets/Fund Balance**

Pace defines available fund balance to be equal to unrestricted net assets. These assets are typically used for capital expenditures not covered by grants. In 2006, a net operating loss of \$4.768 million was incurred from ADA Paratransit service operations. This loss was transferred to the ADA fund which was established January 1, 2007. For 2009, Pace's Suburban Service operations are projected to finish with a \$16.873 million fund balance before consolidation with a \$10.483 million negative fund balance from ADA operations.

**Table 7. 2009 Suburban Service Revenue Summary (000's)**

	2007 Actual	2008 Estimate	2009 Budget
<b>OPERATING REVENUES</b>			
Pace-Owned Services	\$ 22,751	\$ 22,863	\$ 23,116
Public/Municipal Contracted Services	2,004	2,110	2,181
Private Contracted Services	2,673	2,695	2,795
Dial-A-Ride Services	10,435	11,695	12,124
Vanpool Program	3,421	3,820	4,112
Half-Fare Reimbursement	2,704	1,291	0
Investment/Other Income	3,593	2,895	3,030
Advertising Revenue	4,572	4,713	5,015
RTA 7-Day Pass Reimbursement	4,000	0	0
New Initiatives	0	0	1,875
<b>Total Operating Revenue</b>	<b>\$ 56,153</b>	<b>\$ 52,082</b>	<b>\$ 54,248</b>
<b>PUBLIC FUNDING</b>			
Sales Tax (85% Formula)	\$ 81,232	\$ 82,889	\$ 82,288
RTA Discretionary Fund	6,960	4,139	3,158
Sales Tax and PTF - (PA 95-0708)	0	15,413	36,361
Suburban Community Mobility Funds (SCMF)	0	20,000	19,800
South Cook Job Access Funds	0	3,750	7,500
Federal CMAQ/JARC/New Freedom Funds	1,645	2,459	2,395
Federal 5307 Funding	22,585	0	0
<b>Total Public Funding</b>	<b>\$ 112,422</b>	<b>\$ 128,650</b>	<b>\$ 151,502</b>
<b>Total Source of Funds</b>	<b>\$ 168,575</b>	<b>\$ 180,732</b>	<b>\$ 205,750</b>

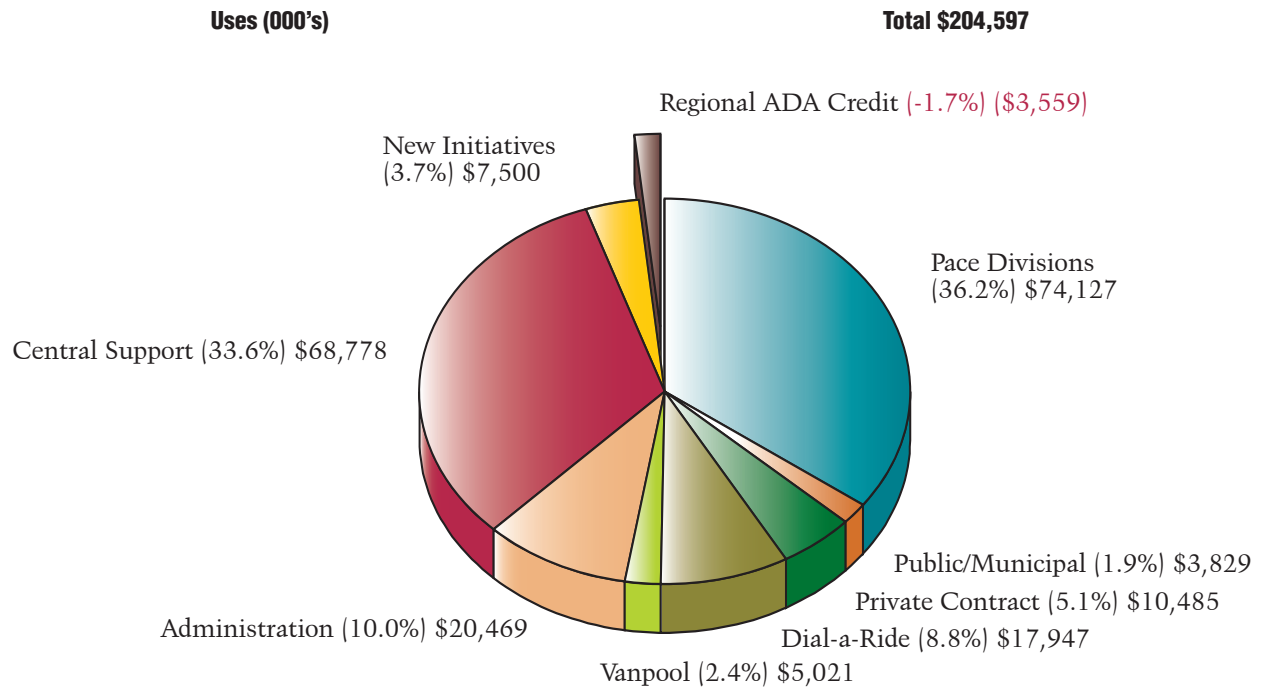
**Chart C. Sources of Funds**



**Table 8. 2009 Suburban Service Expense Summary (000's)**

	2007 Actual	2008 Estimate	2009 Budget
<b>EXPENSES</b>			
Pace-Owned Services	\$ 67,912	\$ 71,022	\$ 74,127
Public/Municipal Contracted Services	3,449	3,696	3,829
Private Contracted Services	9,523	9,701	10,485
Dial-A-Ride Services	14,321	16,862	17,947
Vanpool Program	3,272	4,363	5,021
Centralized Operations	47,772	62,404	68,778
Administration	17,601	19,526	20,469
Regional ADA Support Credit	(1,340)	(3,422)	(3,559)
New Initiatives	0	0	7,500
<b>Total Expenses</b>	<b>\$ 162,510</b>	<b>\$ 184,151</b>	<b>\$ 204,597</b>
Net Funding Available	\$ 6,065	\$ (3,419)	\$ 1,153
Recovery Rate	36.00%	36.00%	36.00%
<b>UNRESTRICTED NET ASSETS (FUND BALANCE)</b>			
Beginning Balance	\$ 18,687	\$ 24,080	\$ 17,477
Net Operating Results	6,065	(3,419)	1,153
Less: Capital Expended from Fund Balance	672	3,185	1,756
<b>Ending Balance</b>	<b>\$ 24,080</b>	<b>\$ 17,477</b>	<b>\$ 16,873</b>

**Chart D. Uses of Funds**



## 2009 Pace-Owned Carrier Budget

Pace directly operates fixed route service from the following nine facilities located throughout the six county region: Pace Fox Valley in North Aurora, Pace Southwest in Bridgeview, Pace Northwest in Des Plaines, Pace River in Elgin, Pace North Shore in Evanston, Pace Heritage in Joliet, Pace South in Markham, Pace West in Melrose Park and Pace North in Waukegan. Pace also operates CMAQ and/or JARC services out of several facilities. CMAQ/JARC program information is included in the table below. Combined, these carriers account for 83% of the system's suburban ridership.

In 2009, Pace will spend \$51.0 million to provide service at these locations. This represents a 5.9% increase over estimated 2008 levels.

**T**otal revenues are projected to rise 1.1% or \$.253 million over the 2008 estimate, consistent with the growth in ridership.

Total operating expenses will grow 4.4% over 2008 levels. Labor and fringe benefit costs are the primary fac-

tors affecting the rising costs in 2009. (Note: Health care expenses and fuel are included in the centralized support budget.)

A significant increase in bus parts and supplies occurred in 2005 and continued through 2008. It reflected an aging fleet and the effects of a reduced capital program due to transfer of Federal 5307 funds to the operating budget in prior years. For 2009, the growth rate is reduced due to the return of a capital program.

Recovery performance will decline slightly at the divisions for 2009 as expenses are growing at a faster rate than revenues.

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

### 2009 Goals

Pace's efforts for 2009 include providing 31.5% million rides with a minimum recovery ratio of 31.18%.

Additional information on the Pace Operating Division budget is provided in Appendix C.

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

	2007 Actual	2008 Estimate	2009 Budget
<b>REVENUE</b>			
Pace Divisions	\$ 22,420	\$ 22,509	\$ 22,734
CMAQ/JARC	331	354	382
Total Revenue	\$ 22,751	\$ 22,863	\$ 23,116
<b>EXPENSES</b>			
Operations	\$ 45,984	\$ 47,940	\$ 49,488
CMAQ/JARC	1,476	1,761	2,370
Maintenance	10,524	10,616	11,066
Bus Parts/Supplies	3,391	3,764	3,906
Non-Vehicle Maintenance	1,848	1,845	1,916
General Administration	4,688	5,096	5,382
Total Expenses	\$ 67,912	\$ 71,022	\$ 74,128
Funding Requirement	\$ 45,161	\$ 48,159	\$ 51,012
Recovery Ratio	33.50%	32.19%	31.18%
Ridership	30,599	31,201	31,536
Vehicle Miles	21,623	21,571	21,575
Vehicle Hours	1,434	1,442	1,444
Full Time Equivalents (FTE's)	1,165	1,165	1,166

## 2009 Public/Municipal Contracted Service Budget

Pace will contract with four municipalities—Highland Park, Downers Grove, Schaumburg and Niles—to provide fixed route bus service in these communities in 2009. The services included in this category are identified below with detailed information provided in Table 10.

### Municipal Fixed Route Services

The City of Highland Park and the Village of Niles will continue to contract with Pace in order to provide fixed route services in their areas in 2009. Combined, these services will provide .829 million rides, and generate \$1.064 million in revenue via the farebox or through local share contributions. Service expenditures will reach \$2.662 million, in total, in 2009, and net required funding will rise to \$1.598 million. The goal for these two providers in 2009 includes increasing ridership by 1.0% and achieving a minimum 40% recovery ratio.

### Downers Grove

The Village of Downers Grove operates the Grove Commuter Shuttle, transporting passengers to the Metra/Burlington Northern rail station in Downers Grove. This service is included in Pace's budget for 2009 at a cost of \$504,000, offset by revenue of \$454,000 which includes local subsidy.

### Schaumburg

A trolley service was implemented in the Woodfield area in 2001 and continues in 2009. The cost of this service is estimated at \$663,000 and is funded 100% by the Village of Schaumburg.

### Northwestern University Shuttle

The service agreement with Northwestern University terminated in 2007.



*Trolley service in Schaumburg is provided by a private contract carrier.*

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

	2007 Actual	2008 Estimate	2009 Budget
<b>REVENUE</b>			
Highland Park	422	461	479
Niles	488	564	585
Schaumburg	602	649	663
Downers Grove	429	436	454
Northwestern	63	0	0
Total Revenue	2,004	2,110	2,181
<b>EXPENSES</b>			
Highland Park	1,069	1,152	1,212
Niles	1,229	1,410	1,450
Schaumburg	604	649	663
Downers Grove	477	485	504
Northwestern	70	0	0
Total Expenses	3,449	3,696	3,829
Funding Requirement	1,445	1,586	1,648
Recovery Ratio	58.1%	57.1%	57.0%
Ridership	1,004	984	994
Vehicle Miles	678	693	693
Vehicle Hours	61	63	63

## 2009 Private Contract Carrier Budget

In 2009, Pace will contract directly with four private transit providers for fixed route service in 31 different communities.

Private contractors doing business with Pace include:

- Academy Coach Lines
- Colonial Coach Lines
- First Group
- MV Transportation

The net cost of providing fixed route contracted service will rise \$0.684 million in 2009. This represents a 9.8% increase from estimated 2008 levels and is directly attributed to an increase in contracted JARC service in 2009. A new South Suburban Express service is scheduled to begin in early 2009, with the first year funding coming from the Federal Job Access Reverse Commute (JARC) program.

In addition to the added service, contractors' renewal rates have been growing significantly over the past several years as labor and fringe benefit costs, specifically health care, have been rising at rates well above the standard CPI-rate of inflation.

Operating revenues are projected to increase \$.100 million or 3.7% in 2009. Of this amount, \$.047 million or 1.7% is due to the JARC service added in 2009. The remaining \$.053 million or 2.0% is in conjunction with the estimated increase in riders.

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

### 2009 Goals

2009 goals include reaching nearly 2.0 million riders while achieving a minimum recovery ratio of 26.7%.

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

	2007 Actual	2008 Estimate	2009 Budget
<b>REVENUE</b>			
Private Contract	\$ 2,669	\$ 2,695	\$ 2,748
CMAQ/JARC	4	0	47
Total Revenue	\$ 2,673	\$ 2,695	\$ 2,795
<b>EXPENSES</b>			
Private Contract	\$ 9,511	\$ 9,689	\$ 10,008
CMAQ/JARC	12	12	477
Total Expenses	\$ 9,523	\$ 9,701	\$ 10,485
Funding Requirement	\$ 6,850	\$ 7,006	\$ 7,690
Recovery Ratio	28.07%	27.78%	26.66%
Ridership	1,938	1,960	1,980
Vehicle Miles	2,208	2,657	2,657
Vehicle Hours	133	160	160

## 2009 Dial-a-Ride Services Budget

Dial-a-ride service is available in a large portion of the Pace service area through 62 dial-a-ride projects. Nearly all service is provided with Pace-owned paratransit vehicles.

Pace contracts directly with private providers for the operation of 32 dial-a-ride projects. The communities served continue to partner with Pace to provide financial support for these projects through “local share agreements.” Pace continues to receive funding to help cover a portion of dial-a-ride service costs through 42 local share agreements.

Pace has service agreements with villages and townships for the operation of 30 other dial-a-ride projects. In most cases, the local community operates the service. For 2009, Pace’s funding formula for service agreements is based on providing a subsidy of \$2.25 per trip or 75% of deficit, whichever is less (\$2.25/75%). As in past years, individual project funding will also be limited to the inflationary growth rate for 2009.

The budget shown in Table 12 is based on the \$2.25/75% subsidy formula for local dial-a-ride and will provide \$17.9 million for service throughout the six county region including the Ride DuPage and Ride in Kane programs.

### Ride DuPage

In 2004, the Ride DuPage program was implemented. The program coordinates paratransit operations which were previously operated and dispatched by numerous private and public organizations. Pace coordinates service dispatching and provides service through a mix of transportation providers. This service is included in Pace’s 2009 budget at a cost of \$1,963,199. Program costs are offset by local subsidies and grant funding.

### Ride in Kane

In 2008, the Ride in Kane program was implemented. The program coordinates paratransit operations through a centralized call center and provides service through a mix of transportation providers. The cost of this service is estimated at \$2,514,274. The funding for this program is a combination of federal grant funding and local share agreements.

### 2009 Goals

Combined dial-a-ride efforts in 2009 will include carrying 1.1 million riders while maintaining recovery performance to a level of 67.6%.

**Table 12. Budget Summary—Dial-a-Ride Services (000’s)**

	2007 Actual	2008 Estimate	2009 Budget
<b>REVENUE</b>			
Dial-A-Ride	\$ 8,733	\$ 8,206	\$ 9,226
Ride DuPage	1,702	1,756	1,472
Ride In Kane	0	1,733	1,426
Total Revenue	\$ 10,435	\$ 11,695	\$ 12,124
<b>EXPENSES</b>			
Operations	\$ 11,401	\$ 11,407	\$ 12,166
Maintenance	487	469	496
Non-Vehicle Maintenance	38	32	33
Administration	831	734	775
Ride DuPage	1,564	1,756	1,963
Ride In Kane	0	2,464	2,514
Total Expenses	\$ 14,321	\$ 16,862	\$ 17,946
Funding Requirement	\$ 3,887	\$ 5,167	\$ 5,823
Recovery Ratio	72.86%	69.35%	67.56%
Ridership	1,126	1,075	1,135
Vehicle Miles	4,000	3,763	3,988
Vehicle Hours	280	289	299

## 2009 Vanpool/Community Transit Program

The Vanpool program is a commuting option which provides passenger vans to small groups, 5 to 14 people, allowing them to commute to and from work together. The program continues to grow and Pace estimates to have 790 vans in service by year-end 2009, carrying 2.1 million riders. Revenue and expenses are projected to increase 7.6% and 15.1%, respectively, over 2008 levels, and provides for the projected growth in the number of vans at year-end, as well as higher fuel costs.

Pace's Vanpool program is comprised of four elements: the Vanpool Incentive Program (VIP), the Corporate Shuttle, the Advantage program and the Community Transit program (formerly Municipal Vanpool), all of which are detailed on Table 13. The budget for the total Vanpool program is also summarized in the table.

There is no fare increase included in the budget on Table 13 at this time. A 10% fare increase is under consideration for 2009. Details are included in the Appendix G. The Pace Board will make a final decision on 2009 fares in November, 2008.

### Vanpool Incentive Program (VIP)

The VIP service is the core element of the program and is projected to achieve a ridership level of 1,005,645 with 340 vans in service by the end of 2009. The 2009 budgeted revenue and expenses are projected to increase 8.3% and 15.3%, respectively, over 2008 levels. Recovery performance is budgeted at 92.8% for 2009.

### Corporate Shuttle Program

The Corporate Shuttle program provides vans to suburban employers to shuttle employees to and from nearby transit connections with CTA, Metra and Pace facilities. Pace estimates to have 26 shuttle vans in service by the end of 2009. The 2009 budgeted recovery rate for this program is 141.4%.

### Advantage Program

In 1994, Pace expanded the Vanpool program to include the Advantage element. Advantage is intended to provide a transit alternative to individuals with disabilities that commute on a regular basis to work sites or rehabilitative

workshops. It is an alternative to those unable to use the regular ADA paratransit service or those living outside the 3/4 mile service area.

In 2009, this program reflects a respective 11.1% and 15.3% increase in revenue and expense. Pace projects to have 350 vans in service by 2009 year-end. The recovery rate for the Advantage program is budgeted at 66.5% in 2008.

### Community Transit Program

The Community Transit program, new in 2007, replaces the Municipal Vanpool program (initiated mid-2001). The new program allows local municipalities to provide flexible public transportation in their communities. Under the terms of the new program, Pace will cover maintenance expenses on qualifying vehicles. Revenues for this program are projected at \$88,800, with 74 vehicles in service by year-end 2009. The 2009 budgeted recovery rate for this program is 138.2%.

#### 2009 Goals

Pace's efforts for the entire Vanpool program in 2009 will include growing the overall program by 9.0%, carrying 2,093,609 passengers, maintaining a recovery ratio of 81.9%, and increasing the number of vans in service to 790 by the end of 2009.



*Pace VIP service van.*



**Table 13. Vanpool Budget (000's)**

	<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2009 Budget</b>
<b>REVENUE</b>			
VIP	\$ 1,622	\$ 1,908	\$ 2,066
Corporate Shuttle	205	225	266
Advantage	1,362	1,522	1,691
Community Transit	232	165	89
Total Revenue	\$ 3,421	\$ 3,820	\$ 4,112
<b>EXPENSE</b>			
VIP	\$ 1,467	\$ 1,930	\$ 2,226
Corporate Shuttle	121	164	188
Advantage	1,684	2,205	2,543
Community Transit	N/A	64	64
Total Expenses	\$ 3,272	\$ 4,363	\$ 5,021
Funding Requirement	\$ (149)	\$ 543	\$ 909
<b>RECOVERY RATE</b>			
VIP	110.51%	98.87%	92.83%
Corporate Shuttle	169.42%	138.01%	141.44%
Advantage	80.88%	69.01%	66.49%
Community Transit	0.0%	256.27%	138.19%
Total Recovery Rate	104.55%	87.56%	81.89%
<b>RIDERSHIP</b>			
VIP	866	929	1,006
Corporate Shuttle	68	68	80
Advantage	763	767	852
Community Transit	180	155	156
Total Ridership	1,877	1,919	2,094
<b>VEHICLE MILES</b>			
VIP	6,364	6,705	7,600
Corporate Shuttle	325	274	311
Advantage	3,934	4,116	4,665
Community Transit	877	943	1,069
Total Vehicle Miles	11,500	12,038	13,645
Vehicles in Service (year-end) - VIP	260	314	340
Vehicles in Service (year-end) - Corporate Shuttle	19	22	26
Vehicles in Service (year-end) - Advantage	292	315	350
Vehicles in Service (year-end) - Community Transit	97	74	74
Total Vehicles in Service	668	725	790

## 2009 Centralized Support Budget

Pace manages numerous functions and expenditures “centrally” on behalf of the entire Agency. The centralized support budget will reach \$68.8 million in 2009. This budget also includes expenses for fuel, liability insurance and health care.

In 2008, Pace’s centralized support expense is estimated to end the year up \$14.6 million or 30.6% over 2007 levels. A majority of the growth will come from two components—fuel and liability insurance. Fuel expense is expected to nearly double by year-end 2008.

The 2009 centralized support budget will grow 10.2% over estimated 2008 levels and includes software maintenance expense for DriveCam, a new on-board video safety system event recorder that will be deployed on the fixed route fleet.

Operations expense is expected to grow 3.4% over 2008 levels. The operations component is comprised of labor and fringe benefit expenses for 35 positions that provide support to all operating areas at Pace. Contributing to the growth in this area are rising costs for labor and fringe benefits.

Fuel expenses are projected to grow 11.8% in 2009. Fuel consumption is budgeted at 6.7 million gallons for Suburban Service only. An additional 673,000 gallons are budgeted for in the Regional ADA budget. The budget assumes an average price of \$3.93 per gallon, a thirty-nine

cent increase from estimated 2008 levels. Fuel is one of the most volatile components of our budget that continues to affect total operating costs.

The maintenance area is comprised of 37 positions and includes both maintenance and materials management personnel. Total maintenance expense is projected to grow 2.9% over 2008 levels with most of this growth attributed to increased supply and parts costs.

The non-vehicle maintenance area consists of eight positions which provide support to all building maintenance and bus shelter functions. This area is expected to grow 13.6% over 2008 due to expansion of the facility and passenger shelter maintenance and repair costs.

The administration portion of the central support budget is comprised of numerous items, including liability insurance and health care. In 2009, health care expenses are forecasted to rise 11.0%. Liability costs are anticipated to grow 9.1% in 2009 with a significant increase in workers’ compensation, insurance premiums and auto physical damage costs.

### 2009 Goals

Pace’s 2009 budgetary efforts for centralized support will include holding non-labor expenditures to a minimum while maintaining a staffing level of 80 positions.

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

**Table 14. Centralized Support Budget (000’s)**

	2007 Actual	2008 Estimate	2009 Budget
Operations	\$ 3,188	\$ 3,406	\$ 3,523
Fuel	14,226	23,587	26,363
Maintenance	3,610	4,490	4,620
Non-Vehicle Maintenance	933	1,107	1,257
Administration	3,155	3,612	4,144
Liability Insurance	7,923	11,422	12,459
Health Care	14,737	14,780	16,412
<b>Total</b>	<b>\$ 47,772</b>	<b>\$ 62,404</b>	<b>\$ 68,778</b>
<b>Fuel</b>			
# of Gallons (Suburban Service only)	6.147 mil	6.663 mil	6.708 mil
\$/Gallon	\$ 2.31	\$ 3.54	\$ 3.93
Full-Time Equivalents (FTE’s)	80	80	80

## 2009 Administrative Budget

The 2009 administrative budget is estimated to reach \$20.5 million. Pace will utilize 167 positions to manage all of the agency’s administrative responsibilities, including accounting, financial and capital assistance programs, marketing, information systems, legal services, purchasing, risk management, and strategic planning.

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

In 2008, administrative expenses are estimated to end the year up \$1.9 million or 10.9% over 2007 levels. A large part of the growth is attributed to costs associated with the implementation and maintenance of the new computer system as well as continued costs for planning studies related to Pace’s restructuring initiative.

The 2009 administrative budget will increase 4.8% over 2008 estimated levels with numerous elements contributing to the growth.

Looking at the individual components of the administrative budget—non-vehicle maintenance expenses are projected to remain essentially at 2008 year-end levels.

Pace continues to maximize cost saving efforts wherever possible.

Labor and fringe benefit costs will grow 5.1% in 2009 reflecting wage and benefit adjustments.

Parts and supplies, as well as utility costs, are expected to grow a respective 4.6% and 9.9% from prior year levels. The projected rise in electricity and natural gas costs are the cause of the sizable increase in utility costs next year.

The expense category “Other” will rise 4.2% next year with added costs for planning studies related to the restructuring effort, and continued implementation of the new data processing system. Additional information on Pace’s planning studies are provided in the planning section in this document.

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

### 2009 Goals

Pace’s 2009 budgetary efforts for administration include constraining non-labor expense growth while maintaining a staffing level of 167 positions.

Further detail on the administrative budget is provided in the following table.

**Table 15. Administrative Budget (000's)**

	2007 Actual	2008 Estimate	2009 Budget
Non-Vehicle Maintenance	\$ 138	\$ 222	\$ 220
General Administration			
Labor/Fringe benefits	12,224	12,831	13,490
Parts/Supplies	180	251	263
Utilities	234	263	288
Other	4,825	5,959	6,208
Total Expenses	\$ 17,601	\$ 19,526	\$ 20,469
Full Time Equivalents (FTE's)	164	167	167

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# Suburban Service Three Year Plan and Ten Year Business Plan

## General

In January, 2008, the General Assembly and the Governor of the State of Illinois enacted Public Law 95-0708 (House Bill 656) which increased funding for the northeastern Illinois regional transit system. In addition to increased funding, the new legislation contained enhanced requirements for the financial oversight of mass transit operations and performance. Responding to the new requirements, the RTA expanded planning and budget development guidelines effective with the issuance of their Business Plan Call for 2009. Also, in response to the recommendations included in the Auditor General's Performance Audit of the Mass Transit Agencies of Northeastern Illinois, the RTA requested that each Service Board provide an additional seven years to the annual financial planning process. The additional seven years added to the three year plan requirements included in the original RTA Act, expanded the budget planning cycle to ten years. The expanded planning cycle was not limited to the Service Board's operating budget—the RTA has also requested ten year capital plans. The operating plan included in this section responds to all new planning and budgeting requirements established by the RTA for 2009. Pace has also complied with the ten year capital requirements which are contained in a separate section in this document.

The ten year financial projections for both operating and capital continue to be a work in progress. This is an initial effort to provide a long term financial plan; however, a more comprehensive financial planning effort is currently underway. The more comprehensive effort will take into account all environmental factors and will evaluate what financial impacts these factors will have on Pace.

The core assumption presented in this plan is that Pace's base or status quo operations will remain in place throughout the ten year plan cycle. A modest expansion of \$7.5 million has also been included for implementation beginning in 2009. The expansion is afforded as a result of the new legislative initiative which will provide Pace with funds beyond the base or status quo operating requirement in 2009. A decision on the final mix of new service initiatives is currently being evaluated, and therefore specific details are unavailable at this time. In regards to potential fare changes, this plan is status quo and therefore contains no fare changes. The consideration for long term fare policy is part of the current comprehensive planning effort and will be addressed at a later date.

**Table 16. Baseline Economic Assumptions**

	2008	2009	2010	2011	2012-2018
Demand (Total Estimated Ridership) (1)	1.6%	1.6%	2.5%	2.5%	2.0%
T-Bill Rates (90 Day) (2)	1.6%	1.9%	4.0%	4.6%	4.6%
CPI-U (National) (3)	3.9%	2.6%	2.2%	2.2%	2.2%
Ultra-Low Sulfur (Price Growth) (4)	53.3%	11.0%	(3.1%)	(1.3%)	2.2%
Public Funds (Sales Tax) (5)	N/A	(1.0%)	1.4%	2.7%	3.1%

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

(2) T-Bill rates are used to forecast investment income.

(3) The Blue Chip Economic Indicator Report was the source for CPI data for years 2008 and 2009. The Congressional Budget Office (CBO) was the source for outlying years (2010 - 2018) CPI data. The general inflation rate was used in all cases where a more specific rate of growth was not known or available.

(4) Reflects fuel price estimates for the current and future years for diesel. Oil futures contract pricing was used for budget and plan years 2009-2011. General inflation was used for the out years beyond future pricing.

(5) Reflects RTA sales tax estimates for the ten year plan cycle.

## Assumptions

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

The Blue Chip Economic Indicator Report (provides a consensus outlook by 52 economists on the trends of several key economic indicators—including inflation as measured by the consumer price index—CPI); The Congressional Budget Office—CBO (a source for outlying year inflation forecasts); The Blue Chip Financial Forecast (a report on the trend for interest rates); The Wall Street Journal (source for indicators for PPI, Oil Futures, Interest Rates and general economic information); Bureau of Labor Statistics—BLS (source of key inflation indicators); Bloomberg Financial (a web site providing numerous indicators including energy trends) and The Oil Daily (an oil industry newsletter providing up-to-the-minute activities in the oil market).

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

**Table 17. Multi-Year Category Growth**

	2009	2010	2011	2012-2018*
Fare Revenue	2.5%	3.2%	3.2%	2.8%
Total Revenue	4.2%	4.3%	5.8%	2.5%
Labor/Fringes	4.3%	3.2%	3.5%	3.7%
Health Care	11.0%	11.3%	11.3%	6.7%
Parts/Supplies	3.9%	2.2%	2.2%	2.2%
Purchased Transportation	6.9%	5.7%	5.2%	4.4%
Utilities	11.1%	5.1%	4.7%	2.2%
Insurance/Claims	9.1%	11.9%	12.1%	11.0%
Fuel (Costs)	12.3%	0.2%	2.0%	3.9%
*Annual Compound Rates				
	2009	2010	2011	
Ultra-Low Sulfur Price (Diesel)	\$3.93	\$3.81	\$3.76	
Vanpool Gasoline Price	\$3.25	\$3.28	\$3.34	
Number of Gallons (Diesel)	7.381 mil	7.528 mil	7.678 mil	
Number of Gallons (Gasoline)	.978 mil	1.076 mil	1.184 mil	
Fuel Costs—Suburban Service	\$26.363 mil	\$26.069 mil	\$26.241 mil	
Fuel Costs—Regional ADA	\$2.644 mil	\$2.614 mil	\$2.631 mil	
Fuel Costs—Vanpool	\$3.181 mil	\$3.531 mil	\$3.956 mil	

### Highlights–2009 Budget and Two Year Plan

Pace's 2009 Budget presented in Table 18 is balanced to within available funding levels; meets the 2009 recovery mark set by the RTA; and includes \$7.5 million in new service initiatives. Based on the assumptions incorporated into this status quo plan, the operating deficit will exceed available public funding by 2010. Pace cannot absorb this situation beyond the middle of 2011, thereby requiring decisions about future long range strategies. As Pace moves forward in developing a long range plan and strategies, the leverage of balancing fare levels with productivity improvement and continued cost controls will be central to maintaining a viable long term financial position.

### Highlights–Ten Year Business Plan

The ten year business plan is also presented in Table 18. Revenues grow at an annual compound rate of 3.5% over the ten year horizon while expenses grow at a 5.9% compound rate. The increase in revenue comes from assumed growth in ridership which grows faster for services that are expected to continue to expand. There is no fare increase built into the base plan at this time. However, the loss of RTA reimbursement for accepting the CTA's 7-day pass on the Pace system, and the loss of state reimbursement for all half-fare riders on our transit system is showing a significant negative impact on future revenues. The combined effect of this loss is as high as \$10.6 million annually. The increase in expenditures is driven by inflation as well as expansion. Required funding grows at nearly a 6.8% compound rate, due to the larger growth rate for expenses; however, public funding grows at a more modest rate of 4.2% compared to the funding need. Of course at this rate, the funding need will exceed public funds by 2010. This condition will be addressed as part of Pace's long term financial planning effort.



*Pace advertising targeted record high gasoline costs in 2008.*



*Pace's express buses to sporting events are very popular.*

## Suburban Service Three Year Plan and Ten Year Business Plan

**Table 18. 2009–2011 Suburban Service Three Year Plan and Ten Year Business Plan (000's)**

	<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2009 Budget</b>	<b>2010 Plan</b>	<b>2011 Plan</b>
<b>OPERATING REVENUE</b>					
Farebox	\$ 28,249	\$ 28,973	\$ 29,689	\$ 30,640	\$ 31,628
Local Share/Other	14,397	15,744	16,476	17,441	19,287
Advertising Revenue	4,572	4,713	5,015	5,316	5,645
Investment Income	2,230	1,361	1,193	682	330
Reduced Fare Reimbursement	2,704	1,291	0	0	0
RTA Pass Reimbursement	4,000	0	0	0	0
New Initiatives/Fare Changes	0	0	1,875	1,959	2,048
<b>Total Revenue</b>	<b>\$ 56,153</b>	<b>\$ 52,082</b>	<b>\$ 54,248</b>	<b>\$ 56,037</b>	<b>\$ 58,937</b>
<b>OPERATING EXPENSES</b>					
Labor/Fringes	\$ 80,895	\$ 84,769	\$ 88,429	\$ 91,257	\$ 94,412
Health Care	14,737	14,780	16,412	18,267	20,331
Parts/Supplies	5,481	6,541	6,796	6,945	7,098
Purchased Transportation	23,627	26,462	28,295	29,902	31,459
Fuel	16,108	26,319	29,545	29,601	30,197
Utilities	2,376	2,693	2,992	3,145	3,293
Insurance	7,923	11,422	12,459	13,942	15,632
Other	12,704	14,588	15,728	16,318	16,952
New Initiatives	0	0	7,500	7,838	8,190
ADA Overhead	(1,340)	(3,422)	(3,559)	(3,701)	(3,849)
<b>Total Expenses</b>	<b>\$ 162,510</b>	<b>\$ 184,151</b>	<b>\$ 204,597</b>	<b>\$ 213,513</b>	<b>\$ 223,715</b>
Funding Requirement	\$ 106,357	\$ 132,069	\$ 150,349	\$ 157,476	\$ 164,778
Recovery Ratio	36.0%	36.0%	36.0%	36.0%	36.0%
<b>PUBLIC FUNDING</b>					
Sales Tax (85% Formula)	\$ 81,232	\$ 82,889	\$ 82,288	\$ 83,399	\$ 85,651
Sales Tax and PTF (PA 95-0708)	0	15,413	36,361	36,852	37,847
RTA Discretionary	6,960	4,139	3,158	0	0
Suburban Community Mobility Funds (SCMF)	0	20,000	19,800	20,067	20,609
South Suburban Job Access Funds	0	3,750	7,500	7,500	7,500
CMAQ/JARC/New Freedom	1,645	2,459	2,395	1,657	531
Federal 5307 Funds	22,585	0	0	0	0
<b>Total Public Funding</b>	<b>\$ 112,422</b>	<b>\$ 128,650</b>	<b>\$ 151,502</b>	<b>\$ 149,475</b>	<b>\$ 152,138</b>
Net Funding Available	\$ 6,065	\$ (3,419)	\$ 1,153	\$ (8,001)	\$ (12,640)
<b>PAGE BALANCE SHEET</b>					
Total Assets	\$ 355,348	\$ 368,742	\$ 383,355	\$ 389,002	\$ 392,062
Total Liabilities	143,020	154,709	161,359	167,545	174,135
Invested Net Assets	188,248	196,556	205,123	213,959	223,069
Unrestricted Net Assets (Fund Balance)	24,080	17,477	16,873	7,498	(5,142)
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 355,348</b>	<b>\$ 368,742</b>	<b>\$ 383,355</b>	<b>\$ 389,002</b>	<b>\$ 392,062</b>



	<b>2012 View</b>	<b>2013 View</b>	<b>2014 View</b>	<b>2015 View</b>	<b>2016 View</b>	<b>2017 View</b>	<b>2018 View</b>
\$	32,407	\$ 33,239	\$ 34,130	\$ 35,083	\$ 36,107	\$ 37,206	\$ 38,389
	19,790	20,307	20,838	21,383	21,944	22,521	23,114
	5,769	5,896	6,026	6,158	6,294	6,432	6,574
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	2,140	2,236	2,337	2,442	2,552	2,666	2,786
\$	60,106	\$ 61,678	\$ 63,330	\$ 65,067	\$ 66,896	\$ 68,825	\$ 70,862
\$	97,906	\$ 101,528	\$ 105,285	\$ 109,180	\$ 113,220	\$ 117,409	\$ 121,753
	21,693	23,147	24,698	26,352	28,118	30,002	32,012
	7,254	7,414	7,577	7,743	7,914	8,088	8,266
	32,843	34,288	35,797	37,372	39,016	40,733	42,525
	31,266	32,408	33,632	34,947	36,361	37,887	39,537
	3,365	3,439	3,515	3,592	3,671	3,752	3,835
	17,352	19,261	21,379	23,731	26,341	29,239	32,455
	17,566	18,223	18,929	19,688	20,506	21,390	22,348
	8,559	8,944	9,346	9,767	10,206	10,666	11,146
	(3,991)	(4,139)	(4,292)	(4,451)	(4,616)	(4,787)	(4,964)
\$	233,812	\$ 244,513	\$ 255,865	\$ 267,921	\$ 280,739	\$ 294,379	\$ 308,913
\$	173,706	\$ 182,835	\$ 192,536	\$ 202,855	\$ 213,842	\$ 225,554	\$ 238,050
	35.5%	35.1%	34.6%	34.2%	33.8%	33.4%	33.0%
\$	88,306	\$ 91,044	\$ 93,866	\$ 96,776	\$ 99,776	\$ 102,869	\$ 106,058
	39,020	40,230	41,477	42,763	44,088	45,455	46,864
	0	0	0	0	0	0	0
	21,248	21,907	22,586	23,286	24,008	24,752	25,519
	7,500	7,500	7,500	7,500	7,500	7,500	7,500
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
\$	156,074	\$ 160,680	\$ 165,429	\$ 170,324	\$ 175,372	\$ 180,576	\$ 185,941
\$	(17,632)	\$ (22,155)	\$ (27,107)	\$ (32,530)	\$ (38,470)	\$ (44,978)	\$ (52,109)
\$	391,502	\$ 405,449	\$ 421,080	\$ 438,298	\$ 326,125	\$ 338,751	\$ 351,792
	181,814	208,233	240,989	280,448	196,139	242,813	296,698
	232,462	242,145	252,127	262,416	273,022	283,952	295,217
	(22,774)	(44,929)	(72,036)	(104,566)	(143,036)	(188,014)	(240,123)
\$	391,502	\$ 405,449	\$ 421,080	\$ 438,298	\$ 326,125	\$ 338,751	\$ 351,792

## Pace Suburban Service Cash Flow—2009

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

The projected cash flow for Pace’s Suburban Service operations shows sufficient funds for Pace to maintain operations during 2009 and is in compliance with the Board established working cash policy.



*This solar powered bus stop sign provides light to passengers waiting at bus stops.*

**Table 19. Pace Suburban Service Projected Cash Flow Summary—2009 (000's)**

	<b>Beginning Balance</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Net Results</b>	<b>Ending Balance</b>
January	\$ 46,202	\$ 16,840	\$ 16,579	\$ 261	\$ 46,463
February	46,463	16,840	16,620	220	46,683
March	46,683	16,840	16,579	261	46,944
April	46,944	17,249	16,803	446	47,390
May	47,390	17,249	16,579	670	48,060
June	48,060	17,249	16,649	600	48,660
July	48,660	17,249	16,579	670	49,330
August	49,330	17,249	16,579	670	50,000
September	50,000	17,249	16,579	670	50,670
October	50,670	17,249	17,009	240	50,910
November	50,910	17,249	16,579	670	51,580
December	51,580	17,249	23,230	(5,981)	45,599

# 2009 Regional ADA Paratransit Operating Budget

## Summary

The 2009 Regional ADA Service program summarized below and detailed throughout this section represents Pace's third year of operating consolidated ADA service in the six county region. The table below shows total operating expenses will reach \$107.153 million in 2009—up 9.0% or \$8.824 million over estimated 2008 levels. Revenues will increase by 11.6% and will offset expenses by \$8.558 million. The 2009 revenue budget presented in the table reflects status quo fare levels at this time. The ADA program will require \$98.595 million in funding for 2009—up 8.7% or \$7.932 million—and will be covered in-full by the funding mark established by the RTA on September 15th.

The growth in ADA revenues and expenses for 2009 is consistent with the continued growth in the level of demand for this service. Ridership is estimated to grow by 10.8% next year, and given the level of cost to provide this service, accounts for the significant rise in expenditures to deliver this service.

One important note about the 2009 ADA Paratransit budget is an assumption for continued improvement in productivity. In the spring of 2008, Pace implemented new service contracts and made other improvements to the City of Chicago ADA service. Subsequent to these changes, productivity levels have fallen short of expectation (at 1.4 trips/hour); however, productivity has

been improving and is expected to continue improving throughout 2008 and 2009. Failure to achieve productivity of 1.8 trips/hours will put significant cost pressures on the budget.

The RTA has set the 2009 ADA Paratransit recovery ratio at the statutory requirement of 10%. However, under a recent change to the legislation, the ADA Paratransit recovery ratio calculation now includes an expense exemption for costs incurred in paying ADA Paratransit contractors for their capital expenses. This exemption will take the pressure off of the need to increase fares only to meet the 10% recovery ratio. The level of exemption allowed is determined by the RTA.

The 2009 ADA Paratransit budget as presented meets the funding and recovery marks as set by the RTA. Pace's goal for the Regional ADA Service component of the operating budget is to continue to make every effort to maximize revenue and control expense growth to whatever extent possible in order to achieve RTA funding and recovery requirements. The risk to this program will be the success level of improving system productivity for the City of Chicago ADA services and ridership growth. Unlike fixed route services, ADA paratransit services incur a direct expense for each new rider.

A detailed review of the 2009 Regional ADA Service operating program is presented in this section.

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

	<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2009 Budget</b>
Total Operating Expenses	\$ 83,705	\$ 98,329	\$ 107,153
Less: Total Operating Revenue	7,016	7,666	8,558
Funding Requirement	\$ 76,689	\$ 90,663	\$ 98,595
Less: RTA/Public Funding	76,010	85,626	98,595
Net Funding Available	\$ (679)	\$ (5,037)	\$ 0
Recovery Ratio*	8.40%	10.00%	10.00%

\*Capital cost exemption credits applied for 2008, 2009

## Regional ADA Paratransit Source of Funds

### RTA/ADA Fund

The Regional ADA paratransit budget is funded from two sources—public funding and revenues generated from operations. With the passage of PA 95-0708 in January, 2008, which amended the RTA Act, a new dedicated source of funding was established for the Regional ADA Paratransit Program.

Section 2.01(d) requires that the RTA establish an ADA Paratransit Fund and each year deposit into the fund amounts as specified in Section 4.03.3, plus any additional funds provided by the state for this purpose. Section 4.03.3 directs that for 2008 \$100 million be deposited into the ADA fund. For years after 2008 the Act provides that this amount is to be adjusted based on the percentage change in RTA public funding generated from sales taxes from the previous year. In short, the amounts change at the same rate as the RTA sales taxes.

Any amounts deposited into the fund are for the exclusive purpose of funding ADA paratransit services. The RTA can carry over positive fund balances should they exist from one year to the next and use those proceeds to fund future year ADA paratransit services.

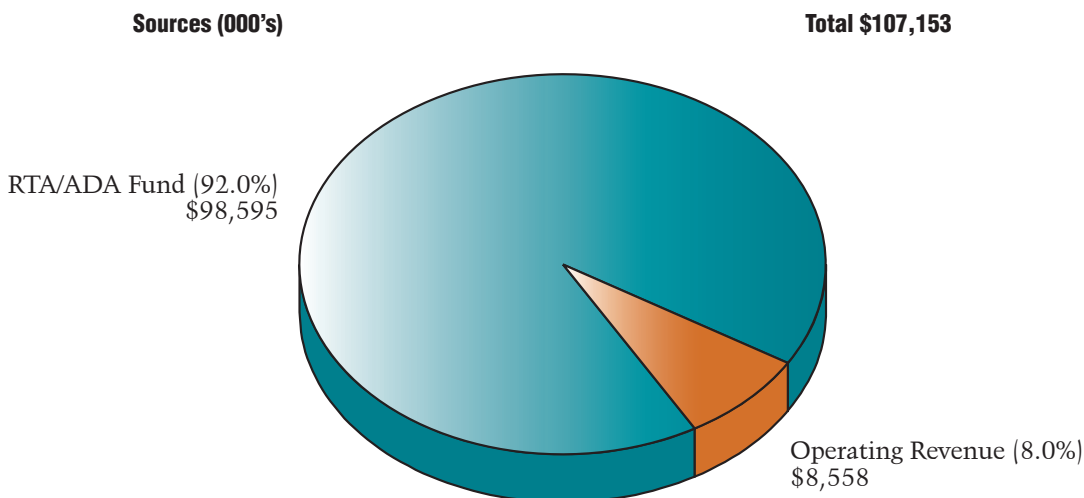
By September 15th, the RTA is required to advise Pace and the other Service Boards of the amounts and timing of public funds that will be provided for the coming and two following fiscal years.

The RTA established a 2009 funding level for ADA paratransit at \$98.595 million. The recovery ratio for ADA paratransit services is established at 10% by the RTA Act. In determining compliance with the 10% requirement, the RTA can allow the use of capital credits to expense, consistent with the Federal Capital Cost of Contracting provisions. Pace contracts with the private sector for the provision of ADA paratransit services. The private contractors pay for their own vehicles and facilities. Unlike fixed route bus and rail services provided by Pace, Metra and the CTA, all capital costs for ADA services are included in the City ADA service operating expenses. A portion of suburban ADA service operating expenses include private sector capital costs as well. The purpose of the capital expense exemption from the recovery rate calculation is to exclude those capital costs—similar to the exclusion of capital costs from the calculation of the regional recovery ratio.

### Operating Revenue

The remaining revenue source is operating revenue which is generated from passenger fares. This source is estimated at \$8.558 million for 2009 and reflects no fare increase at this time. The growth in operating revenue is consistent with the projected growth in demand for next year. Ridership is estimated to increase 10.8% in 2009.

**Chart E. ADA Source of Funds**



## Regional ADA Paratransit Use of Funds

All funds received in 2009 will be used to provide and support ADA paratransit services. The major components of the ADA program consist of City ADA services and Suburban ADA services. Service delivery under both of these programs is contracted to private service operators. Another service element offered in the City of Chicago is a Taxi Access Program (TAP). This program provides subsidized taxi service to ADA eligible riders. In addition to the City and Suburban cost elements, there are regional support costs which represent the indirect overhead costs of supporting the Regional ADA Paratransit service overseen by Pace. Details on the City, Suburban ADA services, and TAP are included on Table 21, page 34.

### City ADA Services

Pace became responsible for the provision of all ADA service in the region in July, 2006, including the service within the City of Chicago. For 2009, Pace expects to spend \$76,658,000 for City ADA service. The majority of these expenditures (94.1%) will be spent on service delivery through private contractors. The balance includes costs for insurance, administration and costs related to trips for certifying ADA eligible participants.

### Taxi Access Program (TAP)

Pace also became responsible for the provision of subsidized taxi service to ADA eligible riders in the City of Chicago in July, 2006. Pace will spend \$5,608,000 for the TAP program in 2009.

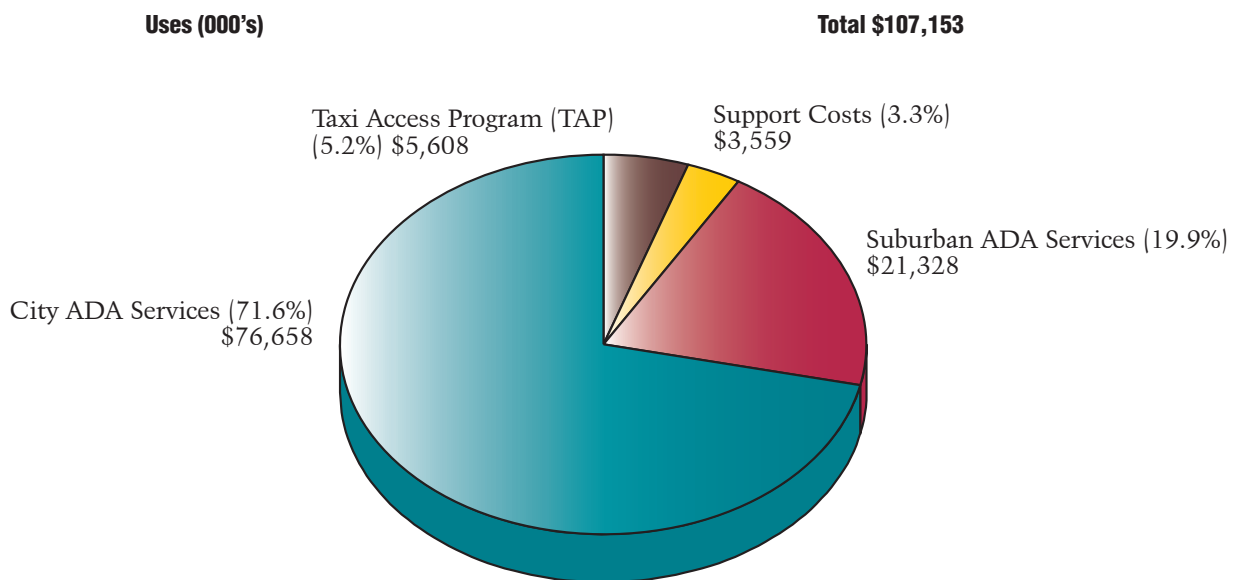
### Suburban ADA Services

Pace has always provided ADA service in the suburbs. For 2009, Pace will spend \$21,328,000 for Suburban ADA service. Costs for contracted service in the suburbs will account for 96.2% of the total cost, including fuel. Similar to the city service, the balance of the costs are also for insurance, administration and the costs for certifying ADA eligible participants.

### Indirect Overhead Costs

There are regional support costs that Pace incurs on behalf of managing and operating the ADA program. For 2009, Pace will incur \$3,559,000 in overhead costs that will be allocated to the Regional ADA program.

**Chart F. ADA Use of Funds**



## 2009 Regional ADA Paratransit Service Budget—City/Suburban Detail

Pace's 2009 proposed revenue, expense and funding requirements for the Regional ADA Paratransit services are detailed on Table 21 below. The estimates for 2008 and the proposed budget for 2009 are broken down into City, TAP and Suburban components.

The program, as presented, meets the funding and recovery requirements by the RTA on September 15th.



*Pace ADA paratransit bus operating in the suburbs.*

**Table 21. 2009 Regional ADA Paratransit Service Budget—City/Suburban Details (000's)**

	2008 Estimate			2009 Budget			Net Change 2008-2009
	City	Suburban	Region Total	City	Suburban	Region Total	
<b>REVENUE</b>							
Fares—Contract	\$ 3,958	\$ 1,477	\$ 5,435	\$ 4,525	\$ 1,581	\$ 6,106	\$ 671
Fares—TAP	1,731	-	1,731	1,904	-	1,904	173
RTA Certification	276	224	500	308	240	548	48
Total Revenue	\$ 5,965	\$ 1,701	\$ 7,666	\$ 6,737	\$ 1,821	\$ 8,558	\$ 892
<b>EXPENSES</b>							
Contract Services	\$ 67,364	\$ 15,411	\$ 82,775	\$ 72,105	\$ 17,866	\$ 89,971	\$ 7,196
TAP Services	5,098	-	5,098	5,608	-	5,608	510
Fuel	-	2,269	2,269	-	2,644	2,644	375
Administration	3,350	524	3,874	3,848	567	4,415	541
Insurance	326	11	337	354	11	365	28
RTA Certification	276	224	500	308	240	548	48
Other	54	0	54	43	0	43	(11)
ADA Support Allocation	-	-	3,422	-	-	3,559	137
Total Expenses	\$ 76,468	\$ 18,439	\$ 98,329	\$ 82,266	\$ 21,328	\$ 107,153	\$ 8,824
Funding Requirement	\$ 70,503	\$ 16,738	\$ 90,663	\$ 75,529	\$ 19,507	\$ 98,595	\$ 7,932
Funding	\$ -	\$ -	\$ 85,626	\$ -	\$ -	\$ 98,595	\$ 12,969
Net Funding Available	\$ -	\$ -	\$ (5,037)	\$ -	\$ -	\$ 0	\$ 5,037
Recovery Ratio	7.8%	9.23%	10.00%	8.19%	8.54%	10.00%	0.00 pts.
Ridership—Contract	1,876	516	2,392	2,101	552	2,653	261
Ridership—TAP	346	-	346	381	-	381	35
Ridership—Total	2,222	516	2,738	2,482	552	3,034	296

# Regional ADA Three Year Plan and Ten Year Business Plan

## General

Consistent with the expanded financial planning requirements discussed in detail in the Suburban Services ten year business plan section of this document, the following section presents Pace’s Regional ADA Paratransit three year plan and ten year business plan.

In summary, the 2009 ADA Paratransit Budget is balanced to funding and recovery marks set by the RTA. However, increased demand will place a significant burden on the program very early in the planning horizon. Indications are that by 2011, the dedicated funding source of the \$100+ million will fall short of projected funding requirements, thereby placing a funding strain on the entire RTA Region.

It is important to understand that the RTA is responsible for the financial planning and funding of the ADA paratransit program. Pace is the agency charged with service delivery responsibilities. Pace’s regional ADA financial plan is not intended to supplant the RTA’s own plans for the ADA program, rather the intent is to provide input for the RTA’s consideration.

### Assumptions

In order to prepare this plan and forecast, a number of assumptions have been made. The economic assumptions used in this plan for items such as fuel, labor/fringes, etc., are the same as those used for Pace’s Suburban Service budget and are described in detail on page 25 of this document.

The assumptions for service related expense growth unique to this ADA Paratransit Financial Plan are shown on the table below.

**Table 22. Expense Growth Factors**

	2009	2010	2011	2012-2018*
Contractor Costs—City	7.2%	9.1%	7.9%	10.7%
Contractor Costs—Suburban	15.9%	14.3%	14.3%	9.6%
Demand—City	11.7%	6.0%	6.0%	6.0%
Demand—Suburban	6.8%	5.0%	5.0%	5.0%

\*Annual Compound Rates

### Highlights—2009 Budget and Two Year Plan

The budget and plan presented in Table 23 show ADA funding requirements are estimated to finish \$5.037 million in excess of available funding in 2008. The estimated overrun is attributed to several factors including the rise in fuel costs; less favorable productivity levels for the new zone systems; and increasing indirect overhead allocation costs. The funding shortfall will directly impact Pace’s balance sheet; however, since funding shortfalls have occurred in the two prior years—2006 and 2007—the ADA fund remains in a negative balance. Until full funding is received for these losses, Pace will continue to operate within an adverse financial position.

For 2009, the ADA budget is balanced to the RTA funding marks and Pace will achieve the statutory required 10% recovery ratio; however, very early in the plan, by 2011, ADA funding requirements will exceed projected available funding.

### Highlights—Ten Year Business Plan

The ten year ADA business plan in Table 23 presents a difficult position for the RTA Region as a whole. In summary, revenues are estimated to grow at an annual compound rate of 7.2% over the ten year horizon, consistent with the annual compound rate for ridership growth of 7.0%. There is no fare increase built into the base plan at this time. Expenses grow at a 10.8% compound rate which is greater than the growth in service hours at 7.9%. The difference reflects the inflationary growth in costs. Required funding grows at nearly an 11.1% compound rate, due to the larger growth rate for expenses; however, public funding grows at a much more modest rate of 4.5% and falls significantly below the level needed to fund the program. Under this plan scenario, the deficits begin by 2011, and only worsen into the future. While Pace is currently working on a long term financial planning endeavor, and we understand that the ADA issues will need to be further addressed beyond our Agency, we, therefore, look forward to the RTA’s support and involvement as we confront the issues posed by this program.

## Regional ADA Three Year Plan and Ten Year Business Plan

**Table 23. 2009–2011 Regional ADA Paratransit Three Year Plan and Ten Year Business Plan and Fund Balance (000's)**

	2007 Actual	2008 Estimate	2009 Budget	2010 Plan	2011 Plan
<b>OPERATING REVENUE</b>					
Fares	\$ 6,182	\$ 7,166	\$ 8,010	\$ 8,465	\$ 8,946
RTA Certification Trips	834	500	548	577	607
Total Revenue	\$ 7,016	\$ 7,666	\$ 8,558	\$ 9,042	\$ 9,554
<b>OPERATING EXPENSES</b>					
Labor/Fringes	\$ 2,007	\$ 2,107	\$ 2,382	\$ 2,472	\$ 2,566
Health Care	280	266	294	327	364
Administrative Expenses	779	1,555	1,782	1,820	1,867
Fuel	1,498	2,269	2,644	2,614	2,631
Insurance/Claims	428	337	366	409	459
RTA Certification Trips	464	500	548	577	607
Suburban ADA Purchased Transportation	13,678	15,411	17,866	20,420	23,340
City ADA Purchased Transportation*	63,230	72,462	77,713	84,777	91,492
Regional ADA Support Allocation	1,340	3,422	3,559	3,701	3,849
Total Expenses	\$ 83,705	\$ 98,329	\$ 107,153	\$ 117,118	\$ 127,176
Funding Requirement	\$ 76,688	\$ 90,663	\$ 98,595	\$ 108,076	\$ 117,622
Public Funding	76,010	85,626	98,595	108,076	110,078
Net Funding Available	\$ (678)	\$ (5,037)	\$ 0	\$ 0	\$ (7,544)
Recovery Ratio	8.38%	10.00%	10.00%	10.00%	10.00%
<b>PACE ADA FUND BALANCE SHEET</b>					
Total Assets	\$ 5,392	\$ 3,634	\$ 3,922	\$ 4,195	\$ 4,501
Total Liabilities	8,209	11,230	11,251	11,249	18,814
Invested in Capital Assets	2,629	2,887	3,154	3,429	3,714
Unrestricted Net Assets (Fund Balance)	(5,446)	(10,483)	(10,483)	(10,483)	(18,027)
Total Liabilities & Net Assets	\$ 5,392	\$ 3,634	\$ 3,922	\$ 4,195	\$ 4,501

\*Includes Taxi Access Program.



	<b>2012 View</b>	<b>2013 View</b>	<b>2014 View</b>	<b>2015 View</b>	<b>2016 View</b>	<b>2017 View</b>	<b>2018 View</b>
\$	9,466	\$ 10,016	\$ 10,598	\$ 11,214	\$ 11,866	\$ 12,556	\$ 13,286
	655	707	763	823	888	959	1,034
\$	10,121	\$ 10,723	\$ 11,361	\$ 12,037	\$ 12,754	\$ 13,514	\$ 14,320
\$	2,661	\$ 2,760	\$ 2,862	\$ 2,968	\$ 3,077	\$ 3,191	\$ 3,309
	389	415	443	472	504	538	574
	1,908	1,950	1,993	2,037	2,081	2,127	2,174
	2,810	3,001	3,205	3,423	3,656	3,905	4,170
	510	567	630	701	779	867	964
	655	707	763	823	888	959	1,034
	25,586	28,047	30,745	33,703	36,945	40,499	44,395
	101,248	112,045	123,994	137,217	151,849	168,043	185,963
	3,991	4,139	4,292	4,451	4,616	4,787	4,964
\$	139,759	\$ 153,631	\$ 168,927	\$ 185,794	\$ 204,397	\$ 224,914	\$ 247,547
\$	129,637	\$ 142,908	\$ 157,566	\$ 173,757	\$ 191,643	\$ 211,400	\$ 233,227
	106,238	109,531	112,927	116,427	120,037	123,758	127,594
\$	(23,399)	\$ (33,377)	\$ (44,639)	\$ (57,330)	\$ (71,606)	\$ (87,642)	\$ (105,633)
	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
\$	4,818	\$ 5,146	\$ 5,485	\$ 5,836	\$ 6,199	\$ 6,575	\$ 6,964
	42,234	75,633	120,296	177,651	249,281	336,950	442,611
	4,010	4,316	4,631	4,958	5,296	5,645	6,006
	(41,426)	(74,803)	(119,442)	(176,773)	(248,378)	(336,020)	(441,653)
\$	4,818	\$ 5,146	\$ 5,485	\$ 5,836	\$ 6,199	\$ 6,575	\$ 6,964

## Pace Regional ADA Paratransit Cash Flow—2009

The following provides an estimate of Pace’s revenues, expenses and cash position for Regional ADA Paratransit service operations on a monthly basis. Cash flow estimates for ADA services public operating funding are included in total revenues and are based on information provided by the RTA.

The projected cash flow for Pace’s Regional ADA Paratransit Service operations shows sufficient funds for Pace to maintain operations during 2009.



ADA paratransit services are provided in the City of Chicago with contractor owned equipment.

**Table 24. Pace Regional ADA Projected Cash Flow Summary—2009 (000's)**

	<b>Beginning Balance</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Net Results</b>	<b>Ending Balance</b>
January	\$ 22	\$ 8,929	\$ 8,881	\$ 48	\$ 70
February	\$ 70	\$ 8,929	\$ 8,881	\$ 48	\$ 119
March	\$ 119	\$ 8,929	\$ 8,881	\$ 48	\$ 167
April	\$ 167	\$ 8,929	\$ 8,881	\$ 48	\$ 216
May	\$ 216	\$ 8,929	\$ 8,881	\$ 48	\$ 264
June	\$ 264	\$ 8,929	\$ 8,881	\$ 48	\$ 312
July	\$ 312	\$ 8,929	\$ 8,881	\$ 48	\$ 361
August	\$ 361	\$ 8,929	\$ 8,881	\$ 48	\$ 409
September	\$ 409	\$ 8,929	\$ 8,881	\$ 48	\$ 458
October	\$ 458	\$ 8,929	\$ 8,881	\$ 48	\$ 506
November	\$ 506	\$ 8,929	\$ 8,881	\$ 48	\$ 555
December	\$ 555	\$ 8,929	\$ 9,462	\$ (533)	\$ 22

# Suburban Service Capital Budget

## Overview

Effective for 2009, the RTA is requiring that the Service Boards prepare five year capital programs and ten year capital plans, constrained and unconstrained capital budget needs, and address how they will work toward returning the system to a state of good repair. This is being called a “*Ten Year Business Plan*” by the RTA. Additionally, the RTA is requiring that the Service Boards use a common set of capital investment criteria to rank and select its projects for inclusion in their budgets. Pace has had its own capital investment policies and criteria in place since 1991 and has always used it to make capital funding decisions as part of its annual budget process.

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

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

### Summary

The 2009 Capital program totals \$43.3 million. The program contains \$31.1 million for the purchase of rolling stock, \$1 million for the purchase of various Traffic Signal Priority projects receiving special federal earmarked funding from the Federal Transit Administration, \$9.0 million for computers, replacement of miscellaneous garage equipment, cars and trucks, improvements to facilities and Phase I for regional call centers, \$.6 million for passenger amenities, \$1.6 million to initiate an I-GO Car Share Program, and funds for unanticipated capital items and project administration.



*This catch basin collapse is a result of deferred capital investment.*



*A new fire hydrant was installed at South Division in Markham after the hydrant failed.*

## 2009 Suburban Service Capital Program Project Descriptions

Table 25 summarizes the capital projects for which we expect to receive funding.

**Table 25. 2009 Suburban Capital Budget (000's)**

<b>Project Description</b>	<b>Amount</b>
<b>ROLLING STOCK</b>	
37 Fixed Route Buses	\$ 11,470
128 Paratransit Dial-a-Ride Buses	10,240
Buses for Oak Park-Year Four	226
Diesel Engine Retrofit	5,685
Associated Capital	1,500
Bus Overhaul Maintenance Expense	2,000
Subtotal - Rolling Stock	\$ 31,121
<b>ELECTRICAL/SIGNAL/COMMUNICATIONS</b>	
Transit Signal Priority Projects	\$ 1,019
Subtotal - Electrical/Signal/Communications	\$ 1,019
<b>SUPPORT FACILITIES/EQUIPMENT</b>	
Computer Systems	\$ 5,100
Improvements to Garages/Facilities	800
Maintenance/Support Equipment/Vehicles	851
Regional Call Center-Phase I	2,233
Subtotal - Support Facilities/Equipment	\$ 8,984
<b>STATIONS AND PASSENGER FACILITIES</b>	
Homewood Park and Ride	\$ 500
Passenger Amenities	100
Subtotal - Stations and Passenger Facilities	\$ 600
<b>PROJECT ADMINISTRATION/MISCELLANEOUS</b>	
I-GO Car Share Program	\$ 1,000
Unanticipated Capital	250
Project Administration	350
Subtotal - Project Administration/Misc.	\$ 1,600
<b>Total Capital Program</b>	<b>\$ 43,324</b>
<b>TOTAL FUNDING</b>	
Federal 5307	\$ 32,900
Federal 5309	1,256
Federal CMAQ	5,548
JARC/New Freedom	1,786
Pace Funds	1,834
<b>Total Funding</b>	<b>\$ 43,324</b>

### Rolling Stock (\$31.1 Million)

- 37 Fixed Route Replacement Buses (\$11.5 million)

The program contains funds for the replacement of 37 fixed route buses which have exceeded their useful life. All vehicles will be 30 feet in length.

- 128 Paratransit Replacement Buses (\$10.2 million)

The program contains funds for the replacement of paratransit buses operated in Pace's suburban dial-a-ride services which have exceeded their useful life. These vehicles will be a combination of buses and vans.

- Buses for Oak Park (\$.2 million) - Federal money has been earmarked to purchase buses for the Village of Oak Park's local municipal service. The four year earmark would total \$.8 million if all funds are secured each year.

- Diesel Engine Retrofit (\$5.7 million) - The program contains funds to retrofit Detroit Diesel Series 50 engines in existing buses with improved mechanical components and software upgrades that reduce engine exhaust emission through the installation of a diesel multi-stage filter (DMF).

- Associated Capital (\$1.5 million) - The program contains funds for the purchase of engines, transmissions, axle assemblies, etc. for fixed route and paratransit buses.

- Bus Overhaul Maintenance Expenses (\$2.0 million) Covers reimbursement for maintenance overhaul expenses which qualify as capital.

#### *Operating Cost Impacts*

Pace's average fleet age is 6.0 years for fixed route, 6.3 years for paratransit, and 3.2 years for vanpool. The typical life expectancy is 12 years, 4-7 years and 5 years respectively. For fixed route buses, mid-life expenses begin increasing at the 6-8 year mark. Most of the paratransit buses have exceeded their useful life and will require extensive maintenance estimated at \$10,000 per unit. The vanpool vans are past their mid-life and out of warranty. These units will incur additional annual operating costs of approximately \$3,000 each.

**Electrical, Signal & Communications (\$1.0 Million)**

- Transit Signal Priority (\$1.0 million) - The program contains continuation funding for the development and purchase of transit signal priority (TSP) systems in major corridors. It is important to note that most of the Federal 5309 Bus and Bus Related Facilities Projects were set out in the SAFETEA-LU by congressional earmark but subject to annual appropriation.

Table 26 depicts the TSP projects as currently contained in the FFY 2009 House Transportation Appropriations Bill.

**Operating Cost Impacts**

Transit Signal Priority (TSP) is an operational strategy that facilitates the movement of in-service transit vehicles through traffic signal controlled intersections. Transit vehicles spend an average of 15% of their trip waiting at traffic signals. Reducing the wait on average, would reduce a 60 minute round trip to 55 minutes, providing a more competitive service. For example, if a route requires a 5 minute headway, only 11 buses are required to support the interval compared to 12 under a 60 minute trip. Pace has federal earmarks for four TSP corridors where we believe we can save the most money and become more efficient and cost effective. Benefits include reduction in transit travel time, more reliable schedules, reduction in the number of buses needed to operate the service and increased passenger satisfaction.

**Support Facilities & Equipment (\$9.0 Million)**

- Computer Equipment/Systems (\$5.1 million) - The program contains continuation funding for the HPe3000 computer system replacement project. Phase IV involves implementing the human resource module which will

replace its legacy human resource system and legacy safety sub-system. The HPe3000 technology is no longer supported by Hewlett Packard. Additionally, funds are programmed for the replacement of routine computer hardware and software as well.

- Improvements to Garages/Facilities (\$.8 million) - The program contains funds to replace overhead doors, replace concrete and make upgrades to our underground storage tanks at North and North Shore Divisions.

- Maintenance/Support Equipment/Vehicles (\$.9 million) - The program contains funds to purchase miscellaneous garage equipment and replacement of non-revenue trucks and cars. Pace has not programmed funds in this category for a number of years and it is imperative that we replace certain garage tools and equipment at our facilities. Many of these items are over ten years old and in desperate need of replacement.

- Regional Call Centers-Phase I (\$2.2 million) - The program contains funds for Phase I of a three part plan to implement one of three regionwide call centers for paratransit service. Funding from this program will support mobility management and dispatching functions for the estimated 10,000 disabled individuals expected to utilize the call center annually. The Center will support, enhance and facilitate access to transportation services including the integration and coordination of services for individuals with disabilities, older adults, and those individuals with low income. JARC will provide \$.186 million, New Freedom will provide \$1.6 million, and Pace will provide \$.447 million as local match. This is considered a multi-year project which likely will be funded over three years, provided subsequent discretionary funding becomes available.

**Table 26. SAFETEA-LU Federal 5309 Earmarks for Electrical, Signal & Communications Projects**

4 Year Earmarks	SAFETEA Number	2006	2007	2008	2009	Total
Cermak Road TSP	491	\$ 198,000	\$ 250,000	\$ 300,000	\$ 500,000	\$ 1,248,000
Cicero Avenue TSP	358	190,357	200,640	217,360	225,720	834,077
Rand Road TSP	4	152,286	160,512	173,888	180,576	667,262
South Suburban TSP	365	95,179	100,320	108,680	112,860	417,039
Total of Four Year Earmarks		\$ 635,822	\$ 711,472	\$ 799,928	\$ 1,019,156	\$ 3,166,378

### ***Operating Cost Impacts***

The HPe3000 project will require an operating labor investment estimated at \$1.1 million in 2009. These costs are primarily for staff time associated with the implementation of the system. These costs are covered within existing labor accounts and do not represent a net increase in overall costs. Additionally, replacement of facility systems and equipment must be addressed based on a life cycle cost approach, otherwise system failures will result in using operating funds for these repairs, which will have a negative impact on our operating budget.

### **Stations and Passenger Facilities (\$1.6 million)**

- Homewood Park and Ride Expansion (\$.5 million) - The program contains funds to add additional parking capacity to the existing facility. The lot is at capacity at the present time.
- Passenger Amenities (\$.1 million) - The program contains funds to purchase shelters, signs and other passenger amenities.

### ***Operating Cost Impacts***

These improvements will have a negligible impact on operating costs.

### **Project Administration/Miscellaneous (\$1.6 Million)**

- I-GO Car Share Program (\$1.0 million) - The CMAQ committee has authorized Pace to apply for \$1.0 million to launch an I-Go Car Share Program in the suburbs. Pace will work with the Center For Neighborhood Technology (CNT) in the development of this program. The City of Chicago has had a similar program in place since 2002. Pace's CMAQ grant will allow 75 cars to be leased for use in the suburbs. (No operating cost impact)
- Unanticipated Capital (\$.25 million) - Project includes funds for capital eligible projects not anticipated in the budget process.
- Project Administration (\$.35 million) - Project includes funds for staff time spent on the administration of various grants. (Reduces operating expense by equal amount.)



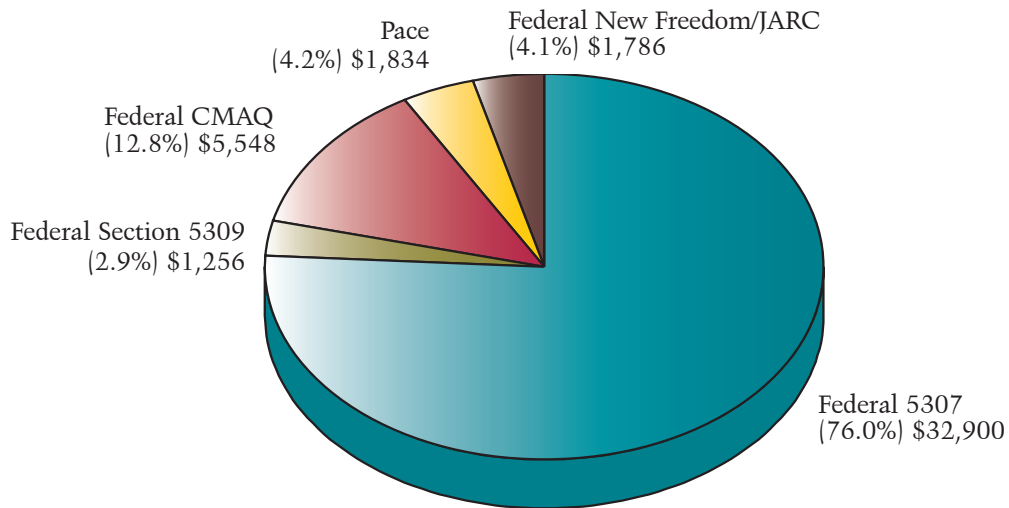
*Pace replaced the fire alarm panel at Heritage Division in 2008. This project is part of a \$1.0 million replacement program awaiting new capital funding.*



*The fire pump tank at South Division is in need of replacement. This will be done once new capital funding is secured.*

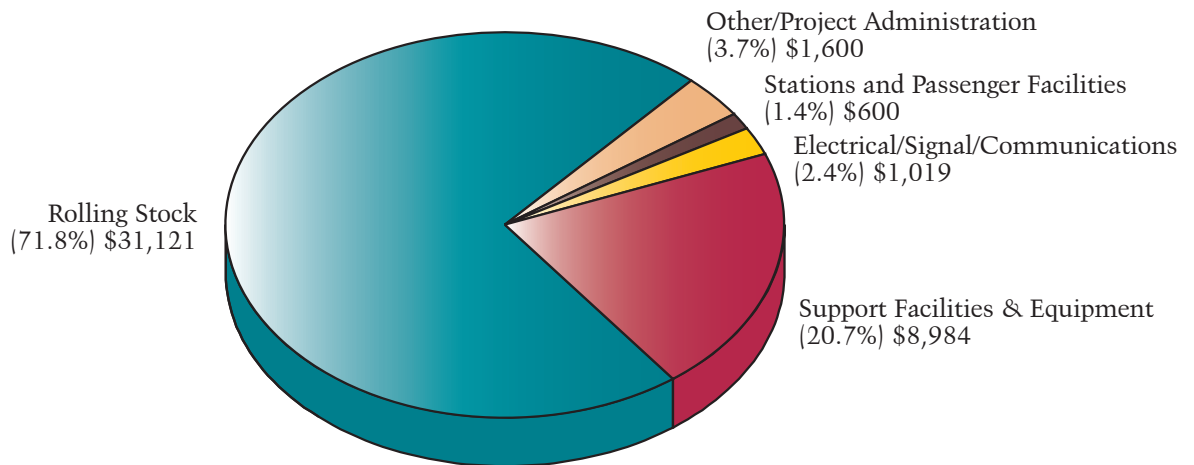
**Chart G. 2009 Suburban Service Capital Program—Sources and Uses of Funds**

**Sources (000's) Total \$43,324**



*96% of Pace's program is derived from Federal sources*

**Uses (000's) Total \$43,324**



*Major focus of the 2009 program will be on the replacement of rolling stock*

## Capital Funding Sources

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

### Federal Funding

The SAFETEA-LU authorized transit funding through Federal Fiscal Year (FFY) 2009. For planning purposes, the RTA marks assume the continued availability of federal funds in the 2010 through 2018 marks.

There are three funding sources—Section 5307, Section 5309 and Flexible Funds—carried over from the previous authorization, TEA-21. In addition, SAFETEA-LU added three new sources of funding; Section 5339, Alternative Analysis; Section 5340, Growing and High Density States; and Section 5317, New Freedom Program. Lastly, SAFETEA-LU also continues two transit programs: Clean Fuels Program and JARC (Job Access and Reverse Commute Program).

Certain federal funding programs are allocated to urbanized areas based on statutorily defined formulas. The RTA region receives Section 5307 Urbanized Area Formula funds and Section 5309 (m)(2)(B) Fixed Guideway Modernization funds in this fashion. SAFETEA-LU includes a program, Section 5340 Growing and High Density States, also distributed by formula that will provide monies to northeastern Illinois. All of these formula-based funds are allocated by the RTA to the Service Boards according to the historical distribution of 58% to the CTA, 34% to Metra, and 8% to Pace.

Other federal funds are available to the region on a competitive basis. The RTA, with substantial input from the Service Boards, estimates annual funding levels based on staff analysis of national funding levels, past performance, project readiness and existing legislative or contractual commitments. The Section 5309 (m)(2)(A) New Start and Section 5309 (m)(2)(C) Bus and Bus Facility capital funding is earmarked for 2008 and 2009 in the federal legislation. Federal Flexible funds, such as the Congestion Mitigation and Air Quality (CMAQ) and Surface Transportation Program (STP) funds, are also sought by the Service Boards through a regional competitive process.

Finally, other federal funds will be made available to the region by formula but may be allocated among a variety of agencies including, but not limited to, transit operators, on a competitive basis. These programs include the Section 5316 Job Access and Reverse Commute (JARC) Program and Section 5317 New Freedom Program (for services supplemental to ADA requirements). Since projects using funds for these programs will be selected in 2009 based on a competitive selection process being led by the RTA, in cooperation with the Chicago Metropolitan Agency for Planning (CMAP), no funding marks have been proposed at this time by the RTA.

The Section 5339 Alternatives Analysis Program will pay for studies conducted as part of the transportation planning process for the New Starts projects; the funds allocated for the Section 5340 Growing States and High Density States are combined with the Section 5307 formula apportionment for urbanized areas; and finally, the Section 5317 New Freedom Program will pay for public transit service alternatives beyond those currently required by ADA.

Section 5307 apportionment funds are typically used for Pace's overall capital needs (Section 5340 funds are now combined with the Section 5307 funds). Section 5309 (m)(2)(C) discretionary funds are used for bus and bus related facilities projects and 5309 (m)(2)(A) is for New Starts projects. Congestion Mitigation and Air Quality (CMAQ) funds are typically used for qualifying transit projects like Pace's Vanpool Program.

The Clean Fuels Program will finance the purchase or lease of clean fuel buses and facilities, as well as the improvement to existing facilities to accommodate clean fuel buses. The Job Access and Reverse Commute (JARC) Program is designed to transport welfare recipients and eligible low-income individuals to and from jobs. Many projects to be funded under the 5309 Bus, 5339 Alternative Analysis and Clean Fuel Programs are earmarked by congressional sponsors.



The Section 5307 and the Section 5309 Fixed Guideway Modernization funds are allocated to the Service Boards on a percentage basis allocation by the RTA. Presently, the allocation is 58% to the CTA, 34% to Metra, and 8% to Pace. This percentage basis allocation has been in place since 1985. The Section 5309 bus funds are discretionary and reflect the levels of funding for projects identified in SAFETEA-LU earmarks. Additionally, the Section 5309 New Starts funding is also discretionary and dependent on Pace's ability to secure congressional earmarks for its projects. It has been the RTA's practice that these funds are considered to be outside the 58%-34%-8% allocation.

### **State Funding**

Illinois Department of Transportation (IDOT) Funds are historically awarded to the Service Boards by IDOT on a discretionary basis and are used for federal match purposes to ensure that sufficient local funds are made available for critical transit projects in the region. However, the Illinois General Assembly has not authorized any new funding since 2004. This year the RTA has assumed that the state will provide funds to match available federal formula funds beginning in 2010 for five years. Without an adequate state capital program the region will have insufficient funds to maintain, let alone enhance and expand the transit system.

### **Service Board Funding**

Operational savings achieved by the Service Boards also provide funds for capital investments. Pace typically uses this money for local share.

### **RTA Funding**

In 1999, the RTA Act was amended as part of Illinois FIRST legislation. All of these funds (SCIP and RTA bonds) have been programmed to the Service Boards and there has been no new funding since 2004.

The RTA's Ten-Year Capital Marks contain no additional SCIP or RTA Bond funds since there has been no legislation passed to extend the RTA's SCIP or RTA bond programs. Note that any additional bonding authority would require State legislation, as well as a funding

source to pay debt service on any additional bonds that were authorized to be issued.

Through the passage of the new state funding package which provided funds to support operations beginning in 2008, the state provided one new funding source for capital projects referred to as the Innovation, Coordination and Enhancement (ICE) Program. The RTA is authorized to spend \$10 million annually to enhance the coordination and integration of public transportation and to develop and improve service, and advance the goals of the RTA's strategic plan. Projects are selected through a competitive selection process.

### **Tollway Revenue Credits**

The Service Boards may propose to exercise the toll revenue credit provision that was established in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), incorporated in TEA-21 and continued in SAFETEA-LU. The toll revenue credit provision permits states to use certain expenditures of toll revenue as a "credit" toward the required local match for certain federal highway and transit programs. These credits are not actually funds that can be used; rather they are a mechanism to count toll revenues already spent for tollway capital projects as local matching dollars for federal capital funds for transit.

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## Pace 2009-2018 Ten Year Capital Business Plan Constrained To RTA Marks

The marks released by the RTA on September 15, 2008 total \$640.4 million for the ten year period 2009-2018.

Listed below is a summary description of Pace’s Ten Year Capital Plan. It is constrained to the marks established by the RTA, and it assumes a total of \$150 million in new state funding for Pace for the five year period between 2010 to 2014. The marks for 5309 Federal Bus Discretionary funding, CMAQ, JARC, New Freedom (NF), and RTA discretionary funding such as ICE are only assumed funding for planning purposes and Pace must compete each year for actual funding for various projects. Table 27 below summarizes the amount of funding over the next ten years that Pace has estimated to receive:

**Table 27 - Pace FY2009 – 2018 Capital Program Marks—(In Millions)**

Federal 5307	\$ 393.1
Federal 5309 Bus	14.8
Federal CMAQ	54.1
State Funding	150.0
JARC/NF/ICE	24.3
Pace Funds	4.1
<b>Total \$</b>	<b>640.4</b>

Highlights of the Ten Year Capital Plan are summarized below. Table 28 details the ten year needs as constrained to the marks.

### Rolling Stock (\$396.0 Million)

- Fixed route buses – 515 replacement buses
- Paratransit buses – 752 replacement buses
- Vanpool equipment – 1,445 replacement and 591 expansion vans
- Community Transit Vehicle Program – 28 replacement buses

### Electrical/Signal/Communications (\$46.2 Million)

- Various Transit Signal Priority (TSP) projects - region-wide
- Radio system replacement
- Intelligent Bus System (IBS) and Mobile Data Terminals (MDT) replacements

### Support Facilities/Equipment (\$164.8 Million)

- Systemwide farebox system
- Maintenance equipment, bus safety system and support vehicles
- Computer systems, office equipment/furniture
- Improvements to existing garages and facilities
- Construct new garages
- Regional centralized call centers for Paratransit services

### Stations & Passenger Facilities (\$22.8 Million)

- Improvements to existing passenger facilities
- Expand the existing Park-N-Ride lots
- Purchase signs, shelters, and other passenger amenities

### Miscellaneous/Project Administration (\$10.6 Million)

- I-GO Car Share Program for suburban locations
- Purchase miscellaneous items under Unanticipated Capital
- Funds for staff time spent on the administration of capital projects



Pace replaced the concrete at its Northwest Division in Des Plaines. This pavement was very deteriorated and doing damage to our buses.

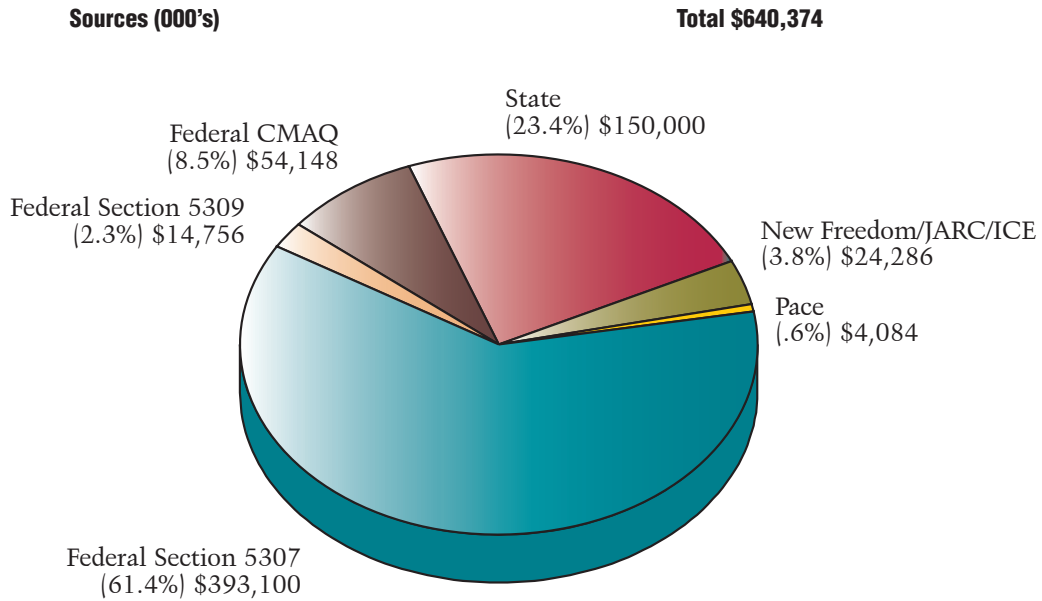
**Table 28. 2009–2018 Suburban Service Capital Ten Year Business Plan (000's)—Constrained**

Project Description	Eval. Criteria*	2009	2010	2011	2012	2013
<b>ROLLING STOCK</b>						
515 Fixed Route Buses - Replacement	M3	\$ 11,470	\$ 16,430	\$ 12,800	\$ 15,600	\$ 40,000
752 Paratransit Vehicles - Replacement	M3	10,240	0	0	12,325	9,785
28 Community Vehicles - Replacement	M3	0	0	0	2,520	0
1,445 Vanpool Vehicles - Replacement	M3	0	8,640	7,560	4,240	5,800
591 Vanpool Vehicles - Expansion	EX1	0	2,600	3,040	4,000	4,000
Oak Park Earmarked Buses - 4th year	EN1	226	0	0	0	0
Associated Capital	M3	1,500	1,000	1,000	1,000	1,000
Bus Overhaul/Maintenance Expense	M3	2,000	2,000	2,000	2,000	2,000
Diesel Engine Retrofit Campaign	M3	5,685	0	0	0	0
Subtotal - Rolling Stock		\$ 31,121	\$ 30,670	\$ 26,400	\$ 41,685	\$ 62,585
<b>ELECTRIC/SIGNAL/COMMUNICATIONS</b>						
Cermak Road Transit Signal Priority	EN2	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0
Rand Road Transit Signal Priority	EN2	180	0	200	0	200
Cicero Avenue Transit Signal Priority	EN2	226	0	0	0	0
South Suburban Transit Signal Priority	EN2	113	0	0	0	0
Radio System Replacement	M3	0	8,000	8,000	4,000	0
IBS/MDT Replacement	M3	0	0	1,000	0	0
TSP-Regionwide Corridors	EN2	0	1,000	1,000	1,000	500
Subtotal - Electrical/Signal/Communications		\$ 1,019	\$ 9,000	\$ 10,200	\$ 5,000	\$ 700
<b>SUPPORT FACILITIES &amp; EQUIPMENT</b>						
HPe3000 Computer System - Replacement	M3	\$ 4,100	\$ 3,100	\$ 2,200	\$ 800	\$ 0
Maintenance/Support Equip and Vehicles	M3	851	2,000	400	370	350
Bus Safety System	EN2	0	500	50	100	1,000
Computer Hardware and Software	M3	1,000	2,500	3,400	3,500	2,000
Office Equipment	M3	0	100	100	100	100
Improvements to Garages and Facilities	M3	800	15,105	12,085	9,157	4,900
New Garages and Facilities	EN1	0	0	0	0	0
Regional Call Centers - Phase I	EN2	2,233	0	0	0	0
Farebox System Replacement	M3	0	7,000	10,500	10,000	3,000
Subtotal - Support Facilities & Equipment		\$ 8,984	\$ 30,305	\$ 28,735	\$ 24,027	\$ 11,350
<b>STATIONS &amp; PASSENGER FACILITIES</b>						
Homewood Park and Ride	EN1	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0
Plainfield Park and Ride	EX1	0	245	0	250	100
Passenger Facilities	M3	0	2,400	8,390	4,148	1,900
Signs/Shelters/Passenger Amenities	M3	100	300	500	500	500
Subtotal - Stations & Passenger Facilities		\$ 600	\$ 2,945	\$ 8,890	\$ 4,898	\$ 2,500
<b>MISCELLANEOUS</b>						
I-GO Car Share Program	EX1	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 0
Unanticipated Capital	M3	250	250	250	250	250
Subtotal - Miscellaneous		\$ 1,250	\$ 250	\$ 250	\$ 250	\$ 250
<b>PROJECT ADMINISTRATION</b>						
Project Administration	M3	\$ 350	\$ 680	\$ 775	\$ 790	\$ 765
Subtotal - Project Administration		\$ 350	\$ 680	\$ 775	\$ 790	\$ 765
<b>GRAND TOTAL - SUBURBAN</b>		<b>\$ 43,324</b>	<b>\$ 73,850</b>	<b>\$ 75,250</b>	<b>\$ 76,650</b>	<b>\$ 78,150</b>

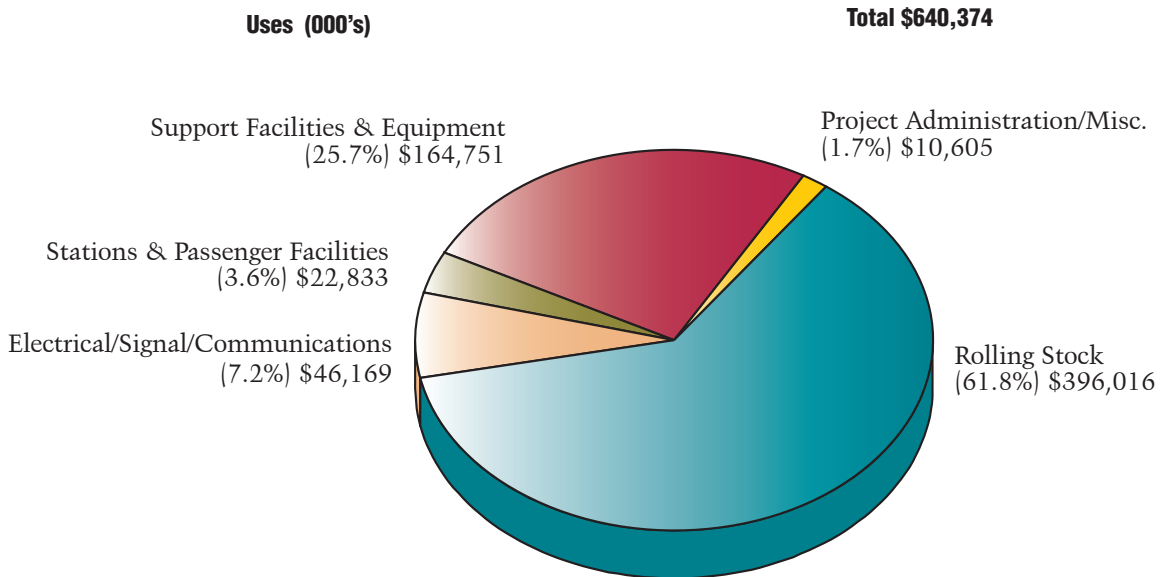
<b>* MAINTAIN</b>	<b>ENHANCE</b>	<b>EXPAND</b>
M-1 - SAFETY/SECURITY	EN-1 - CAPACITY IMPROVEMENT	EX-1 - CONGESTION RELIEF
M-2 - REGULATORY	EN-2 - OPERATIONAL EFFICIENCIES	EX-2 - TRANSIT ALTERNATIVES
M-3 - STATE OF GOOD REPAIR	EN-3 - NEW TECHNOLOGIES	

Total 2009-2013	2014	2015	2016	2017	2018	Total 2014-2018	Ten Year Total 2009-2018
\$ 96,300	\$ 11,600	\$ 22,000	\$ 28,000	\$ 20,000	\$ 22,000	\$ 103,600	\$ 199,900
32,350	10,880	0	0	13,050	9,270	33,200	65,550
2,520	0	0	0	0	0	0	2,520
26,240	9,720	8,505	4,770	6,525	5,985	35,505	61,745
13,640	2,250	2,250	2,250	2,250	2,250	11,250	24,890
226	0	0	0	0	0	0	226
5,500	2,000	2,000	2,000	2,000	2,000	10,000	15,500
10,000	2,000	2,000	2,000	2,000	2,000	10,000	20,000
5,685	0	0	0	0	0	0	5,685
<b>\$ 192,461</b>	<b>\$ 38,450</b>	<b>\$ 36,755</b>	<b>\$ 39,020</b>	<b>\$ 45,825</b>	<b>\$ 43,505</b>	<b>\$ 203,555</b>	<b>\$ 396,016</b>
\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500
580	0	0	0	0	0	0	580
226	0	0	0	0	0	0	226
113	0	0	0	0	0	0	113
20,000	0	0	0	0	0	0	20,000
1,000	4,000	4,000	4,000	4,000	4,000	20,000	21,000
3,500	50	50	50	50	50	250	3,750
<b>\$ 25,919</b>	<b>\$ 4,050</b>	<b>\$ 4,050</b>	<b>\$ 4,050</b>	<b>\$ 4,050</b>	<b>\$ 4,050</b>	<b>\$ 20,250</b>	<b>\$ 46,169</b>
\$ 10,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,200
3,971	2,000	400	400	400	400	3,600	7,571
1,650	1,000	0	0	0	0	1,000	2,650
12,400	1,000	1,000	500	500	2,000	5,000	17,400
400	100	100	100	100	100	500	900
42,047	5,450	5,345	5,280	2,175	3,000	21,250	63,297
0	26,000	2,000	2,000	0	0	30,000	30,000
2,233	0	0	0	0	0	0	2,233
30,500	0	0	0	0	0	0	30,500
<b>\$ 103,401</b>	<b>\$ 35,550</b>	<b>\$ 8,845</b>	<b>\$ 8,280</b>	<b>\$ 3,175</b>	<b>\$ 5,500</b>	<b>\$ 61,350</b>	<b>\$ 164,751</b>
\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500
595	0	0	0	0	0	0	595
16,838	500	500	500	500	500	2,500	19,338
1,900	100	100	100	100	100	500	2,400
<b>\$ 19,833</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 3,000</b>	<b>\$ 22,833</b>
\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000
1,250	250	250	250	250	250	1,250	2,500
<b>\$ 2,250</b>	<b>\$ 250</b>	<b>\$ 250</b>	<b>\$ 250</b>	<b>\$ 250</b>	<b>\$ 250</b>	<b>\$ 1,250</b>	<b>\$ 3,500</b>
\$ 3,360	\$ 750	\$ 750	\$ 750	\$ 750	\$ 745	\$ 3,745	\$ 7,105
\$ 3,360	\$ 750	\$ 750	\$ 750	\$ 750	\$ 745	\$ 3,745	\$ 7,105
<b>\$ 347,224</b>	<b>\$ 79,650</b>	<b>\$ 51,250</b>	<b>\$ 52,950</b>	<b>\$ 54,650</b>	<b>\$ 54,650</b>	<b>\$ 293,150</b>	<b>\$ 640,374</b>

**Chart H. 2009–2018 Suburban Service Ten Year Capital Business Plan—Sources and Uses of Funds—Constrained**



*76% of Pace's entire program would be funded with federal sources provided state funding is available from 2010 to 2014*



*Over 61% of Pace's program is for the purchase of rolling stock*

## Pace Proposed 2009-2018 Ten Year Capital Business Plan—Unconstrained Needs

The RTA is requiring the Service Boards to prepare constrained and unconstrained ten year capital budgets. In summary, when comparing Pace’s needs to the current marks issued by the RTA, capital funding is inadequate to achieve a state of good repair, much less enhance or expand its existing system.

Over the ten year period, Pace has a \$448 million shortfall in funding to meet its replacement and enhancement needs to its existing system. Since the anticipated new state money in the amount of \$150 million is assumed for only five years by the RTA, these funds along with the Federal 5307 funding, are significantly lacking in the next ten years and it does not even address the replacement of Pace’s rolling stock or its infrastructure replacements based on straight line depreciation and life cycle costing.

Table 29 below compares the ten year needs against the ten year marks.

This shortfall of funding represents a challenge for Pace. Pace has the option to extend the life of some of its fixed route buses in order to undertake other capital projects such as replacing fareboxes, radios, and other equipment. However, the replacement of our infrastructure will put a major strain on our capital resources since our facilities (garages and passenger facilities) are getting older and bringing existing facilities up to a state of good repair is expected to cost approximately \$135.1

million alone in the next ten years. For nearly six years Pace deferred a number of capital projects because it used its Federal 5307 funding to support its operations. Nearly \$90.0 million was redirected from capital to support its operations, therefore, vehicle replacements and infrastructure improvements were deferred. It will take several years to catch up with these replacements unless Pace receives a major increase in capital funding levels.

Lastly, it is important to note that funding is not available to address any major expansion. As contained in the RTA’s strategic plan, *Moving Beyond Congestion*, Pace identified that it needs \$70.0 million for expansion of support facilities and equipment over a five year period alone. Over ten years, the need to advance Pace’s Arterial Rapid Transit (ART) core expansion and other related initiatives is in serious jeopardy. Tables 30 and 31 provide a detailed listing of ten year needs to return the Pace system to a state of good repair and the ten year needs to enhance the existing Pace system by improving passenger facilities, developing existing corridors to make the system more efficient, and building additional garage facilities.

**Table 29. Ten Year Capital Needs vs. Ten Year Marks (In Millions)**

Needs	Total 10 Year Needs
State of Good Repair (SOGR)	\$ 802
Enhancements	286
	<b>\$ 1,088</b>
Funding	
Ten Year Estimated Capital Funding	\$ 640
Net Capital Shortfall	\$ 448



Pace replaced a storm catch basin at North Shore Division in Evanston.

**Table 30. 2009–2018 Capital Business Plan (000's)—State of Good Repair—Unconstrained**

Description	Eval. Criteria*	2009	2010	2011	2012	2013
<b>ROLLING STOCK QUANTITIES</b>						
Fixed Route Buses		90	0	32	39	120
Paratransit Buses - Suburban		128	0	0	145	103
Vanpool Vehicles		216	189	106	200	200
Community Vehicles		0	0	0	28	30
<b>ROLLING STOCK COSTS</b>						
Fixed Route Buses	M3	\$ 30,150	\$ 0	\$ 12,800	\$ 15,600	\$ 48,000
Paratransit Buses - Suburban	M3	10,240	0	0	13,050	9,270
Vanpool Vehicles	M3	9,720	8,505	4,770	9,000	9,000
Community Vehicles	M3	0	0	0	2,520	2,700
Bus Overhaul/Maintenance Expense	M3	2,000	2,000	2,000	2,000	2,000
Associated Capital	M3	2,000	3,000	3,000	2,000	2,000
Subtotal - Rolling Stock Costs		\$ 54,110	\$ 13,505	\$ 22,570	\$ 44,170	\$ 72,970
<b>INFRASTRUCTURE REPLACEMENTS</b>						
Garages	M3	\$ 4,353	\$ 13,680	\$ 12,085	\$ 11,077	\$ 7,130
Passenger Facilities	M3	450	2,400	9,515	5,650	5,685
Subtotal - Infrastructure Replacements		\$ 4,803	\$ 16,080	\$ 21,600	\$ 16,727	\$ 12,815
<b>ELECTRICAL/SIGNAL/COMMUNICATIONS</b>						
Systemwide Radio System	M3	\$ 0	\$ 8,000	\$ 8,000	\$ 4,000	\$ 0
Bus Safety System	M1	0	0	0	0	0
TSP Technology	M3	0	0	0	0	0
MDT's and IBS Systems	M3	0	0	1,000	0	0
Subtotal - Electrical/Signal/Communications		\$ 0	\$ 8,000	\$ 9,000	\$ 4,000	\$ 0
<b>SUPPORT FACILITIES/EQUIPMENT</b>						
Computer Systems	M3	\$ 7,000	\$ 7,500	\$ 5,600	\$ 4,800	\$ 3,400
Office Equipment	M3	100	100	100	100	100
Farebox Replacement	M3	500	7,500	7,500	7,500	7,500
Non-Revenue Vehicles	M3	2,600	100	70	100	100
Garage Tools and Equipment	M3	300	300	300	250	250
Subtotal - Support Facilities/Equipment		\$ 10,500	\$ 15,500	\$ 13,570	\$ 12,750	\$ 11,350
<b>STATIONS AND PASSENGER FACILITIES</b>						
Shelters/Signs/Bus Stop Improvements	M3	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Subtotal - Stations and Passenger Facilities		\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
<b>MISCELLANEOUS</b>						
Project Administration/Unanticipated Capital	N/A	\$ 600	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Subtotal - Miscellaneous		\$ 600	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
<b>GRAND TOTAL - STATE OF GOOD REPAIR</b>		<b>\$ 70,513</b>	<b>\$ 55,085</b>	<b>\$ 68,740</b>	<b>\$ 79,647</b>	<b>\$ 99,135</b>

<b>* MAINTAIN</b>	<b>ENHANCE</b>	<b>EXPAND</b>
M-1 - SAFETY/SECURITY	EN-1 - CAPACITY IMPROVEMENT	EX-1 - CONGESTION RELIEF
M-2 - REGULATORY	EN-2 - OPERATIONAL EFFICIENCIES	EX-2 - TRANSIT ALTERNATIVES
M-3 - STATE OF GOOD REPAIR	EN-3 - NEW TECHNOLOGIES	



<b>Total 2009-2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total 2014-2018</b>	<b>Ten Year Total 2009-2018</b>
281	20	182	25	60	102	389	670
376	128	0	0	145	103	376	752
911	316	289	206	245	233	1,289	2,200
58	0	0	28	50	50	128	186
<b>\$ 106,550</b>	<b>\$ 9,000</b>	<b>\$ 81,900</b>	<b>\$ 11,250</b>	<b>\$ 27,000</b>	<b>\$ 45,900</b>	<b>\$ 175,050</b>	<b>\$ 281,600</b>
32,560	11,520	0	0	13,050	9,270	33,840	66,400
40,995	15,800	14,450	10,300	12,250	11,650	64,450	105,445
5,220	0	0	2,520	4,750	4,500	11,770	16,990
10,000	2,000	2,000	2,000	2,000	2,000	10,000	20,000
12,000	2,000	2,000	3,000	4,000	4,500	15,500	27,500
<b>\$ 207,325</b>	<b>\$ 40,320</b>	<b>\$ 100,350</b>	<b>\$ 29,070</b>	<b>\$ 63,050</b>	<b>\$ 77,820</b>	<b>\$ 310,610</b>	<b>\$ 517,935</b>
<b>\$ 48,325</b>	<b>\$ 6,353</b>	<b>\$ 15,680</b>	<b>\$ 14,000</b>	<b>\$ 12,000</b>	<b>\$ 9,000</b>	<b>\$ 57,033</b>	<b>\$ 105,358</b>
23,700	1,200	1,200	1,200	1,200	1,200	6,000	29,700
<b>\$ 72,025</b>	<b>\$ 7,553</b>	<b>\$ 16,880</b>	<b>\$ 15,200</b>	<b>\$ 13,200</b>	<b>\$ 10,200</b>	<b>\$ 63,033</b>	<b>\$ 135,058</b>
<b>\$ 20,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20,000</b>
0	2,000	0	0	0	0	2,000	2,000
0	1,100	1,100	1,100	1,100	1,100	5,500	5,500
1,000	4,000	4,000	4,000	4,000	4,000	20,000	21,000
<b>\$ 21,000</b>	<b>\$ 7,100</b>	<b>\$ 5,100</b>	<b>\$ 5,100</b>	<b>\$ 5,100</b>	<b>\$ 5,100</b>	<b>\$ 27,500</b>	<b>\$ 48,500</b>
<b>\$ 28,300</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 12,500</b>	<b>\$ 40,800</b>
500	100	100	100	100	100	500	1,000
30,500	0	0	0	0	600	600	31,100
2,970	3,000	100	80	100	100	3,380	6,350
1,400	300	300	300	300	300	1,500	2,900
<b>\$ 63,670</b>	<b>\$ 5,900</b>	<b>\$ 3,000</b>	<b>\$ 2,980</b>	<b>\$ 3,000</b>	<b>\$ 3,600</b>	<b>\$ 18,480</b>	<b>\$ 82,150</b>
<b>\$ 4,500</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 500</b>	<b>\$ 100</b>	<b>\$ 3,600</b>	<b>\$ 8,100</b>
<b>\$ 4,500</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 500</b>	<b>\$ 100</b>	<b>\$ 3,600</b>	<b>\$ 8,100</b>
<b>\$ 4,600</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 5,500</b>	<b>\$ 10,100</b>
<b>\$ 4,600</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 5,500</b>	<b>\$ 10,100</b>
<b>\$ 373,120</b>	<b>\$ 62,973</b>	<b>\$ 127,430</b>	<b>\$ 54,450</b>	<b>\$ 85,950</b>	<b>\$ 97,920</b>	<b>\$ 428,723</b>	<b>\$ 801,843</b>

**Table 31. 2009–2018 Capital Business Plan (000's)—Enhancement Projects—Unconstrained**

Description	Eval. Criteria*	2009	2010	2011	2012	2013
<b>ROLLING STOCK QUANTITIES</b>						
Fixed Route Buses		20	15	15	15	15
Paratransit Buses - Suburban		25	25	25	25	25
Vanpool Vehicles		65	76	100	100	100
Community Vehicles		0	0	25	25	25
<b>ROLLING STOCK COSTS</b>						
Fixed Route Buses	EN1	\$ 6,700	\$ 5,025	\$ 6,000	\$ 6,000	\$ 6,000
Paratransit Buses - Suburban	EN1	2,000	2,250	2,250	2,250	2,250
Vanpool Vehicles	EN1	2,925	3,420	4,500	4,500	4,500
Community Vehicles		0	0	2,250	2,250	2,250
Subtotal - Rolling Stock Costs		\$ 11,625	\$ 10,695	\$ 15,000	\$ 15,000	\$ 15,000
<b>INFRASTRUCTURE ENHANCEMENTS</b>						
Existing Garages	EN1	\$ 0	\$ 1,500	\$ 3,000	\$ 3,000	\$ 3,000
New Garages	EN1	0	0	1,500	15,000	1,500
Existing Passenger Facilities	EN2	550	300	350	1,500	300
Subtotal - Infrastructure Enhancements		\$ 550	\$ 1,800	\$ 4,850	\$ 19,500	\$ 4,800
<b>ELECTRICAL/SIGNAL/COMMUNICATION</b>						
Systemwide Radio System	EN3	\$ 0	\$ 100	\$ 100	\$ 100	\$ 100
Bus Safety System	EN3	0	500	50	100	1,000
TSP Technology/Q-Jump/ART	EN3	0	2,300	3,820	2,500	2,200
Subtotal - Electrical/Signal/Communication		\$ 0	\$ 2,900	\$ 3,970	\$ 2,700	\$ 3,300
<b>SUPPORT FACILITIES/EQUIPMENT</b>						
Computer Systems	EN2	\$ 0	\$ 2,000	\$ 2,000	\$ 1,250	\$ 1,250
Office Equipment	EN2	0	50	50	50	50
Farebox Replacement	EN3	0	0	0	0	0
Garage Tools and Equipment	EN2	350	350	350	350	350
Regional Call Centers	EN2	2,233	2,000	2,000	0	0
Subtotal - Support Facilities/Equipment		\$ 2,583	\$ 4,400	\$ 4,400	\$ 1,650	\$ 1,650
<b>STATIONS AND PASSENGER FACILITIES</b>						
Shelters/Signs/Bus Stop Improvements	EN1	\$ 0	\$ 1,000	\$ 1,000	\$ 500	\$ 500
Passenger Facilities/Community Transfer Center	EN1	850	500	700	3,000	4,000
Subtotal - Stations and Passenger Facilities		\$ 850	\$ 1,500	\$ 1,700	\$ 3,500	\$ 4,500
<b>MISCELLANEOUS</b>						
Project Administration	N/A	\$ 0	\$ 500	\$ 600	\$ 800	\$ 800
Subtotal - Miscellaneous		\$ 0	\$ 500	\$ 600	\$ 800	\$ 800
<b>GRAND TOTAL - ENHANCEMENTS</b>		<b>\$ 15,608</b>	<b>\$ 21,795</b>	<b>\$ 30,520</b>	<b>\$ 43,150</b>	<b>\$ 30,050</b>

<b>MAINTAIN</b>	<b>ENHANCE</b>	<b>EXPAND</b>
M-1 - SAFETY/SECURITY	EN-1 - CAPACITY IMPROVEMENT	EX-1 - CONGESTION RELIEF
M-2 - REGULATORY	EN-2 - OPERATIONAL EFFICIENCIES	EX-2 - TRANSIT ALTERNATIVES
M-3 - STATE OF GOOD REPAIR	EN-3 - NEW TECHNOLOGIES	

<b>Total 2009-2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total 2014-2018</b>	<b>Ten Year Total 2009-2018</b>
80	15	15	15	15	15	75	155
125	25	25	25	25	25	125	250
441	65	76	100	100	100	441	882
75	25	25	25	25	25	125	200
<b>\$ 29,725</b>	<b>\$ 6,750</b>	<b>\$ 6,750</b>	<b>\$ 6,750</b>	<b>\$ 6,750</b>	<b>\$ 6,750</b>	<b>\$ 33,750</b>	<b>\$ 63,475</b>
11,000	2,250	2,250	2,250	2,250	2,250	11,250	22,250
19,845	3,250	3,800	5,000	5,000	5,000	22,050	41,895
6,750	2,250	2,250	2,250	2,250	2,250	11,250	18,000
<b>\$ 67,320</b>	<b>\$ 14,500</b>	<b>\$ 15,050</b>	<b>\$ 16,250</b>	<b>\$ 16,250</b>	<b>\$ 16,250</b>	<b>\$ 78,300</b>	<b>\$ 145,620</b>
<b>\$ 10,500</b>	<b>\$ 3,500</b>	<b>\$ 3,500</b>	<b>\$ 3,500</b>	<b>\$ 4,000</b>	<b>\$ 9,000</b>	<b>\$ 23,500</b>	<b>\$ 34,000</b>
18,000	5,000	3,000	0	0	0	8,000	26,000
3,000	500	500	1,500	1,200	1,200	4,900	7,900
<b>\$ 31,500</b>	<b>\$ 9,000</b>	<b>\$ 7,000</b>	<b>\$ 5,000</b>	<b>\$ 5,200</b>	<b>\$ 10,200</b>	<b>\$ 36,400</b>	<b>\$ 67,900</b>
<b>\$ 400</b>	<b>\$ 100</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,000</b>	<b>\$ 1,100</b>	<b>\$ 1,500</b>
1,650	0	0	0	0	0	0	1,650
10,820	2,100	1,100	1,100	1,100	1,100	6,500	17,320
<b>\$ 12,870</b>	<b>\$ 2,200</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 1,100</b>	<b>\$ 2,100</b>	<b>\$ 7,600</b>	<b>\$ 20,470</b>
<b>\$ 6,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 3,000</b>	<b>\$ 13,000</b>	<b>\$ 19,500</b>
200	50	50	50	50	50	250	450
0	0	0	0	0	600	600	600
1,750	350	350	350	350	350	1,750	3,500
6,233	0	0	0	0	0	0	0
<b>\$ 14,683</b>	<b>\$ 2,900</b>	<b>\$ 2,900</b>	<b>\$ 2,900</b>	<b>\$ 2,900</b>	<b>\$ 4,000</b>	<b>\$ 15,600</b>	<b>\$ 30,283</b>
<b>\$ 3,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 3,500</b>	<b>\$ 6,500</b>
9,050	500	350	300	300	600	2,050	11,100
<b>\$ 12,050</b>	<b>\$ 1,500</b>	<b>\$ 1,350</b>	<b>\$ 800</b>	<b>\$ 800</b>	<b>\$ 1,100</b>	<b>\$ 5,550</b>	<b>\$ 17,600</b>
<b>\$ 2,700</b>	<b>\$ 350</b>	<b>\$ 350</b>	<b>\$ 350</b>	<b>\$ 350</b>	<b>\$ 350</b>	<b>\$ 1,750</b>	<b>\$ 4,450</b>
<b>\$ 2,700</b>	<b>\$ 350</b>	<b>\$ 350</b>	<b>\$ 350</b>	<b>\$ 350</b>	<b>\$ 350</b>	<b>\$ 1,750</b>	<b>\$ 4,450</b>
<b>\$ 141,123</b>	<b>\$ 30,450</b>	<b>\$ 27,750</b>	<b>\$ 26,400</b>	<b>\$ 26,600</b>	<b>\$ 34,000</b>	<b>\$ 145,200</b>	<b>\$ 286,323</b>

# Regional ADA Capital Business Plan

## ADA Capital Business Plan and Needs

Table 32 that follows represents a list of ADA capital needs for the 2009-2018, ten year period. The program identifies a need for \$116.3 million. This program has no specific funding identified and therefore, unless the state legislature provides new capital funding or the RTA redirects Federal funding to the program, this plan cannot be undertaken.

The program contains \$85.9 million for the replacement of 675 vehicles for services operated in the City of Chicago. The program contains \$19.8 million for a radio system and real time passenger information system; \$5.1 million for computers and a new farebox system, and

\$5.5 million for design and construction of transit facilities and bus stop upgrades.

Pace has identified the cost to replace all vehicles currently operated by the City's private contractors. This is based on Pace's business model and how it operates paratransit services in the suburbs. Replacing these vehicles would allow Pace to receive more competitive bidding from private contractors.

It should be understood that the ADA paratransit service is the only fully privatized regional transit program. It is not subsidized with federal capital resources available to the region. This practice has a negative impact on operating costs.

**Table 32. 2009–2018 ADA Capital Business Plan (000's)—Unconstrained**

Project Description	Eval. Criteria*	2009	2010	2011	2012	2013
<b>ROLLING STOCK</b>						
Buses - Paratransit /11 Pass. Vans (600)	EN2	\$ 0	\$ 0	\$ 13,300	\$ 13,300	\$ 13,300
Vans - Paratransit (75)	EN2	0	0	1,400	1,400	0
Subtotal - Rolling Stock		\$ 0	\$ 0	\$ 14,700	\$ 14,700	\$ 13,300
<b>ELECTRICAL/SIGNAL/COMMUNICATIONS</b>						
Radio System	EN2	\$ 0	\$ 0	\$ 0	\$ 3,000	\$ 0
Real Time Passenger Information System	EN3	0	0	0	0	0
Subtotal - Electrical/Signal/Communications		\$ 0	\$ 0	\$ 0	\$ 3,000	\$ 0
<b>SUPPORT FACILITIES AND EQUIPMENT</b>						
Computers	EN2	\$ 0	\$ 20	\$ 20	\$ 0	\$ 20
Farebox System	EN2	0	0	1,000	1,000	0
Subtotal - Support Facilities and Equipment		\$ 0	\$ 20	\$ 1,020	\$ 1,000	\$ 20
<b>STATIONS AND PASSENGER FACILITIES</b>						
Design of Transfer Facilities	EN1	\$ 0	\$ 80	\$ 0	\$ 80	\$ 0
Construct Transfer Facilities	EN1	0	0	300	0	300
ADA Stop Upgrades	EN1	0	0	0	1,000	1,000
Subtotal - Stations And Passenger Facilities		\$ 0	\$ 80	\$ 300	\$ 1,080	\$ 1,300
<b>GRAND TOTAL</b>		<b>\$ 0</b>	<b>\$ 100</b>	<b>\$ 16,020</b>	<b>\$ 19,780</b>	<b>\$ 14,620</b>

*This Program does not have a dedicated funding source.*

<b>* MAINTAIN</b> M-1 - SAFETY/SECURITY M-2 - REGULATORY M-3 - STATE OF GOOD REPAIR	<b>ENHANCE</b> EN-1 - CAPACITY IMPROVEMENT EN-2 - OPERATIONAL EFFICIENCIES EN-3 - NEW TECHNOLOGIES	<b>EXPAND</b> EX-1 - CONGESTION RELIEF EX-2 - TRANSIT ALTERNATIVES
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*Pace owned paratransit bus operating in the suburbs.*

**RTA HAS NOT PROVIDED MARKS FOR ADA**

<b>Total 2009-2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total 2014-2018</b>	<b>Grand Total 2009-2018</b>
\$ 39,900	\$ 13,450	\$ 13,450	\$ 13,450	\$ 0	\$ 0	\$ 40,350	\$ 80,250
2,800	1,400	1,400	0	0	0	2,800	5,600
<b>\$ 42,700</b>	<b>\$ 14,850</b>	<b>\$ 14,850</b>	<b>\$ 13,450</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 43,150</b>	<b>\$ 85,850</b>
\$ 3,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,000
0	5,600	5,600	5,600	0	0	16,800	16,800
<b>\$ 3,000</b>	<b>\$ 5,600</b>	<b>\$ 5,600</b>	<b>\$ 5,600</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 16,800</b>	<b>\$ 19,800</b>
\$ 60	\$ 0	\$ 20	\$ 20	\$ 0	\$ 20	\$ 60	\$ 120
2,000	1,000	1,000	1,000	0	0	3,000	5,000
<b>\$ 2,060</b>	<b>\$ 1,000</b>	<b>\$ 1,020</b>	<b>\$ 1,020</b>	<b>\$ 0</b>	<b>\$ 20</b>	<b>\$ 3,060</b>	<b>\$ 5,120</b>
\$ 160	\$ 80	\$ 0	\$ 80	\$ 0	\$ 0	\$ 160	\$ 320
600	0	300	0	300	0	600	1,200
2,000	0	1,000	1,000	0	0	2,000	4,000
<b>\$ 2,760</b>	<b>\$ 80</b>	<b>\$ 1,300</b>	<b>\$ 1,080</b>	<b>\$ 300</b>	<b>\$ 0</b>	<b>\$ 2,760</b>	<b>\$ 5,520</b>
<b>\$ 50,520</b>	<b>\$ 21,530</b>	<b>\$ 22,770</b>	<b>\$ 21,150</b>	<b>\$ 300</b>	<b>\$ 20</b>	<b>\$ 65,770</b>	<b>\$ 116,290</b>

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# Combined Suburban Service/Regional ADA Three Year Plan

## Combined Suburban Service/ADA Three Year Plan and Ten Year Business Plan

Pace's Combined Three Year Plan and Ten Year Business Plan are summarized below and details are included in Table 33. A table presenting anticipated cash flows for 2009 has also been provided.

Highlights of the multi-year plan show combined total system revenues will grow at an annual compound rate of 4.0%.

The growth in revenue is the result of ridership growth. No fare increases have been included in the plan at this time. The multi-year forecast does include the impact of lost reimbursement from the RTA for CTA 7-Day pass users, and the loss of state half-fare reimbursement.

Total expenses will grow at an annual compound rate of 7.8% over the ten years. The growth in expenses re-

**Table 33. Combined Operating Budget—Three Year Plan and Ten Year Business Plan (000's)**

	2007 Actual	2008 Estimate	2009 Budget	2010 Plan	2011 Plan
<b>SUBURBAN SERVICE</b>					
Revenue	\$ 56,153	\$ 52,082	\$ 54,248	\$ 56,037	\$ 58,937
Expense	162,510	184,151	204,597	213,513	223,715
Funding Requirement	106,357	132,069	150,349	157,476	164,778
Public Funding	112,422	128,650	151,502	149,475	152,138
Net Funding Available	\$ 6,065	\$ (3,419)	\$ 1,153	\$ (8,001)	\$ (12,640)
Total Assets	\$ 355,348	\$ 368,742	\$ 383,355	\$ 389,002	\$ 392,062
Total Liabilities	143,020	154,709	161,359	167,545	174,135
Invested Net Assets	188,248	196,556	205,123	213,959	223,069
Unrestricted Net Assets	24,080	17,477	16,873	7,498	(5,142)
Total Liabilities & Net Assets	\$ 355,348	\$ 368,742	\$ 383,355	\$ 389,002	\$ 392,062
<b>REGIONAL ADA PARATRANSIT SERVICE</b>					
Revenue	\$ 7,016	\$ 7,666	\$ 8,558	\$ 9,042	\$ 9,554
Expense	83,705	98,329	107,153	117,118	127,176
Funding Requirement	76,688	90,663	98,595	108,076	117,622
Public Funding	76,010	85,626	98,595	108,076	110,078
Net Funding Available	\$ (678)	\$ (5,037)	\$ 0	\$ 0	\$ (7,544)
Total Assets	\$ 5,392	\$ 3,634	\$ 3,922	\$ 4,195	\$ 4,501
Total Liabilities	8,209	11,230	11,251	11,249	18,814
Invested Net Assets	2,629	2,887	3,154	3,429	3,714
Unrestricted Net Assets	(5,446)	(10,483)	(10,483)	(10,483)	(18,027)
Total Liabilities & Net Assets	\$ 5,392	\$ 3,634	\$ 3,922	\$ 4,195	\$ 4,501
<b>COMBINED SERVICE</b>					
Revenue	\$ 63,169	\$ 59,748	\$ 62,805	\$ 65,079	\$ 68,491
Expense	246,215	282,480	311,750	330,632	350,891
Funding Requirement	183,045	222,732	248,945	265,553	282,400
Public Funding	188,432	214,276	250,097	257,551	262,216
Net Funding Available	\$ 5,387	\$ (8,456)	\$ 1,153	\$ (8,002)	\$ (20,184)
Total Assets	\$ 360,740	\$ 372,376	\$ 387,277	\$ 393,197	\$ 396,563
Total Liabilities	151,229	165,939	172,610	178,794	192,949
Invested Net Assets	190,877	199,443	208,277	217,388	226,783
Unrestricted Net Assets	18,634	6,994	6,390	(2,985)	(23,169)
Total Liabilities & Net Assets	\$ 360,740	\$ 372,376	\$ 387,277	\$ 393,197	\$ 396,563



# and Ten Year Business Plan with Cash Flow

flects all volatile elements. ADA costs grow at twice the Suburban Service rate, as this service is more expensive to operate, and forecasted demand is also greater.

Funding requirements are growing at a compound rate of 8.7% with ADA needs leading the way.

A consolidated underfunding begins as early as 2010, and worsens annually.

2012 View	2013 View	2014 View	2015 View	2016 View	2017 View	2018 View
\$ 60,106	\$ 61,678	\$ 63,330	\$ 65,067	\$ 66,896	\$ 68,825	\$ 70,862
233,812	244,513	255,865	267,921	280,739	294,379	308,913
173,706	182,835	192,536	202,855	213,842	225,554	238,050
156,074	160,680	165,429	170,324	175,372	180,576	185,941
\$ (17,632)	\$ (22,155)	\$ (27,107)	\$ (32,530)	\$ (38,470)	\$ (44,978)	\$ (52,109)
\$ 391,502	\$ 405,449	\$ 421,080	\$ 438,298	\$ 326,125	\$ 338,751	\$ 351,792
181,814	208,233	240,989	280,448	196,139	242,813	296,698
232,462	242,145	252,127	262,416	273,022	283,952	295,217
(22,774)	(44,929)	(72,036)	(104,566)	(143,036)	(188,014)	(240,123)
\$ 391,502	\$ 405,449	\$ 421,080	\$ 438,298	\$ 326,125	\$ 338,751	\$ 351,792
\$ 10,121	\$ 10,723	\$ 11,361	\$ 12,037	\$ 12,754	\$ 13,514	\$ 14,320
139,759	153,631	168,927	185,794	204,397	224,914	247,547
129,637	142,908	157,566	173,757	191,643	211,400	233,227
106,238	109,531	112,927	116,427	120,037	123,758	127,594
\$ (23,399)	\$ (33,377)	\$ (44,639)	\$ (57,330)	\$ (71,606)	\$ (87,642)	\$ (105,633)
\$ 4,818	\$ 5,146	\$ 5,485	\$ 5,836	\$ 6,199	\$ 6,575	\$ 6,964
42,234	75,633	120,296	177,651	249,281	336,950	442,611
4,010	4,316	4,631	4,958	5,296	5,645	6,006
(41,426)	(74,803)	(119,442)	(176,773)	(248,378)	(336,020)	(441,653)
\$ 4,818	\$ 5,146	\$ 5,485	\$ 5,836	\$ 6,199	\$ 6,575	\$ 6,964
\$ 70,227	\$ 72,401	\$ 74,690	\$ 77,104	\$ 79,650	\$ 82,340	\$ 85,183
373,571	398,144	424,792	453,716	485,135	519,294	556,460
303,344	325,743	350,102	376,612	405,485	436,954	471,277
262,312	270,211	278,356	286,751	295,409	304,334	313,535
\$ (41,031)	\$ (55,532)	\$ (71,746)	\$ (89,861)	\$ (110,076)	\$ (132,620)	\$ (157,741)
\$ 396,320	\$ 410,595	\$ 426,565	\$ 444,134	\$ 332,324	\$ 345,326	\$ 358,756
224,048	283,866	361,285	458,099	445,420	579,763	739,309
236,472	246,461	256,758	267,374	278,318	289,597	301,223
(64,200)	(119,732)	(191,478)	(281,339)	(391,414)	(524,034)	(681,776)
\$ 396,320	\$ 410,595	\$ 426,565	\$ 444,134	\$ 332,324	\$ 345,326	\$ 358,756

## Combined Suburban Service/ADA Cash Flow

The following provides an estimate of 2009 revenues, expenses and the cash position for Pace’s combined operations—Suburban Service and Regional ADA Service.

The agency budget is balanced to the funding and recovery marks set by the RTA for 2009. Pace’s cash position appears balanced and sufficient to meet next year’s needs.

**Table 34. Pace Combined Services Projected Cash Flow Summary—2009 (000's)**

	<b>Beginning Balance</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Net Results</b>	<b>Ending Balance</b>
January	\$ 46,224	\$ 25,769	\$ 25,460	\$ 309	\$ 46,533
February	\$ 46,533	\$ 25,769	\$ 25,501	\$ 268	\$ 46,802
March	\$ 46,802	\$ 25,769	\$ 25,460	\$ 309	\$ 47,111
April	\$ 47,111	\$ 26,178	\$ 25,684	\$ 494	\$ 47,606
May	\$ 47,606	\$ 26,178	\$ 25,460	\$ 718	\$ 48,324
June	\$ 48,324	\$ 26,178	\$ 25,530	\$ 648	\$ 48,973
July	\$ 48,973	\$ 26,178	\$ 25,460	\$ 718	\$ 49,691
August	\$ 49,691	\$ 26,178	\$ 25,460	\$ 718	\$ 50,409
September	\$ 50,409	\$ 26,178	\$ 25,460	\$ 718	\$ 51,128
October	\$ 51,128	\$ 26,178	\$ 25,890	\$ 288	\$ 51,416
November	\$ 51,416	\$ 26,178	\$ 25,460	\$ 718	\$ 52,135
December	\$ 52,135	\$ 26,178	\$ 32,692	\$ (6,514)	\$ 45,621

# Appendix A: Pace Overview

## Organizational Overview

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

The administration category for 2009 is budgeted at 167 filled full-time equivalents (FTE's).

The central support category is budgeted at 80 filled FTE positions for 2009.

The Pace division category is comprised of nine garages and is budgeted at 1,166 filled FTE positions for 2009, reflecting an increase of one position from 2008 estimated levels. This increase comes from the movement of one position from Regional ADA.

The Regional ADA Budget includes 36 FTE positions for 2009 and reflects the transfer of one position to the divisions.

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

Internal Services encompasses all functional areas of administration, risk management, capital financing and construction, budget planning, finance, information technology, as well as purchasing and materials management.

Revenue Services oversees the operational, maintenance, safety and security functions of Pace. These functions include the Pace divisions, contracted services, safety, vehicle maintenance, vanpool and paratransit service areas. Operational administration of the Regional ADA Program is also the responsibility of the Revenue Service area.

Strategic Services is responsible for all service planning, research and strategic planning for the agency.

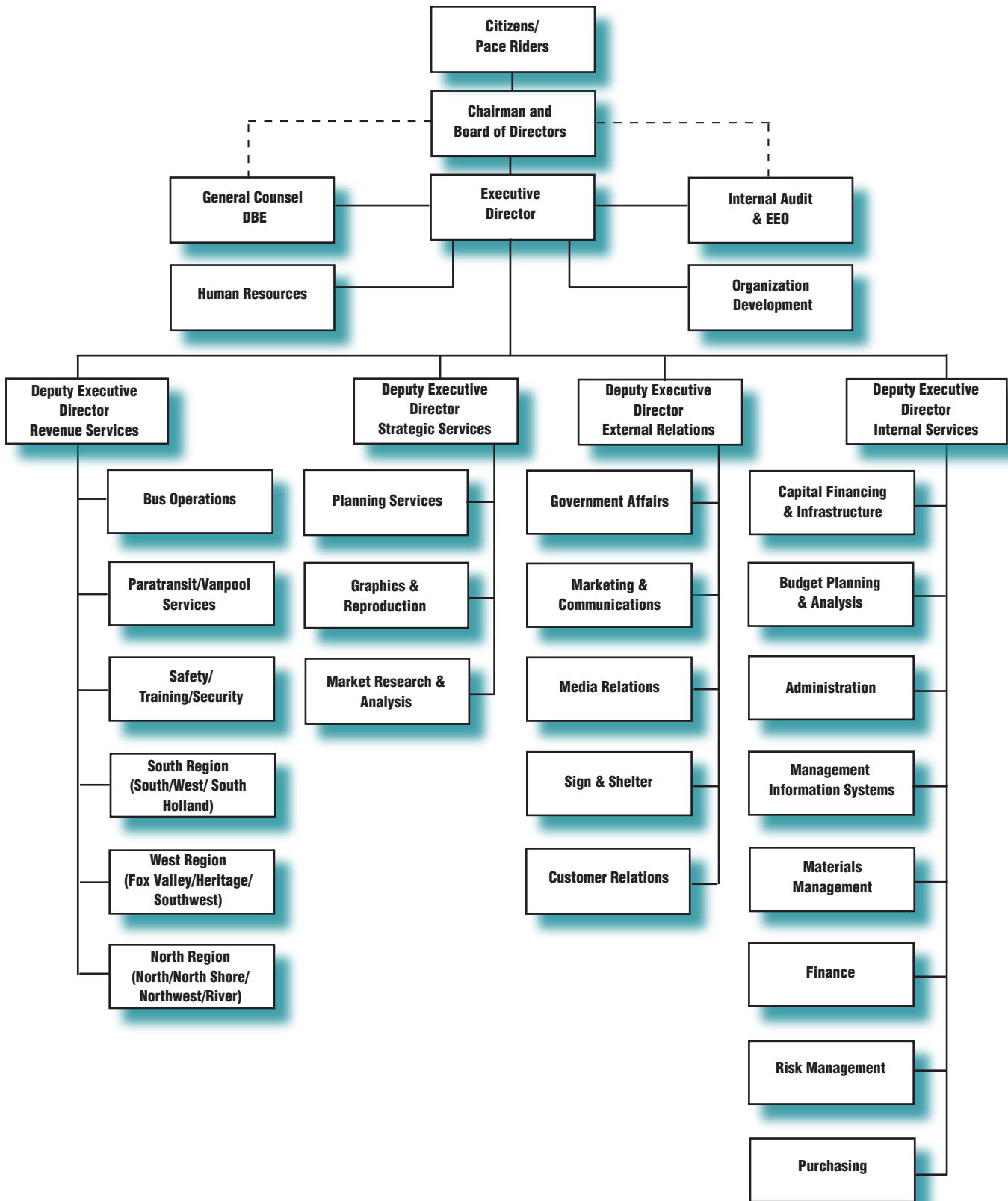
External Relations is responsible for governmental affairs, marketing, communications, customer and media relations, as well as bus signs and shelters.

These areas are indicated in detail on the organization chart on page 64.

**Table 35. Full-Time Equivalent Personnel (FTE's)**

<b>2007 ACTUAL</b>					
Area:	Admini- stration	Central Support	Pace- Divisions	Total	
<b>Activity</b>					
Operations	0	35	912	947	
Maintenance	0	37	205	242	
Non-Vehicle Maintenance	0	8	15	23	
Administration	167	0	33	200	
Suburban Service Total	167	80	1,165	1,412	
Regional ADA Paratransit	37	0	0	37	
Grand Total	204	80	1,165	1,449	
<b>2008 ESTIMATED</b>					
Area:	Admini- stration	Central Support	Pace Divisions	Total	
<b>Activity</b>					
Operations	0	35	912	947	
Maintenance	0	37	205	242	
Non-Vehicle Maintenance	0	8	15	23	
Administration	167	0	33	200	
Suburban Service Total	167	80	1,165	1,412	
Regional ADA Paratransit	37	0	0	37	
Grand Total	204	80	1,165	1,449	
<b>2009 BUDGET</b>					
Area:	Admini- stration	Central Support	Pace Divisions	Total	
<b>Activity</b>					
Operations	0	35	913	948	
Maintenance	0	37	205	242	
Non-Vehicle Maintenance	0	8	15	23	
Administration	167	0	33	200	
Suburban Service Total	167	80	1,166	1,413	
Regional ADA Paratransit	36	0	0	36	
Grand Total	203	80	1,166	1,449	

**Chart I. Pace Organizational Chart**



**Table 36. Pace's 2009 Proposed Operating Budget—Department Budgeted Positions**

	<b>2008 Budget</b>	<b>2009 Budget</b>		<b>2008 Budget</b>	<b>2009 Budget</b>
<b>Office the Executive Director</b>	2.0	2.0	<b>Regional ADA</b>		
General Counsel	5.0	5.0	City ADA Paratransit	31.0	30.0
Internal Audit	6.0	6.0	Suburban Service Allocation	6.0	6.0
Human Resources	7.5	7.5	<b>Total Regional ADA</b>	<b>37.0</b>	<b>36.0</b>
Organizational Development	2.0	2.0	<b>TOTAL Suburban Service and Regional ADA</b>	<b>1468.0</b>	<b>1468.0</b>
<b>TOTAL</b>	<b>22.5</b>	<b>22.5</b>	Suburban Service Vacancy Factor	(13.0)	(13.0)
<b>Revenue Services</b>			ADA Allocation	(6.0)	(6.0)
Deputy Executive Director, Revenue Services	5.0	5.0	<b>GRAND TOTAL - With Vacancy Factors</b>	<b>1449.0</b>	<b>1449.0</b>
Bus Operations	9.0	9.0			
Maintenance/Technical Services	24.0	24.0			
Vanpool	13.0	13.0			
Paratransit	12.0	12.0			
Safety	4.0	4.0			
Pace Divisions:					
Bus Operators	846.0	846.0			
Operations Supervisors	66.0	67.0			
Maintenance	205.0	205.0			
Non-Vehicle Maintenance	15.0	15.0			
Administration	33.0	33.0			
<b>TOTAL</b>	<b>1232.0</b>	<b>1233.0</b>			
<b>Internal Services</b>					
Deputy Executive Director, Internal Services	2.0	2.0			
Capital Financing & Infrastructure	16.0	16.0			
Budget Planning	6.0	6.0			
Materials Management	14.0	14.0			
Purchasing	8.0	8.0			
Risk Management	4.0	4.0			
Administration	4.0	4.0			
Finance	24.0	24.0			
MIS	30.0	30.0			
<b>TOTAL</b>	<b>108.0</b>	<b>108.0</b>			
<b>Strategic Services</b>					
Deputy Executive Director, Strategic Services	2.0	2.0			
Graphic Services	9.0	8.0			
Market Research/Analysis	3.0	3.0			
Planning Services	30.0	31.0			
<b>TOTAL</b>	<b>44.0</b>	<b>44.0</b>			
<b>External Relations</b>					
Deputy Executive Director, External Relations	2.0	2.0			
Government Affairs	5.0	7.0			
Marketing & Communications	6.0	5.0			
Media/P.R.	2.5	2.5			
Customer Relations	5.0	4.0			
Sign/Shelter	4.0	4.0			
<b>TOTAL</b>	<b>24.5</b>	<b>24.5</b>			
<b>Total Suburban Service</b>	<b>1431.0</b>	<b>1432.0</b>			

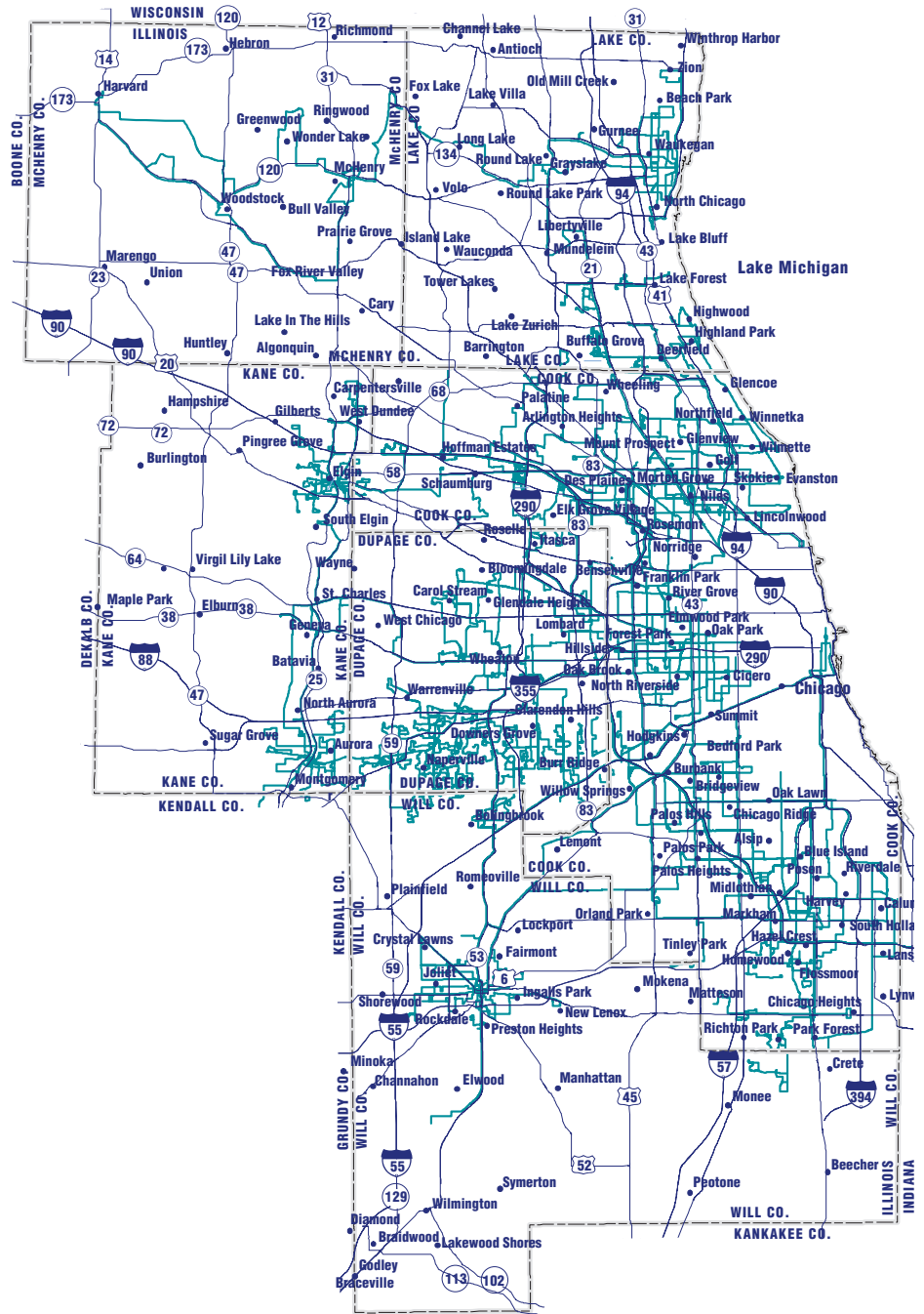
## Fixed Route Service Characteristics

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

### Fixed Route Service

147 regular, 51 feeder routes, 18 shuttle routes, one subscription service, numerous special event services, and three seasonal routes are operated by Pace. These routes serve 210 communities and carry over 2.88 million riders per month utilizing 610 vehicles during peak periods.

Map 1. Fixed Route Service Characteristics









# City ADA Paratransit Service Characteristics

## City ADA Paratransit

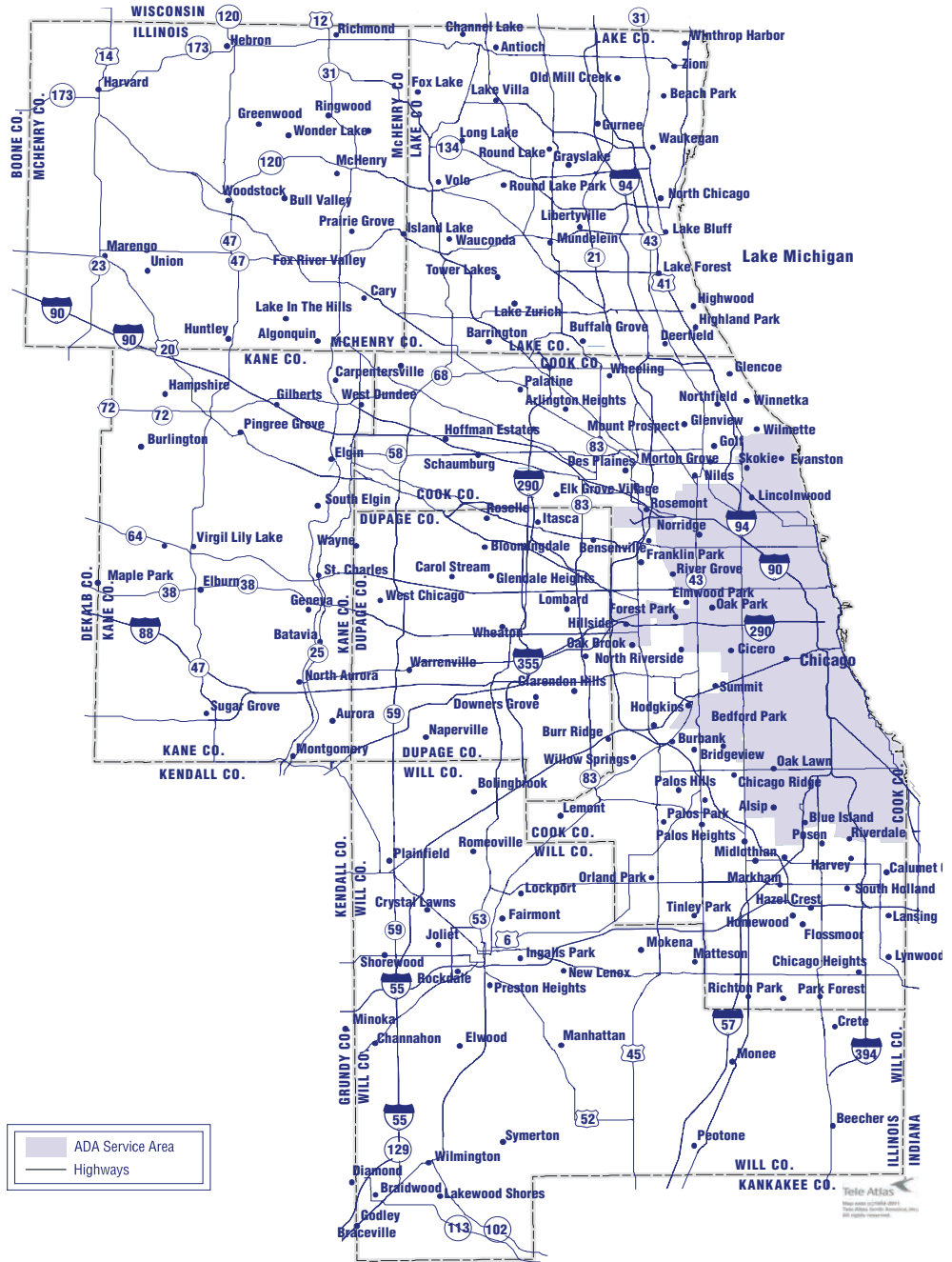
Five ADA Paratransit service contractors provide ADA Paratransit services to locations within 3/4 mile of CTA bus routes and up to a 3/4 mile radius of each CTA rail station.

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

In efforts to improve efficiency, a zone system was implemented for all five contract service providers in spring 2008. SCR Transportation is the service provider for Zone 1, South Region. Cook-DuPage Transportation (CDT) provides service in Zone 2, Central Region. MV Transportation provides service in Zone 3, North Region. Art's Transportation and Jay Medcar also provide service throughout the zones.

640 contractor-owned vehicles are used to provide service to over 175,000 riders each month. Each contractor can provide service anywhere within the City ADA service area.

Map 4. City ADA Paratransit Service Characteristics



## Pace Rolling Stock—Active Fleet

**Table 37. Pace Rolling Stock Active Fleet**

### Fixed Route (Fully Accessible)

Manufacturer	Year	No. of Vehicles	Age	Length
Ikarus	1992	3	16	40'
Orion	1992	11	16	35'
Orion	1993	59	15	40'
Nova	1996	22	13	40'
NABI	1999	30	12	35'
NABI	1999	21	11	40'
Chance Trolleys	2000	7	10	25'
Orion	2000	88	9	40'
Orion	2001	65	8	40'
MCI	2002	8	7	40'
NABI	2003	84	6	35'
NABI	2003	98	5	40'
Orion	2004	6	4	40'
NABI	2005	60	3	40'
Eldorado	2006	102	2	30'
Eldorado	2007	38	1	30'
Total		702		
Average Age			6.3 years	

### Paratransit (Fully Accessible)

Manufacturer	Year	No. of Vehicles	Age	Length
Eldorado Vans	2000	2	8	19'
Eldorado Vans	2001	81	7	19'
Eldorado Buses	2001	114	7	23'
Eldorado Buses	2002	50	6	23'
Eldorado Vans	2002	18	6	19'
Eldorado Buses	2003	31	5	23'
Eldorado Vans	2003	15	5	19'
Eldorado Buses	2004	36	4	23'
Eldorado Vans	2004	8	4	19'
Total		355		
Average Age			6.2 years	

### Vanpool

Manufacturer	Year	No. of Vehicles	Age	Length
Vans	1998	7	10	Various
Vans	1999	3	9	Various
Vans	2000	28	8	Various
Vans	2001	22	7	Various
Vans	2002	64	6	Various
Vans	2003	125	5	Various
Vans	2004	28	4	Various
Vans	2005	157	3	Various
Vans	2006	189	2	Various
Vans	2007	104	1	Various
Sedans	2007	2	1	Various
Vans	2008	60	0	Various
Total		789		
Average Age			3.2 years	



*Pace Eldorado fixed route bus with bike rack.*



*Pace Eldorado paratransit vehicle.*



*Pace full sized vanpool vehicle.*

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## Pace System Infrastructure

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

### Fixed Facilities Owned or Operated by Pace

#### Pace Garages

- A. Pace River Division  
975 S. State, Elgin  
63,000 square feet, 1989
- B. Pace Fox Valley Division  
400 Overland Dr., N. Aurora  
56,800 square feet, 1994
- C. Pace Heritage Division  
9 Osgood St., Joliet  
57,000 square feet, 1985
- D. Pace North Division  
1400 W. Tenth St., Waukegan  
57,800 square feet, 1987
- E. Pace West Division  
3500 W. Lake St., Melrose Park  
221,570 square feet, 1986
- F. Pace Southwest Division  
9889 Industrial Dr., Bridgeview  
81,500 square feet, 1994
- G. Pace South Division  
2101 W. 163rd Place, Markham  
191,000 square feet, 1988
- H. Pace Northwest Division  
900 E. Northwest Hwy.,  
Des Plaines  
82,700 square feet, 1962
- J. City of Highland Park\*  
1150 Half Day Road,  
Highland Park
- K. Village of Niles\*  
7104 Touhy Ave., Niles
- L. Pace North Shore Division  
2330 Oakton St., Evanston  
81,500 square feet, 1995
- M. Pace Administrative  
Headquarters  
550 W. Algonquin Rd.,  
Arlington Heights  
43,275 square feet, 1962
- N. South Holland  
Acceptance Facility  
405 W. Taft Dr., South Holland  
44,700 square feet, 1984
- O. Pace Paratransit Garage  
5007 Prime Parkway  
McHenry  
28,097 square feet, 2001

*\*Municipal Garages*

Pace has established numerous passenger service facilities throughout the region. The facilities provide convenient transfers and connections between our services and those provided by CTA and Metra.

#### ▲ Transportation and Transfer Centers

##### **Aurora Transportation Center**

Aurora

##### **Buffalo Grove Transportation Center**

Buffalo Grove

##### **Chicago Heights Transfer Center**

Chicago Heights

##### **Elgin Transportation Center**

Elgin

##### **Gurnee Mills Transfer Facility**

Gurnee

##### **Harvey Transportation Center**

Harvey

##### **Northwest Transportation Center/Charles Zettek Facility**

Schaumburg

##### **Prairie Stone Transportation Center**

Hoffman Estates

##### **United Parcel Service Transportation Center**

Hodgkins

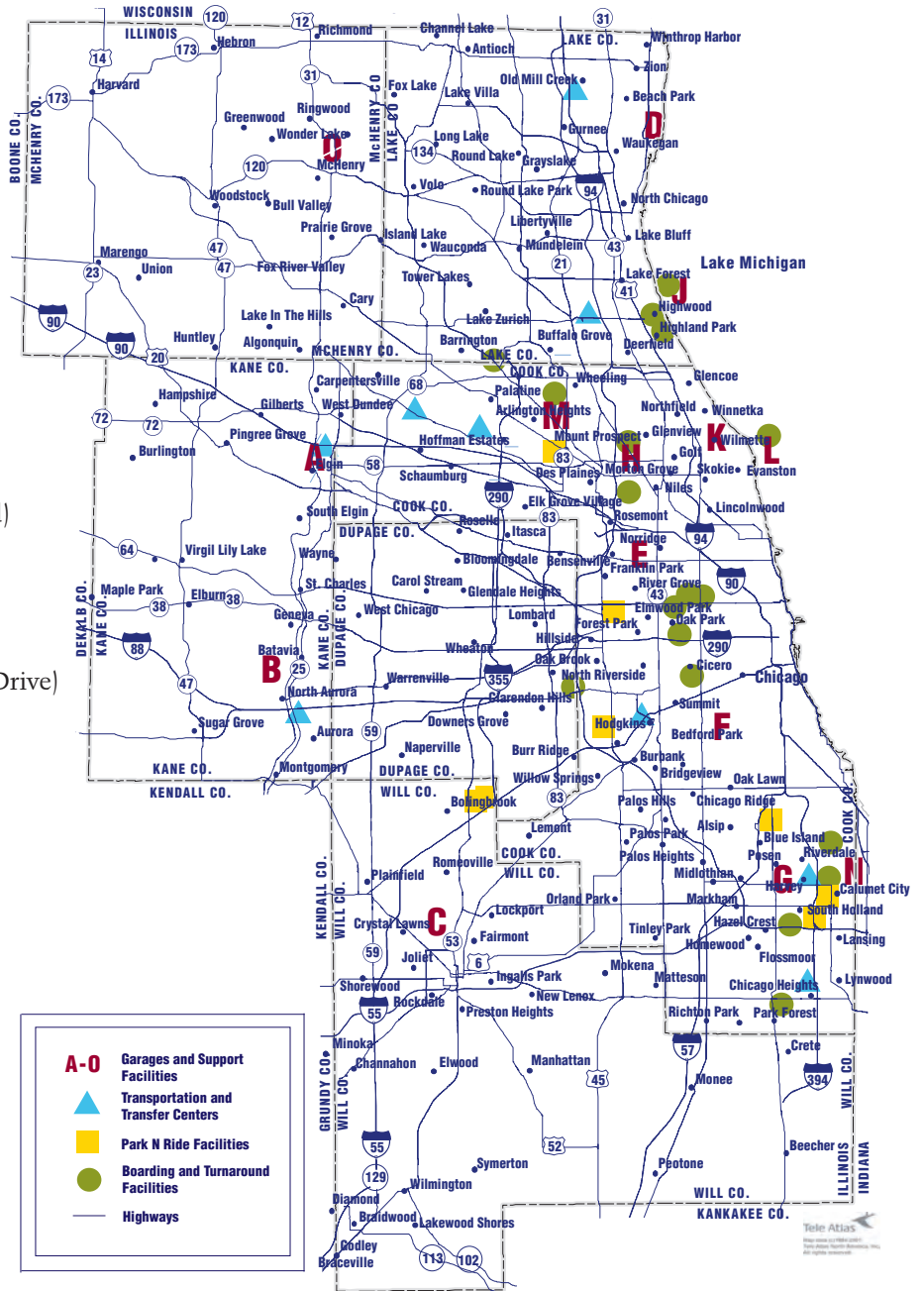
**● Boarding and Turnaround Facilities**

- Arlington Heights Metra
- Clarendon Hills Metra
- Deerfield Metra
- Des Plaines Metra
- Elmwood Park
- Evanston-CTA Davis Street
- Forest Park CTA Station
- Highland Park Metra
- Homewood Metra
- Lake Cook Road Metra
- North Riverside Park Turnaround
- Oak Park CTA/Metra
- Palatine Metra
- Park Forest Bus Turnaround
- River Road CTA
- Riverdale Bus Turnaround
- South Suburban College (South Holland)
- Summit CTA/Pace

**■ Park and Ride Facilities**

- Blue Island Park-n-Ride
- Bolingbrook Park-n-Ride (Old Chicago Drive)
- Bolingbrook Park-n-Ride (Town Center)
- Burr Ridge Park-n-Ride
- Elk Grove Village Park-n-Ride
- Hillside Park-n-Ride
- Homewood Park-n-Ride
- South Holland Park-n-Ride

**Map 5. Pace System Garage and Support Facilities**



## Pace Ridership

The following table identifies projected ridership changes by operating element for years 2007 through 2011.

**Table 38. Pace 2009-2011 Status Quo Ridership Projections**

(000's)	2007 Actual	2008 Estimated	% Change	2009 Projected	% Change	2010 Projected	% Change	2011 Projected	% Change
Pace Owned Carriers	30,599	31,201	2.0%	31,535	1.1%	32,166	2.0%	32,809	2.0%
Public Carriers	1,004	984	-2.0%	994	1.0%	1,014	2.0%	1,026	1.2%
Private Carriers	1,938	1,960	1.2%	1,980	1.0%	2,020	2.0%	2,060	2.0%
Total Fixed Route	33,542	34,146	1.8%	34,510	1.1%	35,200	2.0%	35,895	2.0%
Dial-a-Ride	1,126	1,075	-4.5%	1,135	5.6%	1,163	2.4%	1,191	2.4%
Vanpool	1,877	1,919	2.2%	2,094	9.1%	2,303	10.0%	2,533	10.0%
Suburban Service Total	36,544	37,139	1.6%	37,739	1.6%	38,666	2.5%	39,620	2.5%
Regional ADA Paratransit Service	2,624	2,739	4.4%	3,034	10.8%	3,210	5.8%	3,397	5.8%
Combined Pace Service	39,168	39,878	1.8%	40,772	2.2%	41,876	2.7%	43,017	2.7%

The ridership projections shown on Table 38 are based on current status quo levels. For 2008, Pace Suburban Service ridership is estimated to rise over 2007 levels by 1.6%.

For 2009, Suburban Service ridership is projected to grow by .599 million riders or 1.6%. Fixed route is projected to continue to grow at 1.1% and will account for 364,000 or 60.8% of the total growth for Suburban Service ridership. Continued expansion of the vanpool program is planned with ridership growth forecasted at 9.1% or 175,000 trips. In 2009, Regional ADA Paratransit service ridership will increase 10.8%, with Suburban ADA increasing 6.8% and City ADA increasing 11.7%.

Ridership is projected to continue to grow for outlying years—2010 and 2011. Annual growth rates of 2.5% in Suburban Service ridership reflect continued expansion of the vanpool program for 2010 and 2011, averaging an increase of 219,500 rides annually. Regional ADA ridership is forecasted to grow at 5.8%, comparable to the anticipated strong growth in demand for ADA Paratransit services in 2010 and 2011.



*Pace administers the region's Ride Share program and launched a new automated participant registration system in 2008.*

## Demographic Profiles of Pace User (Customers)/Non-user

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

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



Passenger shelters such as this one are very important to Pace customers.

**Table 39. User/Non-User Demographic Profiles**

	Non-Users	Users (weekday only)
<b>Age in Years</b>		
Group Median	47.0	44.8
<b>Sex:</b>		
Male	48%	44%
Female	52%	56%
<b>Education</b>		
Some high school or less	2%	8%
High school graduate	12%	25%
Some college or technical school	20%	34%
College graduate	37%	23%
Graduate or Professional Degree	29%	10%
<b>Total Annual Household Income</b>		
Group Median (000)	\$74.80	\$38.00
<b>Auto Ownership</b>		
None	5%	29%
One	26%	37%
Two or more	69%	34%
<b>Ethnic Background</b>		
African American	7%	40%
Asian	3%	7%
Hispanic	10%	11%
Caucasian	79%	37%
Other	1%	5%

**Data Source**

Non-user: South Cook County-Will County Service Restructuring Initiative, 2006, regional sample size = 1,195

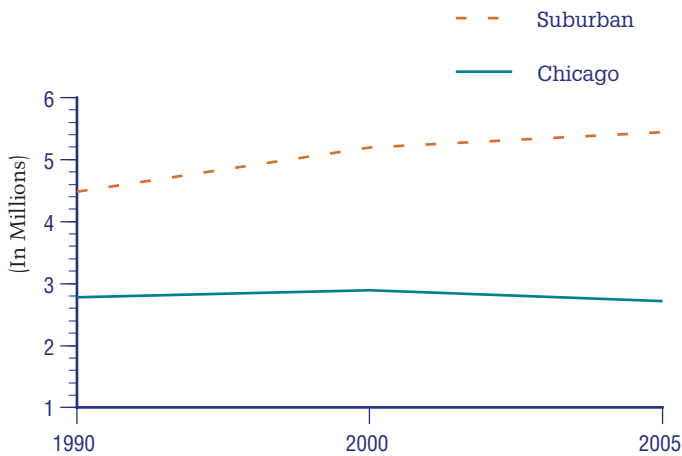
User: 2007 CSI/User Survey, regional sample size = 4,919

# Regional Population

## Population

The suburban population increased 16% between 1990 and 2000, from 4.5 million residents to 5.2 million residents. In the years since the 2000 census, the suburban population continued to grow, reaching an estimated 5.5 million in 2005. By contrast, Chicago's population reversed a 40 year decline between 1990 and 2000, increasing approximately 4% to 2.9 million. Chicago's population decreased to 2.7 million by 2005, a loss of 6%, leaving Chicago with fewer people in 2004 than in 1990 (or any time since 1920). The following graphs depict the recent population trends in the metropolitan Chicago region from 1990 through 2005.

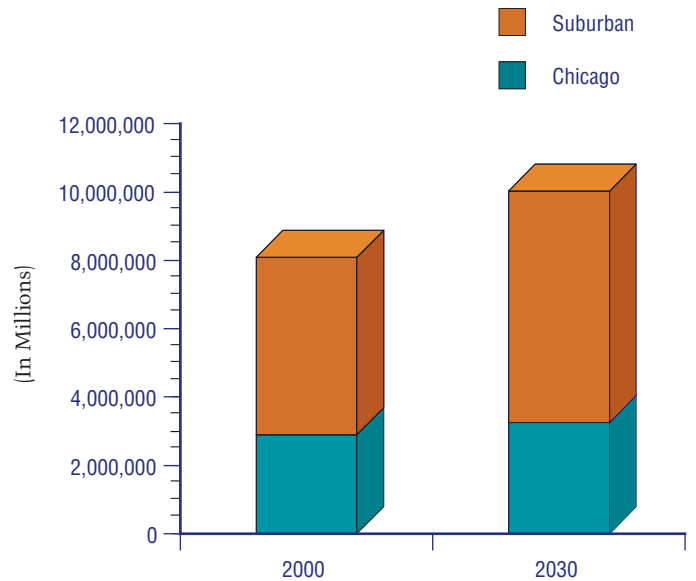
**Chart J. 1990 to 2005 Regional Population**



## Regional Population Change 2000 to 2030

The Northeastern Illinois Planning Commission (NIPC) provides official 30 year population forecasts for the region. These forecasts project population growth rates and patterns. According to NIPC, the regional population is expected to increase by 2.0 million people between 2000 and 2030 to 10 million. Subsequently, 1.6 million new residents will accrue to Pace's service region while Chicago's population will increase by 0.4 million new residents.

**Chart K. 2000 to 2030 Regional Population Projection**



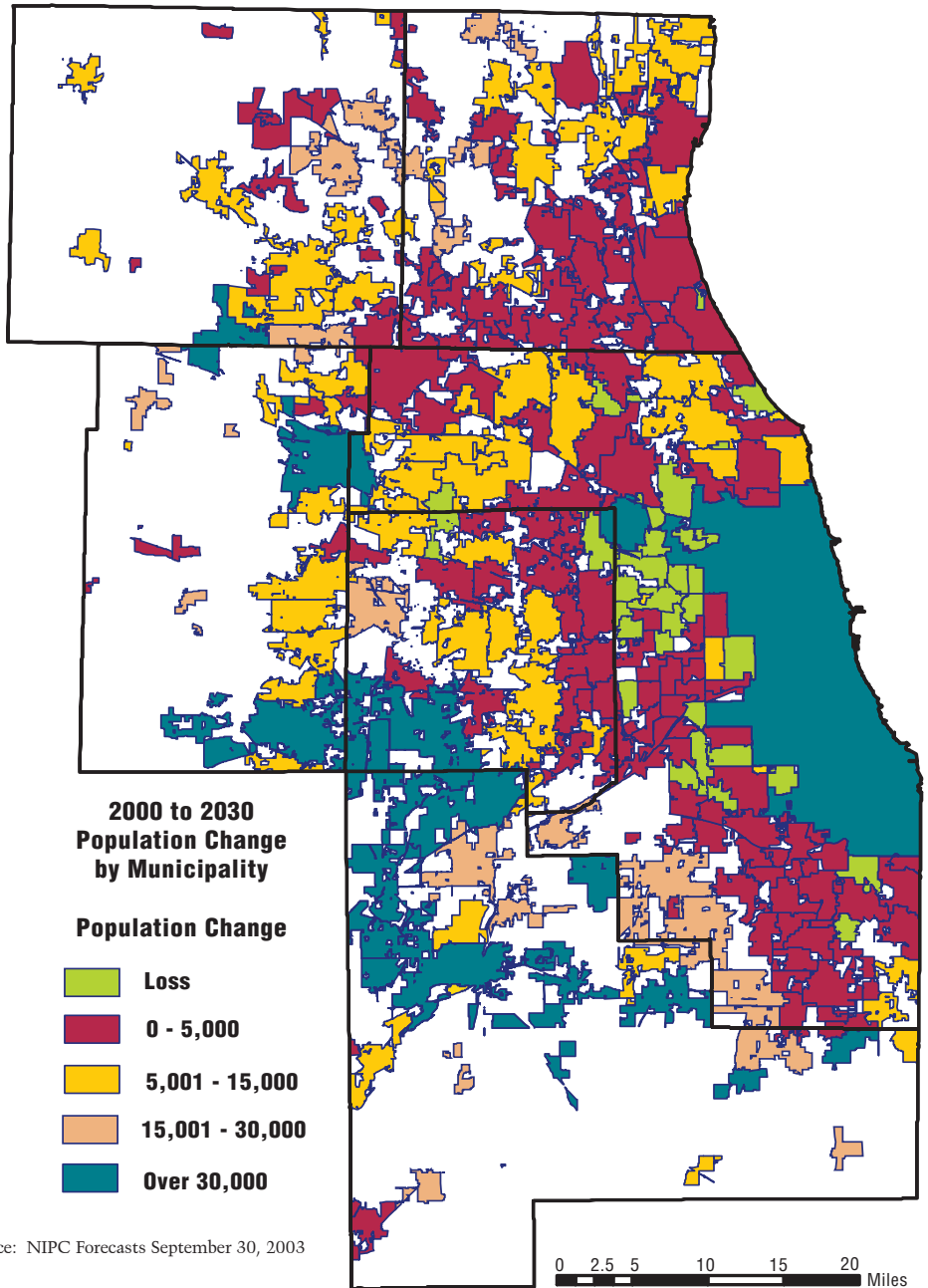


### Regional Population Change 2000 to 2030

Almost half of the suburban population increase (43%) will be concentrated in the 14 fastest growing suburban municipalities. Most of these municipalities are located to the southwest of Chicago, in Will, DuPage and Kane counties.

Additionally, NIPC forecasts population losses for a number of communities to the northwest and west of Chicago, in the vicinity of O'Hare airport, and in a smaller number of communities to the south and southwest of Chicago.

Map 6. Regional Population Change



Source: NIPC Forecasts September 30, 2003

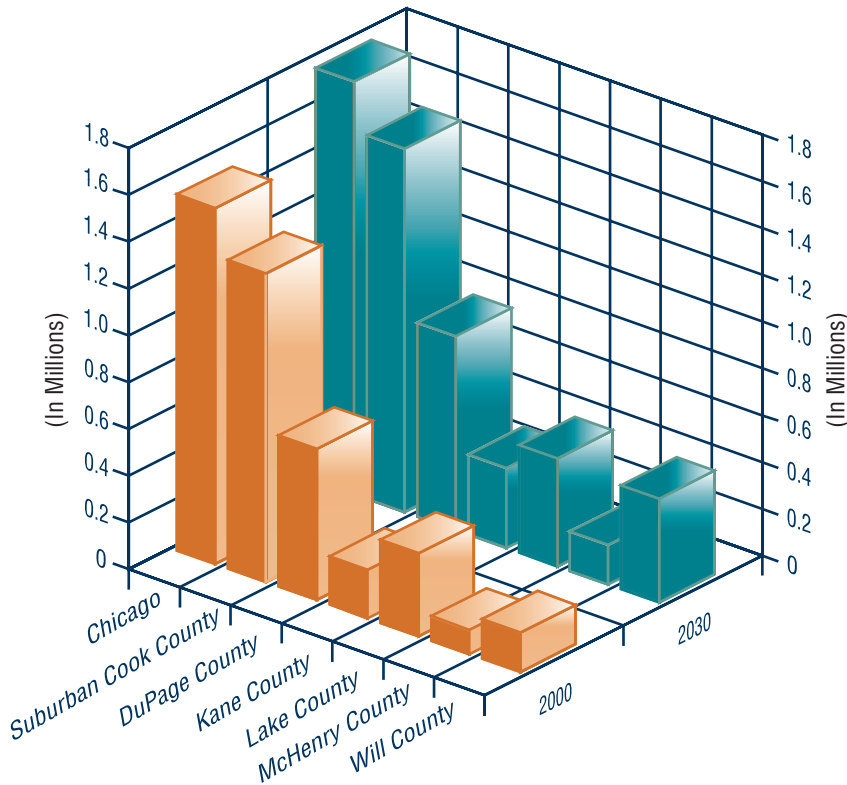
## Regional Employment

### Employment

In the decade between 1990 and 2000, the Chicago region gained over 836,000 jobs. Over a half million of those jobs (59%) occurred in the suburbs. It is anticipated that future job growth will continue to concentrate in the suburban portion of the region.

NIPC's forecast anticipates an increase of 1.2 million jobs in the region by 2030, of which one million will accrue to the suburban areas. As a percentage of 2000 employment, Will County's increase is projected to be the greatest (162%), followed by Kane County (66%) and McHenry County (60%), representing an increase of 274,000, 137,000 and 63,000 jobs, respectively. Will County's projected employment growth is also the largest in absolute terms, followed by growth in Chicago (241,000), Suburban Cook County (236,000) and DuPage County (184,000).

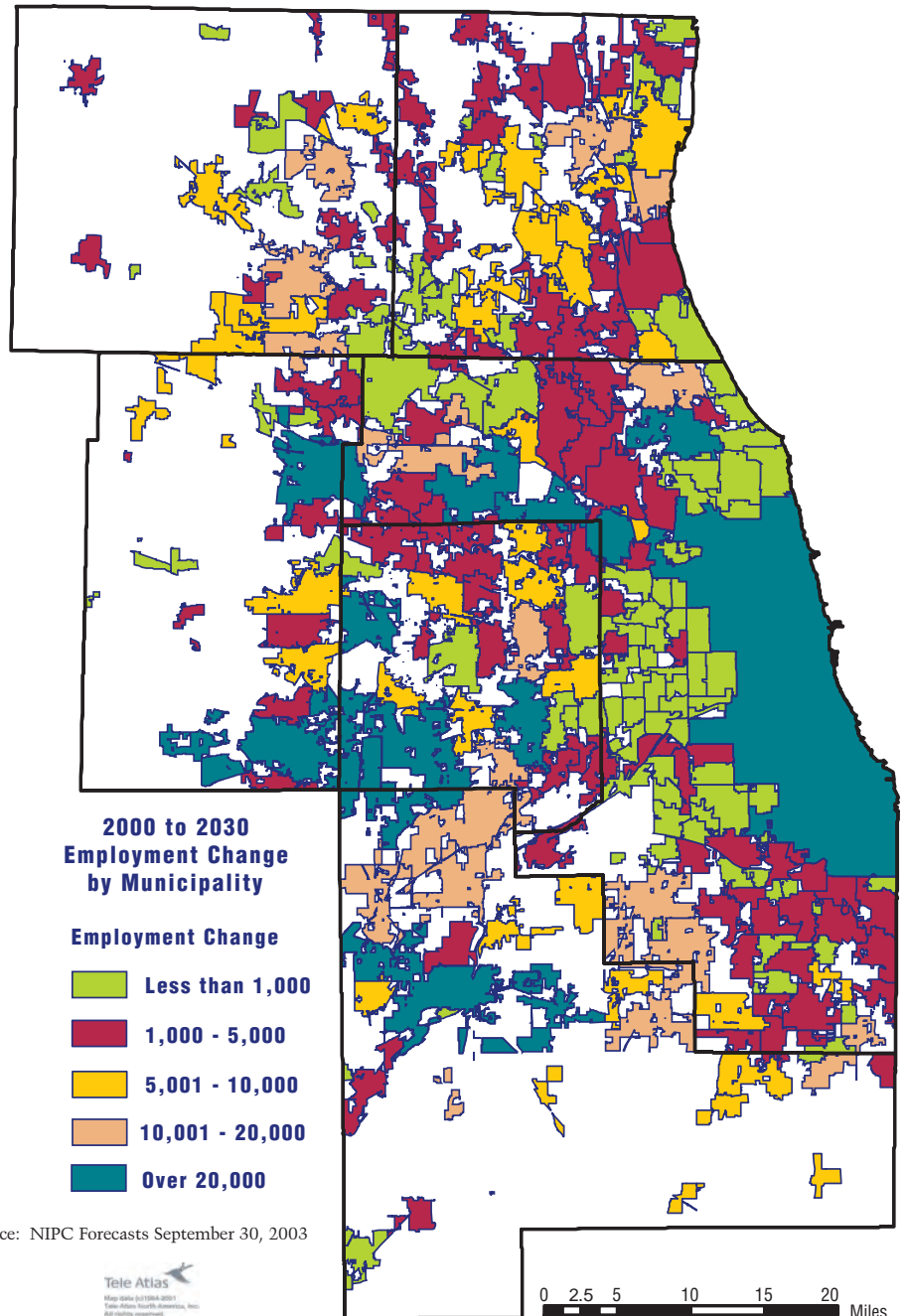
**Chart L. 2000 to 2030 Employment Projection**



### Regional Employment Change 2000 to 2030

Similar to the trends observed in population growth, increases in employment growth are projected to be concentrated in a number of areas southwest of the City. The 14 municipalities projected to experience the largest employment growth are expected to gain 42% of the total new suburban employment. Employment growth is expected to be concentrated in the vicinity of Joliet, Aurora/Naperville, Elgin, and along the Interstate 90 corridor from O'Hare Airport to Schaumburg.

**Map 7. Regional Employment Change**



## Travel and Congestion

### Travel Patterns

According to the Texas Transportation Institute's 2005 Urban Mobility Report, the Chicagoland area is second only to Los Angeles in peak period travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 142 million gallons of fuel annually just sitting in traffic.

The regional cost of traffic congestion reaches \$3.98 billion annually when you factor in lost time and wages, increased shipping costs and fuel wasted. Over 202 million hours of travel delay time are lost in the region annually according to the report. This loss takes into account that public transit in the region reduces time lost by 39 million hours annually.

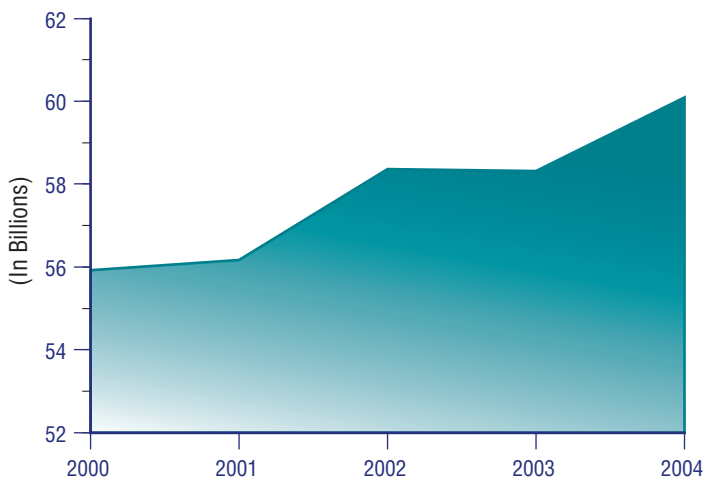
The impact congestion has on the regional economy underscores the need for increased public transportation. Without it, traffic congestion will continue to worsen as it has since 1982, and the cost in wasted time and fuel will continue to rise.

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



*Chicago area traffic congestion is the second worst in the nation. Over 142 million gallons of fuel were wasted by vehicles due to traffic congestion in the region.*

### Chart M. Annual Vehicle Miles



## Peer Performance Comparison

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

The RTA's peer group includes the following systems:



Long Island Bus (MTA) – New York, NY

Orange County Transportation Authority (OCTA) –  
Los Angeles, CA

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

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

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

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

### Service Efficiency

Operating Expense per Revenue Hour  
Operating Expense per Revenue Mile

### Cost Effectiveness

Operating Expense per Passenger  
Operating Expense per Passenger Mile

### Service Effectiveness

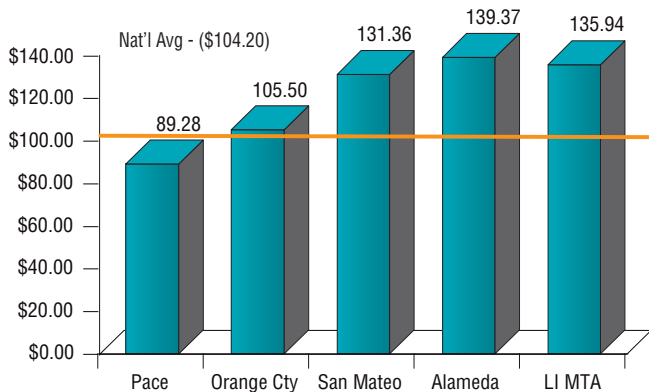
Passengers per Revenue Hour  
Passengers per Revenue Mile

The following charts are prepared using 2006 National Transit Database (NTD) data for bus only, which is the latest year data available at this writing.

## Peer Performance Comparison

### Service Efficiency

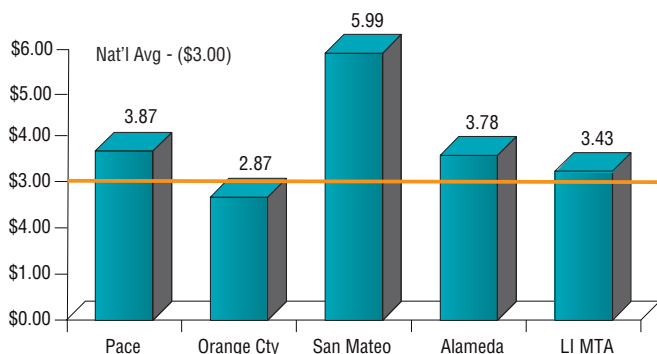
**Chart N. Operating Expense per Revenue Hour**



Service efficiency, as measured by the performance ratios operating expense per total revenue hour and revenue mile, shows Pace to be the most efficient compared to all peers in this group. Pace is also outperforming the marks for the national average. At \$89.28, Pace’s cost per hour is 15.4% less than the nearest peer—Orange County (CA). Pace’s costs are also \$14.92 per hour or 14.3% less than the national average for this performance measuring category.

### Cost Effectiveness

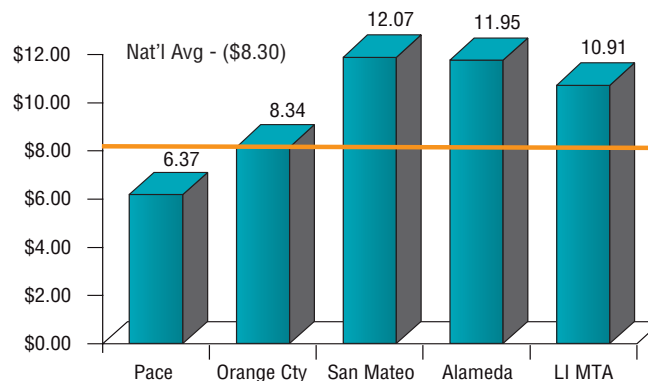
**Chart P. Operating Expense per Passenger**



Cost effectiveness, as measured by the performance ratios operating expense per passenger and passenger mile, shows Pace to be consistent with the agencies within this peer group.

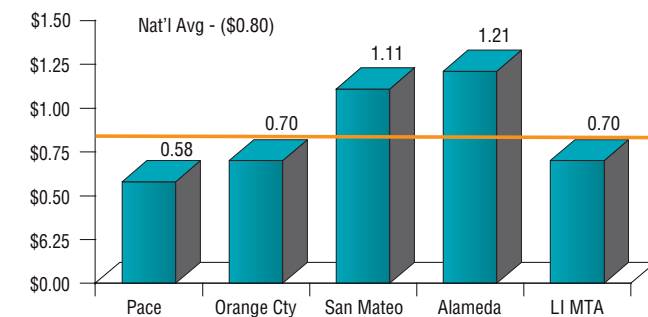
At \$3.87, Pace’s operating expense per passenger is the second highest next to San Mateo (CA). Excluding

**Chart O. Operating Expense per Revenue Mile**



Pace’s operating expense per mile is also well below everyone in this peer group. At \$6.37 per mile, Pace’s cost is \$1.97 per mile or 23.7% below the nearest peer, Orange County (CA), and \$1.93 per mile or 23.3% below the national average.

**Chart Q. Operating Expense per Passenger Mile**

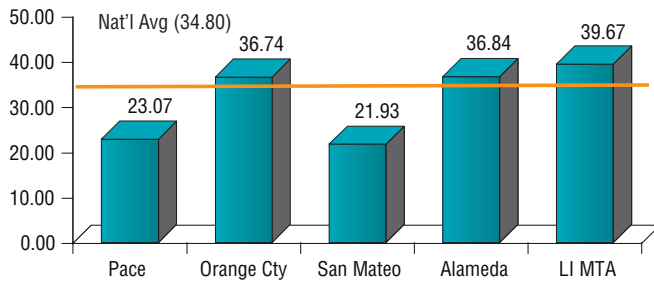


Orange County (CA), Pace and all suburban bus peers exceeded the 2006 average national expense per passenger of \$3.00.

At \$0.58, Pace’s expense per passenger mile is consistent with two other suburban peers, Orange County (CA) and LI MTA (NY), and considerably lower than the national transit average of \$0.80.

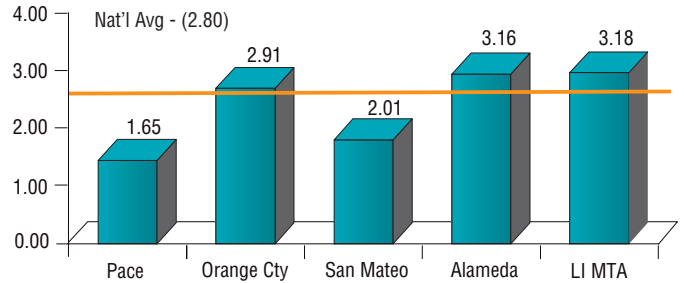
**Service Effectiveness**

**Chart R. Passengers per Revenue Hour**



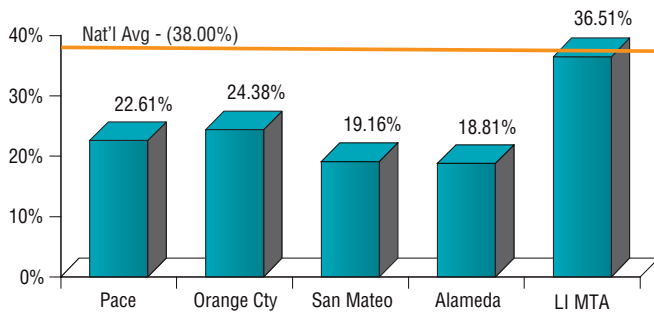
Service effectiveness, as measured by the performance ratios passengers per total revenue hour and passenger miles per total revenue mile, shows Pace to have the second lowest performance ratio compared to everyone in this group, and 11.73 below the national average. The size of the service area directly affects this performance indicator and, at nearly 3500 square miles, Pace has the largest service area of all the suburban bus peers in this group.

**Chart S. Passengers per Revenue Mile**



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

**Chart T. Farebox Recovery Ratio**

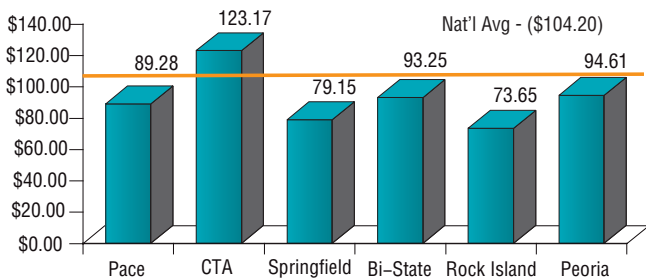


Pace’s bus only farebox recovery rate of 22.61% is lower than the national average bus ratio of 38.00%. However, Pace outperformed San Mateo and Alameda (AC Transit/Oakland).

# State/Local Government Performance Comparison

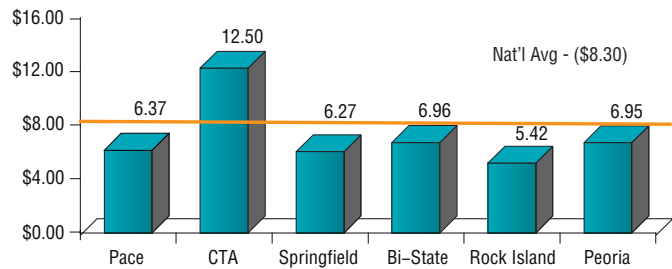
## Service Efficiency

**Chart U. Operating Expense per Revenue Hour**



Pace's service efficiency, as measured by operating expense per revenue hour and mile, compares favorably to CTA, Bi-State Development Agency (St. Louis), Peoria and the national average.

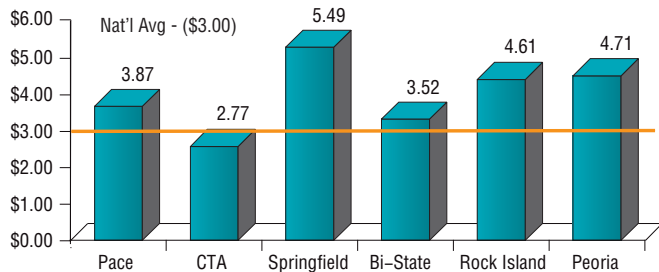
**Chart V. Operating Expense per Revenue Mile**



At \$6.37, Pace's expense per revenue mile is \$1.93 below the national average. The CTA's cost per revenue mile exceeds Pace's by \$6.13 per mile.

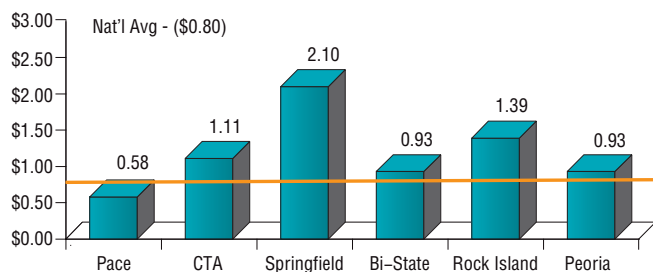
## Cost Effectiveness

**Chart W. Operating Expense per Passenger**



Pace's cost effectiveness, as measured by operating expense per passenger, compares favorably to Springfield, Rock Island and Peoria.

**Chart X. Operating Expense per Passenger Mile**

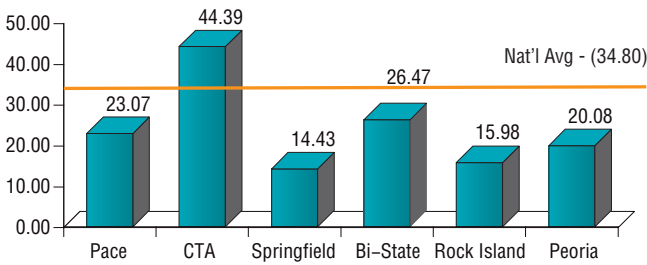


Pace's operating expense per passenger mile is well below everyone in this peer group. In addition, Pace's cost is 28.3% lower than the national bus average.



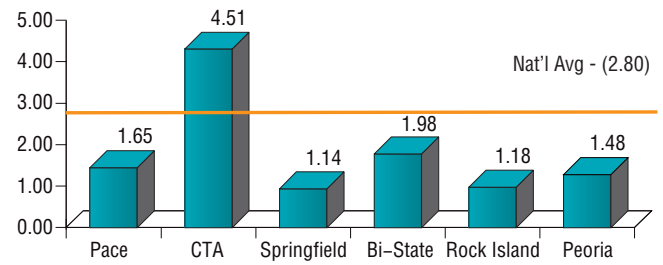
## Service Effectiveness

### Chart Y. Passengers per Revenue Hour



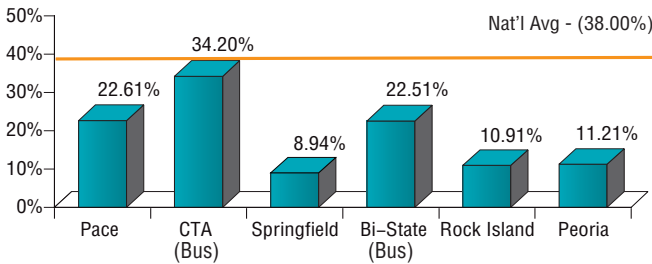
When compared to other Illinois transit operators, Pace’s service effectiveness, as measured by passengers per revenue hour and per revenue mile, is comparable. At approximately 23.1 passengers per revenue hour, Pace service outperforms Springfield, Rock Island and Peoria. Higher density markets, such as St. Louis (Bi-State) and Chicago (CTA) performed better.

### Chart Z. Passengers per Revenue Mile



At 1.65 passengers per revenue mile, Pace surpasses Springfield, Rock Island and Peoria; however, the higher population density markets, St. Louis (Bi-State) and Chicago (CTA), have performed better.

### Chart AA. Farebox Recovery Ratio



Only the CTA outperformed Pace in terms of recovery rate among the Illinois operators. It is interesting to note that the CTA’s bus recovery rate is 34.20%—it is the CTA’s rail system and the RTA allowances which put the CTA’s overall recovery rate above 50%. The reason rail recovery rates are higher than bus recovery rates is that much of the rail system cost is capital in nature and capital costs are excluded from the recovery rate calculation.

# Appendix B: Planning Initiatives

## Vision 2020—The Blueprint for the Future

### Purpose of Vision 2020

Pace's vision for the future is to provide a publicly acceptable level of efficient suburban mobility. The Vision 2020 plan represents the blueprint for Pace's future, and describes how Pace intends to achieve this objective. It calls for a network of new services, infrastructure improvements, and a decrease in travel times. Although challenging, this plan will bring Pace into the future, making viable public transportation available to the region.

The Chicago Metropolitan Agency for Planning (CMAP), formerly the Northeastern Illinois Planning Commission (NIPC) estimates the population of Pace's service area to be approximately 5.2 million and expects it to grow to more than 6.2 million by 2020. As jobs and housing have increasingly relocated to the suburbs in the last several decades, the physical separation of residential and employment locations has increased. Commuters experience this as longer work trips. Growing population and longer trips lead to more traffic congestion. The Chicago Area Transportation Study (CATS) estimates that traffic congestion in the Chicago region has increased by more than 100% in the past two decades. The percent of lane-miles congested in the Chicago region grew from 32% in 1982 to 65% in 1999. Miles traveled on congested roadways are forecasted to grow by 60% between 1996 and 2020, and time spent traveling is forecasted to jump 44% between 1996 and 2020.

Likewise, the growing suburban job market and the national welfare-to-work initiative have created demand for transit services that connect locations in the City of Chicago with widely distributed suburban employers. The last two decades have seen a shift in employment to the suburbs and more varied work hours. Pace's success depends on how effectively it serves these changing travel needs.

The region's growth in population and jobs has mostly been occurring in the suburban "ring," rather than the Chicago central area. The net result of these factors has been an increase in single occupant automobile use and a decline in air quality. At the same time, there has been less public support of new, large highway improvement projects, and more support for the concept of "smart

growth" concepts. These concepts include environmentally sensitive land development, minimizing dependence on private automobile transportation, reducing air pollution, and making infrastructure investments more efficient. In light of these factors, Pace must enhance its transit services to meet the needs of suburban economic development and travel markets.

Enhanced mobility requires services that are cost- and time-competitive with the private automobile, and that contribute to the community development objectives of each county and municipality. One objective is to provide the all important "last mile" of service which makes public transportation available to most of the region. These objectives, combined with an analysis of the current Pace routes, services, markets, and the future land use and population projections have led to the preparation of a long range plan for Pace. Building the kind of suburban transit system needed to meet the long-range needs of northeastern Illinois will take both considerable time and resources. The program is called "Vision 2020—The Blueprint for the Future."

### The Proposed Suburban Mobility Network

In the future, Pace must be a well-integrated system of public transportation services designed and operated to serve the suburban and urban travel needs of a growing and changing metropolitan region. Effectively providing suburban mobility means providing access to widely distributed trip origins and destinations while providing a time competitive, long distance line haul service between suburban centers. This includes an evaluation of the present fixed route structure, the creation of community-based services, the implementation of line haul routes, and the development of transportation centers and other passenger facilities.

#### *Community Based Services*

Pace's success depends on how well it brings customers to its network: the "first and last mile" of the passenger trip. Pace's service area includes a range of conditions from walkable neighborhoods in the inner ring suburbs and satellite cities to dispersed, automobile oriented development in the outer suburbs. Pace currently operates

a variety of fixed route, commuter rail feeder, employer shuttle, route deviation, and other services to provide access to widespread trip origins and destinations. The plan envisions a continuation and expansion of delivering flexible services tailored to the travel patterns of the local community.

Community based services include a full gamut of service types from demand response in some markets to fixed routes in others, with a customized mix of service types in each community. Current connections such as fixed routes, employer shuttles, historic trolleys, and community circulators will expand. New community services will provide short distance mobility within communities and include: flexible routes that can deviate to provide curb-to-curb service within a defined corridor; van services that provide curb-to-curb service on request within a defined service area; and subscription routes that allow customers to make arrangements for rides on a regular basis.

These services will use recent advances in communications technology to ensure connections with other services, respond to real time customer requests for service, and communicate service status with customers. The specific mix of service types, service levels, and other parameters will be based on detailed studies of travel markets and local interests and conditions in each community based service area.

**T**he plan identifies more than 90 such service areas for further study in partnership with communities. Three service levels are envisioned, based on the primary types of services most likely to be provided, as determined by expected ridership: (1) “Low” service areas have the least population and employment density and are best served by vanpools, subscription services, demand response vans and flexible bus routes; (2) “Medium” service areas have higher population and employment densities and represent the majority of the region in terms of activity centers. A wide range of services may be considered in these areas including vanpools, subscription services, demand response vans, flexible bus routes, and traditional fixed bus routes; (3) “High” service areas contain dense urban centers that may be

suitable for historic trolley and/or circulator services, in addition to other services under consideration for “Medium” service areas.

### *Passenger Facilities*

Community based services originate from transportation centers. These facilities provide comfortable, convenient locations for customers to make connections between various transit services. Transportation centers are typically located at and integrated with rail stations, community downtowns, shopping centers, and other major activity centers, and offer community transit oriented development opportunities. The design of these facilities typically includes: off street bus bays, sheltered boarding areas and heated waiting areas, electronic passenger information systems, facilities for driver breaks and layover facilities, access enhancements such as improved sidewalks, bikeways, bicycle storage, kiss-and-ride areas, and park-and-ride lots.

The plan identifies 16 regional transportation centers and 150 community transportation centers. Regional transportation centers typically serve more routes than community transportation centers, and are located at activity centers of greatest regional significance.

### *Line Haul Bus Routes*

Line haul routes provide a backbone of high-speed inter-suburban transit service connecting transportation centers. Bus Rapid Transit (BRT) techniques will be used to achieve a high service level at a low cost. Pace’s BRT routes will feature: limited stops, simple routes typically associated with a single street, frequent service, off-board fare payment, electronic next stop announcements, traffic signal priority to provide green lights at intersections, and bus lanes where appropriate to avoid congestion. Upgraded bus stops will offer raised platforms with level boarding, heated waiting areas and sheltered boarding areas, countdown signs displaying how long until the next bus arrives, bike racks, and improved pedestrian access.

The plan identifies two types of line haul routes based on their primary operating environment: Expressway/Tollway Routes and Arterial Routes. Expressway/tollway services use comfortable over the road coaches, provide frequent service, connect major regional activity centers

with few stops in between, and operate in a high-occupancy vehicle lane or dedicated right of way where appropriate to avoid traffic delays. Line Haul Arterial Routes use specially marked low floor transit buses to enhance system identity and increase boarding speed. They will also use Pace's new Intelligent Bus System to improve on time performance, communicate with customers, coordinate transfers with other bus services, and reduce operating costs.

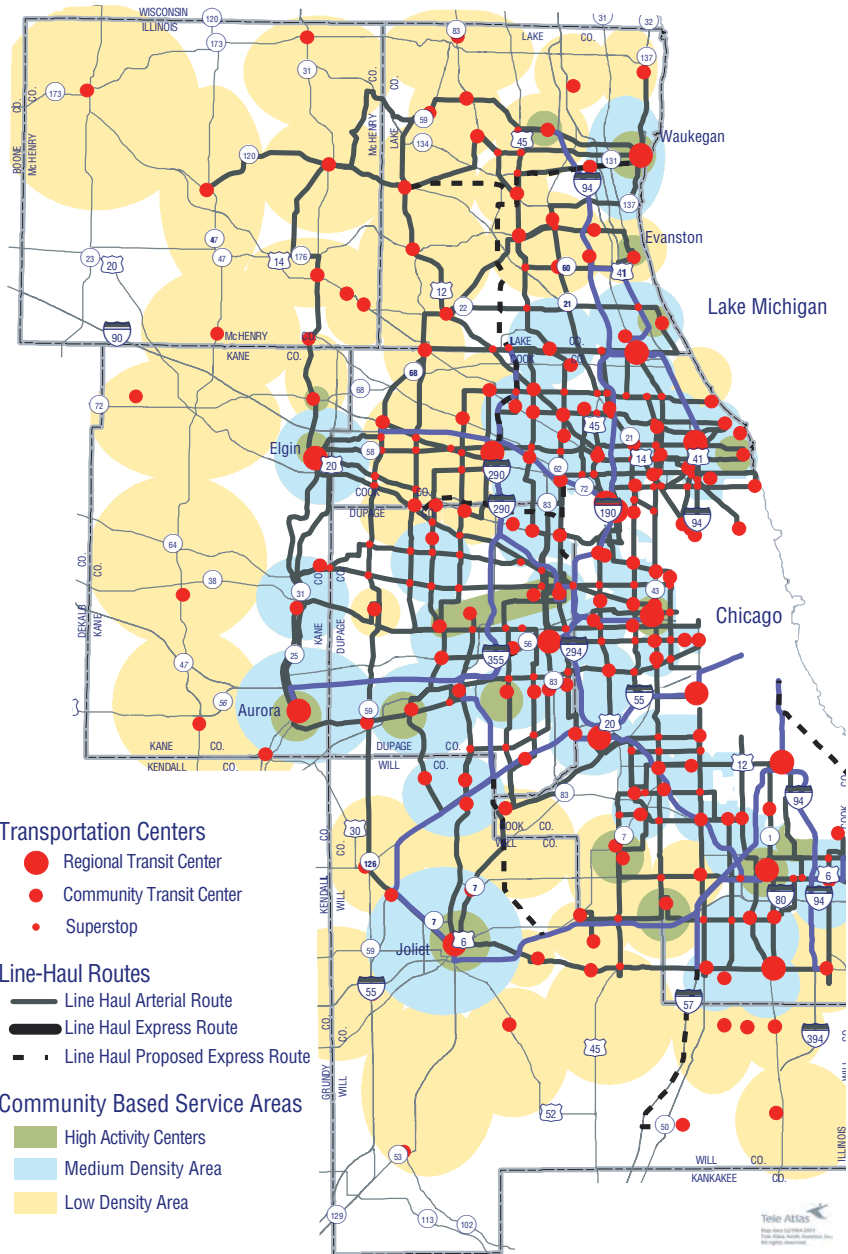
### Implementing the Vision

Implementing Vision 2020 will require considerable resources, community participation, and cooperation among public agencies.

#### Community Transit Partnerships

The most effective local transit services are created through a working partnership of the affected community and the transit provider(s). Pace already works with 210 communities on the planning, design, and delivery of services. Pace envisions a broad and comprehensive program that involves a joint determination of local needs, goals, and objectives—all translated into tailored service plans. Pace will work with these community partners to develop the strongest funding possible through innovative financing and leveraging traditional transit funding.

Map 8. Vision 2020



The success of a transit service in attracting riders, especially in a traditional automobile oriented suburban context, requires coordination of infrastructure, service, information, and travel demand. Pace will need to focus efforts on: (1) gaining consensus among the many stakeholders, communities, and organizations with interests in transportation and smart growth; (2) creating viable community and regional partnerships; (3) developing service plans for specific communities and groups of communities; and (4) gaining funding approvals from local, regional, state, and federal agencies. There are three main types of initiatives, each involving outreach activities: Community Transit Needs Assessment Initiatives, Line Haul Corridor Initiatives, and Transportation Center Design Initiatives.

### **Benefits of Vision 2020**

Suburban transportation has lagged behind the shifts in population and employment throughout the region. Service enhancements are needed to address the growth and new travel patterns that have emerged in the past and will be prevalent in the future. Between 1970 and 1990, the region's population and employment grew by 4% and 21% respectively. Older communities experienced declines in population and jobs, while new suburban areas grew rapidly. The 2020 forecasts show renewed growth in the City of Chicago and many of the older suburbs. Substantial new suburban development will be sustained not by abandonment of mature areas but by area wide expansion in which all parts of the region share.

Over the next 20 years, this plan will provide Pace with the strategy to reshape its system by using new technology and methods to meet market needs and demands.

By providing time and access competitive transit services throughout Pace's suburban service area, this plan is expected to substantially improve mobility for all segments of the suburban population, assist communities in their pursuit of improved quality of life, and promote regional smart growth goals. Implementation of Vision 2020 will provide customers with a high level of suburban mobility, pedestrian and bicycle facilities, improved passenger facilities, community based service, greater

public safety, faster service and improved service connections. Vision 2020 also benefits the environment through improved air quality, livable communities, and reduced reliance on the automobile. In addition, the region will experience a positive effect on development patterns, less congestion, roadway improvements, and strong economic development. Vision 2020 provides access to a wealth of opportunities including employment, affordable housing and recreation.

**V**ision 2020 is the blueprint for the future of suburban transit.

In order to realize Vision 2020, Pace staff has engaged in the first of a series of strategic planning efforts. Pace staff has developed the following future picture:

As of January, 2011, Pace is a diversified and market leading public transportation provider offering a flexible family of transit and transit supportive services in northeastern Illinois. Pace has stable and reliable public and private investments to enable provision of an innovative family of services which meet the full range of community transit needs. Our strong culture, values, and beliefs guide our talented and committed employees. We develop the best understanding of our customers' transportation needs and deliver innovative and reliable solutions.

As this budget document points out, Pace is clearly at a strategic inflection point in time, funding and politics; we now have opportunities that previously did not exist and, conversely, processes that worked for years are no longer of value. We have identified internal and external elements that are key to achieving this future picture and systematically divided them into three phases that build on each other so that the future picture can be realized. The first phase, which focused on our legislative effort and our communications program, was completed during fiscal year 2008. Future phases are dependent on the successful achievement of these campaigns and will be defined more clearly in future budget documents.

## Restructuring Initiatives

Pace began restructuring service incrementally throughout its six county service area in 2000. The goals of these restructuring initiatives echo those of Pace's Vision 2020 plan: by developing a regional arterial route network augmented by locally-based services, Pace will create a faster, more effective, and more efficient transit system that will provide a viable alternative to the automobile. Pace is reaching these goals by building relationships with communities and stakeholders and developing and utilizing advanced market research, service analysis and service planning tools. Following are completed and in progress initiatives:

### 159th Street (2000/2001)

Pace first restructured service along the busy 159th Street corridor (Routes 354 and 364) between Harvey and Orland Park. Results included on time performance improvements, diversions around rail crossings to eliminate delays, additional service on weekdays and Saturdays, added shelters and passenger amenities and identification of transit signal priority locations.

### Elgin Area Restructuring (2002/2003)

Pace worked with Elgin, South Elgin, Carpentersville, East Dundee, and West Dundee to redesign service to address current travel patterns. Results included adjusted service on 10 of the 15 existing routes, discontinuation of two underutilized routes, addition of one new route, service to rapidly growing areas such as portions of the Randall Road corridor, and added Saturday service on some routes.

### South Halsted Restructuring (2002/2003)

Pace sought to improve service efficiency along South Halsted Street, one of its busiest corridors. Results included additional Route 352 weekday express trips and Sunday trips between Harvey and the CTA 95th Street Station, improved transfer coordination between Routes 352 and 370 at the Harvey Transportation Center, a changed stopping pattern on Route 352 along Halsted within the Chicago city limits, the elimination of Route 352 segments with poor productivity, and streamlined routing for Route 352 through Chicago Heights.

### North Shore Restructuring Initiative (2003/2005)

Pace revamped eleven routes in Evanston, Skokie, Lincolnwood, Wilmette and surrounding communities to serve new generators, reduce transfers, and eliminate unproductive segments and route duplication. Pace now serves the Glen of Glenview and offers direct service from Evanston to O'Hare and Woodfield Mall, for instance, while operating more efficiently in the area. Pace also expanded its community outreach process as part of this initiative by working closely with area communities and stakeholders through a Community Advisory Committee and numerous public forums.

### Fox Valley/Southwest DuPage Initiative (2004/2007)

Pace analyzed current service, travel patterns and customer and stakeholder needs in Naperville, Aurora, Lisle, Bolingbrook, Warrenville and surrounding communities to restructure area service. Initial service changes took effect in the Aurora area in late 2005; enhancements included new service along the southern portion of the growing Randall Road retail corridor and a new circulator route to serve shopping centers located near Westfield Fox Valley Center. Subsequent improvements have included expanded express shuttle service to Metra stations in Naperville and a new route connecting the College of DuPage with Wheaton and Naperville. Pace will continue to expand service in the area as funding permits; ultimately, arterial, circulator and dial-a-ride services that meet at new transfer centers will provide convenient all day transit options throughout the Fox Valley/Southwest DuPage area.

### North Central Shuttle Service Initiative (2004/2006)

Pace, in cooperation with Metra and the Lake Cook Transportation Management Association, evaluated new shuttle service options for employment sites located near Metra's North Central Service stations. In early 2006, Metra increased service on the North Central Service line (including trips oriented toward city-to-suburb commuters) and, later in the year, Pace implemented three new Shuttle Bug routes to provide a new commute option for employees of several area businesses. Additional routes could be added in the future based on employer interest.

### South Cook – Will County Initiative (2005/2009)

In the fall of 2005, Pace began to redesign service in 82 suburban communities in southern and southwestern Cook County and all of Will County. Project elements mirror those of the North Shore and Fox Valley/Southwest DuPage Initiatives with extensive public involvement and thorough service analysis. Additionally, Pace has developed sophisticated market research tools for use in this and future restructuring initiatives. As of August, 2008, Pace has completed most of the planning work and unveiled the first phase of the service plan at public hearings. Service changes in Phase I will begin to take effect in November, 2008 and will focus on improving service coverage and reliability, strengthening connections between major destinations, introducing innovative types of service (such as flexible routings and other demand responsive services) and expanding hours of service. Phase II will be implemented in spring 2009.

### Future Restructuring Initiatives

The following initiatives are planned:

- Waukegan Area Initiative (2007/2009): Pace will update service based at its North Division garage to improve on time performance, create new transfer points and meet travel demand.
- West Cook Initiative (2009/2010): Pace will restructure service in one of the busiest portions of its service area to expand service in key corridors, improve service efficiency and reliability, and reduce service duplication.



*An example of the media created for the ad shelter program.*

## Future Support Initiatives

Several initiatives to improve Pace's operating efficiency through faster travel and to expand Pace's family of services—both goals of Pace's Vision 2020 plan—are also underway with further projects beginning soon.

### Harvey Transportation Center Transit Signal Priority (TSP) (2005/2009)

Transit Signal Priority (TSP) improves bus travel speeds by prolonging green lights or shortening cross traffic green lights so that buses can move through intersections more quickly with minimal impact to other traffic. This initiative will implement TSP in the vicinity of the Harvey Transportation Center; 25-31 existing traffic signals along Sibley, 159th and Halsted Streets will be upgraded. Completed tasks include signal timing optimization, development of TSP strategies for each intersection and traffic simulations to evaluate the impact of TSP on corridors.

In August, 2008, the Pace Board approved a contract for purchase and installation of a TSP equipment and wireless communication system. Preliminary acceptance testing is scheduled for late 2008 with full deployment and evaluation to be completed by the end of 2009. Implementation of TSP in this vicinity will greatly improve the service reliability of Pace routes and enhance operation of routes serving the Harvey Transportation Center.

### Regionwide Transit Signal Priority (TSP) (2005/2009)

Pace is aggressively developing a regional TSP program whereby TSP will be implemented along major arterial routes. The project includes collection of traffic characteristics data, prioritization of Pace routes/corridors for future TSP implementation, development of a regionwide TSP system architecture, developing cost estimates, and identifying performance measures and evaluation processes. Traffic characteristics data collection has been completed and other tasks are in progress. TSP implementation will begin at selected intersections along the following corridors:

- Cicero Avenue (Midway CTA Station, Chicago to Lincoln Highway, Matteson)
- Halsted Street (95th/Dan Ryan CTA Station, Chicago to Chicago Heights Transit Center)

- 95th Street (95th/Dan Ryan CTA Station, Chicago to 83rd Avenue, Hickory Hills)
- 159th Street (LaGrange Road, Orland Park to State Line Road, Calumet City)
- Harlem Avenue (North Avenue, Oak Park to 159th Street Tinley Park)
- Cermak/Butterfield (Harlem Avenue to I-355)
- Roosevelt Road (Summit - Naperville Road)
- Grand Avenue (Sheridan - Gurnee Mills)
- Washington Street (Sheridan - Green Bay Road)

### Express Bus Network (Multi-Year Program)

The suburban express bus network provides express service connecting major regional activity centers and park-n-ride lots. An express route provides service between its dedicated terminals with few if any stops in between operating on the minimum travel time routing including expressways, tollways and shoulders on such limited access facilities. Implementation will focus initially on expansion of Pace's existing express bus service on corridors such as I-55, I-90 and I-290, as well as the creation of a new express route scheduled for implementation in Spring 2009 between communities in southern Cook County and the Rosemont/O'Hare area. Pace is also planning to study service within the I-355 corridor between New Lenox and Lake-Cook Road, pending grant approval from the RTA.

Pace, the RTA, IDOT, CMAP and ISTHA are currently involved in a regional bus on shoulder (BOS) lane study to determine the feasibility and required policy and infrastructure improvements needed to operate on highway shoulders within congested segments. Bus on shoulder operations have proven to be an effective strategy in improving transit service reliability and efficiency, and provide for congestion relief in other regions of the country.

In addition, Pace is partnering with the RTA in developing a study to evaluate the feasibility of implementing new bus rapid transit services using the expressway and tollway systems within the region, including a demonstration project on I-55 based on legislative requirements as defined in HB 0656.



### **Arterial Rapid Transit Corridor Selection and Funding Initiative (Multi-Year Program)**

This initiative entails developing Pace's Arterial Rapid Transit Network for the Region (PARTNER). Pace's Arterial Rapid Transit Network will serve as the high quality trunk route frame for Pace's family of services, interface with Pace's Express Bus Network to provide regional connectivity and be supported by integrated community services that will provide local connections. The PARTNER Program's goals are to connect the region's suburban centers, serve growing suburb to suburb travel demand, reduce travel time, and improve service reliability and frequency. Arterial Rapid Transit routes will operate on major arterials, mostly in mixed traffic, employing queue jump lanes and TSP to increase travel speed. The routes will operate using a specially branded fleet of low floor buses while stations will offer improved passenger amenities such as real time bus arrival information.

Pace is completing a study to finalize its conceptual network, identify the most feasible corridor for successful ART service, finalize concepts for ART corridors, and recommend funding structure for the most feasible corridor. Work will be completed on the study in early 2009 with the selection of the first recommended corridor, followed by funding and implementation planning.

### **Arterial Rapid Transit Corridor Alternatives Analysis (2008/2009)**

Pace will undertake an alternatives analysis to determine preferred transit improvements for each Arterial Rapid Transit corridor. As a first step in the alternatives analysis process, Pace, in cooperation with CMAP, will develop a simplified travel demand forecasting model and accompanying data collection method in order to evaluate the effects of various levels of bus transit improvements on travel demand. The forecasting tools developed through this project will support alternatives analysis for the selected ART corridors.

### **Queue Jump Initiative (Multi-Year Program)**

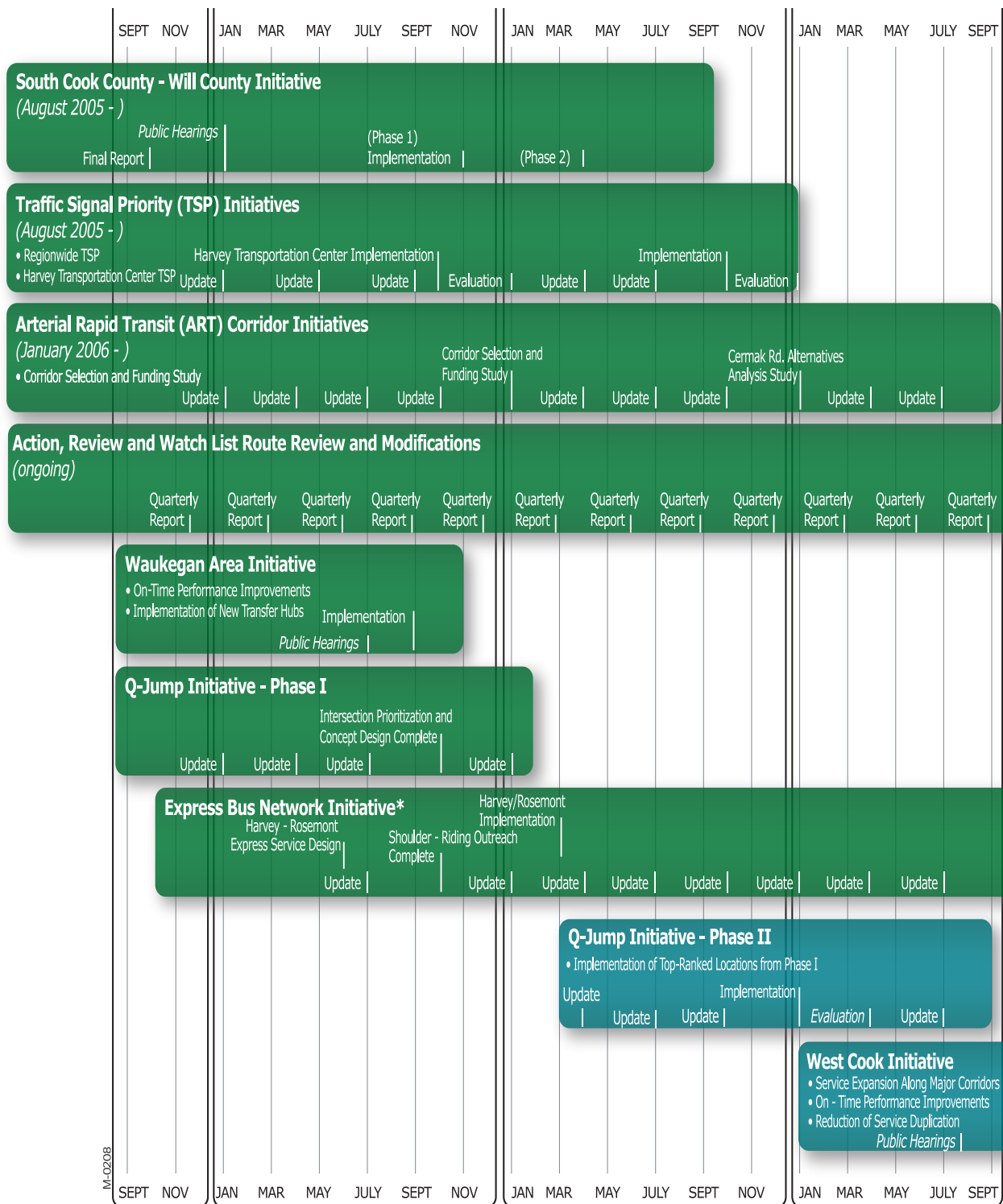
A queue jump lane is a short stretch of bus lane combined with TSP that enables buses to bypass traffic backups at intersections. Phase I of this project has identified over 30 intersections where buses experience significant delay due to long vehicular queues at signalized intersections and a queue jump bypass lane solution is feasible. In cooperation with IDOT and the RTA, three demonstration sites will be selected to evaluate and determine concept designs for bus queue jump lanes at such intersections. Also, intersection geometric design and needs for signal modifications will be identified followed by Phase II final design and construction.

Systemwide implementation of queue jump lanes will significantly increase the speed, reliability and efficiency of service.



*Queue Jump Lane Concept*

**Chart BB. Restructuring Initiatives Calendar—2008-2010**



M-0208

\* Further service enhancements will be implemented as funding permits.

## Marketing and Communications Plan

Pace's 2009 Marketing Plan represents a major enhancement over previous years of the agency's promotional activities. The plan primarily focuses on work commute trips, which comprise 80% of Pace's customer base, and on encouraging non-riders to try Pace service. Because Pace provides a quality service with a satisfaction rate above 75%, we believe we can make long term customers out of those current non-riders who use Pace for the first time.

### The Market

Eighty percent of Pace's fixed route customers use the service to get to work. Population and employment trends in northeastern Illinois show that 80% of all new people and 80% of all new jobs between now and 2030 are coming to the suburbs. Furthermore, suburbanites' commutes are not short; Cook is the only one of the region's six counties in which more than 53% of the residents stay in that county to work. Thus, in the collar counties, about half the workers are traveling considerable distances to their workplaces.

In some areas, Pace's suburban route network has not undergone significant modernization for decades. In order to meet today's demand for suburban travel, Pace is undertaking several major route restructuring initiatives designed to create a transportation system with a mix of regional and local services. Pace also employs non-traditional services to meet transit needs in low density areas, and these innovative services require intense marketing efforts to make the public aware of them.

### The Customer

Generally, those riding Pace's fixed routes are highly dependent on public transit. Only 31% have a car available for personal use, and 46% do not have a driver's license. Our customer base is 56% female and 44% male. Nearly half transfer to CTA buses or trains. Average duration of customer retention is 5.5 years, with a new job, the purchase of a car or a move of residences cited as the top reasons for no longer using Pace.

Recent market research reveals subtle differences between Pace customers in each of the three commute markets (suburb to suburb, suburb to city and city to suburb). Suburb to city commuters are less transit de-

pendent, earn higher incomes, are more likely to own a home and be married, and are less satisfied with Pace than customers in the other two markets. Pace riders in the city to suburb market are the most likely to use Pace only for work, the most likely to be African American, have the longest commutes, and the most likely to have no vehicles available in their household. Finally, riders in the suburb to suburb market are the least likely to be employed full time and are the most likely to be Caucasian.

### The Competition

Automobiles command 90% of the journey to work commute market. Auto commute costs are falsely perceived to be about equal to transit costs by those who drive. Drivers typically consider only fuel and parking in their commute costs and view automobile ownership costs as "sunk" and independent of their commuting cost. The overwhelming majority (94%) of suburban households own at least one car.

Auto travel times are significantly shorter (30-40% less) than that of transit users. In 2009, on several routes in the south suburbs, Pace seeks to close the gap in travel time between auto and bus by employing the combination of a designated stop policy and signal priority for buses.

Pace fares continue to be lower than those of the CTA and Metra in those corridors where commuters have a choice between modes of transit.

### Marketing and Promotion Strategies

In 2009, Pace will build on the success of several campaigns which led to significant increases in ridership for the agency. We plan to expand the highly successful tactical route marketing campaigns and develop more campaigns in a similar vein. The 2008 campaigns increased ridership on routes in each of the high, medium and low performance categories. Likewise, extensive promotion of the express routes to popular destinations resulted in 15-20% ridership increases over the previous year. Encouraging use of these services is important in introducing the quality of Pace services to infrequent riders.

Pace's marketing efforts in 2009 will also support the South Cook/Will restructuring initiative, including the introduction of designated stop service and transit signal priority in that area, and support any expansion of services resulting from the 2008 funding increase. Results of the outreach to northeastern Illinois' Latino community are not available yet, but we foresee a continuation of that effort. Pace will also utilize press events and outreach to the media to promote our message as needed. Grants from the Illinois Environmental Protection Agency will continue to help market Pace's recently released RideShare matching program.

New promotional efforts in 2009 include:

- Legislatively mandated coordination of marketing efforts with the RTA and the other service boards
- A systemwide media campaign on television, radio, print and outdoor to encourage Pace ridership in times of high gas prices

- A new tagline for the agency
- More extensive use of Transit TV and the Intelligent Bus System
- An awareness campaign directed at seniors and individuals with disabilities
- Promotion of the Community Vehicle Program
- Outreach to children (aged 12-17) through sponsorship of events and partnerships with schools

At a time when many commuters are looking for options other than driving alone, Pace has an historic opportunity to significantly increase ridership and make the usage of public transportation a permanent fixture in the lives of many in northeastern Illinois. Marketing and promotion efforts are crucial to removing the lack of awareness that is often a major barrier to trying Pace service for the first time.



*Pace marketing efforts include advertisements in multiple languages.*

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# Appendix C: 2007-2009 Operating Budget Detail

## 2007 Actual Operating Results

### 2007 Actual Program, Activity and Object Matrix

	Pace (1) Operating Divisions	Public Carriers	(1) Private Carriers	(2) Dial-a-Ride
<b>REVENUE</b>				
Farebox	\$ 20,287,091	\$ 825,667	\$ 2,418,054	\$ 1,297,843
Half Fare Reimbursement	0	0	0	0
RTA Pass Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,464,404	1,179,273	254,185	9,136,631
<b>Total Revenue</b>	<b>\$ 22,751,495</b>	<b>\$ 2,004,940</b>	<b>\$ 2,672,239</b>	<b>\$10,434,474</b>
<b>OPERATING EXPENSES</b>				
Operations				
Labor/Fringes	\$ 47,305,862	\$ 1,584,870	\$ 0	\$ 0
Parts/Supplies	31,345	0	0	0
Purchased Transportation	0	1,151,341	9,522,450	12,964,732
Fuel	0	0	0	0
Other	123,190	14,108	0	0
<b>Total Operations</b>	<b>\$ 47,460,397</b>	<b>\$ 2,750,319</b>	<b>\$ 9,522,450</b>	<b>\$12,964,732</b>
Vehicle Maintenance				
Labor/Fringes	\$ 10,500,420	\$ 370,815	\$ 0	\$ 0
Parts/Supplies	3,390,861	66,228	0	0
Other	24,045	59,770	0	486,766
<b>Total Vehicle Maintenance</b>	<b>\$ 13,915,326</b>	<b>\$ 496,813</b>	<b>\$ 0</b>	<b>\$ 486,766</b>
Non-Vehicle Maintenance				
Labor/Fringes	\$ 749,430	\$ 0	\$ 0	\$ 0
Parts/Supplies	421,245	0	0	0
Other	677,720	0	0	37,805
<b>Total Non-Vehicle Maintenance</b>	<b>\$ 1,848,395</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 37,805</b>
General Administration				
Labor/Fringes	\$ 2,409,009	\$ 184,869	\$ 0	\$ 0
Parts/Supplies	66,409	506	0	0
Utilities	2,076,928	173	0	56,620
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	135,781	16,663	0	775,035
Indirect Overhead Allocation	0	0	0	0
<b>Total Administration</b>	<b>\$ 4,688,127</b>	<b>\$ 202,211</b>	<b>\$ 0</b>	<b>\$ 831,655</b>
<b>Total Expenses</b>	<b>\$ 67,912,245</b>	<b>\$ 3,449,343</b>	<b>\$ 9,522,450</b>	<b>\$14,320,958</b>
<b>Funding Requirement</b>	<b>\$ 45,160,750</b>	<b>\$ 1,444,403</b>	<b>\$ 6,850,211</b>	<b>\$ 3,886,484</b>
<b>Recovery Ratio</b>	<b>33.50%</b>	<b>58.13%</b>	<b>28.06%</b>	<b>72.86%</b>

(1) Includes CMAQ/JARC Service

(2) Includes Ride DuPage and Ride in Kane

Vanpool	Administration	Centralized Support	Total Suburban Svc	Total Regional ADA Paratransit	Combined 2007 Actual
\$ 3,420,562	\$ 0	\$ 0	\$ 28,249,217	\$ 6,182,423	\$ 34,431,640
0	2,704,347	0	2,704,347	0	2,704,347
0	4,000,000	0	4,000,000	0	4,000,000
0	4,572,340	0	4,572,340	0	4,572,340
0	2,230,167	0	2,230,167	0	2,230,167
0	1,362,363	0	14,396,856	834,060	15,230,916
\$ 3,420,562	\$ 14,869,217	\$ 0	\$ 56,152,927	\$ 7,016,483	\$ 63,169,410
\$ 0	\$ 0	\$ 2,621,568	\$ 51,512,300	\$ 0	\$ 51,512,300
0	0	0	31,345	0	31,345
0	0	0	23,638,523	76,907,861	100,546,384
1,881,646	0	14,226,367	16,108,013	1,497,814	17,605,827
1,390,131	0	0	1,527,429	0	1,527,429
\$ 3,271,777	\$ 0	\$ 16,847,935	\$ 92,817,610	\$ 78,405,675	\$ 171,223,285
\$ 0	\$ 0	\$ 2,348,031	\$ 13,219,266	\$ 0	\$ 13,219,266
0	0	1,323,695	4,780,784	0	4,780,784
0	0	493,632	1,064,213	0	1,064,213
\$ 0	\$ 0	\$ 4,165,358	\$ 19,064,263	\$ 0	\$ 19,064,263
\$ 0	\$ 0	\$ 574,245	\$ 1,323,675	\$ 0	\$ 1,323,675
0	0	0	421,245	0	421,245
0	137,445	369,615	1,222,585	0	1,222,585
\$ 0	\$ 137,445	\$ 943,860	\$ 2,967,505	\$ 0	\$ 2,967,505
\$ 0	\$ 12,234,090	\$ 0	\$ 14,827,968	\$ 2,044,003	\$ 16,871,971
0	180,323	0	247,238	687	247,925
0	234,444	64,347	2,432,512	21,135	2,453,647
0	0	7,923,161	7,923,161	427,986	8,351,147
0	0	14,736,837	14,736,837	279,732	15,016,569
0	4,814,988	3,090,916	8,833,383	1,185,017	10,018,400
0	0	0	(1,340,412)	1,340,412	0
\$ 0	\$ 17,463,845	\$ 25,815,261	\$ 47,660,687	\$ 5,298,972	\$ 52,959,659
\$ 3,271,777	\$ 17,601,290	\$ 47,772,414	\$ 162,510,065	\$ 83,704,647	\$ 246,214,712
\$ (148,785)	\$ 2,732,073	\$ 47,772,414	\$ 106,357,138	\$ 76,688,164	\$ 183,045,302
104.55%	84.48%	0.00%	36.00%	8.38%	

## 2008 Estimated Operating Results

### 2008 Estimated Program, Activity and Object Matrix

	Pace (1) Operating Divisions	Public Carriers	Private Carriers (1)	Dial-a-Ride (2)
<b>REVENUE</b>				
Farebox	\$ 20,527,942	\$ 864,239	\$ 2,391,807	\$ 1,368,880
Half Fare Reimbursement	0	0	0	0
RTA Pass Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,335,862	1,245,000	303,441	10,325,672
<b>Total Revenue</b>	<b>\$ 22,863,804</b>	<b>\$ 2,109,239</b>	<b>\$ 2,695,248</b>	<b>\$ 11,694,552</b>
<b>OPERATING EXPENSES</b>				
Labor/Fringes	\$ 49,554,581	\$ 1,671,894	\$ 0	\$ 0
Parts/Supplies	31,907	1,350	0	0
Purchased Transportation	0	1,134,000	9,700,847	15,627,026
Fuel	0	0	0	0
Other	114,351	16,000	0	0
<b>Total Operations</b>	<b>\$ 49,700,839</b>	<b>\$ 2,823,244</b>	<b>\$ 9,700,847</b>	<b>\$ 15,627,026</b>
Vehicle Maintenance				
Labor/Fringes	\$ 10,745,524	\$ 395,401	\$ 0	\$ 0
Parts/Supplies	3,763,554	102,375	0	0
Other	(129,364)	59,220	0	469,366
<b>Total Vehicle Maintenance</b>	<b>\$ 14,379,714</b>	<b>\$ 556,996</b>	<b>\$ 0</b>	<b>\$ 469,366</b>
Non-Vehicle Maintenance				
Labor/Fringes	\$ 767,076	\$ 0	\$ 0	\$ 0
Parts/Supplies	401,608	0	0	0
Other	676,723	0	0	31,600
<b>Total Non-Vehicle Maintenance</b>	<b>\$ 1,845,407</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 31,600</b>
General Administration				
Labor/Fringes	\$ 2,532,971	\$ 310,407	\$ 0	\$ 0
Parts/Supplies	75,180	1,300	0	0
Utilities	2,362,319	115	0	67,730
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	125,573	3,150	0	666,366
ADA Overhead	0	0	0	0
<b>Total Administration</b>	<b>\$ 5,096,043</b>	<b>\$ 314,972</b>	<b>\$ 0</b>	<b>\$ 734,096</b>
<b>Total Expenses</b>	<b>\$ 71,022,003</b>	<b>\$ 3,695,212</b>	<b>\$ 9,700,847</b>	<b>\$ 16,862,088</b>
<b>Funding Requirement</b>	<b>\$ 48,158,199</b>	<b>\$ 1,585,973</b>	<b>\$ 7,005,599</b>	<b>\$ 5,167,536</b>
<b>Recovery Ratio</b>	<b>32.19%</b>	<b>57.08%</b>	<b>27.78%</b>	<b>69.35%</b>

(1) Includes CMAQ/JARC Service

(2) Includes Ride DuPage and Ride in Kane



Vanpool	Administration	Centralized Support	Total Suburban Svc	Total Regional ADA Paratransit	Combined 2008 Estimate
\$ 3,820,181	\$ 0	\$ 0	\$ 28,973,049	\$ 7,165,692	\$ 36,138,741
0	1,291,000	0	1,291,000	0	1,291,000
0	0	0	0	0	0
0	4,713,250	0	4,713,250	0	4,713,250
0	1,361,000	0	1,361,000	0	1,361,000
0	1,534,059	0	15,744,034	500,266	16,244,300
\$ 3,820,181	\$ 8,899,309	\$ 0	\$ 52,082,333	\$ 7,665,958	\$ 59,748,291
\$ 0	\$ 0	\$ 2,805,833	\$ 54,032,308	\$ 0	\$ 54,032,308
0	0	599,817	633,074	0	633,074
0	0	0	26,461,873	87,873,142	114,335,015
2,732,044	0	23,587,027	26,319,071	2,268,645	28,587,716
1,630,944	0	0	1,761,295	0	1,761,295
\$ 4,362,988	\$ 0	\$ 26,992,677	\$ 109,207,621	\$ 90,141,787	\$ 199,349,408
\$ 0	\$ 0	\$ 2,570,069	\$ 13,710,994	\$ 0	\$ 13,710,994
0	0	1,313,175	5,179,104	0	5,179,104
0	0	606,500	1,005,722	0	1,005,722
\$ 0	\$ 0	\$ 4,489,744	\$ 19,895,820	\$ 0	\$ 19,895,820
\$ 0	\$ 0	\$ 583,686	\$ 1,350,762	\$ 0	\$ 1,350,762
0	0	0	401,608	0	401,608
0	222,150	523,464	1,453,937	0	1,453,937
\$ 0	\$ 222,150	\$ 1,107,150	\$ 3,206,307	\$ 0	\$ 3,206,307
\$ 0	\$ 12,831,163	\$ 0	\$ 15,674,541	\$ 2,107,402	\$ 17,781,943
0	250,978	0	327,458	0	327,458
0	262,416	0	2,692,580	0	2,692,580
0	0	11,421,980	11,421,980	336,738	11,758,718
0	0	14,779,881	14,779,881	265,792	15,045,673
0	5,958,894	3,612,753	10,366,736	2,055,588	12,422,324
0	0	0	(3,422,000)	3,422,000	0
\$ 0	\$ 19,303,451	\$ 29,814,614	\$ 51,841,176	\$ 8,187,520	\$ 60,028,696
\$ 4,362,988	\$ 19,525,601	\$ 62,404,185	\$ 184,150,924	\$ 98,329,307	\$ 282,480,231
\$ 542,807	\$ 10,626,292	\$ 62,404,185	\$ 132,068,591	\$ 90,663,349	\$ 222,731,940
87.56%	45.58%	0.00%	36.00%	10.00%	

# 2009 Operating Budget

## 2009 Program, Activity and Object Matrix

	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
	(1)		(1)	(2)
<b>REVENUE</b>				
Farebox	\$ 20,756,781	\$ 878,245	\$ 2,485,225	\$ 1,456,231
Half Fare Reimbursement	0	0	0	0
RTA 7 Day Pass Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,359,222	1,302,000	309,510	10,668,339
New Initiatives/Fare Changes	0	0	0	0
<b>Total Revenue</b>	<b>\$ 23,116,003</b>	<b>\$ 2,180,245</b>	<b>\$ 2,794,735</b>	<b>\$12,124,570</b>
<b>OPERATING EXPENSES</b>				
<b>Operations</b>				
Labor/Fringes	\$ 51,707,236	\$ 1,730,043	\$ 0	\$ 0
Parts/Supplies	32,746	1,382	0	0
Purchased Transportation	0	1,167,000	10,484,740	16,643,645
Fuel	0	0	0	0
Other	117,819	16,416	0	0
New Initiatives	0	0	0	0
<b>Total Operations</b>	<b>\$ 51,857,801</b>	<b>\$ 2,914,841</b>	<b>\$10,484,740</b>	<b>\$16,643,645</b>
<b>Vehicle Maintenance</b>				
Labor/Fringes	\$ 11,191,305	\$ 410,935	\$ 0	\$ 0
Parts/Supplies	3,905,505	111,494	0	0
Other	(124,873)	60,760	0	495,650
<b>Total Vehicle Maintenance</b>	<b>\$ 14,971,937</b>	<b>\$ 583,189</b>	<b>\$ 0</b>	<b>\$ 495,650</b>
<b>Non-Vehicle Maintenance</b>				
Labor/Fringes	\$ 807,065	\$ 0	\$ 0	\$ 0
Parts/Supplies	412,326	0	0	0
Other	696,366	0	0	33,076
<b>Total Non-Vehicle Maintenance</b>	<b>\$ 1,915,757</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,076</b>
<b>General Administration</b>				
Labor/Fringes	\$ 2,635,423	\$ 326,429	\$ 0	\$ 0
Parts/Supplies	77,135	1,331	0	0
Utilities	2,632,628	123	0	70,893
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	36,318	3,232	0	703,682
ADA Overhead	0	0	0	0
<b>Total Administration</b>	<b>\$ 5,381,504</b>	<b>\$ 331,115</b>	<b>\$ 0</b>	<b>\$ 774,575</b>
<b>Total Expense</b>	<b>\$ 74,126,999</b>	<b>\$ 3,829,145</b>	<b>\$10,484,740</b>	<b>\$17,946,946</b>
<b>Funding Requirement</b>	<b>\$ 51,010,996</b>	<b>\$ 1,648,900</b>	<b>\$ 7,690,005</b>	<b>\$ 5,822,376</b>
<b>Recovery Ratio</b>	<b>31.18%</b>	<b>56.94%</b>	<b>26.66%</b>	<b>67.56%</b>

(1) Includes CMAQ/JARC Service

(2) Includes Ride DuPage and Ride in Kane

Vanpool	Administration	Centralized Support	Total Suburban Svc	Total Regional ADA Paratransit	Combined 2009 Proposed Budget
\$ 4,112,393	\$ 0	\$ 0	\$ 29,688,875	\$ 8,009,697	\$ 37,698,572
0	0	0	0	0	0
0	0	0	0	0	0
0	5,014,795	0	5,014,795	0	5,014,795
0	1,193,000	0	1,193,000	0	1,193,000
0	1,837,156	0	16,476,227	547,812	17,024,039
0	0	0	1,875,000	0	1,875,000
\$ 4,112,393	\$ 8,044,951	\$ 0	\$ 54,247,897	\$ 8,557,509	\$ 62,805,406
\$ 0	\$ 0	\$ 2,885,777	\$ 56,323,056	\$ 0	\$ 56,323,056
0	0	636,225	670,353	0	670,353
0	0	0	28,295,385	95,578,755	123,874,140
3,181,452	0	26,363,403	29,544,855	2,643,547	32,188,402
1,840,096	0	0	1,974,331	0	1,974,331
0	0	0	7,500,000	0	7,500,000
\$ 5,021,548	\$ 0	\$ 29,885,405	\$ 124,307,980	\$ 98,222,302	\$ 222,530,282
\$ 0	\$ 0	\$ 2,643,891	\$ 14,246,131	\$ 0	\$ 14,246,131
0	0	1,354,754	5,371,753	0	5,371,753
0	0	621,650	1,053,187	0	1,053,187
\$ 0	\$ 0	\$ 4,620,295	\$ 20,671,071	\$ 0	\$ 20,671,071
\$ 0	\$ 0	\$ 600,486	\$ 1,407,551	\$ 0	\$ 1,407,551
0	0	0	412,326	0	412,326
0	220,500	656,600	1,606,542	0	1,606,542
\$ 0	\$ 220,500	\$ 1,257,086	\$ 3,426,419	\$ 0	\$ 3,426,419
\$ 0	\$ 13,490,002	\$ 0	\$ 16,451,854	\$ 2,381,702	\$ 18,833,556
0	262,625	0	341,091	0	341,091
0	288,371	0	2,992,015	0	2,992,015
0	0	12,459,133	12,459,133	365,561	12,824,694
0	0	16,412,411	16,412,411	294,172	16,706,583
0	6,207,806	4,143,222	11,094,260	2,330,184	13,424,444
0	0	0	(3,559,000)	3,559,000	0
\$ 0	\$ 20,248,804	\$ 33,014,766	\$ 56,191,764	\$ 8,930,619	\$ 65,122,383
\$ 5,021,548	\$ 20,469,304	\$ 68,777,552	\$ 204,597,234	\$ 107,152,921	\$ 311,750,155
\$ 909,155	\$ 12,424,353	\$ 68,777,552	\$ 150,349,337	\$ 98,595,412	\$ 248,944,749
81.89%	39.30%	0.00%	36.00%	10.00%	

# Appendix D: Budget Process

## Budget Process and Calendar

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

### The Budget Process

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

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

To facilitate the RTA action by September 15th, Pace and the other Service Boards submit a draft budget and financial plan to the RTA for their review in August. The August submittal is not required by law but serves to improve the budget process by allowing the RTA to consider up-to-date forecasts and projections prior to making their September 15th decision on funding levels and recovery rate requirements.

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

**P**rior to submitting a budget and financial plan to the RTA, Pace is required to prepare and publish a comprehensive budget and program document (as represented by this document) and hold at least one public hearing on the budget in each of the six counties. Due to its large size, Pace typically holds three public

hearings in Cook County. In order to facilitate public comment on the ADA paratransit program in the City of Chicago, Pace will hold four additional hearings in the City. Public notice of the hearings is run in several widely distributed newspapers throughout the service area. In addition, Pace is to meet with each of the six county boards to review the proposed budget and program. Above and beyond these required meetings, Pace participates in numerous meetings of local government organizations and councils such as CMAP (Chicago Metropolitan Agency for Planning) and various transportation committees (TMA's, business chambers) to inform the public of the proposed budget and program. Thousands of copies of this proposed budget document and supplemental brochure are printed and distributed to elected officials, local governments, transportation interests, public libraries and citizens. A copy is also available on Pace's website.

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

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

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

**Budget Amendment Process**

The Pace Board may make additional appropriations, transfers between line items and other changes to its budget at any time, as long as the changes do not alter the basis upon which the RTA made its balanced budget determination. Budget amendments are made from time to time by the Pace Board and are generally accomplished by revision to the annual appropriations ordinance. In the event a budget revision results in a general fare increase or a significant reduction of service, the Pace Board will also conduct public hearings in the affected areas.

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

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

**Budget Calendar**

Below are key dates and events in the Pace FY 2009 budget development cycle. The annual capital budget and five year program and ten year plans, as well as the three and ten year financial plans for operations, are also developed in accordance with this schedule.

**Chart CC. 2009 Budget Development Calendar**

Date (2008)	Event
May 16	Release budget call to Agency management
June 16	Budget call requests due from management
July	Staff develops a preliminary budget
August 6	Review Preliminary 2009 Budget with Pace Board
August 15	Submit Preliminary 2009 Budget to RTA
September 15	RTA scheduled to set 2009 Funding and Recovery Marks
September 16	Staff develops Proposed 2009 Budget per Board directives
October 15	Pace Board releases Proposed 2009 Budget for Public Hearing
October 20 - November 1	Public Hearings on Pace's Proposed 2009 Budget
November 12	Pace Board adopts Final 2009 Budget
November 15	Submit Final 2009 Budget to RTA
November 16	RTA evaluates Pace budget for compliance
December 18	RTA scheduled to approve/adopt 2009 Budget for Pace

# Appendix E: Financial Policies

## Budget and Financial Policies

### Budget Policies Overview

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

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

### Balanced Budget Definition and Criteria

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

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

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

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

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

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

### Budget Monitoring and Reporting

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

Pace also produces a monthly budget report for its Board and management. Managers are also advised on a monthly basis as to significant budget variances which are further evaluated by the Budget Department and the respective manager. In addition, all procurement contracts in excess of \$25,000 require the sign off of the Budget Department Manager who reviews the contract proposal for budget compliance.

## **Budget Control Policies**

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

### ***Line Item Budget Control***

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

### ***Authorized Head Count***

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

### ***Use of Positive Budget Variance (PBV)***

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

## **Long Range Financial Planning**

Pace is required by the RTA Act to prepare and submit to the RTA for review annually, a three year financial plan for operations and a five year capital investment program. The plans are to be balanced to the RTA's projections of available resources. Pace prepares these plans based on detailed assumptions and plans for each program element. Major assumptions regarding program service levels, ridership, fleet requirements, revenue and expense growth serve as the basis for these plans and are documented in the plan narratives, charts and tables. For 2009, the RTA has requested that ten year forecasts of both operating and capital needs be developed and published along with the annual budget, three year operating and five year capital program. Pace has included these ten year forecasts in the public budget document.

## **Stabilization Funds/Working Cash Policy**

In order to allow for the payment of obligations in a timely manner, the Pace Board of Directors has adopted a Working Cash Policy. The policy requires that Unrestricted Net Assets in the amount of 8% of annual budgeted operating expenses be retained for working cash purposes. Based on the policy, \$16,400,000 of Unrestricted Net Assets are being retained for working cash purposes during 2009.

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

## **Investment Policy**

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

### ***Safety of Principal***

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

### ***Liquidity***

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

### ***Yield***

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

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

## **Use of One Time Revenues**

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

### ***RTA Funding Policy***

This policy establishes the basis for RTA funding of Pace and places restrictions on the use of Pace's retained earnings. In summary, the RTA policy is to fund the established budgeted deficit of Pace and not the actual results for the year. In addition, the policy restricts use of any funding provided as a result of a positive budget variance to capital projects or finite operating uses subject to RTA budgetary approval. The Pace policy is consistent with the RTA policy limitations for capital project use and finite operating expense.

### ***RTA Lease Financing Transactions Policy***

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

## **Asset Inventory/Condition Assessment**

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

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

## **Risk Management**

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

Pace currently maintains a \$3 million Self-Insured Retention (SIR) for each occurrence for Automobile Liability exposures. Insurance provides \$12 million in excess coverage above the SIR. For claims above \$15,000,000, additional Risk Financing techniques are available including Excess Auto Liability coverage, and the ability to borrow funds through the RTA Loss Financing Plan. Excess General Liability insurance is also purchased from an insurance carrier for coverage above an SIR of \$100,000 each occurrence. Additionally, Pace may utilize the RTA Loss Financing Plan to finance recovery from General Liability losses that may exceed the \$15 million. Pace purchases other property/casualty excess policies including Workers Compensation, Pollution, Employment Practice Liability, crime, property and Boiler & Machinery.

Pace also has elected to self insure a portion of its Health and Welfare exposures. Pace maintains stop-loss coverage for any individual health claims exceeding \$150,000 with an aggregate stop-loss of \$4.3 million.



### **Debt Policy**

Pace has no outstanding debt. Pace does not have statutory authority to independently issue debt, but may direct the RTA to issue up to \$5.0 million in working cash notes on its behalf. Pace has never exercised this option.

### **Basis of Accounting and Budgeting**

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

#### ***Accounting***

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

#### ***Budgeting***

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

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

### **Reporting Entity**

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

### **External Audit**

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

# Appendix F: Glossary

## Glossary

### Budget Terms

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

**capital budget** The appropriation of State and Federal grants for the purchase of vehicles and for improvements to facilities and other infrastructure and equipment.

**cost per mile** Operating expense divided by vehicle miles for a particular program or in total.

**cost per passenger** Operating expense divided by ridership for a particular program or in total.

**deficit** The excess of expense over revenue.

**farebox revenue** Revenues gained from passengers and local, employer and other fare subsidies exclusive of the State Half fare subsidy program. Also excludes interest income and advertising revenues.

**fares** The amount charged to passengers for use of various services.

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

**full-time equivalent position (FTE)** A position (or positions) that total 2,080 hours of annual service.

**funding formula** A specific formula used to determine a subsidy level.

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

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

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

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

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

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

**performance measure** Information collected to determine how efficient a route is operating.

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

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

## Glossary (Continued)

**program (verb)** To commit funds, for a given capital purpose, without necessarily appropriating these funds for expenditure. When the RTA approves Pace's capital budget, certain funds will be "programmed" so that they may be obligated (i.e., contracts signed) during the upcoming year, these funds may be expended during future years, not necessarily in the upcoming year.

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

**recovery ratio (recovery rate)** In total, equals system generated revenues divided by total operating expenses or can be calculated for a particular program. This ratio is calculated for each of the Service Boards and for the RTA region as a whole. The RTA Act mandates that the RTA region must attain a recovery ratio of at least 50% for a given year.

**services (purchased service)** Services performed by outside organizations for a fee. Purchased transportation is considered a purchased service.

**subsidy** Funds received from another source which are used to cover the cost of a service or program that is not self-supporting.

**system generated revenue (total operating revenue)** The total revenue generated from operations includes farebox revenues, local subsidies, state fare subsidies, advertising, interest and all other income. Excludes RTA and Federal subsidies.

**total operating expense** The sum of "vehicle operations," "vehicle maintenance," "non-vehicle maintenance," and "general administration" expense categories.

### Transit Service Terms

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

**ART (arterial bus rapid transit service)** An integrated high quality service providing regional connectivity.

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

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

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

**Chicago Metropolitan Agency for Planning (CMAP)** New regional planning organization which merged Chicago Area Transportation Study (CATS) and the Northeastern Illinois Planning Commission (NIPC) into one planning agency.

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

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

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

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

**full size bus** A bus from 35 to 41 feet in length.

**medium size bus** A bus from 29 to 34 feet in length.

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

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

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

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

**ridership (unlinked passenger trips)** The number of transit vehicle boardings. Each passenger counted each time that person boards a vehicle.

**rolling stock** Public transportation vehicles which, for Pace, include all buses and vans.

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

**small bus** A bus 28 feet or less in length.

**Special Service** Another name for "Paratransit Service."

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

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

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

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

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

## Glossary (Continued)

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

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

### Funding Terms

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

**Bus Overhaul/Maintenance Expense** The Federal Transit Administration reimburses transit operators for operating expenses for bus maintenance under Section 5307.

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

**CMAQ** (Congestion Mitigation/Air Quality Grant) A federal grant program designed to support transportation projects which reduce traffic congestion and improve air quality.

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

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

**FTA (Federal Transit Administration)** The FTA provides capital assistance under Sections 5307 and 5309. Operating assistance is no longer available for urbanized areas over 200,000.

**fund balance** see "unrestricted net assets."

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

**ICE (Innovative, Coordination and Enhancement Fund)** The RTA Act provides a special funding earmark to the RTA to pay for projects that support regional system development.

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

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

**JARC (Job Access and Reverse Commute Program)** A federal program which provides funding for the provision of transportation services designed to increase access to jobs and employment related activities.

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

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

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

**Public Transportation Fund (PTF)** An operating subsidy from the State of Illinois equivalent to 25% of the RTA sales tax collected. The RTA is required to allocate these funds to the service boards, although the basis is at their discretion. (Also known along with 15% sales tax, as discretionary funds.)

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

- 85% of the sales tax is fully distributed to the service boards by the RTA according to formulas established by the RTA Act (also known as formula funds or 85% funds).
- 15% of the sales tax is retained by the RTA and distributed to the service boards at its discretion (also known as discretionary funds).
- PA 95-0708 - A 1/4% regionwide sales tax implemented in April 2008 as a result of passage of Public Act 95-0708 by the state legislature. Funds from this source are added with matching public transportation funds (PTF) and allocated according to a defined formula.

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

**SCMF (Suburban Community Mobility Fund)** The RTA Act provides a special funding earmark to Pace to pay for existing and new non-traditional transit services such as Dial-a-Ride, vanpool, reverse commute and others.

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

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

# Appendix G: 2009 Fares

## 2009 Fares

### Fare Increases

The Pace Board is considering a general fare increase of \$.25 (from \$1.50 to \$1.75) for 2009 for the Suburban Services program. The basic regular adult fare has been set at \$1.50 since 2001. Since then rising costs (most notably fuel), inflation and other factors have undermined the contribution to the budget from farebox receipts. In 2001, farebox revenues recovered 29% of total operating expense. For 2009, at current fare levels, that percentage will fall to 14%, less than half the 2001 level.

For 2009, Pace projects to spend \$29.5 million dollars on fuel, an increase of nearly \$16 million since 2006. The fare changes under consideration will generate less than \$3 million annually. While far from offsetting the increase in fuel, the increase, along with Pace's successful efforts to control costs, will help stabilize the recovery ratio and maintain our financial stability.

In addition to increases in fixed route fares, Pace is also considering a 10% increase in vanpool fares. As fuel represents over 65% of the vanpool program budget, it is highly sensitive to the increased cost of fuel. Consistent with the Illinois Auditor General's report recommendations, Pace has regularly adjusted vanpool fares to keep up with rising costs—chiefly fuel.

Pace and its customers are truly fortunate that the legislature took action to provide additional public funding for transit in January, 2008. Transit agencies across the country are facing severe budget shortfalls and resorting to service reductions at a time when public demand for transit is at an all time high due to unaffordable gasoline prices. Pace Suburban Service ridership is up 4.6% in 2008 over 2007, indicating Chicago area commuters are also looking to transit as an alternative to high fuel prices.

### CTA 7-Day/U-Pass/Visitor and Fun Passes

Since the last fare increase in 2001, farebox revenues declined from \$34.4 million to the budgeted level of \$29.7 million for 2009. A major factor in this decline has been due to Pace's acceptance of CTA sold 7-Day/U-Pass and Visitor/Fun passes. While Pace was reimbursed (albeit at a loss) by the RTA for acceptance of these passes for 2005 through 2007, as of the date of this budget document we have received no reimbursement from the RTA for 2008. Pace estimates losses from acceptance of these fare media will exceed \$12.6 million through 2008.

Pace has held numerous meetings with CTA and RTA officials in an effort to resolve the reimbursement issue, to date without success. Unless the matter is resolved, the Pace Board has indicated these CTA fare instruments will no longer be accepted as payment on Pace services effective January 1, 2009.

Should it come to this, it would be unfortunate for the customers that rely on these passes to transfer between systems and inconsistent with the goal of a seamless transit system. However, Pace cannot afford to provide what amounts to free trips to over 20% of its ridership base.

If these passes are no longer accepted on Pace, riders needing to ride both the CTA and Pace can still use cash, transit cards or monthly passes.

### ADA Paratransit Fares

At this time there is no proposal to increase ADA paratransit fares. The subject will be considered at a future date when more information is available. Pace will notify the public and hold the required hearings, apart from the budget process hearings, should there be a future recommendation to increase ADA program fares.

The following tables identify the proposed fare changes for the fixed route, dial-a-ride and vanpool programs.

## Pace Suburban Service Fare Structure—Current and Proposed

**Table 40. Pace Fare Structure**

	Current Fares		Proposed	
	Full Fare	Reduced Fare	Full Fare	Reduced Fare
<b>REGULAR FARES</b>				
Full Fare	\$ 1.50	\$ .75	\$ 1.75	\$ .85
Transfer to Pace	\$ .25	\$ .10	\$ .25	\$ .15
<b>LOCAL/FEEDER FARES</b>				
Full Fare	\$ 1.25	\$ .60	\$ 1.75	\$ .85
Transfer to Pace Regular Routes	\$ .50	\$ .25	\$ .25	\$ .15
Local Transfer	Free Local Transfer		Free Local Transfer	
Local 10 Ride Plus Ticket	\$ 12.50	\$ 6.00	Eliminated	
<b>PASSES</b>				
Pace/CTA (30-Day)	\$ 75.00	\$ 35.00	Fare Dependent on CTA	
Commuter Club Card (CCC) (Pace Only)	\$ 50.00	\$ 25.00	\$ 60.00	\$ 30.00
Link-Up Ticket	\$ 36.00	\$ N/A	\$ 36.00	\$ N/A
Plus Bus	\$ 30.00	\$ N/A	\$ 30.00	\$ N/A
Regular 10 Ride Plus Ticket	\$ 15.00	\$ 7.50	\$ 17.50	\$ 8.50
Student (Haul Pass)	\$ 0	\$ 25.00	\$ 0	\$ 30.00
Student Summer Pass	\$ 0	\$ 40.00	\$ 0	\$ 45.00
Subscription Bus (Monthly)	\$ 110.00	\$ 0	\$ 125.00	\$ 0
CTA 7-Day/U-Pass/Visitor/Fun Passes	Accepted		Not Accepted	
<b>EXPRESS/OTHER FARES</b>				
Premium Routes (see below)	\$ 3.00	\$ 1.50	\$ 4.00	\$ 2.00
Premium 10 Ride Plus Ticket (355 and 855)	\$ 30.00	\$ 15.00	\$ 40.00	\$ 20.00
Other				
Dial-a-Ride	\$ 1.60	\$ .80	\$ 2.00	\$ 1.00
Shuttle Routes (No Reduced Fares)	\$ 1.00	\$ 0	\$ 1.75	\$ 0
Shuttle Route 535	\$ 0.50	\$ 0	\$ 1.75	\$ 0

*Premium routes included: 237, 282, 284, 768, 769, 773, 774, 775, 776, 779, 355, 855.*



**Table 41. Monthly VIP and Other Vanpool Services Fare Schedule**

**Current**

Daily Round Trip Van Miles	4 Pass*	5-6 Pass*	7-8 Pass*	9-10 Pass*	11-12 Pass*	13-14 Pass*
1-20 Miles	\$102	\$ 90	\$ 77	\$ 66	\$ 66	\$ 66
21-30 Miles	\$106	\$ 94	\$ 81	\$ 68	\$ 66	\$ 66
31-40 Miles	\$111	\$ 99	\$ 86	\$ 71	\$ 66	\$ 66
41-50 Miles	\$116	\$104	\$ 90	\$ 74	\$ 66	\$ 66
51-60 Miles	\$121	\$108	\$ 94	\$ 78	\$ 68	\$ 66
61-70 Miles	\$125	\$113	\$ 97	\$ 81	\$ 70	\$ 66
71-80 Miles	\$129	\$118	\$102	\$ 84	\$ 72	\$ 66
81-90 Miles	\$133	\$122	\$105	\$ 88	\$ 74	\$ 66
91-100 Miles	\$136	\$125	\$108	\$ 91	\$ 77	\$ 68
101-110 Miles	\$139	\$128	\$112	\$ 94	\$ 79	\$ 70
111-120 Miles	\$145	\$132	\$115	\$ 97	\$ 81	\$ 72
121-130 Miles	\$148	\$135	\$118	\$102	\$ 83	\$ 74
131-140 Miles	\$151	\$139	\$122	\$105	\$ 85	\$ 77
141-150 Miles	\$155	\$143	\$125	\$108	\$ 88	\$ 79
151-160 Miles	\$158	\$146	\$128	\$112	\$ 90	\$ 81

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

**Proposed**

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

Mini van fare amounts. Maxi or Conversion vans in this range require a monthly surcharge per passenger of \$15.00.

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

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

**Proposed Fare increase to Vanpool Shuttle Programs for 2009**

Program	Current Fare	Increase	Proposed Fare
Advantage	\$ 401	0%	\$ 401
Non-Profit	\$ 698	10%	\$ 768
Shuttle	\$ 935	10%	\$ 1,029
Non-Emergency Medical	\$ 935	10%	\$ 1,029
Community Transit	\$ 100	0%	\$ 100
VIP Metra Feeder/Per Rider	\$ 53	10%	\$ 58

# Pace Quick Facts

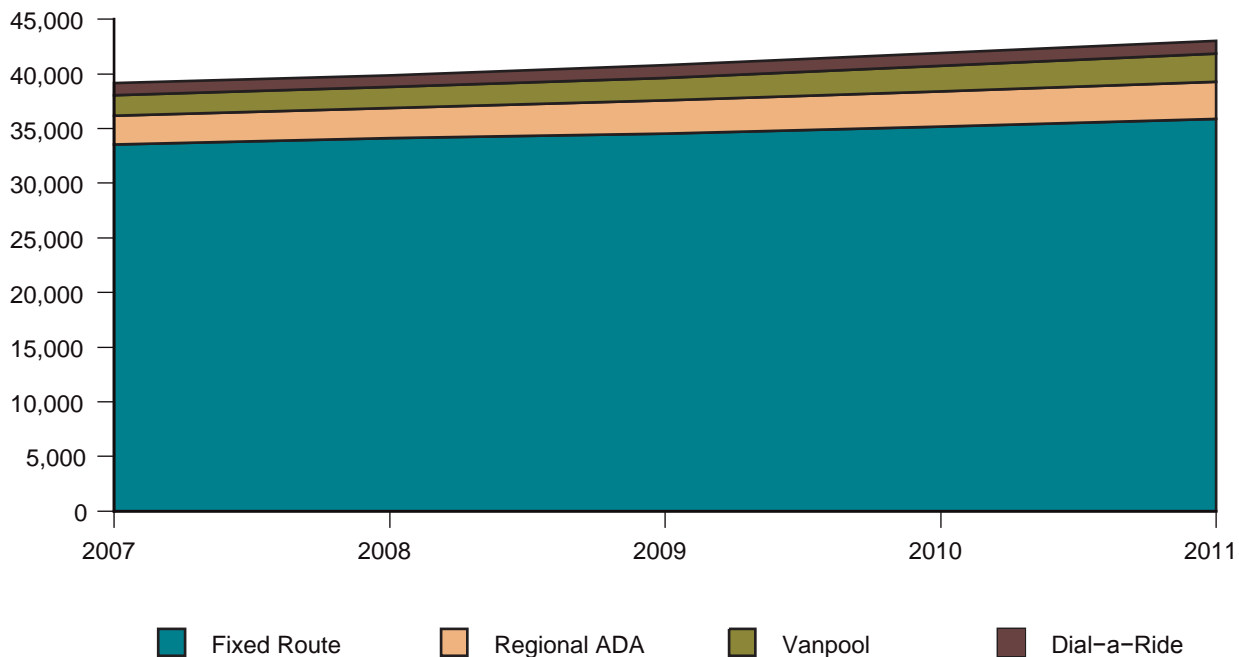
## Ridership

The following table identifies projected ridership changes by operating element for years 2007 through 2011.

**Table 42. Pace 2007-2011 Status Quo Ridership Projections**

(000's)	2007 Actual	2008 Estimated	% Change	2009 Projected	% Change	2010 Projected	% Change	2011 Projected	% Change
Pace Owned Carriers	30,599	31,201	2.0%	31,535	1.1%	32,166	2.0%	32,809	2.0%
Public Carriers	1,004	984	-2.0%	994	1.0%	1,014	2.0%	1,026	1.2%
Private Carriers	1,938	1,960	1.2%	1,980	1.0%	2,020	2.0%	2,060	2.0%
Total Fixed Route	33,542	34,146	1.8%	34,510	1.1%	35,200	2.0%	35,895	2.0%
Dial-a-Ride	1,126	1,075	-4.5%	1,135	5.6%	1,163	2.4%	1,191	2.4%
Vanpool	1,877	1,919	2.2%	2,094	9.1%	2,303	10.0%	2,533	10.0%
Suburban Service Total	36,544	37,139	1.6%	37,739	1.6%	38,666	2.5%	39,620	2.5%
Regional ADA Paratransit Service	2,624	2,739	4.4%	3,034	10.8%	3,210	5.8%	3,397	5.8%
Combined Pace Service	39,168	39,878	1.8%	40,772	2.2%	41,876	2.7%	43,017	2.7%

**Chart DD. Pace 2007-2011 Status Quo Ridership**



## Service Characteristics

Background data on the Pace service is provided below:

### Fixed Route Service

Number of Fixed Routes (August, 2008)	220
• Regular Routes	147
• Feeder Routes	51
• Shuttle Routes	18
• Subscription Services	1
• Seasonal Routes	3
Number of Accessible Routes	220
Peak Period Vehicle Requirements	610
Pace-owned Fleet Size	702
Number Accessible	702
Average Vehicle Age	6.3 years
Contractor Owned Vehicles in Pace service	8
Number of Private Contractors	3
Number of Pace-owned Garages	11
Number of Pace Municipal Contractors	2
<b>Paratransit</b>	
Number of Communities Served	210
Number of Local Dial-A-Ride Projects	65
Pace-owned Fleet Size (Includes Suburban ADA)	355
Average Vehicle Age	6.2 years
Contractor Owned Vehicles in City ADA service	640
<b>Vanpool</b>	
Vans in Service (August, 2008)—VIP	300
Vans in Service (August, 2008)—Corporate Shuttle	18
Vans in Service (August, 2008)—Advantage	301
Vehicles in Service (August, 2008)—Community Vehicles	76
Total Vans in Service	696
Average Vehicle Age	3.2 years
<b>Other</b>	
Number of Pace Employees (Includes ADA Staff)	1,449

### Ridership (000's)

	2007 Actual	2008 Estimate	2009 Budget
Fixed Route	33,542	34,146	34,510
DAR/Ride DuPage/Kane	1,126	1,075	1,135
Vanpool	1,877	1,919	2,094
Total Suburban Service	36,544	37,139	37,739
Regional ADA	2,624	2,739	3,034
Total System	39,168	39,878	40,772

### Vehicle Miles (000's)

	2007 Actual	2008 Estimate	2009 Budget
Fixed Route	24,509	24,921	24,925
DAR/Ride DuPage/Kane	4,000	3,763	3,988
Vanpool	11,500	12,038	13,645
Total Suburban Service	40,009	40,722	42,558
Regional ADA*	4,719	23,545	26,004
Total System	44,728	64,267	68,562

\*2007 excludes City ADA miles

### Vehicle Hours (000's)

	2007 Actual	2008 Estimate	2009 Budget
Fixed Route	1,629	1,664	1,667
DAR/Ride DuPage/Kane	280	289	299
Vanpool	N/A	N/A	N/A
Total Suburban Service	1,909	1,933	1,966
Regional ADA*	319	1,388	1,534
Total System	2,228	3,341	3,500

\*2007 excludes City ADA hours