

■ Celebrating 25 Years of Public Service ■



Suburban Service Budget and Regional ADA Paratransit Budget

2010 Operating and Capital Program

2010 - 2019 Financial Business Plan for Operations

2010 - 2019 Capital Business Plan

Final Program • November 2009

SERVING NORTHEASTERN ILLINOIS SINCE 1984



BOARD OF DIRECTORS

Richard A. Kwasneski, *Chairman*

Kyle R. Hastings, *Director*
Southwest Suburban Cook County

Al Larson, *Director*
Northwest Suburban Cook County

Thomas D. Marcucci, *Director*
DuPage County

Frank C. Mitchell, *Director*
Will County

Anna Montana, *Director*
North Central Suburban Cook County

Richard F. Pellegrino, *Director*
Central Suburban Cook County

Jeffery D. Schielke, *Director*
Kane County

Aaron T. Shepley, *Director*
McHenry County

Vernon T. Squires, *Director*
North Shore Suburban Cook County

Karen Tamley, *Director*
Commissioner, Mayor's Office for People with Disabilities
City of Chicago

Terry R. Wells, *Director*
South Suburban Cook County

Richard Welton, *Director*
Lake County

T.J. Ross, *Executive Director*

Pace 2010 Budget—November 2009

Chairman's Message

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

Despite the economic downturn, there are positive things going on at Pace. We have a fully funded capital program which allows for the purchase of new vehicles for both fixed route and paratransit service. With these new vehicles, we will see reduced fuel costs thanks to improved mileage, cleaner emissions, and reduced maintenance costs. We saw the General Assembly pass two capital bills, which allows Pace to continue a program of replacing older vehicles and updating garages and passenger facilities, and includes the first dedicated investment of capital funding for ADA paratransit in the region's history. Federal stimulus funds further aid our capital program. Multiple phases of service improvements were implemented in South Cook and Will counties to modernize service there to meet existing demands.

As we move forward to 2010, Pace faces challenges common to all governmental bodies supported by sales taxes. The weak economy has significantly undermined the gains achieved by the passage of new transit funding in 2008 and forces us to balance our 2010 budget with less than adequate funds. Pace is facing the outlook for no growth in funding for 2010 while costs for fuel, labor and contracted services continue to rise. As a result, Pace's suburban services budget faces a \$6.5 million shortfall for 2010. In the years prior to the 2008 new funding package, Pace relied on the conversion of federal capital funds to support operating shortfalls. We do not believe this is a viable strategy for 2010 as the shortfall caused by the economic downturn appears to be pervasive over the three year plan horizon. In our view it is best to tackle the problem head-on while it is manageable. To that end, we have identified \$6.5 million in budget balancing actions which are fully explained in this budget document. We have made every effort to mitigate the impact on our customers and, as a result, have identified \$2.7 million in non-service related reductions that help close the funding gap. After these efforts are in place we still need to achieve \$3.8 million in savings from direct services. We have identified where these savings can be achieved with a minimal impact on our ridership. The services proposed for reduction and elimination are included in this document. As fares were raised earlier in 2009, we do not believe a further fare increase is warranted at this time. We will, therefore, rely on the identified expense reductions to balance the 2010 budget within available funding as indicated by the RTA.

While the suburban service program is balanced based on the actions identified, the ADA paratransit program that Pace operates on behalf of the region continues to face serious financial challenges. In 2008, the legislature provided \$100 million in funding for the program which was adequate for 2008; however, by 2009 that funding has shrunk to \$89 million because of economic conditions while costs will have risen to \$108 million by the end of the year due to growing demand for services. For 2010, the RTA has proposed a solution that relies on filling the ADA funding shortfall with ICE funds, Pace capital funds, and another source not yet determined. All of these funds are contingent on Pace meeting the requirements of the RTA funding ordinance.

The recent study commissioned by the RTA concluded that Pace was doing a good job of running the ADA program and it identified several cost reduction actions that do not resolve the shortfall for 2010 or beyond. The only mechanism available to Pace which has the potential to balance the ADA paratransit budget for 2010 to the \$90 million funding level is a fare adjustment. While this action places a burden on those that rely on the ADA paratransit program, it is the only solution currently on the table that has any potential of closing the shortfall for the ADA program in 2010.

At any fare level, the ADA paratransit program requires funding beyond the \$90 million level by the RTA. The decline in sales taxes, and in turn the ADA fund, has left a legally mandated regional program with insufficient funding for the future. It is our hope that the RTA will continue to work with Pace to ensure that the program is adequately funded. In the meantime, Pace remains proactive within its powers to mitigate the financial risk of an underfunded ADA paratransit program.

Sincerely,



Richard A. Kwasneski
Chairman

Table of Contents

EXECUTIVE SUMMARY	
Budget Issues	1
2010 Operating Budget Summary	4
2010 Capital Budget Summary	5
2010 SUBURBAN SERVICE OPERATING BUDGET	
Summary	7
Source/Use of Funds	8
Summary Table	14
Pace-Owned Carrier	16
Public/Municipal Contracted Service	17
Private Contract Carrier	18
Dial-a-Ride Services	19
Vanpool Program	20
Centralized Support	22
Administration	23
SUBURBAN SERVICE THREE YEAR PLAN AND TEN YEAR BUSINESS PLAN	
General & Assumptions	25
Highlights	27
Ten Year Business Plan	28
Cash Flow	30
2010 REGIONAL ADA PARATRANSIT OPERATING BUDGET	
Summary	31
ADA Source/Use of Funds	32
ADA Service Budget—City/Suburban Detail	34
REGIONAL ADA THREE YEAR PLAN AND TEN YEAR BUSINESS PLAN	
General	35
Ten Year Business Plan	36
Cash Flow	38
SUBURBAN SERVICE CAPITAL BUDGET AND TEN YEAR BUSINESS PLAN	
Overview	39
Project Descriptions	40
Sources/Uses of Funds	43
Capital Funding Sources	44
Ten Year Capital Business Plan—Constrained	47
Ten Year Capital Business Plan—Sources/Uses of Funds	50
Ten Year Capital Business Plan—Unconstrained Needs	51
Ten Year Capital Business Plan—ADA Unconstrained Needs	58
Pace’s 25th Anniversary	60
COMBINED THREE YEAR PLAN AND TEN YEAR BUSINESS PLAN WITH CASH FLOW	64
APPENDIX A: PACE OVERVIEW	67
APPENDIX B: RIDERSHIP AND SUBURBAN SERVICE FARES	78
APPENDIX C: COMMUNITY PROFILE	83
APPENDIX D: PERFORMANCE MEASURES	89
APPENDIX E: PLANNING INITIATIVES	96
APPENDIX F: 2008–2010 OPERATING BUDGET DETAIL	102
APPENDIX G: BUDGET PROCESS	108
APPENDIX H: FINANCIAL POLICIES	110
APPENDIX I: GLOSSARY	114
APPENDIX J: BUDGET BALANCING ACTIONS	121
PACE QUICK FACTS	127

Executive Summary

Budget Issues

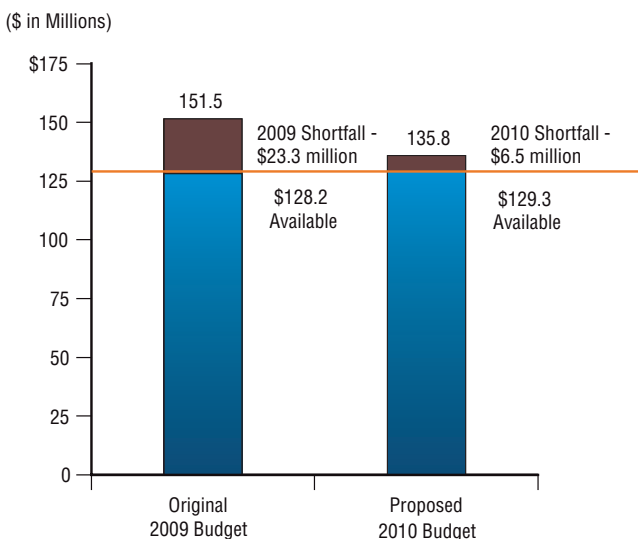
Suburban Services Operating Funding

Pace, like all governmental agencies supported by sales taxes, is experiencing financial hardships due to the economic downturn. In 2009, Pace's funding was reduced by \$23 million or 15% due to declining sales tax returns. In an effort to address this shortfall, Pace implemented a substantial fare increase in January 2009—revenues generated by this increase combined with falling fuel prices and the deferral of service improvements for 2009 balanced the budget.

For 2010 we face even greater challenges—while sales tax income is projected to increase slightly (by 1.5%), the increase is offset by the loss of RTA discretionary funding for 2010. This essentially leaves Pace with the same depressed funding level for 2010 as in 2009 and will require us to identify an estimated \$6.5 million in budget reductions for 2010 in order to balance the budget.

This situation is depicted by the following chart.

Chart A. Pace Suburban Services Funding 2009-2010



We have identified a solution to the projected shortfall for 2010 and it involves a balance of service and non-service related budget reductions. In an effort to minimize the impact on our customers we have identified a number of non-service related budget reduction opportunities that will be implemented in 2010 that will save an estimated \$2.7 million.

These include reductions to non-union labor and fringe benefits as well as key non-service programs such as marketing and risk management. However, after identifying all potential non-service savings, there is still a need to look to direct service related expenses to close the remaining gap. To that end we have identified \$3.8 million in service reductions which can be implemented in 2010. These services are largely our lower productivity services that carry fewer passengers. While the 750,000 annual riders that depend on these services will be adversely impacted, we believe that we have limited the negative impact to as few customers as possible.

Due to the magnitude of the fare increase implemented in 2009, it is not believed that fares can be increased further in 2010; therefore, there is no fare increase option under consideration for the suburban services budget.

Table 1. Summary Budget Balancing Actions

Action	Savings (Millions)	Ridership Impact (Millions)
Service Reductions	\$ 3.8	.750
Non-Service Reductions	2.7	—
Total	\$ 6.5	.750

Further information on the proposed reductions is provided in Appendix J.

While rising costs for everything from fuel to health-care make it difficult for Pace to get by on flat funding from the prior year, the 2010 budget plan we are presenting for the Suburban Services program in this document represents an efficient solution to the difficult situation we face for 2010.

ADA Paratransit Budget

The ADA Paratransit Program is in a state of financial crisis as we approach 2010. The RTA ADA fund which was established by PA 95-0708 has declined in value based on the decline in sales tax income while program expenses have grown due to increasing demand for services.

In order to understand the financial situation facing the ADA program for 2010, it is important to take a closer look at the position the program is in for 2009.

2009 ADA Budget Overview

Based on declining sales tax projections, the RTA reduced the ADA fund level from \$100 million in 2008 to an initial 2009 budget level of \$99 million. The \$99 million fund level initially set for 2009 was then reduced further on two separate occasions to the \$89 million level as it currently stands. While the fund level was reduced by \$11 million from 2008, the funding needed grew from the \$100 million in 2008 to a projected \$108 million in 2009. The 2008 to 2009 funding requirement increased primarily to an 8% growth in demand for services during 2009.

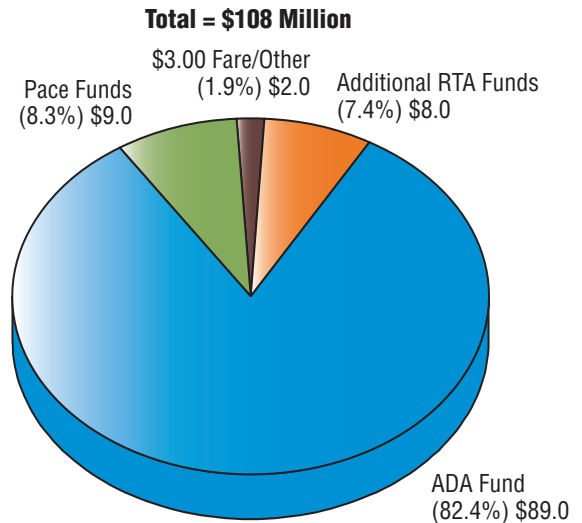
The RTA has identified \$8 million in additional funding for ADA in 2009. They are also requiring Pace to commit \$9 million from our 2010 federal capital funding, raise ADA fares to \$3.00 and reduce call taking hours to close the remaining gap for 2009. While these actions are designed to address the 2009 shortfall, they do not represent a solution for 2010 or beyond.

2010 ADA Budget Situation

For 2010, Pace projects that based on 6% ridership growth and known increases in contractor costs, the funding required for the ADA program will reach \$119.2 million.

The RTA projects \$90.3 million to be available from the ADA fund in 2010, leaving a shortfall of \$28.9 million.

Chart B. 2009 ADA Paratransit Funding



RTA ADA 2010 Budget Solution

The RTA has identified the need for budget balancing actions of up to \$17.2 million in 2010. These actions include the future availability of \$9.0 million in RTA/ICE funds contingent on the compliance with the requirements of their ordinances 2009-67 and 2009-74. In addition, they include the commitment by Pace of \$3.4 million of its Suburban Service operating or capital funds in the \$17.2 million.

This proposed solution is problematic from several standpoints—first and foremost, it does not balance the ADA budget for 2010. Second, it presumes that Pace is responsible for funding the ADA paratransit program from its Suburban Services operating or capital funds. This is a position that Pace rejects.

While the RTA required Pace to use \$9.0 million of its capital funds to balance the ADA shortfall for 2009, it was accepted by the Pace Board as a crisis resolution action and it does not represent the view that Pace bears any responsibility for future funding of the ADA program. To that end, the Pace Board will not approve further use of Pace funds to balance the ADA budget in 2010.

Pace ADA 2010 Budget Solution

Under the present circumstances indicating inadequate funding from RTA for 2010, the Pace Board will consider what actions they can take to close the 2010 budget shortfall. The RTA ordinance (2009-74) identifies that further actions will be required to balance the 2010 ADA budget, including but not limited to:

- adjusting service and/or fares,
- implementing efficiencies,
- reducing operating costs, and
- identifying additional funds or revenues including 2010 RTA ICE funds and Pace funds.

With the exception to the use of Pace funds, Pace intends to pursue implementation of the RTA's recommended actions.

- Pace implemented the ADA fare increase to \$3.00 in November 2009, as required by RTA.
- Pace intends to fully implement the cost savings opportunities identified by the RTA's study of the ADA paratransit system completed in 2009.

- Pace is working with State and RTA officials to secure \$8.5 million of additional funding for the ADA program.

In the event and to the extent these efforts are unsuccessful, and only as a last resort, Pace will need to consider a further fare increase for the ADA program.

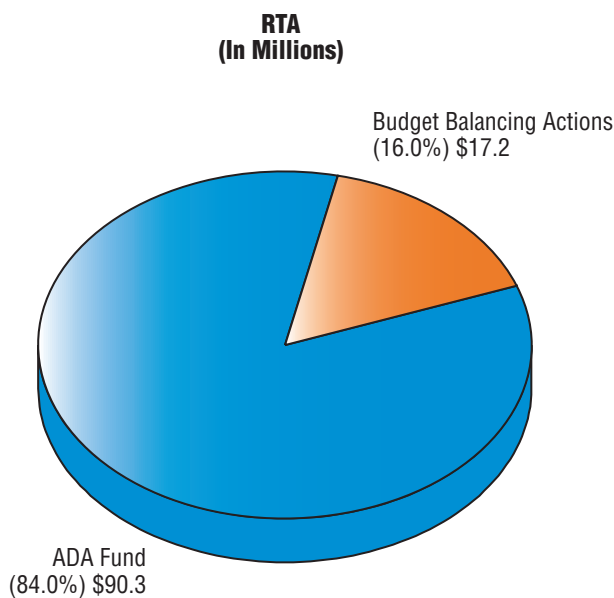
The total result stemming from the above actions is being considered the "budget balancing actions," which closes the gap between the RTA/ADA fund level and the projected deficit for 2010.

The RTA and Pace have different assumptions with regard to the amount and composition of budget balancing actions required in 2010. These differences will be reconciled as more information from RTA becomes known. Last, but most important, RTA is expected to provide working cash to Pace in the event more than \$107.5 million is needed to fund the program in 2010.

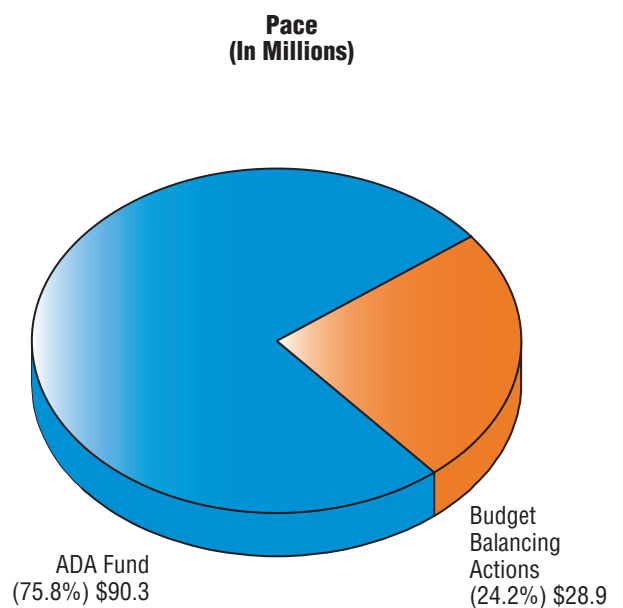
Chart C identifies the RTA's proposed 2010 ADA budget solution and Chart D identifies Pace's recommended 2010 ADA budget solution.

Additional detail on Pace's actions is provided on Table 48 in Appendix J.

**Chart C. 2010 RTA/ADA Paratransit Deficit—
\$107.5 Million**



**Chart D. 2010 Pace/ADA Paratransit Deficit—
\$119.2 Million**



2010 Operating Budget Summary

On September 15, 2009, 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 northeastern Illinois, including the City of Chicago.

The status quo expense budget for Suburban Services in 2010 is \$190.888 million. Suburban Services operating revenues are budgeted at \$55.043 million. Total public funding for Suburban Services will reach \$129.347 million based on funding marks provided by the RTA. The status quo operating deficit is \$135.845 million. The funding level leaves a shortfall of \$6.498 million that is addressed by budget balancing actions identified in Appendix J.

The status quo expense budget for the Regional ADA Paratransit program in 2010 is \$127.595 million.

At current fare levels, ADA operating income will be \$8.353 million resulting in a funding requirement of \$119.242 million. The ADA fund for 2010 is projected at \$90.303 million leaving a shortfall of \$28.939 million. This shortfall is reduced by an equal amount of budget balancing actions being implemented in late 2009 and 2010. More information on the ADA budget balancing actions is included in Appendix J.



Service to the Pace Transportation Center in Harvey is the most heavily used facility in our system.

Table 2. 2010 Suburban Service Operating Budget Summary (000's)

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
Total Operating Expenses	\$ 190,888	\$ 127,595	\$ 318,483
Less: Total Operating Revenue	55,043	8,353	63,396
Deficit	\$ 135,845	\$ 119,242	\$ 255,087
Budget Balancing Actions	(6,498)	(28,939)	(35,437)
Funding Requirement	\$ 129,347	\$ 90,303	\$ 219,650
Less: RTA Funding Sales Tax (Part I)	\$ 69,883	\$ 0	\$ 69,883
Sales Tax & PTF (Part II)	29,812	90,303	120,115
RTA Discretionary (PTF - Part I)	0	0	0
Suburban Community Mobility Funds (SCMF)	18,061	0	18,061
South Suburban Job Access Funds	7,500	0	7,500
Federal CMAQ/JARC/New Freedom Funds	3,105	0	3,105
RTA ICE Funds	986	0	986
Net Funding Available	\$ 0	\$ 0	\$ 0
Recovery Ratio	36.00%	10.00%	N/A

2010 Capital Budget Summary

The 2010 Capital Program totals \$66.4 million. The program contains \$31.7 million for the purchase of 22 fixed route buses, 15 vans and a Diesel Engine Retrofit Program. Additionally, these funds will be used 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. Lastly, included in this amount is \$9.0 million from federal 5307 funding to pay for capital cost of contracting expenses incurred in 2009 for regional ADA service.

The program contains \$30.2 million for the purchase of maintenance equipment, non-revenue service trucks, computer systems, office equipment, mid-life renovation to our garages, the purchase of land and design and engineering and site work for a new Northwest Cook garage, master plan engineering for Northwest Cook and South Holland garages, and a print shop. Additionally, the program contains funds for Phase I construction of a new South Holland garage.

The program also contains \$3.5 million for a new DuPage County Transportation Center, a transit information signage project, Milwaukee Avenue and Randall Road transit infrastructure, a new park-n-ride in Plainfield, and a new transit center at Toyota Park in Bridgeview. Additionally, this amount contains funds for reconstruction at various passenger facilities, signs, and shelters. Finally, the program contains \$1.0 million for project administration cost, unanticipated capital and alternative analysis funds to develop the J-Route BRT, identified in the DuPage Area Transit Plan.

Table 3. 2010 Suburban Capital Budget (000's)

Project Description	Amount
ROLLING STOCK	
22 Fixed Route Buses - 40 ft.	\$ 8,910
15 Vanpool Vans	675
Bus Overhaul/Maintenance Expense	2,000
Associated Capital	2,850
Diesel Engine Retrofit	8,260
Capital Cost of Contracting	9,000
Subtotal - Rolling Stock	\$ 31,695
SUPPORT FACILITIES/EQUIPMENT	
Maintenance Equipment/Non-Revenue Vehicles	\$ 860
Computer System/Hardware & Software	3,440
Office Equipment	100
Garages - Mid-Life Reconstruction	4,500
Northwest Garage - Land Acquisition	4,500
Northwest Garage - Engineering and Site	9,200
Master Plans - NW Cook, South Holland, Print Shop	250
South Holland Garage Engineering/Phase I Construction	7,345
Subtotal - Support Facilities/Equipment	\$ 30,195
STATIONS AND PASSENGER FACILITIES	
DuPage County Transportation Center	\$ 500
Transit Information Signage	440
Milwaukee Avenue Transit Infrastructure	400
Randall Road Transit Infrastructure	800
Plainfield Park-N-Ride	245
Toyota Park Transit Center	475
Passenger Facilities - Mid-Life Reconstruction	450
Signs/Shelters/Passenger Amenities	150
Subtotal - Stations and Passenger Facilities	\$ 3,460
PROJECT ADMINISTRATION/MISCELLANEOUS	
Project Administration	\$ 450
Unanticipated Capital	250
J-Route BRT Alternative Analysis	360
Subtotal - Project Administration/Misc.	\$ 1,060
Total Capital Program	\$ 66,410
TOTAL FUNDING	
Federal 5307	\$ 34,100
Federal 5309	2,720
Federal CMAQ	2,340
IDOT	22,500
Pace Funds	4,750
Total Funding	\$ 66,410

This page left intentionally blank.

2010 Suburban Service Operating Budget

Summary

The Suburban Service program summarized in the table below shows total operating expenses of \$190.888 million for 2010. A total \$55.043 million in revenue will be generated from operations, and this will leave an initial funding deficit of \$135.845 million. With a total of \$129.347 million proposed to be available in funding for 2010, Pace has identified a funding gap of \$6.498 million which will need to be addressed in order to bring the 2010 budget within available RTA funding levels. Pace has identified a solution to balancing the projected shortfall for 2010 which will utilize both service and non-service related reductions. Full detail of these actions is provided in the appendix titled "Budget Balancing Actions."

Despite the need to reduce required funding for next year, Pace's intent is to continue to provide the same high quality service while minimizing the impact to our customers.

The funding shortfall for 2010 is largely a product of the poor economy which is impacting both operating income as well as public funding revenues. Operating revenue growth is anemic as advertising income is down 50% from prior year levels due to the severe downturn in this industry. The net impact to 2010 is a \$2.0 million loss in operating revenue. The yields in investment

income are also down and negatively impacting operating revenues; again, due to low interest rates, a product of the poor economy. The net loss in investment income is nearly \$1.0 million from prior year levels. However, the greatest loss in funding has occurred in State sales tax receipts, which for Pace, has resulted in a \$23.3 million reduction in funding to this year's budget (2009), and there is little change occurring in the 2010 sales tax funding levels. As noted in the table below, Pace's state sales tax funds are going to decline 0.4% in 2010 due largely to the elimination of RTA Discretionary funding (PTF - Part I). Pace will receive no allocation of these funds. Limited information indicates that all allocated discretionary funds will go to the CTA for 2010.

The 2010 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 using credits and allowances authorized by the RTA. Pace will use a new credit for ICE in 2010. A provision under the new legislation allows expenditures for ICE funded services to be excluded from expenses when calculating the recovery ratio.

A detailed review of the 2010 Suburban Service operating program is presented in this section.

Table 4. 2010 Suburban Service Operating Budget Summary (000's)

	2008 Actual	2009 Estimate	2010 Budget
Total Operating Expenses	\$ 171,956	\$ 177,322	\$ 190,888
Less: Total Operating Revenue	51,962	53,746	55,043
Deficit	\$ 119,994	\$ 123,576	\$ 135,845
Budget Balancing Actions	0	0	(6,498)
Funding Requirement	\$ 119,994	\$ 123,576	\$ 129,347
Less: Sales Tax (Part I)	\$ 78,240	\$ 68,850	\$ 69,883
Sales Tax & PTF (Part II)	13,380	29,361	29,812
RTA Discretionary (PTF - Part I)	0	2,267	0
Suburban Community Mobility Fund (SCMF)	20,000	17,794	18,061
South Suburban Job Access Fund	3,750	7,500	7,500
Sub-Total—Sales Tax Funds	\$ 115,370	\$ 125,772	\$ 125,256
Federal CMAQ/JARC/New Freedom Funds	3,357	3,100	3,105
RTA ICE Funds	0	175	986
Total Funding	\$ 118,727	\$ 129,047	\$ 129,347
Net Funding Available	\$ (1,267)	\$ 5,471	\$ 0
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 G. A detailed look at the funding sources is provided as follows.

Table 5. 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 6. Regional Sales Tax and Public Transportation Fund (PTF) Trends (000's)

	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Plan
REGIONAL FUNDS					
Sales Tax - Part I	\$ 746,829	\$ 752,925	\$ 729,773	\$ 640,000	\$ 649,600
PTF Match to Part I Sales Tax (25%)	186,707	188,931	182,443	160,000	162,400
Sales Tax - Part II	—	—	222,928	237,300	240,900
PTF Match to Part II Sales Tax (+5% Part I)	—	—	44,758	109,200	111,300
Total Sales Tax and PTF	\$ 933,536	\$ 941,856	\$1,179,902	\$1,146,500	\$1,164,200
PACE SHARE OF REGIONAL FUNDS					
Sales Tax - Part I	\$ 81,012	\$ 81,232	\$ 78,240	\$ 68,850	\$ 69,883
PTF Match to Part I Sales Tax	570	6,960	—	2,267	—
Sales Tax II and PTF	—	—	37,130	54,655	55,373
Total Pace Share	\$ 81,582	\$ 88,192	\$ 115,370	\$ 125,772	\$ 125,256
PACE FUNDING AS A PERCENT OF REGIONAL FUNDING					
Sales Tax I and PTF I	8.7%	9.4%	8.6%	8.9%	8.6%
Sales Tax II and PTF II	—	—	13.9%	15.8%	15.7%
Total Receipts	8.7%	9.4%	9.8%	11.0%	10.8%

Funding Sources—Part I

Sales Tax

The Part I sales tax amount represents the pre-2008 sales tax imposed by the RTA. The effective sales tax rate for Part I is 1% in Cook County and .25% in Will, Lake, Kane, DuPage and McHenry Counties. Part I sales taxes are distributed to Pace, the RTA, and the other Service Boards (CTA and Metra) in accordance with the allocation shown on Table 5.

The RTA has established a sales tax funding mark of \$69,883,000 for Pace for 2010. This represents approximately 10.8% of the total RTA region's estimate of \$649,600,000. The RTA estimate for Pace sales tax will increase slightly (1.5%) from 2009 to 2010. The RTA estimate is based on a projection for a slight economic recovery. Table 6 highlights recent and upcoming estimates for Part I sales tax revenues for both the region and Pace.

Public Transportation Fund (PTF)—Part I

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

The RTA has over time reduced the level of PTF Part I sales tax funds to Pace. For 2009, they will provide \$2.267 million, however, this source is eliminated for Pace in 2010.

Federal Funds

Pace is eligible for federal funding from several programs in 2010.

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 2010.

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 2010.

New Freedom Program

The Federal Transit Administration provides for a program which encourages services and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act. Pace has programmed use of New Freedom funds in 2010.

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.

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

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

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

- \$100 million was allocated to Pace for the provision of the Regional ADA Paratransit Service, with any surplus retained by the RTA for future ADA service needs.
- \$20 million was allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$10 million was allocated to the RTA for an Innovation, Coordination and Enhancement (ICE) fund.

These amounts are adjusted annually for sales tax performance which is down from 2008 levels (Table 5).

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

Table 7 shows the allocation of the new funding sources for the 2010 RTA budget.

Suburban Community Mobility Fund (SCMF)

The SCMF provides \$18.1 million (2010) 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 2010, Pace will use these funds to support existing services.

SCMF fund levels are tied to the percentage change 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 \$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 \$20.8 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.

Table 7. Part II. Regional Public Funding Distribution—RTA New Funding (000's)

	2010 Estimated Total
NEW SALES TAX	\$ 240,900
Public Transportation Funds	
5% Match—New Sales Tax & Old Sales Tax	\$ 44,525
5% Match—Chicago RETT	1,100
Total 5% PTF Match	\$ 45,625
25% PTF Match—New Sales Tax	60,192
Total New Sales Tax & PTF	\$ 346,717
DISTRIBUTION	
Regional ADA Paratransit Fund - Pace/RTA	\$ 90,303
Suburban Community Mobility Fund - Pace	18,061
RTA Innovation, Coordination/Enhancement Fund	9,030
Balance Available for Allocation to Service Boards	\$ 229,323
SERVICE BOARD DISTRIBUTION	
CTA—48%	\$ 110,075
Metra—39%	89,436
Pace—13%	29,812
Total to Service Boards	\$ 229,323
South Cook Job Access*	\$ 7,500

*Not sourced from new sales tax/PTF

Operating Revenues

Pace is budgeting for \$55.043 million in Suburban Service operating revenue in 2010, a \$1.297 million or 2.4% increase from estimated 2009 levels. Farebox revenues will continue to grow next year, up 3.7%, and will account for the majority of operating revenue growth for 2010. Advertising revenues are projected to decline further in 2010 as Pace's advertising agency has been unable to sell advertising at prior levels due to the economic downturn. Other/Local Share revenue will also grow next year by 6.4%. On the negative side, 2010 revenues reflect a loss in State reduced fare reimbursement which represents a loss of \$.2 million in revenue for next year's budget.

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



Bus advertising revenue is down nearly 50% from 2008 due to the weak economy.

Use of Funds

All funds received in 2010 will be used to support Pace services. The components of the 2010 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 81% of the total suburban service ridership. Pace expects to provide \$72,661,000 for expenses to these carriers in 2010. Pace carriers will also provide a portion of the Federal Congestion Mitigation/Air Quality (CMAQ) program services in 2010 totaling \$1,270,000. The combined total cost for the Pace-owned carriers in 2010 is \$73,931,000. 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 \$3,588,000 in 2010. 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 2010, Pace will contract for Job Access Reverse Commute (JARC) service. The combined total cost for privately contracted service in 2010 is \$14,001,000. 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 and Kane counties, and oversees the Community Transit Program. The total cost for dial-a-ride services in 2010 is \$19,030,000. Further information on the dial-a-ride services budget can be found on page 19.

Vanpool Services

The 2010 budget for vanpool services is \$4,237,000. 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. The formation of vanpools has been very popular and the demand continues to grow. Pace expects continued expansion of this program to 742 vans in service by the end of 2010. 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 \$57,636,000 to provide fuel, insurance, health care and other support items in 2010. Further detail on the centralized support program budget is contained on page 22.



At Pace's 25th anniversary, Pace showed off its vintage buses.



Pace completed the construction of its new administrative headquarters building and moved in on April 27, 2009.

Administration

In order to accomplish the duties of direct operational support, service planning, capital planning, financial control and MIS support, Pace's 2010 administrative budget is set at \$22,338,000. 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 \$3,873,000 which has been allocated to the Regional ADA Paratransit Services budget.

Budget Balancing Actions

The Suburban Service operating budget needs are greater than proposed funding levels for 2010. In order to balance the budget, Pace will implement \$6.498 million in budget balancing actions which will include reductions in both service and non-service costs. Further details on Pace's plans for reducing the 2010 budget are provided in the appendix section of this document.

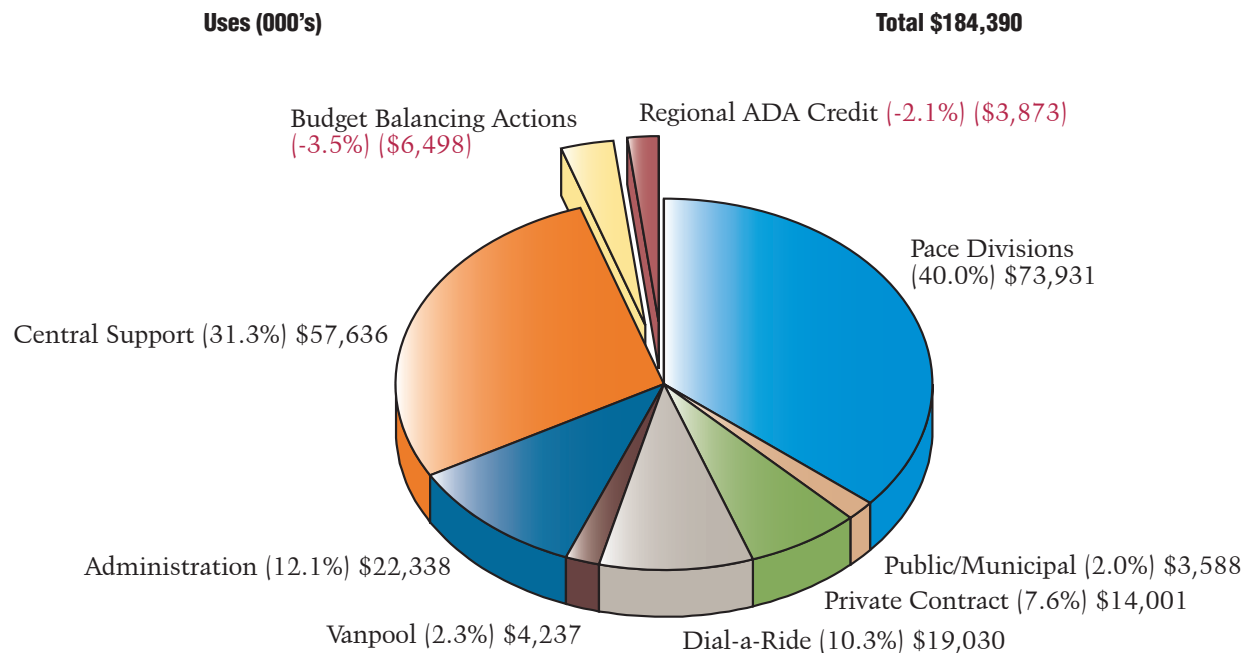
Unrestricted Net Assets/Fund Balance

Pace defines available fund balance to be equal to unrestricted net assets. These assets are typically used for capital expenditures not covered by grants. For 2010, Pace's Suburban Service operations are projected to finish with a \$18.977 million fund balance before consolidation with a \$5.137 million negative fund balance from ADA operations.

Table 9. 2010 Suburban Service Expense Summary (000's)

	2008 Actual	2009 Estimate	2010 Budget
EXPENSES			
Pace-Owned Services	\$ 69,732	\$ 71,984	\$ 73,931
Public/Municipal Contracted Services	3,504	3,462	3,588
Private Contracted Services	9,760	10,342	14,001
Dial-A-Ride Services	16,402	17,987	19,030
Vanpool Program	3,926	3,672	4,237
Centralized Operations	53,728	52,174	57,636
Administration	18,483	21,390	22,338
Regional ADA Support Credit	(3,577)	(3,688)	(3,873)
Total Expenses	\$ 171,956	\$ 177,322	\$ 190,888
Budget Balancing Actions	\$ 0	\$ 0	\$ (6,498)
Total Use of Funds	171,956	177,322	184,390
Net Funding Available	\$ (1,268)	\$ 5,471	\$ 0
Recovery Rate	36.00%	36.00%	36.00%
UNRESTRICTED NET ASSETS (FUND BALANCE)			
Beginning Balance	\$ 24,080	\$ 19,882	\$ 23,727
Net Operating Results	(1,267)	5,471	0
Less: Capital Expended from Fund Balance	2,931	1,626	4,750
Ending Balance	\$ 19,882	\$ 23,727	\$ 18,977

Chart F. Uses of Funds



2010 Pace-Owned Carrier Budget

Pace directly operates fixed route service from the following nine divisions located throughout the six county region: Fox Valley in North Aurora, Southwest in Bridgeview, Northwest in Des Plaines, River in Elgin, North Shore in Evanston, Heritage in Joliet, South in Markham, West in Melrose Park and North in Waukegan. 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 81% of the system's suburban ridership.

In 2010, Pace will spend \$46.4 million to provide service at these locations. This represents a 3.9% increase over estimated 2009 levels.

Total revenues are projected to rise 0.7% or \$.192 million over the 2009 estimate, consistent with the growth in ridership.

Total operating expenses will grow 2.7% over 2009 levels. Labor and fringe benefit costs are the primary factors affecting the rising costs in 2010.

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 2010, the growth rate in parts and supplies cost is 1.7%.

Recovery performance will decline slightly at the divisions for 2010 as expenses are growing at a faster rate than revenues.

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

2010 Goals

Pace's efforts for 2010 include providing 27.8 million rides with a minimum recovery ratio of 37.3%.

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

Table 10. Budget Summary—Pace Owned Carriers (000's)

	2008 Actual	2009 Estimate	2010 Budget
REVENUE			
Pace Divisions	\$ 22,052	\$ 26,952	\$ 27,395
CMAQ/JARC	255	435	184
Total Revenue	\$ 22,307	\$ 27,387	\$ 27,579
EXPENSES			
Operations	\$ 46,708	\$ 48,466	\$ 50,559
CMAQ/JARC	1,774	1,909	1,270
Maintenance	10,351	10,920	11,029
Bus Parts/Supplies	4,321	4,356	4,428
Non-Vehicle Maintenance	2,049	2,119	2,079
General Administration	4,529	4,214	4,566
Total Expenses	\$ 69,732	\$ 71,984	\$ 73,931
Funding Requirement	\$ 47,425	\$ 44,597	\$ 46,352
Recovery Ratio	31.99%	38.05%	37.30%
Ridership	31,688	27,379	27,834
Vehicle Miles	21,622	21,580	21,662
Vehicle Hours	1,434	1,427	1,448
Full Time Equivalents (FTE's)	1,165	1,166	1,173

2010 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 2010. The services included in this category are identified below with detailed information provided in Appendix F.

Municipal Fixed Route Services

The City of Highland Park and the Village of Niles will continue to contract with Pace in order to provide fixed route services in their areas in 2010. Combined, these services will provide .784 million rides, and generate \$1.063 million in revenue via the farebox or through local share contributions. Total service expenditures will reach \$2.657 million in 2010, and net required funding will remain flat at \$1.594 million. The goal for these two providers in 2010 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 2010 at a cost of \$494,000, offset by revenue of \$444,000 which includes local subsidy.

Schaumburg

A trolley service was implemented in the Woodfield area in 2001 and continues in 2010. The cost of this service is estimated at \$437,000 and is funded 100% by the Village of Schaumburg.



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

Table 11. Budget Summary—Public/Municipal (000's)

	2008 Actual	2009 Estimate	2010 Budget
REVENUE			
Highland Park	\$ 447	\$ 475	\$ 494
Niles	524	544	569
Schaumburg	573	437	437
Downers Grove	428	428	444
Total Revenue	\$ 1,972	\$ 1,884	\$ 1,944
EXPENSES			
Highland Park	\$ 1,070	\$ 1,187	\$ 1,236
Niles	1,384	1,362	1,421
Schaumburg	573	437	437
Downers Grove	476	476	494
Total Expenses	\$ 3,504	\$ 3,462	\$ 3,588
Funding Requirement	\$ 1,532	\$ 1,578	\$ 1,644
Recovery Ratio	56.3%	54.4%	54.2%
Ridership	997	914	923
Vehicle Miles	650	684	684
Vehicle Hours	59	58	58

2010 Private Contract Carrier Budget

In 2010, 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 \$3.188 million in 2010. This represents a 43.52% increase over estimated 2009 levels.

The increase is the direct result of new express route services scheduled to be implemented in the fall of 2009. Funding for the first year of service is provided by a Job Access Reverse Commute (JARC) grant and the RTA's Innovation, Coordination, Enhancement (ICE) Program.

Excluding these new or expanded services, growth for 2010 is 2.5%.

Operating revenues are projected to increase \$.471 million or 15.6% in 2010. Of this amount, \$.441 million or 14.6% is due to the expanded service added in the fourth quarter of 2009. The remaining \$.030 million or 1.0% is in conjunction with the estimated increase in riders.

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

2010 Goals

2010 goals include successfully implementing new express route services, reaching nearly 2.0 million riders, and achieving a minimum recovery ratio of 24.91%.

Table 12. Budget Summary—Private Contract Carriers (000's)

	2008 Actual	2009 Estimate	2010 Budget
REVENUE			
Private Contract	\$ 2,728	\$ 3,004	\$ 3,349
CMAQ/JARC	0	12	138
Total Revenue	\$ 2,728	\$ 3,016	\$ 3,487
EXPENSES			
Private Contract	\$ 9,748	\$ 10,206	\$ 12,608
CMAQ/JARC	12	136	1,393
Total Expenses	\$ 9,760	\$ 10,342	\$ 14,001
Funding Requirement	\$ 7,032	\$ 7,326	\$ 10,514
Recovery Ratio	27.95%	29.16%	24.91%
Ridership	1,970	1,809	1,987
Vehicle Miles	2,633	2,429	2,800
Vehicle Hours	163	156	170

2010 Dial-a-Ride Services Budget

Dial-a-ride service is available in a large portion of the Pace service area through 65 dial-a-ride projects. Nearly all service is provided with Pace-owned paratransit vehicles.

Pace contracts directly with private providers for the operation of 37 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 47 local share agreements.

Pace has service agreements with villages and townships for the operation of 25 other dial-a-ride projects. In most cases, the local community operates the service. For 2010, Pace’s funding formula for service agreements is based on providing a subsidy of \$3.00 per trip or 75% of deficit, whichever is less (\$3.00/75%). As in past years, individual project funding will also be limited to the inflationary growth rate for 2010. Pace raised the subsidy from \$2.25 to \$3.00 at the beginning of 2009 as part of a planned new initiative program. The change in formula provided \$1.0 million in increased subsidy to the local communities.

The budget shown in Table 13 is based on the \$3.00/75% subsidy formula for local dial-a-ride and will provide \$19.0 million for service throughout the six county region including the Ride DuPage, Ride in Kane and Community Transit programs.

Community Transit Program

The community transit program, new in 2007, replaced the municipal vanpool program. This program allows local municipalities to provide flexible public transportation in their communities. This program was reclassified to the dial-a-ride budget in 2009 and is now administered by paratransit department staff. Pace will cover maintenance expenses on qualifying vehicles in 2010 at a cost of \$87,360. Revenues for this program are projected at \$168,000, with 140 vehicles in service by year-end 2010. The 2010 budgeted recovery rate for this program is 192.3%.

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 2010 budget at a cost of \$2,128,062. 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 \$2,796,299. The funding for this program is a combination of federal grant funding and local share agreements.

2010 Goals

Combined dial-a-ride efforts in 2010 will include carrying 1.4 million riders while maintaining recovery performance to a level of 56.02%.

Table 13. Budget Summary—Dial-a-Ride Services (000’s)

	2008 Actual	2009 Estimate	2010 Budget
REVENUE			
Dial-A-Ride	\$ 8,360	\$ 7,559	\$ 8,174
Ride DuPage	1,581	1,376	1,510
Ride In Kane	738	869	977
Total Revenue	\$ 10,679	\$ 9,804	\$ 10,662
EXPENSES			
Operations	\$ 11,204	\$ 12,016	\$ 12,661
Maintenance	479	564	608
Non-Vehicle Maintenance	39	34	35
Administration	790	763	801
Ride DuPage	1,740	1,917	2,128
Ride In Kane	2,149	2,694	2,796
Total Expenses	\$ 16,401	\$ 17,988	\$ 19,030
Funding Requirement	\$ 5,722	\$ 8,184	\$ 8,369
Recovery Ratio	65.11%	54.5%	56.02%
Ridership	1,103	1,282	1,365
Vehicle Miles	4,062	5,206	5,496
Vehicle Hours	285	290	290

2010 Vanpool

The Vanpool program is a commuting option which provides passenger vans to small groups of 5 to 14 people, allowing them to commute to and from work together. The program continues to grow and Pace estimates to have 742 vans in service by year-end 2010, carrying 2.1 million riders. Revenue and expenses are projected to increase 7.0% and 15.4%, respectively, over 2009 levels, and provides for the projected growth in the number of vans at year-end, as well as higher fuel costs. While fuel costs are expected to increase in 2010, they are down significantly from prior levels, specifically 2008. Vanpool fuel prices reached a high of \$2.88 per gallon in 2008, and have dropped significantly. The estimated average annual price is \$1.91 per gallon for 2009. For next year (2010), fuel prices are estimated to rise 10.9% to \$2.12. While the increase is sizeable, it is nowhere near 2008 levels.

Pace's Vanpool program is comprised of three elements: the Vanpool Incentive Program (VIP), the Corporate Shuttle and the Advantage program, all of which are detailed on Table 14. The budget for the total Vanpool program is also summarized in the table. There is no fare increase included in the budget at this time.

Vanpool Incentive Program (VIP)

The VIP service is the core element of the program and is projected to achieve a ridership level of 1,114,395 with 370 vans in service by the end of 2010. The 2010 budgeted revenue and expenses are projected to increase 8.8% and 15.4%, respectively, over 2009 levels. Recovery performance is budgeted at 121.03% for 2010.

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 20 shuttle vans in service by the end of 2010. The 2010 budgeted recovery rate for this program is 273.39%.

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 2010, this program reflects a respective 6% and 15.4% increase in revenue and expense. Pace projects to have 352 vans in service by 2010 year-end. The recovery rate for the Advantage program is budgeted at 79.22% in 2010.

2010 Goals

Pace's efforts for the entire vanpool program in 2010 will include growing the overall program by 7.2%, carrying 2.110 million passengers, maintaining a recovery ratio of 104.91%, and increasing the number of vans in service to 742 by the end of 2010.



Pace VIP service van.

Table 14. Vanpool Budget (000's)

	2008 Actual	2009 Estimate	2010 Budget
REVENUE			
VIP	\$ 2,075	\$ 2,261	\$ 2,460
Corporate Shuttle	308	336	336
Advantage	1,427	1,556	1,649
Total Revenue	\$ 3,810	\$ 4,153	\$ 4,445
EXPENSE			
VIP	\$ 1,885	\$ 1,762	\$ 2,032
Corporate Shuttle	119	106	123
Advantage	1,922	1,804	2,082
Total Expenses	\$ 3,926	\$ 3,672	\$ 4,237
Funding Requirement	\$ 116	\$ (480)	\$ (208)
RECOVERY RATE			
VIP	110.00%	128.35%	121.03%
Corporate Shuttle	258.85%	315.43%	273.39%
Advantage	74.27%	86.23%	79.22%
Total Recovery Rate	97.04%	113.08%	104.91%
RIDERSHIP			
VIP	997	1,024	1,115
Corporate Shuttle	56	62	62
Advantage	790	880	933
Total Ridership	1,843	1,966	2,110
VEHICLE MILES			
VIP	7,219	7,415	8,069
Corporate Shuttle	272	302	302
Advantage	4,192	4,671	4,951
Total Vehicle Miles	11,683	12,388	13,322
Vehicles in Service (year-end) - VIP	331	340	370
Vehicles in Service (year-end) - Corporate Shuttle	18	20	20
Vehicles in Service (year-end) - Advantage	298	332	352
Total Vehicles in Service	647	692	742

2010 Centralized Support Budget

Pace manages numerous functions and expenditures “centrally” on behalf of the entire Agency. The centralized support budget will reach \$57.6 million in 2010. This budget includes expenses for fuel, liability insurance and health care.

In 2009, Pace’s centralized support expense is estimated to end the year down \$1.5 million or 2.9% below 2008 levels.

The decrease is primarily attributed to lower fuel costs which offset higher liability insurance and vehicle repair costs.

The 2010 centralized support budget will grow 10.5% over estimated 2009 levels.

The operations component is comprised of 36 positions that provide support to all operation areas of Pace. Total operations expense is projected to grow 7.4% over 2009 levels with most of this growth attributed to rising labor and fringe benefit costs including one added position in 2010.

Fuel expenses are projected to grow 30.4% in 2010. Fuel consumption is budgeted at 6.4 million gallons for Suburban Service only. An additional 732,000 gallons are budgeted for Regional ADA. The budget assumes an average price of \$2.30 per gallon, a fifty two cent increase from estimated 2009 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 38 positions and includes both maintenance and materials management personnel. Total maintenance expense is projected to grow 2.8% over 2009 levels with most of this growth attributed to rising labor and fringe benefit 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 9.8% over 2009 due to expansion of facility and passenger shelter maintenance and repair costs.

The administration portion of the central support budget is comprised of numerous items, including marketing, liability insurance, and health care. In 2010, health care expenses are forecasted to rise 4.0%, while liability insurance costs are anticipated to grow a modest 2.6%. In addition, added expenses for the marketing of the Ride Share program, and added costs associated with farebox/radio warranty repairs have contributed to the overall growth in administration expenses.

2010 Goals

Pace’s 2010 budgetary efforts for centralized support will include holding non-labor expenditures to a minimum while maintaining a staffing level of 82 positions.

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

Table 15. Centralized Support Budget (000's)

	2008 Actual	2009 Estimate	2010 Budget
Operations	\$ 3,177	\$ 3,535	\$ 3,796
Fuel	19,557	11,350	14,801
Maintenance	4,752	5,559	5,715
Non-Vehicle Maintenance	1,109	1,293	1,420
Administration	3,471	4,128	4,694
Liability Insurance	7,825	10,653	10,927
Health Care	13,837	15,656	16,283
Total	\$ 53,728	\$ 52,174	\$ 57,636
Fuel			
# of Gallons (Suburban Service only)	6.227 mil	6.380 mil	6.442 mil
\$/Gallon	\$ 3.14	\$ 1.78	\$ 2.30
Full-Time Equivalent (FTE's)	80	80	82

2010 Administrative Budget

The 2010 administrative budget is estimated to reach \$22.3 million. Pace will utilize 173 positions, an increase of six 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 2009, administrative expenses are estimated to end the year up \$2.9 million or 15.7% over 2008 levels. A large part of the growth is attributed to continued costs for planning studies related to Pace’s restructuring initiative.

The 2010 administrative budget will increase 4.4% over 2009 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 grow 2.2% over 2009 year-end levels. The increase represents additional costs for upkeep of two facilities.

Labor and fringe benefit costs will grow 4.7% in 2010 and reflects additional staff to administer the Vanpool program, along with a slight increase in wages.

Office supply costs are estimated to remain flat from prior year levels while utility costs are projected to grow 4.2%. The projected rise in natural gas costs is the primary cause of the increase in utility costs next year.

The expense category “Other” will rise 4.1% next year with continued costs for planning studies related to the restructuring effort. 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.

2010 Goals

Pace’s 2010 budgetary efforts for administration include constraining non-labor expense growth while maintaining a staffing level of 173 positions.

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

Table 16. Administrative Budget (000's)

	2008 Actual	2009 Estimate	2010 Budget
Non-Vehicle Maintenance	\$ 119	\$ 224	\$ 229
General Administration			
Labor/Fringe Benefits	12,699	14,044	14,702
Parts/Supplies	255	267	267
Utilities	238	310	323
Other	5,172	6,545	6,817
Total Expenses	\$ 18,483	\$ 21,390	\$ 22,338
Full Time Equivalents (FTE's)	167	167	173

This page left intentionally blank.

Suburban Service Three Year Plan and Ten Year Business Plan

General

The following section presents Pace’s Suburban Service three year and ten year financial plans for 2010 through 2019. The RTA requires that the Service Boards submit a three year financial plan in addition to their annual programs and budgets. The plan is required to show a balance between the funding estimates provided by the RTA (known as “the marks”) and the anticipated costs of providing services for the forthcoming and two following fiscal years. Pace’s plan for 2010 – 2012 achieves this balance. In keeping with the expanded budget development guidelines that were established last year by the RTA, we have included an additional seven year view which brings the planning cycle outlook to ten years. The assumptions and highlights for the ten year view are provided in this section.

Regional transit continues to be saddled with financial hardships despite the generosity of the General Assembly and the Governor of the State of Illinois. Immediately following the enactment of legislation passed in January, 2008, which provided a much needed increase in funding for mass transit in Northeastern Illinois, the State began experiencing financial hardships related to the economic downturn that has swept this country. The consequence to the RTA and Service Boards has been a substantial reduction in sales tax receipts which, through the middle of this year (2009), has offset much of the gain that came from the implementation of the new legislation. For Pace, the 2009 public funding budget has been reduced by \$23.0 million since January. The impact of this loss

would have been devastating without relief from a significant drop in fuel prices. The decline in fuel prices is expected to save the Agency more than \$13.0 million this year. For 2010, the RTA’s outlook for an economic rebound and resumed growth in sales tax remains conservative. This conservative outlook will keep Service Board funding to a minimum. Public funds for Pace next year will actually decline; however, this is due to the elimination of RTA Discretionary funds to Pace in 2010. Based on limited details on the allocation of taxes for 2010, it appears that the CTA is scheduled to receive all of the allocated RTA discretionary funding next year.

As noted, all years of the plan are balanced, and Pace will achieve a 36% recovery ratio set by the RTA for the Suburban Service program for 2010. Pace’s plan will be balanced through the implementation of both service and non-service reductions. Full details on the reductions are provided in the Appendix titled “Budget Balancing Actions.” Pace will achieve the 36% recovery ratio using available credits that have been authorized for use by the RTA. In addition to the allowances previously authorized, new for 2010 is the credit for ICE funded service. A provision under the new legislation allows expenditures for ICE funded services to be excluded from expenses when calculating the recovery ratio. A discussion of the assumptions used in developing the three and ten year plans and a review of the highlights of the plans are provided in the following pages, along with Table 19 showing the full details of the plan.

Table 17. Baseline Economic Assumptions

	2009	2010	2011	2012	2013-2019
Demand (Total Estimated Ridership) (1)	(11.7%)	2.6%	1.6%	1.7%	2.0%
T-Bill Rates (90 Day) (2)	0.3%	0.8%	2.1%	4.0%	4.7%
CPI-U (National) (3)	0.0%	1.8%	1.8%	2.0%	2.0%
Ultra-Low Sulfur (Price Growth) (4)	(42.7%)	27.8%	1.7%	5.9%	1.9%
Pace Public Funds (Sales Tax) (5)	9.0%	(0.4%)	2.9%	2.9%	2.9%

(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 2009 and 2010. The Congressional Budget Office (CBO) was the source for outlying years (2011 - 2019) 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 2010-2012. Outlying years’ information was provided by the Energy Information Association (EIA).

(5) Reflects RTA sales tax estimates for Pace for the three and 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 is summarized on Table 17. The following list of key sources were 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 17 to known or anticipated conditions is reflected on Table 18.

Table 18. Multi-Year Category Growth

	2010	2011	2012	2013-2019*
Fare Revenue	3.7%	2.2%	2.3%	2.7%
Total Revenue	2.4%	4.8%	3.5%	2.6%
Labor/Fringes	3.9%	3.2%	3.6%	2.7%
Health Care	4.0%	11.0%	11.0%	6.4%
Parts/Supplies	(0.6%)	2.8%	1.8%	5.4%
Purchased Transportation	16.4%	4.4%	4.8%	3.3%
Utilities	(0.6%)	4.8%	18.3%	4.7%
Insurance/Claims	2.6%	5.4%	6.0%	9.2%
Fuel (Costs)	28.9%	4.5%	8.0%	3.2%
<i>*Annual Compound Rates</i>				
	2010	2011	2012	
Ultra-Low Sulfur Price (Diesel)	\$2.30	\$2.34	\$2.48	
Vanpool Gasoline Price	\$2.12	\$2.23	\$2.33	
Number of Gallons (Diesel)	7.175 mil	7.247 mil	7.319 mil	
Number of Gallons (Gasoline)	.960 mil	1.056 mil	1.162 mil	
Fuel Costs—Suburban Service	\$14.801 mil	\$15.245 mil	\$16.305 mil	
Fuel Costs—Regional ADA	\$1.682 mil	\$1.732 mil	\$1.853 mil	
Fuel Costs—Vanpool	\$2.035 mil	\$2.351 mil	\$2.701 mil	

Highlights–2010 Budget and Two Year Plan

Pace's 2010 Budget presented in Table 19 is balanced to within available funding levels, only through the use of budget balancing actions, and meets the 2010 recovery mark of 36% set by the RTA. As noted, the outlook for sales tax/public funding revenues is conservative and insufficient to cover suburban service operating costs for all three years of the plan. Pace has identified the shortfall and has developed a plan to deal with the shortfall. Full detail of the budget balancing actions is discussed in the appendix.

Highlights–Ten Year Business Plan

Like the first three years, the ten year plan relies on the continued use of budget balancing actions in order to balance the program to the level of funding projected by the RTA. These actions may include, but are not limited to, service and fare adjustments, identification of additional funds or revenues, reduction of operating costs, use of retained earnings and/or the use of federal capital funds for operating purposes.

Some of the highlights of the ten year plan include operating revenues which will grow at an annual compound rate of 2.9%. Revenue growth is anemic due to the poor economy. While fare revenues will grow consistent with expected increases in ridership coming from growth in the base, as well as increases in continued program expansion, other revenues, which include advertising, are declining 50% next year (2010) due to the poor economy, and remain anemic throughout all years of the plan.

Expenses will grow at an annual compound rate of 4.5%. The largest growth occurs in 2010 reflecting implementation of several new services which are funded by the RTA's new ICE program. The Innovative, Coordination and Enhancement Fund—ICE is a new source of funds provided through the recently adopted legislation.

Pace's total public funding will grow at an annual compound rate of 2.2% and presents a significant problem for this plan cycle. As noted above, Pace will need to implement budget balancing actions in order to deal with this growth rate.



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

Suburban Service Three Year Plan and Ten Year Business Plan

Table 19. 2010–2012 Suburban Service Three Year Plan and Ten Year Business Plan (000's)

	2008 Actual	2009 Estimate	2010 Budget	2011 Plan	2012 Plan
OPERATING REVENUE					
Farebox	\$ 28,400	\$ 34,235	\$ 35,511	\$ 36,295	\$ 37,129
Local Share/Other	14,571	13,597	14,474	16,120	17,380
Advertising Revenue	4,666	3,050	2,450	2,450	2,450
Investment Income	1,236	264	219	430	359
Reduced Fare Reimbursement	3,089	2,600	2,390	2,390	2,390
Total Revenue	\$ 51,962	\$ 53,746	\$ 55,043	\$ 57,685	\$ 59,708
OPERATING EXPENSES					
Labor/Fringes	\$ 82,408	\$ 87,140	\$ 90,522	\$ 93,422	\$ 96,796
Health Care	13,837	15,656	16,283	18,074	20,062
Parts/Supplies	6,706	7,054	7,011	7,207	7,337
Purchased Transportation	25,890	27,854	32,411	33,830	35,439
Fuel	21,969	13,065	16,835	17,596	19,006
Utilities	2,428	2,058	2,046	2,144	2,537
Insurance	7,826	10,653	10,927	11,517	12,208
Other	14,470	17,531	18,726	19,363	20,084
Regional ADA Support Credit	(3,577)	(3,688)	(3,873)	(4,001)	(4,185)
Total Expenses	\$ 171,956	\$ 177,322	\$ 190,888	\$ 199,153	\$ 209,284
Deficit	\$ 119,994	\$ 123,576	\$ 135,845	\$ 141,468	\$ 149,576
Budget Balancing Actions	0	0	(6,498)	(11,112)	(16,716)
Funding Requirement	\$ 119,994	\$ 123,576	\$ 129,347	\$ 130,356	\$ 132,860
PUBLIC FUNDING					
Sales Tax (Part I)	\$ 78,240	\$ 68,850	\$ 69,883	\$ 71,909	\$ 73,995
RTA Sales Tax and PTF - (Part II)	13,380	29,361	29,812	30,685	31,584
RTA Discretionary (Part - Part I)	0	2,267	0	175	370
Suburban Community Mobility Funds (SCMF)	20,000	17,794	18,061	18,585	19,124
South Suburban Job Access Funds	3,750	7,500	7,500	7,500	7,500
CMAQ/JARC/NewFreedom	3,357	3,100	3,105	1,163	287
RTA ICE Funding	0	175	986	339	0
Total Public Funding	\$ 118,727	\$ 129,047	\$ 129,347	\$ 130,356	\$ 132,860
Net Funding Available	\$ (1,267)	\$ 5,471	\$ 0	\$ 0	\$ 0
Recovery Ratio	36.0%	36.0%	36.0%	36.0%	36.0%
PAGE BALANCE SHEET					
Total Assets	\$ 355,725	\$ 371,602	\$ 379,241	\$ 394,717	\$ 410,855
Total Liabilities	149,354	154,333	159,451	167,682	176,344
Invested Net Assets	186,489	193,542	200,813	208,308	216,034
Unrestricted Net Assets (Fund Balance)	19,882	23,727	18,977	18,727	18,477
Total Liabilities & Net Assets	\$ 355,725	\$ 371,602	\$ 379,241	\$ 394,717	\$ 410,855

2013 View	2014 View	2015 View	2016 View	2017 View	2018 View	2019 View
\$ 38,003	\$ 38,934	\$ 39,929	\$ 40,992	\$ 42,130	\$ 43,352	\$ 44,663
17,829	18,290	18,763	19,250	19,751	20,265	20,793
2,477	2,512	2,557	2,605	2,658	2,711	2,765
721	802	827	833	839	827	815
2,414	2,438	2,462	2,487	2,512	2,537	2,562
\$ 61,443	\$ 62,976	\$ 64,538	\$ 66,168	\$ 67,889	\$ 69,691	\$ 71,599
\$ 98,606	\$ 100,953	\$ 104,042	\$ 107,403	\$ 111,054	\$ 114,830	\$ 118,734
21,346	22,712	24,166	25,712	27,358	29,109	30,972
7,571	7,879	8,290	8,747	9,254	9,791	10,359
36,141	37,052	38,252	39,561	40,985	42,460	43,989
19,970	21,150	22,041	22,484	22,923	23,522	24,128
2,618	2,717	2,842	2,979	3,128	3,284	3,448
12,879	13,781	15,021	16,448	18,093	19,902	21,892
20,591	21,198	21,937	22,755	23,659	24,636	25,695
(4,263)	(4,365)	(4,498)	(4,644)	(4,801)	(4,965)	(5,134)
\$ 215,459	\$ 223,077	\$ 232,093	\$ 241,444	\$ 251,651	\$ 262,570	\$ 274,084
\$ 154,016	\$ 160,101	\$ 167,554	\$ 175,276	\$ 183,762	\$ 192,879	\$ 202,485
(18,078)	(20,415)	(24,011)	(27,765)	(32,170)	(37,089)	(42,374)
\$ 135,938	\$ 139,686	\$ 143,543	\$ 147,511	\$ 151,592	\$ 155,790	\$ 160,111
\$ 76,141	\$ 78,349	\$ 80,621	\$ 82,959	\$ 85,365	\$ 87,840	\$ 90,388
32,618	33,588	34,585	35,611	36,664	37,748	38,862
0	0	0	0	0	0	0
19,679	20,249	20,837	21,441	22,063	22,702	23,361
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
\$ 135,938	\$ 139,686	\$ 143,543	\$ 147,511	\$ 151,592	\$ 155,790	\$ 160,111
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%
\$ 428,200	\$ 392,384	\$ 460,636	\$ 348,148	\$ 360,386	\$ 372,963	\$ 385,891
185,977	142,204	202,250	81,297	84,806	86,381	92,027
223,996	232,203	240,659	249,374	258,353	267,605	277,137
18,227	17,977	17,727	17,477	17,227	16,977	16,727
\$ 428,200	\$ 392,384	\$ 460,636	\$ 348,148	\$ 360,386	\$ 370,963	\$ 385,891

Pace Suburban Service Cash Flow—2010

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. Expenses reflect budget balancing actions required to bring the budget to within available funding levels.

The projected cash flow for Pace’s Suburban Service operations shows sufficient funds for Pace to maintain operations during 2010.



Table 20. Pace Suburban Service Projected Cash Flow Summary—2010 (000’s)

	Beginning Balance	Revenues	Expenses	Net Results	Ending Balance
January	\$ 27,744	\$ 21,060	\$ 15,251	\$ 5,809	\$ 33,553
February	33,553	13,156	16,084	(2,928)	30,625
March	30,625	13,155	16,306	(3,151)	27,474
April	27,474	13,590	15,251	(1,661)	25,813
May	25,813	13,590	15,251	(1,661)	24,152
June	24,152	13,590	16,307	(2,717)	21,435
July	21,435	20,470	15,251	5,219	26,654
August	26,654	13,590	15,251	(1,661)	24,993
September	24,993	13,590	16,306	(2,716)	22,277
October	22,277	13,590	15,251	(1,661)	20,616
November	20,616	13,590	15,251	(1,661)	18,955
December	18,955	22,076	18,219	3,857	22,812

2010 Regional ADA Paratransit Operating Budget

Summary

The 2010 Regional ADA Service program is summarized below and detailed throughout this section. Total operating expenses will reach \$127.595 million in 2010—up 9.5% or \$11.087 million over estimated 2009 levels. Revenues will increase by 6.0% or \$.471 million. The 2010 revenue budget presented in the table reflects status quo fare levels. The ADA program will require \$119.242 million in funding for 2010—up 9.8% or \$10.616 million, however, the funding mark established by the RTA on September 15th provided \$90.303 million in funding for ADA, leaving a funding shortfall of \$28.939 million. Pace is looking at all available options to eliminate the shortfall. A full review of the proposed budget balancing actions is provided in the appendix of this document.

The problem with ADA funding has been on-going since Pace was given responsibility for the program; however, given the current poor state of the economy, and declines in sales tax income, the ADA Paratransit program is currently in a state of financial crisis. For 2009, declining sales tax projections resulted in RTA reducing the ADA fund level from the 2008 budget level of \$100 million down to \$89 million in 2009. In order to make up

part of the shortfall, the RTA put together a plan that allocated \$3.897 million in RTA Discretionary ICE funds, and directed Pace to use \$9.0 million of 2010 Capital funds while plugging an additional part of the gap with \$4.104 million in RTA working cash. However, knowing that these actions were inadequate to balance the budget, the RTA directed Pace to also implement actions identified by a recent consultant study that the RTA commissioned in order to evaluate the Pace ADA program. Among these actions was the recommendation to raise fares. This was one of the directives to Pace that was authorized by the RTA Board. The total amount needed to balance the 2009 budget was set at \$2.658 million which is highlighted in the table below.

For 2010, the funding shortfall is projected at \$28.939 million. Pace will be looking at all possible actions to manage within available resources. Full details of the proposed actions are provided in the appendix.

After adjusting for the budget balancing actions, Pace's 2010 ADA paratransit budget meets the funding and recovery marks set by the RTA.

Table 21. Regional ADA Paratransit Budget Summary (000's)

	2008 Actual	2009 Estimate	2010 Budget
Total Operating Expenses	\$ 107,626	\$ 116,508	\$ 127,595
Less: Total Operating Revenue	7,935	7,882	8,353
Deficit	99,691	108,626	119,242
Budget Balancing Actions	0	(2,658)	(28,939)
Funding Requirement	\$ 99,691	\$ 105,968	\$ 90,303
Less: Sales Tax and PTF (Part II)	\$ 100,000	\$ 88,968	\$ 90,303
RTA Discretionary from ICE	0	3,897	0
Pace Capital Funds for Operation	0	9,000	0
RTA Working Cash Borrowing	0	4,103	0
Total Funding	\$ 100,000	\$ 105,968	\$ 90,303
Net Funding Available	\$ 309	\$ 0	\$ 0
Recovery Ratio*	10.00%	10.00%	10.00%

*Capital cost exemption credits applied for all years.

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

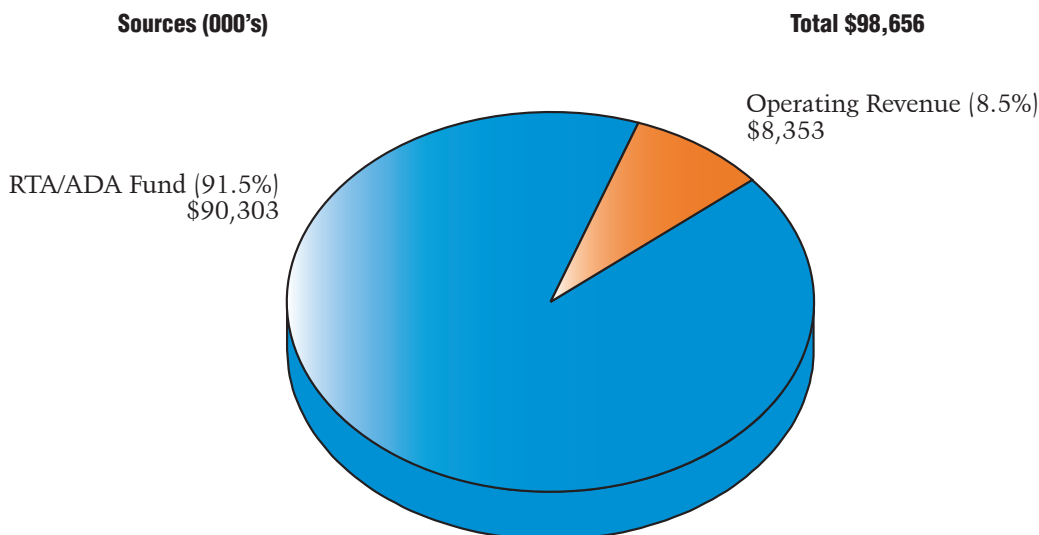
and two following fiscal years. For 2010, the RTA has established \$90.303 million in funding from the Regional ADA Paratransit Fund.

Operating Revenue

The remaining revenue source is operating revenue which is generated from passenger fares. This source is estimated at \$8.353 million for 2010 and reflects no fare increase. The growth in operating revenue is consistent with the projected growth in demand for next year. Ridership is estimated to increase 6.0% in 2010.

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. 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.

Chart G. ADA Source of Funds



Regional ADA Paratransit Use of Funds

All funds received in 2010 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 22, 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 2010, Pace expects to spend \$97,581,000 for City ADA service. The majority of these expenditures (94.8%) 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 \$3,410,000 for the TAP program in 2010.

Suburban ADA Services

Pace has always provided ADA service in the suburbs. For 2010, Pace will spend \$22,731,000 for Suburban ADA service. Costs for contracted service in the suburbs will account for 96.1% 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.

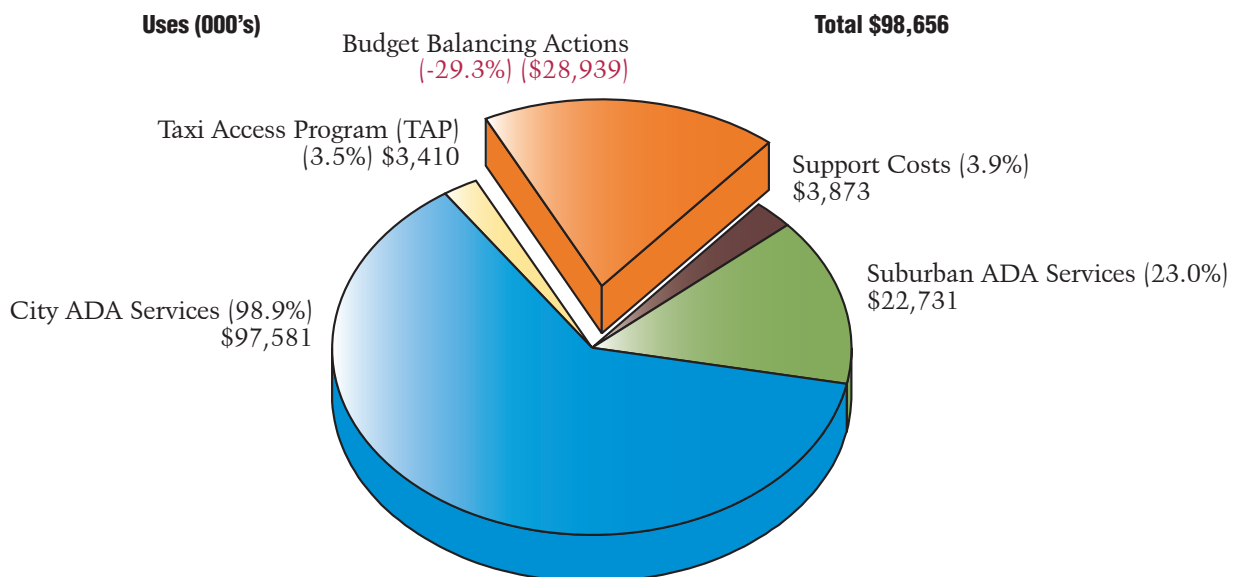
Indirect Overhead Costs

There are regional support costs that Pace incurs on behalf of managing and operating the ADA program. For 2010, Pace will incur \$3,873,000 in overhead costs that will be allocated to the Regional ADA program.

Budget Balancing Actions

In order to bring the ADA program in alignment with available funds, Pace will implement \$28.939 million in budget balancing actions in 2010.

Chart H. ADA Use of Funds



2010 Regional ADA Paratransit Service Budget—City/Suburban Detail

Pace’s 2010 proposed revenue, expense and funding requirements for the Regional ADA Paratransit services are detailed on Table 22 below. The estimates for 2009 and the proposed budget for 2010 are broken down into City, TAP and Suburban components.

The program, as presented, reflects budget balancing actions required to bring the ADA within available funding levels.



Bus service to shopping centers is critical to our riders.

Table 22. 2010 Regional ADA Paratransit Service Budget—City/Suburban Details (000's)

	2009 Estimate			2010 Budget			Net Change 2009-2010
	City	Suburban	Region Total	City	Suburban	Region Total	
REVENUE							
Fares—Contract	\$ 4,702	\$ 1,613	\$ 6,315	\$ 4,984	\$ 1,708	\$ 6,692	\$ 377
Fares—TAP	943	-	943	1,000	-	1,000	57
RTA Certification	367	257	624	389	272	661	37
Total Revenue	\$ 6,012	\$ 1,870	\$ 7,882	\$ 6,373	\$ 1,980	\$ 8,353	\$ 471
EXPENSES							
Contract Services	\$ 84,999	\$ 17,717	\$102,716	\$ 92,577	\$ 20,162	\$112,739	\$ 10,023
TAP Services	3,217	-	3,217	3,410	-	3,410	193
Fuel	-	1,298	1,298	-	1,682	1,682	384
Administration	3,991	573	4,564	4,192	605	4,797	233
Insurance	344	11	355	375	11	386	31
RTA Certification	367	257	624	389	272	661	37
Other	46	0	46	47	0	47	1
ADA Support Allocation	-	-	3,688	-	-	3,873	185
Total Expenses	\$ 92,964	\$ 19,856	\$116,508	\$100,990	\$ 22,732	\$127,595	\$ 11,087
Deficit	\$ 86,952	\$ 17,986	\$108,627	\$ 94,617	\$ 20,752	\$119,242	\$ 10,615
Budget Balancing Actions	\$ -	\$ -	\$ (2,659)	\$ -	\$ -	\$ (28,939)	\$(26,280)
Funding Requirement	\$ 86,952	\$ 17,986	\$105,968	\$ 94,617	\$ 20,752	\$ 90,303	\$(15,665)
Public Funding	\$ -	\$ -	\$105,968	\$ -	\$ -	\$ 90,303	\$(15,665)
Net Funding Available	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ 0
Recovery Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	-
Ridership—Contract	2,090	565	2,655	2,215	599	2,814	159
Ridership—TAP	226	-	226	239	-	239	13
Ridership—Total	2,316	565	2,881	2,454	599	3,053	172

Regional ADA Three Year Plan and Ten Year Business Plan

General

The following section presents Pace’s Regional ADA Paratransit Three Year Plan and Ten Year Business Plan.

In summary, the 2010 ADA Paratransit Budget is balanced with the application of budget balancing actions. In order to balance the outyears, additional budget balancing actions will be required. The 2010 budget and the outyears achieve the 10% recovery mark set by the RTA.

The budget balancing actions used to balance the plan contain numerous assumptions, including the option of utilizing fare increases. As Pace continues to look at all available options, no impact on revenues and expenses are reflected in this section at this time. For more information on proposed budget balancing actions, reference the appendix of this document.

One important observation about the outlook for the ADA paratransit program is that the present source and level of funding appears to be grossly inadequate.

We recognize 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, and one important need is to identify adequate funding for this program.

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 Table 23.

Highlights—2010 Budget and Two Year Plan

The budget and plan presented in Table 24 shows the ADA paratransit program in a state of financial crisis. In order to balance the plan to within available funding levels, significant budget balancing actions are required for all three years of the plan. Full detail of the required actions is discussed in Appendix J.

Highlights—Ten Year Business Plan

Like the first three years, the ten year plan relies on the continued use of budget balancing actions in order to balance the program to the level of funding projected by the RTA. These actions may include, but are not limited to, service and fare adjustments, identification of additional funds or revenues, reduction of operating costs, use of retained earnings and/or the use of federal capital funds for operating purposes.

Some of the highlights of the ten year plan include operating revenues which will grow at an annual compound rate of 5.9%, consistent with the annual compound growth rate for ridership—6.0%. Expenses grow at a compound rate of 8.7% and reflects growth in demand as well as inflationary cost growth. ADA public funding will grow at an annual compound rate of 1.0% and presents a significant problem for all years of the plan cycle. In addition to budget balancing actions, additional funding will need to be identified for this program.

Table 23. Expense Growth Factors

	2010	2011	2012	2013-2019*
Contractor Costs—City	2.8%	2.5%	2.1%	3.1%
Contractor Costs—Suburban	7.5%	3.4%	3.8%	3.1%
Demand—City	6.0%	6.0%	6.0%	6.0%
Demand—Suburban	5.9%	5.9%	5.9%	5.9%

*Annual Compound Rates

Regional ADA Paratransit Three Year Plan and Ten Year Business Plan

Table 24. 2010–2012 Regional ADA Paratransit Three Year Plan and Ten Year Business Plan and Fund Balance (000's)

	2008 Actual	2009 Estimate	2010 Budget	2011 Plan	2012 Plan
OPERATING REVENUE					
Fares	\$ 6,996	\$ 7,258	\$ 7,692	\$ 8,152	\$ 8,639
RTA Certification Trips	939	624	661	700	742
Total Revenue	\$ 7,935	\$ 7,882	\$ 8,353	\$ 8,852	\$ 9,381
OPERATING EXPENSES					
Labor/Fringes	\$ 2,123	\$ 2,382	\$ 2,500	\$ 2,582	\$ 2,701
Health Care	266	295	307	341	378
Administrative Expenses	1,533	1,933	2,037	2,081	2,135
Fuel	2,004	1,298	1,682	1,732	1,853
Insurance/Claims	353	355	386	407	431
RTA Certification Trips	657	624	661	700	742
Suburban ADA Purchased Transportation	16,700	17,717	20,162	22,078	24,264
City ADA Purchased Transportation*	76,737	84,999	92,577	100,591	108,898
TAP & Mobility Direct Services	3,674	3,217	3,410	3,615	3,832
Regional ADA Support Allocation	3,577	3,688	3,873	4,001	4,185
Total Expenses	\$ 107,626	\$ 116,508	\$ 127,595	\$ 138,128	\$ 149,419
Deficit	\$ 99,691	\$ 108,626	\$ 119,242	\$ 129,277	\$ 140,038
Budget Balancing Actions	0	(2,658)	(28,939)	(36,356)	(44,422)
Funding Requirement	\$ 99,691	\$ 105,968	\$ 90,303	\$ 92,921	\$ 95,616
PUBLIC FUNDING					
Sales Tax and PTF (Part II)	\$ 100,000	\$ 88,968	\$ 90,303	\$ 92,921	\$ 95,616
RTA Discretionary from ICE	0	3,897	0	0	0
Pace Capital Funds for Operations	0	9,000	0	0	0
RTA Working Cash Borrowing	0	4,103	0	0	0
Total Public Funding	\$ 100,000	\$ 105,968	\$ 90,303	\$ 92,921	\$ 95,616
Net Funding Available	\$ 309	\$ 0	\$ 0	\$ 0	\$ 0
Recovery Ratio	10.0%	10.0%	10.0%	10.0%	10.0%
PACE ADA FUND BALANCE SHEET					
Total Assets	\$ 17,585	\$ 16,097	\$ 16,445	\$ 16,800	\$ 17,196
Total Liabilities	20,942	19,420	19,732	20,051	20,410
Invested in Capital Assets	1,780	1,814	1,850	1,886	1,923
Unrestricted Net Assets (Fund Balance)	(5,137)	(5,137)	(5,137)	(5,137)	(5,137)
Total Liabilities and Net Assets	\$ 17,585	\$ 16,097	\$ 16,445	\$ 16,800	\$ 17,196

*Includes Taxi Access Program.

	2013 View	2014 View	2015 View	2016 View	2017 View	2018 View	2019 View
\$	9,138	\$ 9,666	\$ 10,225	\$ 10,816	\$ 11,442	\$ 12,104	\$ 12,805
	792	848	912	981	1,057	1,138	1,226
\$	9,930	\$ 10,514	\$ 11,137	\$ 11,797	\$ 12,499	\$ 13,242	\$ 14,031
\$	2,752	\$ 2,817	\$ 2,903	\$ 2,997	\$ 3,099	\$ 3,204	\$ 3,313
	402	428	456	485	516	549	584
	2,159	2,189	2,228	2,271	2,316	2,362	2,410
	2,006	2,186	2,342	2,452	2,562	2,691	2,820
	456	488	533	585	644	710	783
	792	848	912	981	1,057	1,138	1,226
	25,981	27,968	30,318	32,922	35,813	38,957	42,378
	117,787	128,000	140,076	153,559	168,632	185,185	203,363
	4,144	4,504	4,929	5,403	5,933	6,516	7,155
	4,263	4,365	4,498	4,644	4,801	4,965	5,134
\$	160,742	\$ 173,793	\$ 189,195	\$ 206,298	\$ 225,374	\$ 246,278	\$ 269,165
\$	150,812	\$ 163,279	\$ 178,058	\$ 194,500	\$ 212,875	\$ 233,035	\$ 255,135
	(52,423)	(62,037)	(73,880)	(87,301)	(102,567)	(119,528)	(138,336)
\$	98,389	\$ 101,242	\$ 104,178	\$ 107,199	\$ 110,308	\$ 113,507	\$ 116,799
\$	98,389	\$ 101,242	\$ 104,178	\$ 107,199	\$ 110,308	\$ 113,507	\$ 116,799
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
\$	98,389	\$ 101,242	\$ 104,178	\$ 107,199	\$ 110,308	\$ 113,507	\$ 116,799
\$	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$	17,634	\$ 18,084	\$ 18,545	\$ 19,018	\$ 19,503	\$ 20,001	\$ 20,511
	20,811	21,223	21,645	22,078	22,523	22,979	23,447
	1,960	1,998	2,037	2,077	2,117	2,159	2,201
	(5,137)	(5,137)	(5,137)	(5,137)	(5,137)	(5,137)	(5,137)
\$	17,634	\$ 18,084	\$ 18,545	\$ 19,018	\$ 19,503	\$ 20,001	\$ 20,511

Pace Regional ADA Paratransit Cash Flow—2010

The following provides an estimate of Pace’s revenues, expenses and cash position for Regional ADA Paratransit service operations on a monthly basis. Estimates for public funding are included in total revenues and are based on information provided by the RTA. However, RTA’s funding marks are inadequate to cover ADA and are also not backed with an identified source of funds.

The projected cash flow presented below for Pace’s Regional ADA Paratransit service does not reflect budget balancing actions. Adequate funds are available through October of 2010 without actions.



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

Table 25. Pace Regional ADA Projected Cash Flow Summary—2010 (000's)

	Beginning Balance	Revenues	Expenses	Net Results	Ending Balance
January	\$ 9,491	\$ 9,654	\$ 9,875	\$ (221)	\$ 9,270
February	9,270	9,654	10,633	(979)	8,292
March	8,292	9,654	10,633	(979)	7,313
April	7,313	9,654	10,633	(979)	6,334
May	6,334	9,654	10,633	(979)	5,355
June	5,355	9,654	10,633	(979)	4,376
July	4,376	9,655	10,633	(978)	3,398
August	3,398	9,655	10,633	(978)	2,420
September	2,420	9,655	10,633	(978)	1,442
October	1,442	9,655	10,633	(978)	464
November	464	9,654	10,633	(979)	(515)
December	(515)	9,654	10,633	(979)	(1,494)

Suburban Service Capital Budget

Overview

On September 15, 2009, the RTA Board adopted the preliminary capital program marks which estimated federal and other funds that might be available to the region for capital investment purposes. Additionally, the Service Boards must address how they will work toward returning the system to a “State Of Good Repair.” The RTA is also developing a comprehensive set of performance measures which will track and report at a frequency appropriate for each measurement. These measurements have been used and are incorporated into Pace’s capital program. A more detailed capital project selection process and completion of an asset condition assessment being undertaken by RTA will eventually be used to develop a future “objective needs-based” capital plan.

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 2010 Capital Program totals \$66.4 million. The entire program falls in the category of projects needed to return the Pace system to a “State of Good Repair” or projects which will improve operational efficiencies.



Pace’s new headquarters building was completed in 2009.



Pace has millions of dollars of concrete and asphalt repairs to make.

2010 Suburban Service Capital Program Project Descriptions

Table 26. 2010 Suburban Capital Budget (000's)

Project Description	Amount
ROLLING STOCK	
22 Fixed Route Buses - 40 ft.	\$ 8,910
15 Vanpool Vans	675
Bus Overhaul/Maintenance Expense	2,000
Associated Capital	2,850
Diesel Engine Retrofit	8,260
Capital Cost of Contracting	9,000
Subtotal - Rolling Stock	\$ 31,695
SUPPORT FACILITIES/EQUIPMENT	
Maintenance Equipment/Non-Revenue Vehicles	\$ 860
Computer System/Hardware & Software	3,440
Office Equipment	100
Garages - Mid-Life Reconstruction	4,500
Northwest Garage - Land Acquisition	4,500
Northwest Garage - Engineering and Site	9,200
Master Plans - NW Cook, South Holland, Print Shop	250
South Holland Garage Engineering/Phase I Construction	7,345
Subtotal - Support Facilities/Equipment	\$ 30,195
STATIONS AND PASSENGER FACILITIES	
DuPage County Transportation Center	\$ 500
Transit Information Signage	440
Milwaukee Avenue Transit Infrastructure	400
Randall Road Transit Infrastructure	800
Plainfield Park-N-Ride	245
Toyota Park Transit Center	475
Passenger Facilities - Mid-Life Reconstruction	450
Signs/Shelters/Passenger Amenities	150
Subtotal - Stations and Passenger Facilities	\$ 3,460
PROJECT ADMINISTRATION/MISCELLANEOUS	
Project Administration	\$ 450
Unanticipated Capital	250
J-Route BRT Alternative Analysis	360
Subtotal - Project Administration/Misc.	\$ 1,060
Total Capital Program	\$ 66,410
TOTAL FUNDING	
Federal 5307	\$ 34,100
Federal 5309	2,720
Federal CMAQ	2,340
IDOT	22,500
Pace Funds	4,750
Total Funding	\$ 66,410

Table 26 summarizes the capital projects for which we expect to receive funding.

Rolling Stock (\$31.7 Million)

- 22 Fixed Route Replacement Buses (\$8.9 million) - The program contains funds for the replacement of 22 fixed route buses which have exceeded their useful life. All vehicles will be 40 feet in length.
- 15 Vanpool Vans (\$.7 million) - The program contains funds for the replacement of vanpool vans which have exceeded their useful life.
- Bus Overhaul Maintenance Expenses (\$2.0 million) - The program contains funds to cover reimbursement for maintenance overhaul expenses which qualify as capital.
- Associated Capital (\$2.8 million) - The program contains funds for the purchase of engines, transmissions, axle assemblies, etc., for fixed route and paratransit buses.
- Diesel Engine Retrofit (\$8.3 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).
- Capital Cost of Contracting (\$9.0 million) - The RTA has directed Pace to use \$9.0 million of its federal 5307 capital funds to pay for the capital cost of contracting expenses incurred in 2009 for regional ADA service.

Operating Cost Impacts

Pace's average fleet age is 7.4 years for fixed route, 4.5 years for paratransit, and 3.5 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. 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.

Support Facilities & Equipment (\$30.2 Million)

- Maintenance Equipment/Non-Revenue Vehicles (\$.9 million) - The program contains funds for the purchase of maintenance equipment and trucks for the garages.
- Computer Equipment (\$3.4 million) - The program contains funds for the purchase of miscellaneous hardware and software replacement of existing systems.
- Office Equipment (\$.1 million) - The program contains funds to purchase office equipment for the garages.
- Garages - Mid-Life Reconstruction (\$4.5 million) - The program contains funds for the purchase of bus washers, equipment, lighting improvements, new bus lifts, concrete/asphalt replacement and mid-life renovations to Fox Valley, North, River, South and West garages.
- Replace Northwest Cook Garage (\$13.7 million) - The program contains funds to purchase land, engineering and site work for the construction of a new replacement garage in the Northwest Cook County suburbs. This facility will replace a 47 year old garage in Des Plaines. Due to funding limitations, the Phase I construction will include bus storage for approximately 70 buses which will initially help alleviate the overcrowding conditions in Des Plaines. Phase II expansion for up to an additional 50 buses will be built once additional funding is secured. Pace expects to purchase the land in 2010 in order to take advantage of a distressed real estate market.
- Master Plans (\$.2 million) - The program contains funds to complete initial master plans for a new Northwest Cook Garage, a new South Holland replacement garage on the existing Pace property and a new print shop/storage facility. These master plans will establish design requirements as to how the buildings will be situated on the site and will develop probable construction cost and work around plans.
- South Holland Garage (\$7.4 million) - The program contains engineering and construction for a replacement garage in South Holland. The existing building is 27 years old and in need of replacement. The function of this garage has changed over the years, and a new garage will better accommodate our customer service representatives, electronic technicians, bus maintenance specialists and bus acceptance functions.

Operating Cost Impacts

The replacement of obsolete facilities and equipment will result in savings to the operating budget. Pace is now taking a different approach to replacing old equipment at the garages and replacing major infrastructure. In order to schedule repairs and replacement to match limited annual funding, Pace will now perform mid-life renovation to its existing facilities. This will enable Pace to combine improvements under one general construction effort and schedule the repairs/replacement when the equipment and infrastructure is at its building mid-life age, so as to avoid equipment breakdowns.

Stations and Passenger Facilities (\$3.5 million)

- DuPage County Transportation Center (\$.5 million) - The program contains engineering and site work for the construction of a transportation center in Downers Grove at I-88 and the North-South Tollway - I-355.
- Transit Information Signage Harvey and Chicago Heights (\$.4 million) - The program contains funds to purchase a real time information signage system for the Harvey and Chicago Heights Transportation Centers. Pace will install digital next bus signage which will inform waiting passengers of bus arrival times.
- Milwaukee Avenue Transit Infrastructure (\$.4 million) - The program contains funds to make pedestrian improvements on Milwaukee Avenue in Chicago and Niles.
- Randall Road Transit Infrastructure (\$.8 million) - The program contains funds to make small infrastructure investments along Randall Road between Aurora and Elgin. The project includes Transit Signal Priority at 22 signalized intersections and 20 bus stop shelters.
- Plainfield Park and Ride (\$.3 million) - The program contains funds to design a park-n-ride facility. Once a location is finalized, however, Pace needs to secure future funding for the construction.
- Toyota Park Transfer Center (\$.5 million) - In 2009, Pace received a congressional earmark to construct a transfer center at Toyota Park in Bridgeview. The program contains funds to design a transfer center in Bridgeview. The Center would consist of three bus bays just outside the park entrance and two boarding locations.

Pace needs to secure future funding for construction of this facility, however.

- Passenger Facilities - Mid-Life Reconstruction (\$.4 million) - The program contains funds to renovate Pace passenger facilities which have reached their mid-life. Renovation includes updating passenger amenities, concrete and asphalt replacement, etc.
- Signs/Shelters/Passenger Amenities (\$.2 million) - This program contains funds for the installation of signs and shelters.

Operating Cost Impacts

The projects covered here fall mostly in the enhancement category and will make Pace more efficient, resulting in increased ridership. The transit infrastructure improvements in particular will make our buses operate through congested areas more quickly.

Project Administration/Miscellaneous (\$1.0 Million)

- Project Administration (\$.4 million) - Project includes funds for staff time spent on the administration of various grants. (Reduces operating expense by equal amount.)
- Unanticipated Capital (\$.2 million) - Project includes funds for capital eligible projects not anticipated in the budget process.
- J-Route/BRT/Alternative Analysis (\$.4 million) - The program contains funding to perform an alternative analysis for a BRT route plan from Aurora to O'Hare Airport. Pace received a congressional earmark for this project, but it is not sufficient to complete the study.



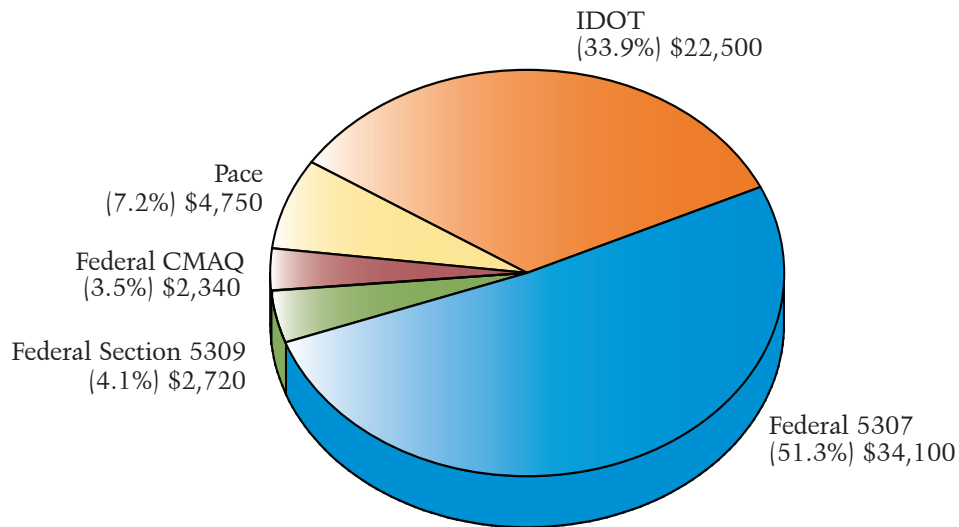
The building envelope at Heritage Division is in desperate need of replacement.



The Dry Valve System was replaced at our McHenry County Garage in 2009.

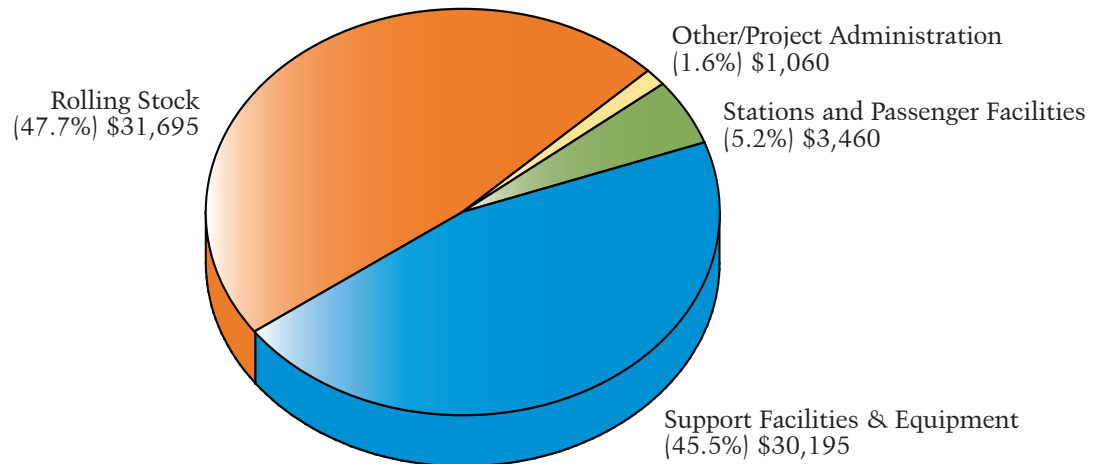
Chart I. 2010 Suburban Service Capital Program—Sources and Uses of Funds

Sources (000's) Total \$66,410



59% of Pace's program is derived from Federal sources

Uses (000's) Total \$66,410



Nearly half of the 2010 program will be spent on the replacement of rolling stock

Capital Funding Sources

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

Federal Funding

The SAFETEA-LU expires on September 30, 2009. At this time it is unlikely that a full six year reauthorization will be passed before the beginning of the next federal fiscal year on October 1, 2009. The Obama Administration is recommending an 18 month extension of current programs. For planning purposes, the RTA marks assume the continued availability of federal funds in the 2010 through 2014 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 in the federal legislation. Federal Flexible funds, such as the Congestion Mitiga-

tion 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 2010 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

On April 3, 2009, Governor Pat Quinn signed into law the "Illinois Jump Start" capital bill providing \$900.0 million to make grants to fund public transportation projects in Northeastern Illinois. Pace has been allocated \$77.4 million for suburban capital needs and \$36.0 million for ADA paratransit capital needs. These funds were added to the 2009 capital marks and the Service Boards were directed by RTA to add projects to their capital programs accordingly. At this time, none of these state funds have been released for grant awards.

On July 13, 2009, the Governor signed the "Illinois Jobs Now" capital bill that provided \$1.8 billion for regional transit projects. The legislation allocated 50% of these funds to CTA, 45% to Metra and 5% to Pace. Pace expects to receive \$90.0 million over the next four years for suburban capital needs. The budgetary problems of the state are affecting the availability of all state capital funds, and it is unclear as to when this issue will be resolved or when these funds will be released for grant awards.

Service Board Funding

Operational savings achieved by the Service Boards also provide funds for capital investments.

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 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 \$10.0 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. Due to the unprecedented negative economic conditions which exist, in 2010 RTA may use these funds for preserving operating stability.

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.



Pace received \$33 million in 2009 from the federal ARRA Program.

This page left intentionally blank.

Pace 2010-2019 Ten Year Capital Business Plan Constrained To RTA Marks

The marks released by the RTA on September 15, 2009, total \$560.160 million for the ten year period 2010-2019.

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 \$90.0 million in new state funding for Pace for the four year period between 2010 to 2013. Table 27 below summarizes the amount of funding over the next ten years that Pace has estimated to receive:

Table 27 - Pace FY2010 – 2014 Capital Program Marks— (In Millions)

Federal 5307	\$	409.50
Federal 5309 Bus		2.72
Federal CMAQ		50.94
State Funding		90.00
JARC/New Freedom/ICE		0.00
Pace Funds		7.00
Total \$	\$	560.16

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

Rolling Stock (\$380.720 Million)

- Fixed route buses – 471 replacement buses
- Paratransit buses – 827 replacement buses
- Vanpool equipment – 1,181 replacement and 276 expansion vans
- Community Transit Vehicle Program – 81 replacement buses

Electrical/Signal/Communications (\$10.000 Million)

- Radio system replacement
- Intelligent Bus System (IBS) and Mobile Data Terminals (MDT) replacements

Support Facilities/Equipment (\$116.270 Million)

- Systemwide farebox system replacement
- Maintenance equipment, office equipment, computer systems, and support vehicles
- Improvements to existing garages and facilities
- Construct new garages

Stations & Passenger Facilities (\$41.060 Million)

- Improvements to existing passenger facilities
- Transit Information Signage
- Enhancements to existing park-n-ride lots
- Purchase signs, shelters, and other passenger amenities
- DuPage Transportation Center
- Milwaukee Ave and Randall Road transit infrastructure
- Plainfield Park-N-Ride
- Toyota Park Transfer Center

Miscellaneous/Project Administration (\$12.110 Million)

- Purchase miscellaneous items under unanticipated capital
- Funds for staff time spent on the administration of capital projects
- J-Route BRT Alternative Analysis



A new Burnham boiler blast tube was replaced at River Division in 2009.

Table 28. 2010–2019 Suburban Service Capital Ten Year Business Plan (000's)—Constrained

Project Description	Eval. Criteria*	2010	2011	2012	2013	2014	Total 2010-2014
ROLLING STOCK							
471 Fixed Route Buses - Replacement	M3	\$ 8,910	\$ 25,600	\$ 33,200	\$ 22,400	\$ 14,800	\$ 104,910
827 Paratransit Vehicles - Replacement	M3	0	0	5,100	11,135	10,115	26,350
81 Community Vehicles - Replacement	M3	0	0	0	2,520	0	2,520
1,181 Vanpool Equipment - Replacement	M3	675	5,400	3,510	3,465	7,695	20,745
276 Vanpool Vehicles - Expansion	EN1	0	1,980	1,980	1,980	1,980	7,920
Bus Overhaul/Maintenance Expense	M3	2,000	2,000	2,000	2,000	2,000	10,000
Associated Capital	M3	2,850	2,000	1,000	1,000	0	6,850
Diesel Engine Retrofit	M3	8,260	0	0	0	0	8,260
Capital Cost of Contracting	M3	9,000	0	0	0	0	9,000
Subtotal - Rolling Stock		\$ 31,695	\$ 36,980	\$ 46,790	\$ 44,500	\$ 36,590	\$ 196,555
ELECTRICAL/SIGNAL/COMMUNICATIONS							
Systemwide Radio System - Replacement	M3	\$ 0	\$ 4,000	\$ 0	\$ 0	\$ 0	\$ 4,000
MDT/IBS - Replacement	M3	0	0	0	1,000	0	1,000
Subtotal - Electric/Signal/Communications		\$ 0	\$ 4,000	\$ 0	\$ 1,000	\$ 0	\$ 5,000
SUPPORT FACILITIES AND EQUIPMENT							
Maintenance/Support Equipment/Vehicles	M3	\$ 860	\$ 500	\$ 500	\$ 1,000	\$ 900	\$ 3,760
Computer Systems/Hardware & Software	M3	3,440	2,700	2,800	2,450	1,500	12,890
Office Equipment	M3	100	100	100	100	100	500
Garages - Mid-Life Reconstruction	M3	0	1,000	1,500	1,500	1,500	5,500
Improvements to Garages/Facilities	M3	4,500	5,000	7,000	5,000	1,400	22,900
Replace Northwest Garage	M3	13,700	2,000	0	6,000	0	21,700
Master Plans - NW, S. Holland, Print Shop	M3	250	0	0	0	0	250
Replace South Holland Garage	M3	7,345	775	0	0	0	8,120
Print Shop at Headquarters Facility	M3	0	1,750	0	250	0	2,000
Farebox System - Replacement	M3	0	2,000	1,450	1,450	0	4,900
Subtotal - Support Facilities & Equipment		\$ 30,195	\$ 15,825	\$ 13,350	\$ 17,750	\$ 5,400	\$ 82,520
STATIONS AND PASSENGER FACILITIES							
DuPage County Transportation Center	EN2	\$ 500	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 2,500
Transit Information Signage	EN2	440	0	0	0	0	440
Milwaukee Ave. Transit Infrastructure	EN2	400	0	0	0	0	400
Randall Road Transit Infrastructure	EN2	800	0	0	0	0	800
Plainfield Park-N-Ride	EN2	245	0	1,300	0	0	1,545
Toyota Park Transit Center	EN2	475	1,200	0	0	0	1,675
Passenger Facilities – Mid-Life Reconstruction	M3	450	1,000	1,000	1,000	1,000	4,450
Passenger Facilities/Transfer Facilities	EN2	0	1,000	1,200	1,000	1,200	4,400
Signs/Shelters/Passenger Amenities	M3	150	750	500	500	500	2,400
Subtotal - Stations & Passenger Facilities		\$ 3,460	\$ 5,950	\$ 4,000	\$ 2,500	\$ 2,700	\$ 18,610
MISCELLANEOUS							
Unanticipated Capital	M3	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250
J-Route BRT Alternative Analysis	EN2	360	0	0	0	0	360
Subtotal - Miscellaneous		\$ 610	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,610
PROJECT ADMINISTRATION							
Project Administration	M3	\$ 450	\$ 645	\$ 660	\$ 550	\$ 610	\$ 2,915
Subtotal - Project Administration		\$ 450	\$ 645	\$ 660	\$ 550	\$ 610	\$ 2,915
GRAND TOTAL - CONSTRAINED		\$ 66,410	\$ 63,650	\$ 65,050	\$ 66,550	\$ 45,550	\$ 307,210

***MAINTAIN**

M1 - SAFETY/SECURITY
M2 - REGULATORY
M3 - STATE OF GOOD REPAIR

ENHANCE

EN1 - CAPACITY IMPROVEMENT
EN2 - OPERATIONAL EFFICIENCIES
EN3 - NEW TECHNOLOGIES

EXPAND

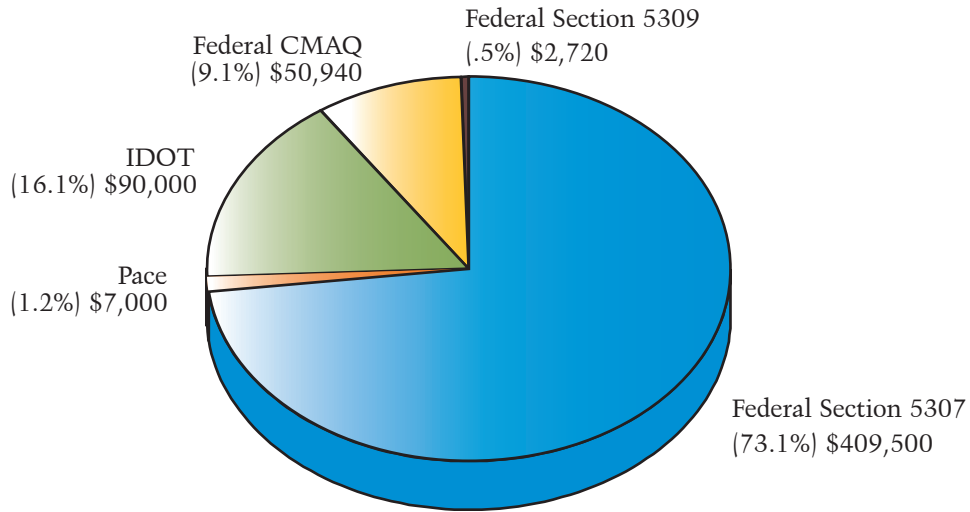
EX1 - CONGESTION RELIEF
EX2 - TRANSIT ALTERNATIVES

	2015	2016	2017	2018	2019	Total 2015-2019	Ten Year Total
\$	16,000	\$ 20,000	\$ 18,000	\$ 15,200	\$ 14,400	\$ 83,600	\$ 188,510
	6,375	6,375	12,325	8,245	10,625	43,945	70,295
	2,500	0	2,800	0	0	5,300	7,820
	4,500	8,100	3,600	8,100	8,100	32,400	53,145
	900	900	900	900	900	4,500	12,420
	2,000	2,000	2,000	2,000	2,000	10,000	20,000
	500	825	975	1,120	1,000	4,420	11,270
	0	0	0	0	0	0	8,260
	0	0	0	0	0	0	9,000
\$	32,775	\$ 38,200	\$ 40,600	\$ 35,565	\$ 37,025	\$ 184,165	\$ 380,720
\$	4,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,000	\$ 8,000
	0	0	0	1,000	0	1,000	2,000
\$	4,000	\$ 0	\$ 0	\$ 1,000	\$ 0	\$ 5,000	\$ 10,000
\$	1,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 3,000	\$ 6,760
	3,200	2,000	2,500	2,500	2,500	12,700	25,590
	100	100	100	100	100	500	1,000
	250	250	250	250	250	1,250	6,750
	2,000	3,000	3,000	3,000	4,000	15,000	37,900
	0	0	0	0	1,000	1,000	22,700
	0	0	0	0	0	0	250
	0	0	0	300	0	300	8,420
	0	0	0	0	0	0	2,000
	0	0	0	0	0	0	4,900
\$	6,550	\$ 5,850	\$ 6,350	\$ 6,650	\$ 8,350	\$ 33,750	\$ 116,270
\$	0	\$ 0	\$ 0	\$ 0	\$ 200	\$ 200	\$ 2,700
	200	200	200	200	200	1,000	1,440
	0	0	0	0	0	0	400
	0	0	0	0	0	0	800
	0	0	0	250	0	250	1,795
	0	0	0	250	0	250	1,925
	1,000	1,200	1,200	1,200	1,200	5,800	10,250
	1,500	1,200	200	2,000	2,000	6,900	11,300
	350	350	350	3,500	3,500	8,050	10,450
\$	3,050	\$ 2,950	\$ 1,950	\$ 7,400	\$ 7,100	\$ 22,450	\$ 41,060
\$	250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 2,500
	0	0	0	0	0	0	360
\$	250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 2,860
\$	525	\$ 1,500	\$ 1,400	\$ 1,485	\$ 1,425	\$ 6,335	\$ 9,250
\$	525	\$ 1,500	\$ 1,400	\$ 1,485	\$ 1,425	\$ 6,335	\$ 9,250
\$	47,150	\$ 48,750	\$ 50,550	\$ 52,350	\$ 54,150	\$ 252,950	\$ 560,160

Chart J. 2010–2019 Suburban Service Ten Year Capital Business Plan—Sources and Uses of Funds—Constrained

Sources (000's)

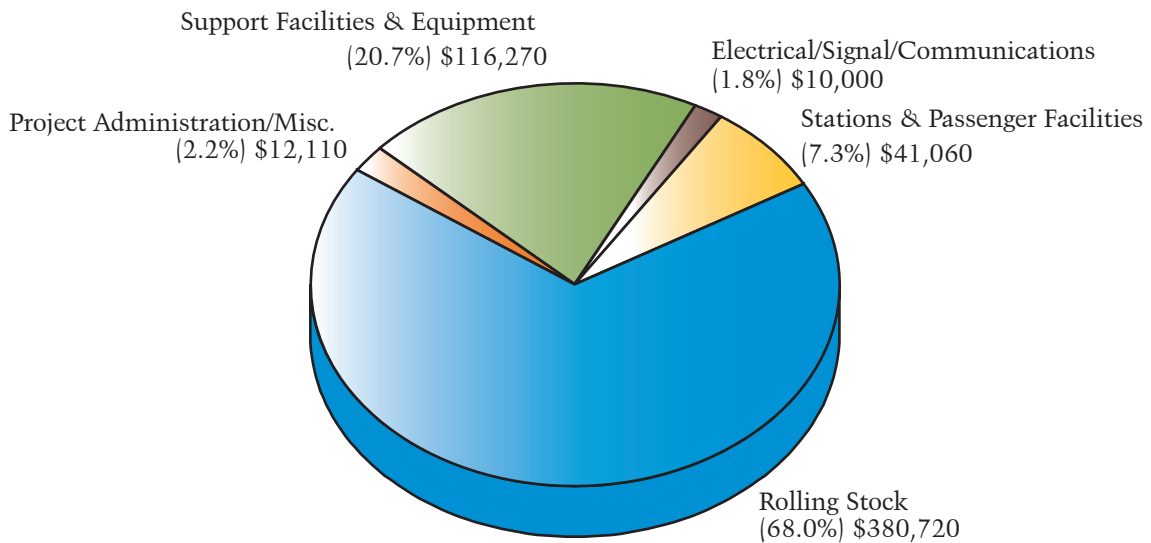
Total \$560,160



Over 82% of Pace's entire program would be funded with federal sources

Uses (000's)

Total \$560,160



68% of Pace's program is for the purchase of rolling stock

Pace Proposed 2010-2019 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 \$407.745 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 \$90 million is assumed for only four 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 and its infrastructure 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 \$204.805 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. In 2010, Pace once again will redirect \$9.0 million in Federal 5307 to pay for over-budget paratransit expenses. 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 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, 31 and 32 provide a detailed listing of Pace’s ten year needs, the amount that is necessary to return the system to a state of good repair and the amount necessary to enhance the existing Pace system.



Concrete replacement is a very costly improvement and deferral of capital dollars is causing a great backlog of the work.

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

Needs	Total 10 Year Needs
State of Good Repair (SOGR)	\$ 713.545
Enhancements	254.360
	\$ 967.905
Funding	
Ten Year Estimated Capital Funding	\$ 560.160
Net Capital Shortfall	\$ 407.745

Table 30. 2010–2019 Capital Business Plan (000's)—State of Good Repair—Unconstrained

Description	Eval. Criteria*	2010	2011	2012	2013	2014	Total 2010-2014
ROLLING STOCK QUANTITIES							
Fixed Route Buses	-	61	93	66	8	182	410
Paratransit Buses - Suburban	-	0	0	145	97	218	460
Community Based Vehicles	-	0	0	0	28	25	53
Vanpool Vehicles	-	163	104	60	87	193	607
ROLLING STOCK							
616 Fixed Route Buses - Replacement	M3	\$ 24,400	\$ 37,200	\$ 26,400	\$ 3,200	\$ 72,800	\$ 164,000
920 Paratransit Vehicles - Replacement	M3	0	0	12,325	8,245	18,530	39,100
106 Community Based Vehicles - Replacement	M3	0	0	0	2,520	2,250	4,770
1,441 Vanpool Equipment - Replacement	M3	6,520	4,160	2,400	3,480	7,720	24,280
Bus Overhaul/Maintenance Expense	M3	2,000	2,000	2,000	2,000	2,000	10,000
Associated Capital	M3	4,000	3,500	3,500	3,500	3,500	18,000
Diesel Engine Retrofit	M3	8,260	1,000	1,000	1,000	1,000	12,260
Capital Cost of Contracting	M3	9,000	0	0	0	0	9,000
Subtotal - Rolling Stock		\$ 54,180	\$ 47,860	\$ 47,625	\$ 23,945	\$107,800	\$ 281,410
ELECTRICAL/SIGNAL/COMMUNICATIONS							
Systemwide Radio System - Replacement	M3	\$ 0	\$ 4,000	\$ 0	\$ 0	\$ 0	\$ 4,000
MDT/IBS - Replacement	M3	0	0	0	1,000	0	1,000
Subtotal - Electrical/Signal/Communications		\$ 0	\$ 4,000	\$ 0	\$ 1,000	\$ 0	\$ 5,000
SUPPORT FACILITIES/EQUIPMENT							
Maintenance/Support Equipment/Vehicles	M3	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 3,500
Computer Systems/Hardware & Software	M3	5,000	2,700	5,000	3,000	3,000	18,700
Office Equipment	M3	100	100	100	100	100	500
Garages - Mid-Life Reconstruction	M3	4,500	5,000	5,000	4,500	3,500	22,500
Replace Northwest Garage	M3	4,575	750	26,580	0	0	31,905
Master Plans - NW, S.Holland, Print Shop	M3	250	0	0	0	0	250
Replace South Holland Garage	M3	1,000	8,000	500	500	0	10,000
Print Shop at Headquarters Facility	M3	0	1,750	0	250	100	2,100
Farebox System - Replacement	M3	0	0	0	0	0	0
Subtotal - Support Facilities/Equipment		\$ 16,425	\$ 18,800	\$ 37,680	\$ 8,850	\$ 7,700	\$ 89,455
STATIONS AND PASSENGER FACILITIES							
Passenger Facilities - Mid-Life Reconstruction	M3	\$ 1,500	\$ 1,000	\$ 3,000	\$ 2,000	\$ 2,000	\$ 9,500
Signs/Shelters/Passenger Amenities	M3	500	500	500	750	2,750	5,000
Subtotal - Stations and Passenger Facilities		\$ 2,000	\$ 1,500	\$ 3,500	\$ 2,750	\$ 4,750	\$ 14,500
MISCELLANEOUS							
Unanticipated Capital	M3	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250
Subtotal - Miscellaneous		\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250
PROJECT ADMINISTRATION							
Project Administration	M3	\$ 1,200	\$ 1,200	\$ 1,000	\$ 1,200	\$ 1,200	\$ 5,800
Subtotal - Project Administration		\$ 1,200	\$ 1,200	\$ 1,000	\$ 1,200	\$ 1,200	\$ 5,800
GRAND TOTAL - STATE OF GOOD REPAIR		\$ 74,055	\$ 73,610	\$ 90,055	\$ 37,995	\$121,700	\$ 397,415

* MAINTAIN	ENHANCE	EXPAND
M1 - SAFETY/SECURITY	EN1 - CAPACITY IMPROVEMENT	EX1 - CONGESTION RELIEF
M2 - REGULATORY	EN2 - OPERATIONAL EFFICIENCIES	EX2 - TRANSIT ALTERNATIVES
M3 - STATE OF GOOD REPAIR	EN3 - NEW TECHNOLOGIES	

	2015	2016	2017	2018	2019	Total 2015-2019	Ten Year Total
	6	60	0	102	38	206	616
	0	0	145	97	218	460	920
	0	0	0	28	25	53	106
	220	213	154	110	137	834	1,441
\$	2,400	\$ 24,000	\$ 0	\$ 40,800	\$ 15,200	\$ 82,400	\$ 246,400
	0	0	12,325	8,245	18,530	39,100	78,200
	0	0	0	2,520	2,250	4,770	9,540
	8,800	8,520	6,160	4,400	5,480	33,360	57,640
	2,000	2,000	2,000	2,000	2,000	10,000	20,000
	3,500	2,000	2,000	2,000	3,000	12,500	30,500
	1,000	1,000	1,000	1,000	1,000	5,000	17,260
	0	0	0	0	0	0	9,000
\$	17,700	\$ 37,520	\$ 23,485	\$ 60,965	\$ 47,460	\$ 187,130	\$ 468,540
\$	0	\$ 0	\$ 0	\$ 0	\$ 4,000	\$ 4,000	\$ 8,000
	13,000	1,000	1,000	1,000	0	16,000	17,000
\$	13,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 4,000	\$ 20,000	\$ 25,000
\$	1,000	\$ 1,000	\$ 500	\$ 1,000	\$ 1,000	\$ 4,500	\$ 8,000
	3,800	5,000	3,000	3,000	3,000	17,800	36,500
	100	100	100	100	100	500	1,000
	6,000	5,000	3,000	5,000	3,500	22,500	45,000
	15,000	750	0	0	0	15,750	47,655
	0	0	0	0	0	0	250
	0	0	0	0	0	0	10,000
	0	0	0	0	0	0	2,100
	0	0	0	0	25,000	25,000	25,000
\$	25,900	\$ 11,850	\$ 6,600	\$ 9,100	\$ 32,600	\$ 86,050	\$ 175,505
\$	1,500	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 6,300	\$ 15,800
	500	500	500	3,500	3,500	8,500	13,500
\$	2,000	\$ 1,700	\$ 1,700	\$ 4,700	\$ 4,700	\$ 14,800	\$ 29,300
\$	250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 2,500
\$	250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 2,500
\$	1,200	\$ 1,200	\$ 1,500	\$ 1,500	\$ 1,500	\$ 6,900	\$ 12,700
\$	1,200	\$ 1,200	\$ 1,500	\$ 1,500	\$ 1,500	\$ 6,900	\$ 12,700
\$	60,050	\$ 53,520	\$ 34,535	\$ 77,515	\$ 90,510	\$ 316,130	\$ 713,545

Table 31. 2010–2019 Capital Business Plan (000's)—Enhancement Projects—Unconstrained

Description	Eval. Criteria*	2010	2011	2012	2013	2014	Total 2010-2014
ROLLING STOCK QUANTITIES							
Vanpool Vehicles	-	50	50	50	50	50	250
ROLLING STOCK							
500 Vanpool Vehicles	EN1	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
Subtotal - Rolling Stock		\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
ELECTRICAL/SIGNAL/COMMUNICATION							
TSP Technology	EN2	\$ 0	\$ 2,300	\$ 2,500	\$ 2,500	\$ 2,200	\$ 9,500
Subtotal - Electrical/Signal/Communication		\$ 0	\$ 2,300	\$ 2,500	\$ 2,500	\$ 2,200	\$ 9,500
SUPPORT FACILITIES/EQUIPMENT							
Garages/New Facilities	EN2	\$ 0	\$ 0	\$ 10,000	\$ 12,000	\$ 5,000	\$ 27,000
Subtotal - Support Facilities/Equipment		\$ 0	\$ 0	\$ 10,000	\$ 12,000	\$ 5,000	\$ 27,000
STATIONS AND PASSENGER FACILITIES							
DuPage County Transportation Center	EN2	\$ 500	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 2,500
Transit Information Signage	EN2	440	500	100	100	100	1,240
Milwaukee Ave. Transit Infrastructure	EN2	400	400	0	0	0	800
Randall Road Transit Infrastructure	EN2	800	200	0	0	0	1,000
Plainfield Park-N-Ride	EN2	245	1,300	0	0	0	1,545
Toyota Park Transit Center	EN2	475	1,400	0	0	0	1,875
Passenger Facilities/Transfer Facilities	EN2	1,200	250	2,000	3,000	2,000	8,450
Subtotal - Stations and Passenger Facilities		\$ 4,060	\$ 6,050	\$ 2,100	\$ 3,100	\$ 2,100	\$ 17,410
MISCELLANEOUS							
J-Route BRT Alternative Analysis/ART	EN2	\$ 1,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 57,000
Subtotal - Miscellaneous		\$ 1,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 57,000
GRAND TOTAL - ENHANCEMENTS		\$ 7,060	\$ 24,350	\$ 30,600	\$ 33,600	\$ 25,300	\$ 120,910

* MAINTAIN	ENHANCE	EXPAND
M1 - SAFETY/SECURITY	EN1 - CAPACITY IMPROVEMENT	EX1 - CONGESTION RELIEF
M2 - REGULATORY	EN2 - OPERATIONAL EFFICIENCIES	EX2 - TRANSIT ALTERNATIVES
M3 - STATE OF GOOD REPAIR	EN3 - NEW TECHNOLOGIES	

	2015	2016	2017	2018	2019	Total 2015-2019	Ten Year Total
	50	50	50	50	50	250	500
	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000	\$ 20,000
	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000	\$ 20,000
	\$ 0	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000	\$ 19,500
	\$ 0	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000	\$ 19,500
	\$ 0	\$ 0	\$ 10,000	\$ 12,000	\$ 0	\$ 22,000	\$ 49,000
	\$ 0	\$ 0	\$ 10,000	\$ 12,000	\$ 0	\$ 22,000	\$ 49,000
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200	\$ 200	\$ 2,700
	500	500	500	500	500	2,500	3,740
	0	500	250	0	0	750	1,550
	0	0	250	500	0	750	1,750
	0	0	250	0	0	250	1,795
	0	0	0	0	500	500	2,375
	0	1,000	500	500	500	2,500	10,950
	\$ 500	\$ 2,000	\$ 1,750	\$ 1,500	\$ 1,700	\$ 7,450	\$ 24,860
	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 28,000	\$ 84,000	\$ 141,000
	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 28,000	\$ 84,000	\$ 141,000
	\$ 16,500	\$ 20,500	\$ 30,250	\$ 32,000	\$ 34,200	\$ 133,450	\$ 254,360

Table 32. 2010–2019 Ten Year Capital Plan (000's)—Suburban Service—Total Unconstrained Program

Description	Eval. Criteria*	2010	2011	2012	2013	2014	Total 2010-2014
ROLLING STOCK							
616 Fixed Route Buses - Replacement	M3	\$ 24,400	\$ 37,200	\$ 26,400	\$ 3,200	\$ 72,800	\$ 164,000
920 Paratransit Vehicles - Replacement	M3	0	0	12,325	8,245	18,530	39,100
106 Community Based Vehicles - Replacement	M3	0	0	0	2,520	2,250	4,770
1,441 Vanpool Equipment - Replacement	M3	6,520	4,160	2,400	3,480	7,720	24,280
500 Vanpool Equipment	EN2	2,000	2,000	2,000	2,000	2,000	10,000
Bus Overhaul/Maintenance Expense	M3	2,000	2,000	2,000	2,000	2,000	10,000
Associated Capital	M3	4,000	3,500	3,500	3,500	3,500	18,000
Diesel Engine Retrofit	M3	8,260	1,000	1,000	1,000	1,000	12,260
Capital Cost of Contracting	M3	9,000	0	0	0	0	9,000
Subtotal - Rolling Stock		\$ 56,180	\$ 49,860	\$ 49,625	\$ 25,945	\$ 109,800	\$ 291,410
ELECTRICAL/SIGNAL/COMMUNICATIONS							
Systemwide Radio System - Replacement	M3	\$ 0	\$ 4,000	\$ 0	\$ 0	\$ 0	\$ 4,000
MDT/IBS - Replacement	M3	0	0	0	1,000	0	1,000
TSP Technology	EN2	0	2,300	2,500	2,500	2,200	9,500
Subtotal - Electrical/Signal/Communications		\$ 0	\$ 6,300	\$ 2,500	\$ 3,500	\$ 2,200	\$ 14,500
SUPPORT FACILITIES/EQUIPMENT							
Maintenance/Support Equipment/Vehicles	M3	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 3,500
Computer Systems/Hardware & Software	M3	5,000	2,700	5,000	3,000	3,000	18,700
Office Equipment	M3	100	100	100	100	100	500
Garages - Mid-Life Reconstruction	M3	4,500	5,000	5,000	4,500	3,500	22,500
Replace Northwest Garage	M3	4,575	750	26,580	0	0	31,905
Master Plans - NW, S.Holland, Print Shop	M3	250	0	0	0	0	250
Replace South Holland Garage	M3	1,000	8,000	500	500	0	10,000
Print Shop at Headquarters Facility	M3	0	1,750	0	250	100	2,100
Farebox System - Replacement	M3	0	0	0	0	0	0
Garages/New Facilities	EN2	0	0	10,000	12,000	5,000	27,000
Subtotal - Support Facilities/Equipment		\$ 16,425	\$ 18,800	\$ 47,680	\$ 20,850	\$ 12,700	\$ 116,455
STATIONS AND PASSENGER FACILITIES							
DuPage County Transportation Center	EN2	\$ 500	2,000	\$ 0	\$ 0	\$ 0	\$ 2,500
Transit Information Signage	EN2	440	500	100	100	100	1,240
Milwaukee Ave. Transit Infrastructure	EN2	400	400	0	0	0	800
Randall Road Transit Infrastructure	EN2	800	200	0	0	0	1,000
Plainfield Park-N-Ride	EN2	245	1,300	0	0	0	1,545
Toyota Park Transit Center	EN2	475	1,400	0	0	0	1,875
Passenger Facilities - Mid-Life Reconstruction	M3	1,500	1,000	3,000	2,000	2,000	9,500
Passenger Facilities/Transfer Facilities	EN2	1,200	250	2,000	3,000	2,000	8,450
Signs/Shelters/Passenger Amenities	M3	500	500	500	750	2,750	5,000
Subtotal - Stations and Passenger Facilities		\$ 6,060	\$ 7,550	\$ 5,600	\$ 5,850	\$ 6,850	\$ 31,910
MISCELLANEOUS							
Unanticipated Capital	M3	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250
J-Route BRT Alternative Analysis/ART	EN2	1,000	14,000	14,000	14,000	14,000	57,000
Subtotal - Miscellaneous		\$ 1,250	\$ 14,250	\$ 14,250	\$ 14,250	\$ 14,250	\$ 58,250
PROJECT ADMINISTRATION							
Project Administration	M3	\$ 1,200	\$ 1,200	\$ 1,000	\$ 1,200	\$ 1,200	\$ 5,800
Subtotal - Project Administration		\$ 1,200	\$ 1,200	\$ 1,000	\$ 1,200	\$ 1,200	\$ 5,800
GRAND TOTAL		\$ 81,115	97,960	\$ 120,655	\$ 71,595	\$ 147,000	\$ 518,325

2015	2016	2017	2018	2019	2015-2019	Ten Year Total
\$ 2,400	\$ 24,000	\$ 0	\$ 40,800	\$ 15,200	\$ 82,400	\$ 246,400
0	0	12,325	8,245	18,530	39,100	78,200
0	0	0	2,520	2,250	4,770	9,540
8,800	8,520	6,160	4,400	5,480	33,360	57,640
2,000	2,000	2,000	2,000	2,000	10,000	20,000
2,000	2,000	2,000	2,000	2,000	10,000	20,000
3,500	2,000	2,000	2,000	3,000	12,500	30,500
1,000	1,000	1,000	1,000	1,000	5,000	17,260
0	0	0	0	0	0	9,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 19,700	\$ 39,520	\$ 25,485	\$ 62,965	\$ 49,460	\$ 197,130	\$ 488,540
\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,000	\$ 4,000	\$ 8,000
13,000	1,000	1,000	1,000	0	16,000	17,000
0	2,500	2,500	2,500	2,500	10,000	19,500
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 13,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 6,500	\$ 30,000	\$ 44,500
\$ 1,000	\$ 1,000	\$ 500	\$ 1,000	\$ 1,000	\$ 4,500	\$ 8,000
3,800	5,000	3,000	3,000	3,000	17,800	36,500
100	100	100	100	100	500	1,000
6,000	5,000	3,000	5,000	3,500	22,500	45,000
15,000	750	0	0	0	15,750	47,655
0	0	0	0	0	0	250
0	0	0	0	0	0	10,000
0	0	0	0	0	0	2,100
0	0	0	0	25,000	25,000	25,000
0	0	10,000	12,000	0	22,000	49,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 25,900	\$ 11,850	\$ 16,600	\$ 21,100	\$ 32,600	\$ 108,050	\$ 224,505
\$ 0	\$ 0	\$ 0	\$ 0	\$ 200	\$ 200	\$ 2,700
500	500	500	500	500	2,500	3,740
0	500	250	0	0	750	1,550
0	0	250	500	0	750	1,750
0	0	250	0	0	250	1,795
0	0	0	0	500	500	2,375
1,500	1,200	1,200	1,200	1,200	6,300	15,800
0	1,000	500	500	500	2,500	10,950
500	500	500	3,500	3,500	8,500	13,500
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 2,500	\$ 3,700	\$ 3,450	\$ 6,200	\$ 6,400	\$ 22,250	\$ 54,160
\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 2,500
14,000	14,000	14,000	14,000	28,000	84,000	141,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 14,250	\$ 14,250	\$ 14,250	\$ 14,250	\$ 28,250	\$ 85,250	\$ 143,500
\$ 1,200	\$ 1,200	\$ 1,500	\$ 1,500	\$ 1,500	\$ 6,900	\$ 12,700
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,200	\$ 1,200	\$ 1,500	\$ 1,500	\$ 1,500	\$ 6,900	\$ 12,700
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 76,550	\$ 74,020	\$ 64,785	\$ 109,515	\$ 124,710	\$ 449,580	\$ 967,905

Regional ADA Capital Business Plan

ADA Capital Business Plan and Needs

Table 33 below represents a list of ADA capital needs for the 2010-2019 ten year period. The program identifies a need for \$193.020 million. This program has no specific funding identified and RTA has provided no marks for Regional ADA.

The program contains \$137.640 million for the replacement of 1,600 vehicles for services operated in the City of Chicago. These vehicles are replaced every four years, therefore in the course of ten years, they are replaced at least twice. The program contains \$6.400 million for a radio system and a call recorder system; \$41.050 million for the construction of three bus garages, regional call center equipment, computers and a

new farebox system, and \$10.000 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. The same is true for garages. If Pace owns the fixed facility, it can save on lease cost pass through by the private bus companies.

It should be understood that the ADA paratransit service is the only fully privatized regional transit program.

Table 33. 2010–2019 ADA Capital Business Plan (000's)—Unconstrained

Project Description	Eval. Criteria*	2010	2011	2012	2013	2014	Five Year Total
ROLLING STOCK QUANTITIES							
Buses - Paratransit	-	100	100	100	800	420	800
ROLLING STOCK							
Buses - Paratransit	M3	\$ 8,500	\$ 8,500	\$ 8,500	\$ 6,800	\$ 35,700	\$ 68,000
Associated Capital	M3	210	210	100	150	150	820
Subtotal - Rolling Stock		\$ 8,710	\$ 8,710	\$ 8,600	\$ 6,950	\$ 35,850	\$ 68,820
ELECTRICAL/SIGNAL/COMMUNICATIONS							
Radio System	M3	\$ 0	\$ 0	\$ 3,000	\$ 0	\$ 0	\$ 3,000
Call Recorder for Contractor Sites	EN3	0	0	200	0	0	200
Subtotal - Electrical/Signal/Communications		\$ 0	\$ 0	\$ 3,200	\$ 0	\$ 0	\$ 3,200
SUPPORT FACILITIES AND EQUIPMENT							
Construct - 3 Garages	EN1	\$ 0	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0	\$ 15,000
Regional Call Centers Telephone Equipment	M1	0	0	1,700	1,700	0	3,400
Computers	M3	0	0	20	20	0	40
Farebox System	EN2	0	0	975	0	0	975
Subtotal - Support Facilities and Equipment		\$ 0	\$ 5,000	\$ 7,695	\$ 6,720	\$ 0	\$ 19,415
STATIONS AND PASSENGER FACILITIES							
Construct -3 Transfer Facilities	EN1	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 0	\$ 3,000
ADA Stop Upgrades	EN1	0	0	1,000	1,000	0	2,000
Subtotal - Stations and Passenger Facilities		\$ 0	\$ 1,000	\$ 2,000	\$ 2,000	\$ 0	\$ 5,000
GRAND TOTAL		\$ 8,710	\$ 14,710	\$ 21,495	\$ 15,670	\$ 35,850	\$ 96,435

*** MAINTAIN**

M1 - SAFETY/SECURITY
M2 - REGULATORY
M3 - STATE OF GOOD REPAIR

ENHANCE

EN1 - CAPACITY IMPROVEMENT
EN2 - OPERATIONAL EFFICIENCIES
EN3 - NEW TECHNOLOGIES

EXPAND

EX1 - CONGESTION RELIEF
EX2 - TRANSIT ALTERNATIVES



Private contractor buses are used in the City of Chicago.

2015	2016	2017	2018	2019	Total 2015-2019	Ten Year Total
100	100	100	800	420	800	1600
\$ 8,500	\$ 8,500	\$ 8,500	\$ 6,800	\$ 35,700	\$ 68,000	\$ 136,000
150	210	210	100	150	820	1,640
\$ 8,650	\$ 8,710	\$ 8,710	\$ 6,900	\$ 35,850	\$ 68,820	\$ 137,640
\$ 0	\$ 0	\$ 0	\$ 3,000	\$ 0	\$ 3,000	\$ 6,000
0	0	0	200	0	200	400
\$ 0	\$ 0	\$ 0	\$ 3,200	\$ 0	\$ 3,200	\$ 6,400
\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000	\$ 30,000
0	0	0	1,700	1,700	3,400	6,800
150	0	0	20	20	190	230
0	0	0	975	0	975	1,950
\$ 150	\$ 0	\$ 5,000	\$ 7,695	\$ 6,720	\$ 20,565	\$ 41,050
\$ 0	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 3,000	\$ 6,000
0	0	0	1,000	1,000	2,000	4,000
\$ 0	\$ 0	\$ 1,000	\$ 2,000	\$ 2,000	\$ 5,000	\$ 10,000
\$ 8,800	\$ 8,710	\$ 14,710	\$ 19,795	\$ 44,570	\$ 96,585	\$ 193,020

Pace's 25th Anniversary

Pace celebrated its 25th Anniversary in 2009 by dedicating a new administrative office. During the past 25 years, Pace focused its efforts on replacing 10 bus garages, constructing 7 new transportation centers, 12 bus transfer points and 8 park-n-ride lots. Pace spent \$120 million building the infrastructure that was necessary to provide quality public transportation service in the suburbs. The last facility that needed replacement was the administrative office building in Arlington Heights and it was completed in 2009.

Pace Headquarters Building

Size

65,000 square feet with expansion capabilities for a third floor which would add approximately 20,000 square feet to the building.

Construction Cost

\$14,200,000 (\$218 per square foot)

Funding

Federal Transit Administration	\$7,900,000 – 56%
Regional Transportation Authority	\$3,600,000 – 25%
Pace Suburban Bus	\$2,700,000 – 19%

Design

Muller and Muller Architects

Construction

Nicholas and Associates

Features Include

- Easy public access to the board room.
- Multiple function rooms such as board/training room, lunch/training room, conference rooms, graphics studio, high density filing rooms and computer room.
- State of the art audio-visual system for presentations and training classes.
- Standardized offices and cubicles.

Photos

Compliments of Ballogg Photography of Chicago



Pace's Headquarters Facility was dedicated on July 1, 2009.



Pace's Board Room also doubles as a conference center for large meetings.



Pace's state of the art computer center.

Energy Efficiency Features

The building has been designed with an efficient lighting system utilizing automatic dimming and occupancy sensor controls. The lights adjacent to the windows have day light sensors that will dim in response to the outside sunlight. Additionally, occupancy sensors will sense when there is no movement and the lights will go off automatically.

In addition, the building has a Computer Based Building Automation System monitored from a PC either from the building or remotely. The system monitors the status of all HVAC equipment to ensure that they are operating properly.

Leadership in Energy and Environmental Design (LEEDS)

The design of the building incorporated sustainable design elements to the greatest extent feasible based on the limited construction budget. Pace incorporated those items that would provide the most benefit and allow for an “Existing Building” (EB) certification at a later date. These items include: easy access to public transportation and the purchase of a bike stand; designed according to Model Energy Code; purchased building level HVAC and refrigeration equipment and fire suppression systems that do not contain HCFC or Halon; purchased low VOC emitting materials such as paint, carpet, etc.; installed a permanent carbon dioxide monitoring system; used recycled asphalt material and regional materials; purchased highly efficient roofing system; purchased premium efficiency motors for HVAC equipment; and purchased daylight harvesting for the lighting system.



First floor office cubicles.



Lobby allows easy access for visitors.

This page left intentionally blank.

This page left intentionally blank.

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 Plans are summarized below and details are included in Table 34. A table presenting anticipated cash flows for 2010 has also been provided.

Highlights of the multi-year plan show combined total system revenues will grow at an annual compound rate of 3.3%.

The growth in revenue is the result of ridership growth.

Table 34. Combined Operating Budget—Three Year Plan and Ten Year Business Plan (000's)

	2008 Actual	2009 Estimate	2010 Budget	2011 Plan	2012 Plan
SUBURBAN SERVICE					
Revenue	\$ 51,962	\$ 53,746	\$ 55,043	\$ 57,685	\$ 59,708
Expense	171,956	177,322	190,888	199,153	209,284
Funding Requirement*	119,994	123,576	129,347	130,356	132,860
Public Funding	118,727	129,047	129,347	130,356	132,860
Net Funding Available	\$ (1,267)	\$ 5,471	\$ 0	\$ 0	\$ 0
Total Assets	\$ 355,725	\$ 371,602	\$ 379,241	\$ 394,717	\$ 410,855
Total Liabilities	149,354	154,333	159,451	167,682	176,344
Invested Net Assets	186,489	193,542	200,813	208,308	216,034
Unrestricted Net Assets (Fund Balance)	19,882	23,727	18,977	18,727	18,477
Total Liabilities & Net Assets	\$ 355,725	\$ 371,602	\$ 379,241	\$ 394,717	\$ 410,855
REGIONAL ADA PARATRANSIT SERVICE					
Revenue	\$ 7,935	\$ 7,882	\$ 8,353	\$ 8,852	\$ 9,381
Expense	107,626	116,508	127,595	138,128	149,419
Funding Requirement*	99,691	105,968	90,303	92,921	95,616
Public Funding	100,000	105,968	90,303	92,921	95,616
Net Funding Available	\$ 309	\$ 0	\$ 0	\$ 0	\$ 0
Total Assets	\$ 17,585	\$ 16,097	\$ 16,445	\$ 16,800	\$ 17,196
Total Liabilities	20,942	19,420	19,732	20,051	20,410
Invested Net Assets	1,780	1,814	1,850	1,886	1,923
Unrestricted Net Assets (Fund Balance)	(5,137)	(5,137)	(5,137)	(5,137)	(5,137)
Total Liabilities & Net Assets	\$ 17,585	\$ 16,097	\$ 16,445	\$ 16,800	\$ 17,196
COMBINED SERVICE					
Revenue	\$ 59,897	\$ 61,628	\$ 63,396	\$ 66,537	\$ 69,089
Expense	279,582	293,830	318,483	337,281	358,703
Funding Requirement*	219,685	229,544	219,650	223,277	228,476
Public Funding	218,727	235,015	219,650	223,277	228,476
Net Funding Available	\$ (958)	\$ 5,471	\$ 0	\$ 0	\$ 0
Total Assets	\$ 373,310	\$ 387,699	\$ 395,686	\$ 411,517	\$ 428,051
Total Liabilities	170,296	173,753	179,183	187,733	196,754
Invested Net Assets	188,269	195,356	202,663	210,194	217,957
Unrestricted Net Assets (Fund Balance)	14,745	18,590	13,840	13,590	13,340
Total Liabilities & Net Assets	\$ 373,310	\$ 387,699	\$ 395,686	\$ 411,517	\$ 428,051

*Funding requirements reflect budget balancing actions.

and Ten Year Business Plan with Cash Flow

No fare increases are reflected in the plan at this time.

Total expenses will grow at an annual compound rate of 6.3% over the ten years. The growth in expenses reflects all volatile elements. ADA costs grow at a greater

rate than Suburban Service, as this service is more expensive to operate, and forecasted demand is also greater.

The funding requirements are growing at a compound rate of 1.9%.

2013 View	2014 View	2015 View	2016 View	2017 View	2018 View	2019 View
\$ 61,443	\$ 62,976	\$ 64,538	\$ 66,168	\$ 67,889	\$ 69,691	\$ 71,599
215,459	223,077	232,093	241,444	251,651	262,570	274,084
135,938	139,686	143,543	147,511	151,592	155,790	160,111
135,938	139,686	143,543	147,511	151,592	155,790	160,111
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 428,200	\$ 392,384	\$ 460,636	\$ 348,148	\$ 360,386	\$ 372,963	\$ 385,891
185,977	142,204	202,250	81,297	84,806	86,381	92,027
223,996	232,203	240,659	249,374	258,353	267,605	277,137
18,227	17,977	17,727	17,477	17,227	16,977	16,727
\$ 428,200	\$ 392,384	\$ 460,636	\$ 348,148	\$ 360,386	\$ 370,963	\$ 385,891
\$ 9,930	\$ 10,514	\$ 11,137	\$ 11,797	\$ 12,499	\$ 13,242	\$ 14,031
160,742	173,793	189,195	206,298	225,374	246,278	269,165
98,389	101,242	104,178	107,199	110,308	113,507	116,799
98,389	101,242	104,178	107,199	110,308	113,507	116,799
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 17,634	\$ 18,084	\$ 18,545	\$ 19,018	\$ 19,503	\$ 20,001	\$ 20,511
20,811	21,223	21,645	22,078	22,523	22,979	23,447
1,960	1,998	2,037	2,077	2,117	2,159	2,201
(5,137)	(5,137)	(5,137)	(5,137)	(5,137)	(5,137)	(5,137)
\$ 17,634	\$ 18,084	\$ 18,545	\$ 19,018	\$ 19,503	\$ 20,001	\$ 20,511
\$ 71,374	\$ 73,490	\$ 75,675	\$ 77,965	\$ 80,388	\$ 82,933	\$ 85,630
376,201	396,870	421,287	447,741	477,026	508,848	543,249
234,327	240,928	247,721	254,710	261,900	269,297	276,910
234,327	240,928	247,721	254,710	261,900	269,297	276,910
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 445,834	\$ 410,468	\$ 479,181	\$ 367,166	\$ 379,889	\$ 392,964	\$ 406,402
206,788	163,427	223,895	103,375	107,329	109,360	115,474
225,956	234,201	242,696	251,451	260,470	269,764	279,338
13,090	12,840	12,590	12,340	12,090	11,840	11,590
\$ 445,834	\$ 410,468	\$ 479,181	\$ 367,166	\$ 379,889	\$ 390,964	\$ 406,402

Combined Suburban Service/ADA Cash Flow

The following table provides an estimate of 2010 revenues, expenses and the cash position for Pace’s combined operations—Suburban Service and Regional ADA Service.

The agency budget is balanced to the funding levels through implementation of deficit reduction actions, and meets the recovery marks set by the RTA for 2010. Pace’s combined cash position appears balanced and sufficient to meet next year’s needs.

Table 35. Pace Combined Services Projected Cash Flow Summary—2010 (000's)

	Beginning Balance	Revenues	Expenses	Net Results	Ending Balance
January	\$ 37,235	\$ 30,714	\$ 25,126	\$ 5,588	\$ 42,823
February	42,823	22,810	26,717	(3,907)	38,916
March	38,916	22,809	26,939	(4,130)	34,786
April	34,786	23,244	25,884	(2,640)	32,146
May	32,146	23,244	25,884	(2,640)	29,506
June	29,506	23,244	26,940	(3,696)	25,810
July	25,810	30,125	25,884	4,241	30,051
August	30,051	23,245	25,884	(2,639)	27,412
September	27,412	23,245	26,939	(3,694)	23,718
October	23,718	23,245	25,884	(2,639)	21,079
November	21,079	23,244	25,884	(2,640)	18,439
December	18,439	31,730	28,852	2,878	21,317

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 administration category for 2010 is budgeted at 173 filled full-time equivalents (FTEs), an increase of six positions over 2009 estimated levels. The increase in FTE's is required to administer the growing Vanpool program.

The central support category is budgeted at 82 filled FTE positions and represents an increase of an additional position in both Materials Management and Bus Operations.

The Pace division element is comprised of nine Pace division garages and is budgeted at 1,173 filled FTE positions for 2010. The increase of seven positions, specifically bus operators, are needed to run new service.

The Regional ADA Budget includes 36 FTE positions for 2010 and reflects no change from the previous year.

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

Internal Services encompasses all functional areas of administration, risk management, capital financing and infrastructure, 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 68.

Table 36. Full-Time Equivalent Personnel (FTE's)

2008 ACTUAL					
Area:	Admini- stration	Central Support	Pace- Divisions	Total	
Activity					
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	
2009 ESTIMATED					
Area:	Admini- stration	Central Support	Pace Divisions	Total	
Activity					
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	
2010 BUDGET					
Area:	Admini- stration	Central Support	Pace Divisions	Total	
Activity					
Operations	0	36	920	956	
Maintenance	0	38	205	243	
Non-Vehicle Maintenance	0	8	15	23	
Administration	173	0	33	206	
Suburban Service Total	173	82	1,173	1,428	
Regional ADA Paratransit	36	0	0	36	
Grand Total	209	82	1,173	1,464	

Chart K. Pace Organizational Chart

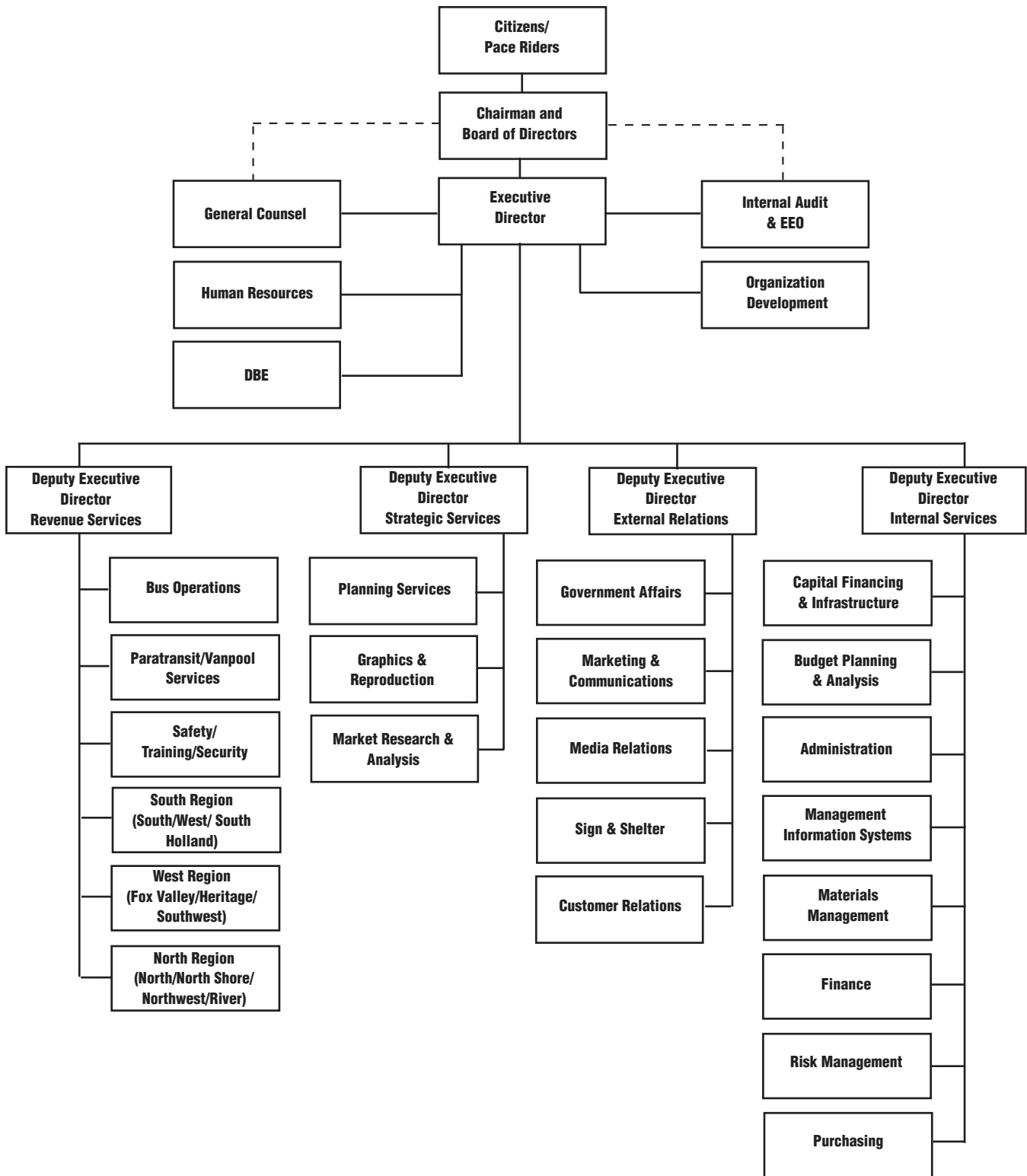


Table 37. Pace's 2010 Proposed Operating Budget—Department Budgeted Positions

	2009 Budget	2010 Budget		2009 Budget	2010 Budget
Office the Executive Director	2.0	3.0	Regional ADA		
General Counsel	5.0	5.0	City ADA Paratransit	30.0	30.0
Internal Audit	6.0	6.0	Suburban Service Allocation	6.0	6.0
Human Resources	7.5	8.5	Total Regional ADA	36.0	36.0
Organizational Development	2.0	2.0	TOTAL Suburban Service and Regional ADA	1468.0	1483.0
TOTAL	22.5	24.5	Suburban Service Vacancy Factor	(13.0)	(13.0)
Revenue Services			ADA Allocation	(6.0)	(6.0)
Deputy Executive Director, Revenue Services	5.0	5.0	GRAND TOTAL - With Vacancy Factors	1449.0	1464.0
Bus Operations	9.0	9.5			
Maintenance/Technical Services	24.0	24.0			
Vanpool	13.0	17.0			
Paratransit	12.0	13.0			
Safety	4.0	4.0			
Pace Divisions:					
Bus Operators	846.0	853.0			
Operations Supervisors	67.0	67.0			
Maintenance	205.0	205.0			
Non-Vehicle Maintenance	15.0	15.0			
Administration	33.0	33.0			
TOTAL	1233.0	1245.5			
Internal Services					
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	15.0			
Purchasing	8.0	8.0			
Risk Management	4.0	4.0			
Administration	4.0	4.0			
Finance	24.0	25.0			
MIS	30.0	30.0			
TOTAL	108.0	110.0			
Strategic Services					
Deputy Executive Director, Strategic Services	2.0	2.0			
Graphic Services	8.0	7.0			
Market Research/Analysis	3.0	3.0			
Planning Services	31.0	32.5			
TOTAL	44.0	44.5			
External Relations					
Deputy Executive Director, External Relations	2.0	2.0			
Government Affairs	7.0	6.5			
Marketing & Communications	5.0	5.0			
Media Relations	2.5	1.0			
Customer Relations	4.0	4.0			
Sign/Shelter	4.0	4.0			
TOTAL	24.5	22.5			
Total Suburban Service	1432.0	1447.0			

Departmental Overview

A detailed description of each department is provided as follows.

Office of the Executive Director

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

General Counsel: Responsible for reviewing contracts, monitoring litigation, handling claim defense litigation and assuring legal compliance with all required federal, state and local regulations.

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

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

Organization Development: Responsible for coordinating training and development activities for the agency.

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

Departmental Overview

Internal Services

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

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

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

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

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

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

Risk Management: Responsible for managing risk exposures, protecting assets, securing insurance coverages, claim handling and risk transfer functions.

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

Strategic Services

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

Market Research/Analysis: Responsible for managing customer satisfaction measurement and reporting as well as special studies that support business objectives.

Planning Services: Responsible for all fixed route planning and scheduling including, but not limited to, the creation of operator run-picks (work schedules) and bus schedules. Also includes identification of new service opportunities, schedule modifications and service reductions. Produces ridership reporting, performance measures, on-time performance measures and other operational data.

Revenue Services

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

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

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

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

External Relations

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

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

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

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

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

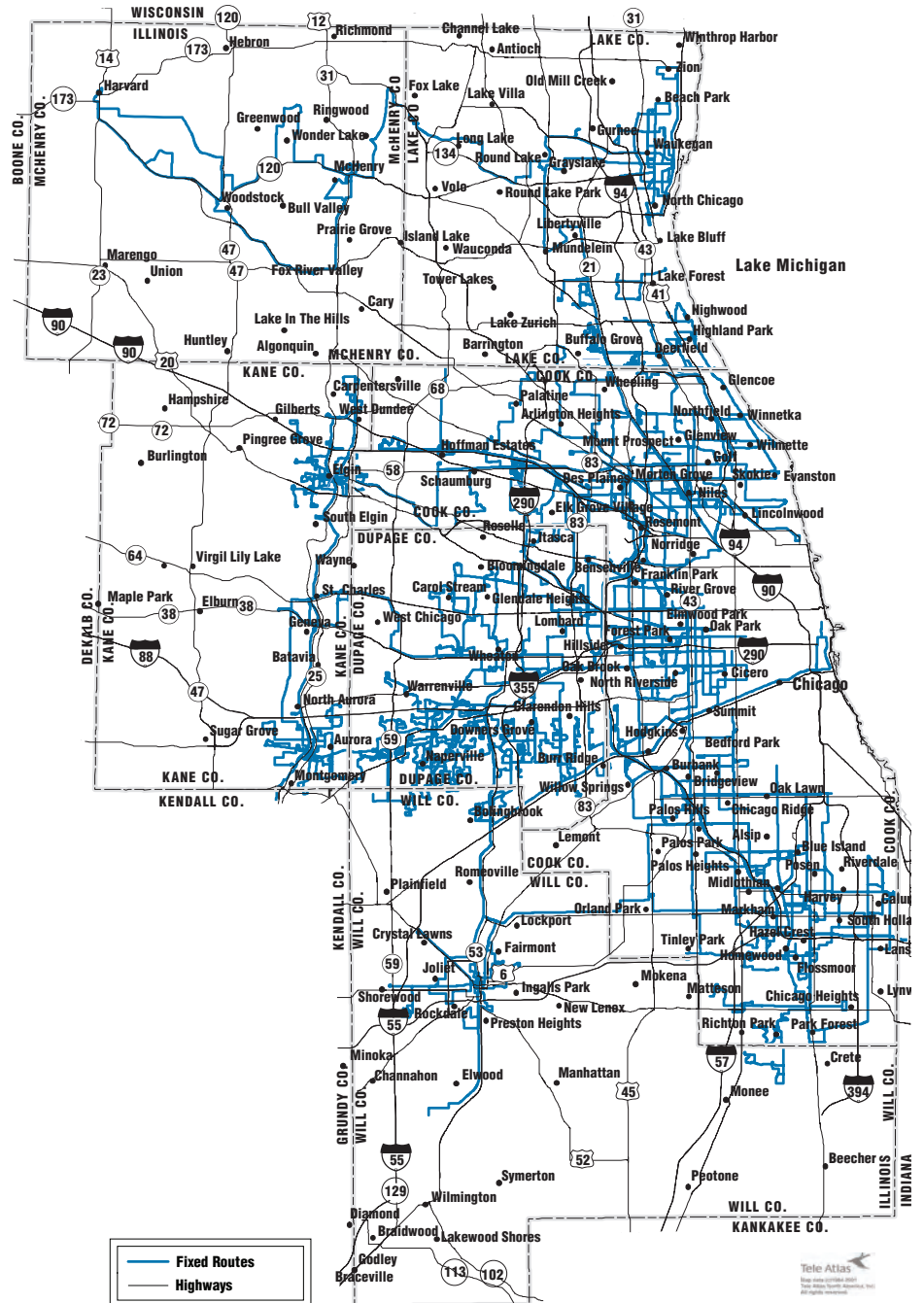
Fixed Route Service Characteristics

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

Fixed Route Service

143 regular, 50 feeder routes, 16 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 2.43 million riders per month utilizing 607 vehicles during peak periods.

Map 1. Fixed Route Service Characteristics



Pace Rolling Stock—Active Fleet

Table 38. Pace Rolling Stock Active Fleet

Fixed Route (Fully Accessible)

Manufacturer	Year	# of Vehicles	Age	Length
Orion	1992	16	17	35'
Orion	1993	61	16	40'
Nova	1996	16	13	40'
NABI	1999	30	10	35'
NABI	1999	21	10	40'
Chance Trolleys	2000	7	9	25'
Orion	2000	86	9	40'
Orion	2001	66	8	40'
MCI	2002	8	7	40'
NABI	2003	84	6	35'
NABI	2003	98	6	40'
Orion	2004	6	5	40'
NABI	2005	60	4	40'
Eldorado	2006	102	3	30'
Eldorado	2007	38	2	30'
Eldorado	2008	5	1	32'
Eldorado	2009	25	0	30'
Total		729		
Average Age			7.1 years	

Paratransit (Fully Accessible)

Manufacturer	Year	# of Vehicles	Age	Length
Eldorado Vans	2000	1	9	19'
Eldorado Vans	2001	38	8	19'
Eldorado Buses	2001	51	8	23'
Eldorado Buses	2002	34	7	23'
Eldorado Vans	2002	10	7	19'
Eldorado Buses	2003	29	6	23'
Eldorado Vans	2003	14	6	19'
Eldorado Buses	2004	36	5	23'
Eldorado Vans	2004	8	5	19'
Eldorado Buses	2008	145	1	23'
Total		366		
Average Age			4.5 years	

Vanpool

Manufacturer	Year	# of Vehicles	Age	Length
Vans	1998	5	11	Various
Vans	1999	2	10	Various
Vans	2000	19	9	Various
Vans	2001	17	8	Various
Vans	2002	29	7	Various
Vans	2003	109	6	Various
Vans	2004	27	5	Various
Vans	2005	151	4	Various
Vans	2006	189	3	Various
Vans	2007	102	2	Various
Sedans	2007	2	2	Various
Vans	2008	60	1	Various
Vans	2009	87	0	Various
Total		799		
Average Age			3.5 years	

Community Based Service

Manufacturer	Year	# of Vehicles	Age	Length
Champion Crusader	2007	11	2	22'
Champion Crusader	2008	17	1	22'
Champion Crusader	2009	25	0	22'
Total		53		
Average Age			1.0 years	



Pace System Infrastructure

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

Fixed Facilities Owned or Operated by Pace

Pace Garages/Administrative Headquarters

- A. Pace River Division
975 S. State, Elgin
63,000 square feet, 1989
- B. Pace Fox Valley Division
400 Overland Dr., North 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
83,700 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
65,000 square feet, 2009
- 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 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

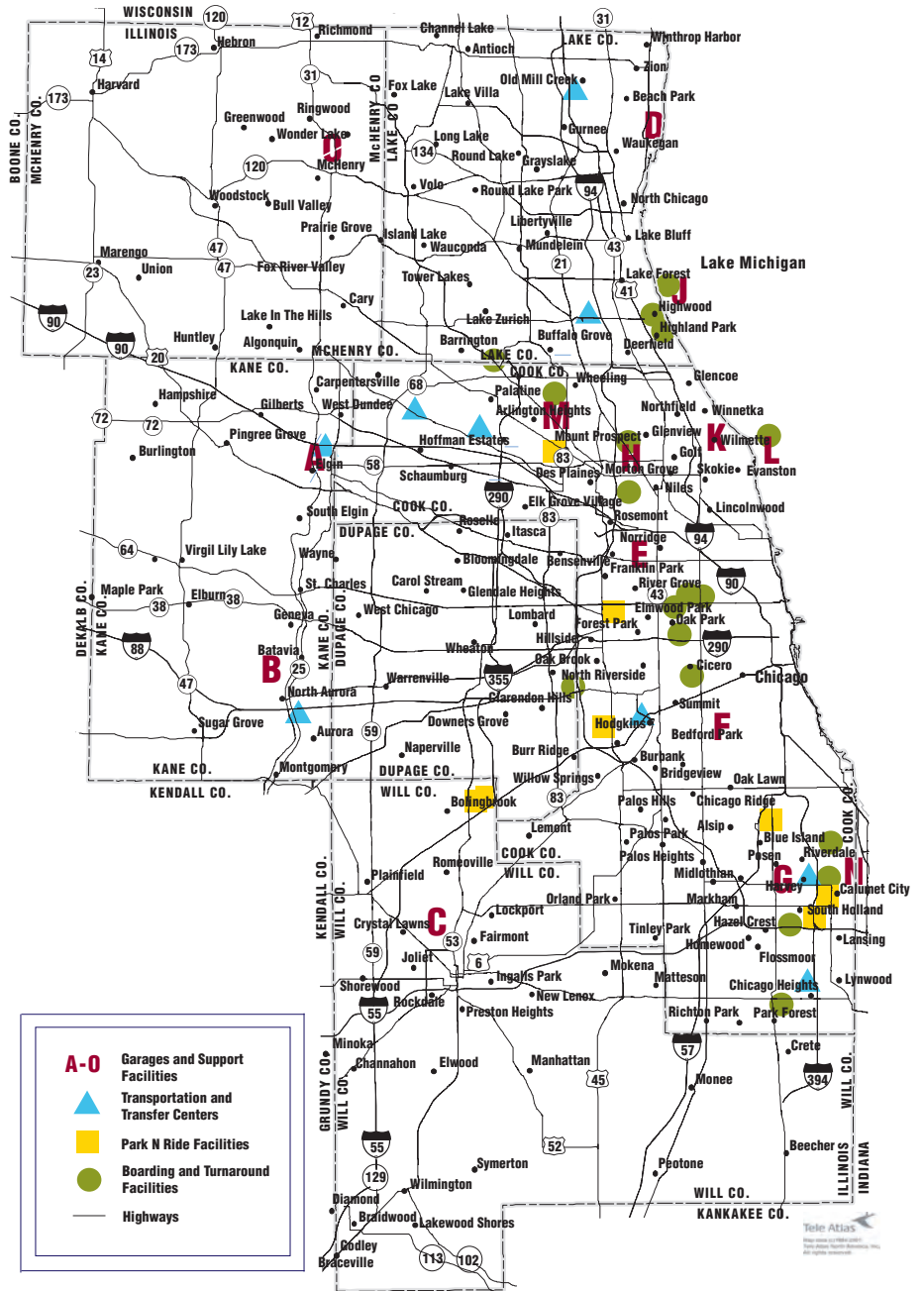
Boarding and Turnaround Facilities

- 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

Map 5. Pace System Garage and Support Facilities



Appendix B: 2010 Ridership and Suburban Service Fares

Pace Ridership

The following table identifies projected ridership changes by operating element for years 2008 through 2012.

Table 39. Pace 2010-2012 Status Quo Ridership Projections

(000's)	2008 Actual	2009 Estimated	% Change	2010 Projected	% Change	2011 Projected	% Change	2012 Projected	% Change
Pace Owned Carriers	31,688	27,379	-13.6%	27,834	1.7%	28,112	1.0%	28,393	1.0%
Public Carriers	997	914	-8.3%	923	1.0%	932	1.0%	942	1.1%
Private Carriers	1,970	1,809	-8.2%	1,987	9.8%	2,007	1.0%	2,027	1.0%
Total Fixed Route	34,655	30,102	-13.1%	30,744	2.1%	31,051	1.0%	31,362	1.0%
Dial-a-Ride	1,103	1,282	16.2%	1,365	6.5%	1,403	2.8%	1,443	2.9%
Vanpool	2,021	1,966	-2.7%	2,110	7.3%	2,321	10.0%	2,553	10.0%
Suburban Service Total	37,779	33,350	-11.7%	34,219	2.6%	34,775	1.6%	35,358	1.7%
Regional ADA Paratransit Service	2,727	2,881	5.6%	3,053	6.0%	3,235	6.0%	3,429	6.0%
Combined Pace Service	40,506	36,231	-10.6%	37,272	2.9%	38,010	2.0%	38,787	2.0%



Homewood Park-N-Ride lot.



Passengers boarding at the Chicago Heights Transfer Center.

Ridership and Fares

Suburban Service Ridership

The ridership projections shown on Table 39 are based on current status quo levels. For 2009, Pace Suburban Service ridership is estimated to decline from 2008 levels by 11.7%. The decline is the result of a substantial fare increase that was implemented in January, 2009. For 2010, Suburban Service ridership is projected to grow by .869 million riders or 2.6%. Fixed route is projected to grow at 2.1% and will account for 642,000 or 73.9% of the total growth for Suburban Service ridership. The resumption in growth for fixed route services reflects added new service funded by JARC and ICE. Continued expansion of the vanpool program is planned with ridership growth forecasted at 7.3% or 143,100 trips. In 2010, total Regional ADA Paratransit service ridership will increase 6.0%, with Suburban ADA increasing 5.9% and City ADA increasing 6.0%.

Ridership is projected to grow at a more conservative rate for outlying years—2011 and 2012. Annual growth rates of 1.6% and 1.7% respectively in Suburban Service ridership reflect continued expansion of the vanpool program for 2011 and 2012, averaging an increase of 221,500 rides annually. Regional ADA ridership is forecasted to grow at 6.0%, comparable to the anticipated strong growth in demand for ADA Paratransit services in 2011 and 2012.

Suburban Service Fares

In January, 2009, Pace implemented a substantial fare increase. Due to the magnitude of the fare increase, it is believed that fares cannot be further increased in 2010, therefore, no fare increase option is under consideration for the Suburban Service budget. There is also no fare increase under consideration for the Vanpool program at this time.

Tables 40 and 41 on the following pages identify the current fare structure for Pace Suburban Service—fixed route, dial-a-ride and vanpool.



Pace's Chicago Heights Transfer Center.

Pace Suburban Service Fare Structure—Current

Table 40. Pace Fare Structure

	Current Fare	
	Full Fare	Reduced Fare
REGULAR FARES		
Full Fare	\$ 1.75	\$.85
Transfer to Pace	\$.25	\$.15
LOCAL/FEEDER FARES		
Full Fare	\$ 1.75	\$.85
Transfer to Pace Regular Routes	\$.25	\$.15
Local Transfer	Free Local Transfer	
PASSES		
Pace/CTA (30-Day)	\$ 86.00	\$ 35.00
Pace/CTA 7-day Pass	\$ 28.00	\$ N/A
Commuter Club Card (CCC) (Pace Only)	\$ 60.00	\$ 30.00
Link-Up Ticket	\$ 39.00	\$ N/A
Plus Bus	\$ 30.00	\$ N/A
Regular 10 Ride Plus Ticket	\$ 17.50	\$ 8.50
Student (Haul Pass)	\$ N/A	\$ 30.00
Student Summer Pass	\$ N/A	\$ 45.00
Subscription Bus (Monthly)	\$ 125.00	\$ 0
EXPRESS/OTHER FARES		
Premium Routes (see below)	\$ 4.00	\$ 2.00
Premium 10 Ride Plus Ticket (855)	\$ 40.00	\$ 20.00
Other		
Dial-a-Ride	\$ 2.00	\$ 1.00

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

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

Table 41. Monthly VIP and Other Vanpool Services Fare Schedule

Current Fare

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

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.*

Current Fare for 2010

Program	Current Fare
Advantage	\$ 401
Non-Profit	\$ 768
Shuttle	\$1,029
Non-Emergency Medical	\$1,029
Community Transit	\$ 100
VIP Metra Feeder/Per Rider	\$ 58

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

This page left intentionally blank.

Appendix C: Community Profile

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 42.

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.



Bike racks on buses have become very popular.



Passenger shelters are the most sought out amenity of riding public wants.

Table 42. User/Non-User Demographic Profiles

	Non-Users	Users (weekday only)
Age in Years		
Group Median	47.0	44.8
Sex:		
Male	48%	44%
Female	52%	56%
Education		
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%
Total Annual Household Income		
Group Median (000)	\$74.80	\$38.00
Auto Ownership		
None	5%	29%
One	26%	37%
Two or more	69%	34%
Ethnic Background		
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

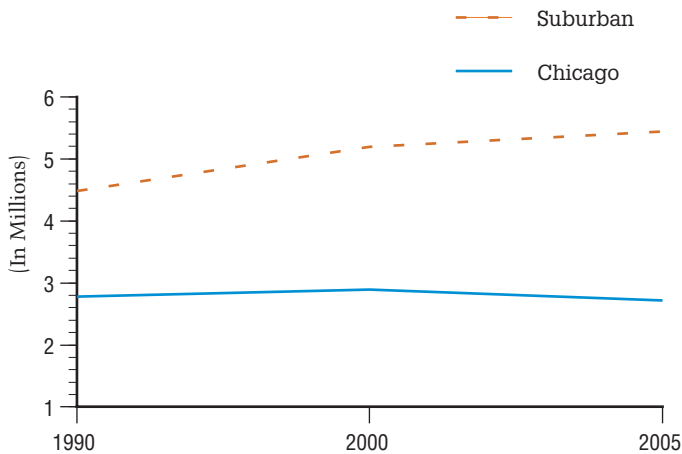
User: 2007 CSI/User Survey, regional sample size = 4,919

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.

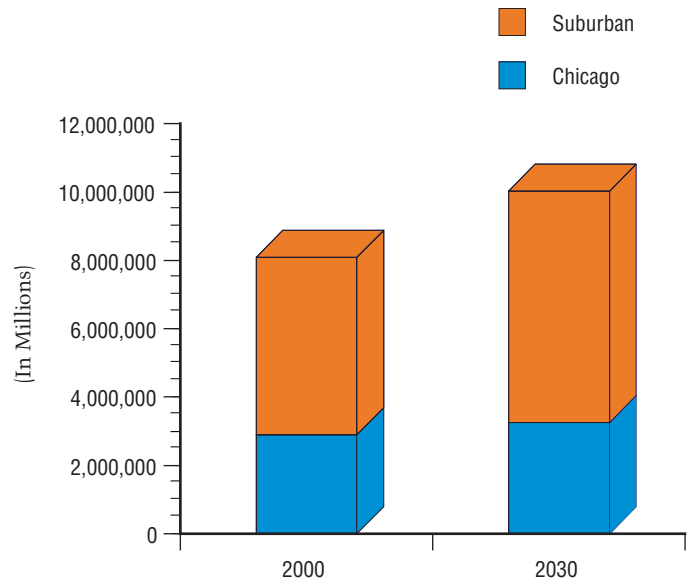
Chart L. 1990 to 2005 Regional Population



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 M. 2000 to 2030 Regional Population Projection

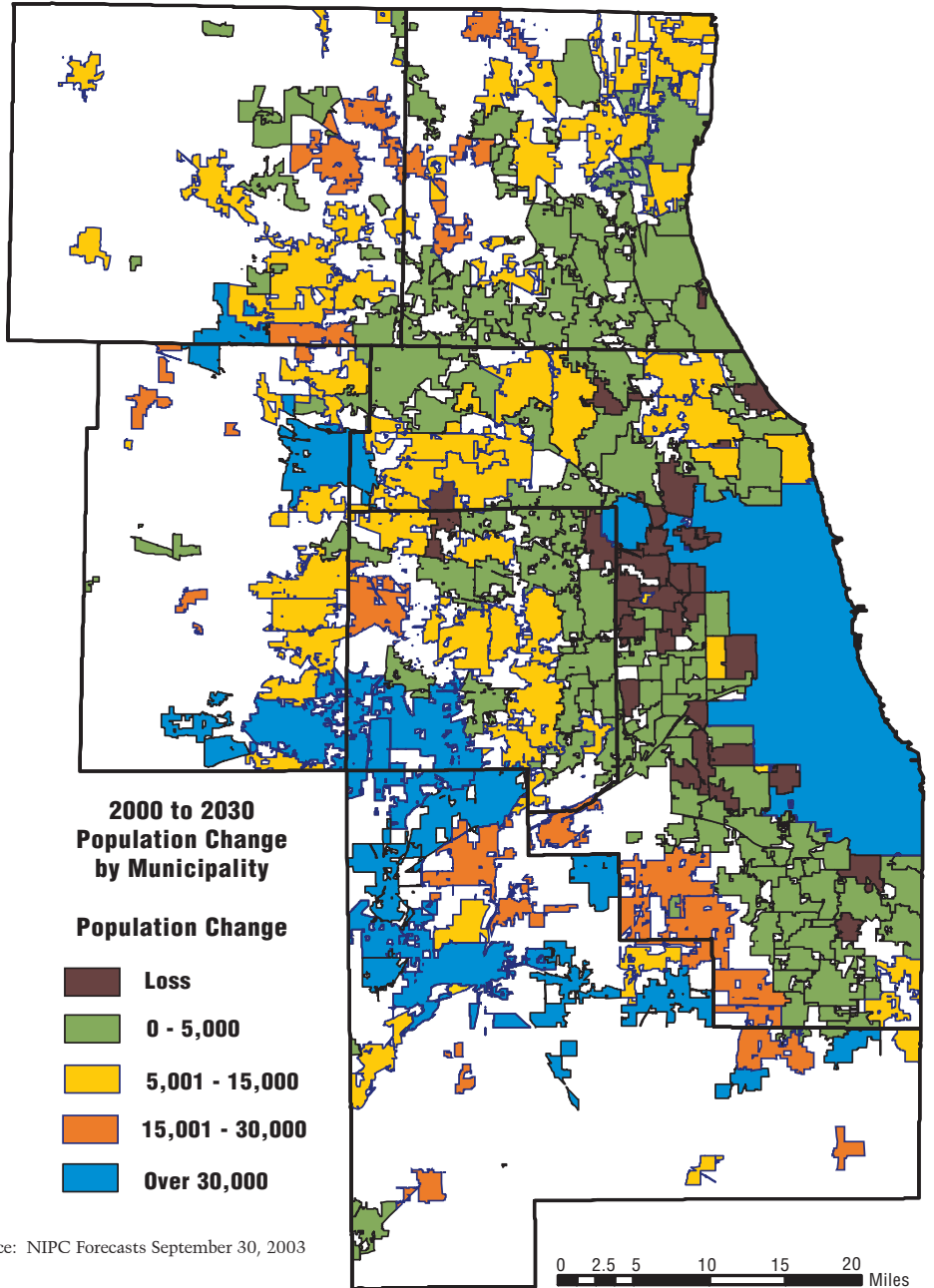


Regional Population Change 2000 to 2030

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

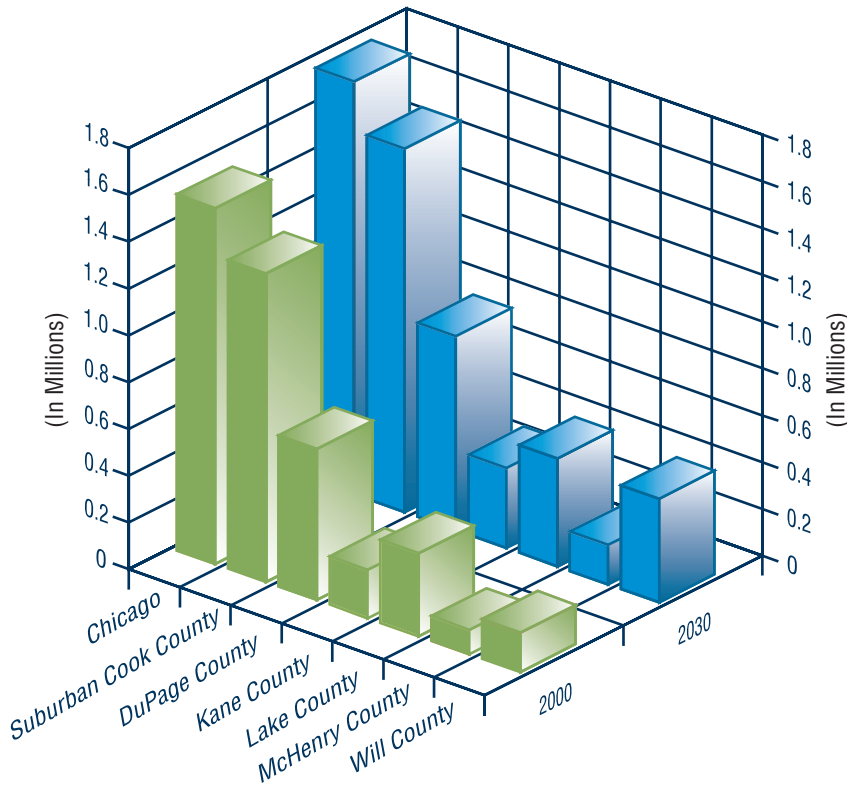
Regional Employment

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).

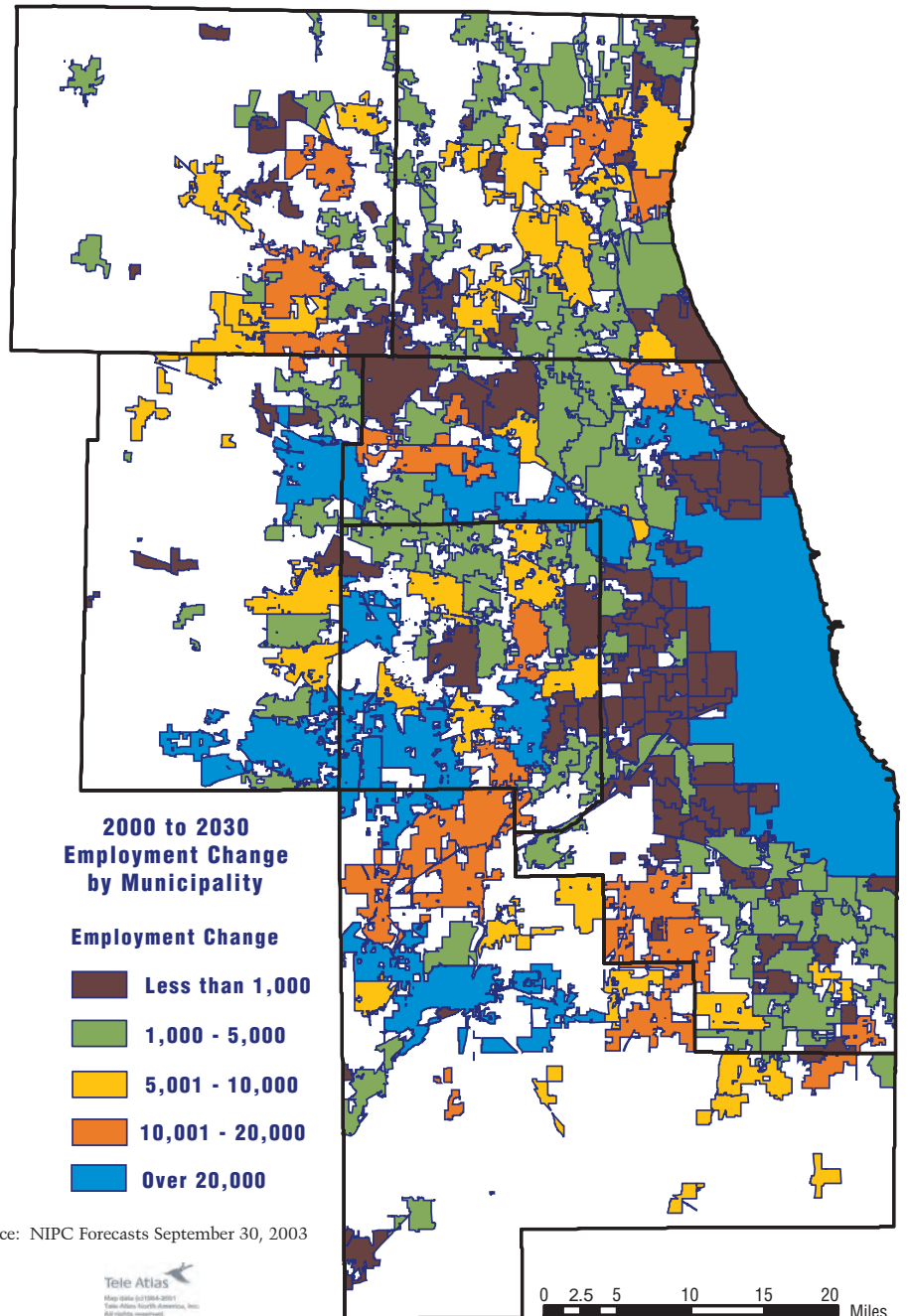
Chart N. 2000 to 2030 Employment Projection



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

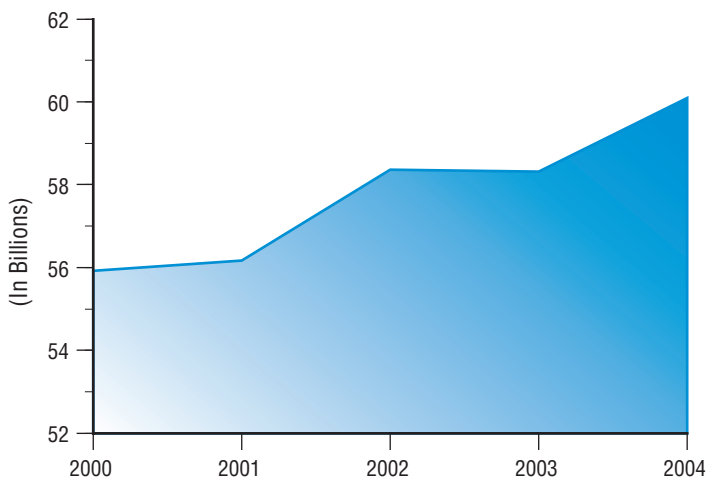
According to the Texas Transportation Institute's 2005 Urban Mobility Report, the Chicagoland area is second only to Los Angeles in peak period travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 142 million gallons of fuel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

Chart 0. Annual Vehicle Miles



Traffic congestion in the suburbs is extremely bad. Over 142 million gallons of fuel were wasted by vehicles due to traffic congestion in the region.



Traffic in the City affects on time performance of our ADA service in the downtown area as well.

Appendix D: Performance Measures

Pace Goals and Performance Measures

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

- Safe
- Reliable
- Courteous
- Efficient
- Effective

Table 43 identifies the measures and performance standard that Pace has established for each goal. Actual performance for 2008, projected performance for 2009 and 2010 goals are identified. Performance standards marked with an asterisk (*) are in the process of being further evaluated and those shown are preliminary.

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

In addition to these goals and performance standards, this appendix provides comparative performance data for Pace's peer group and other state and local transit agencies.



Pace's WebWatch system provides real time information on bus schedules, vehicle location and arrival/departure times. The system is accessed via the Pace website at www.pacebus.com.

Table 43. Pace Goals and Performance Measures

		2008 Actual	2009 Projected	2010 Goal
Safety				
Goal: Provide Safe Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Accidents per 100,000 Revenue Miles	Less than 5	5.68	4.63	4.63
Reliability				
Goal: Provide Reliable Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
On-Time Performance	Greater than 85%	68.45%	71.31%	74.00%
Actual Vehicle Miles per Road Call	Greater than 14,000	10,987	15,266	15,266
Percent Missed Trips per Total Trip Miles	Less than .3%	0.25%	0.13%	0.13%
Courtesy				
Goal: Provide Courteous Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Complaints per 100,000 Passenger Miles	Less than 4	2.81	3.19	2.75
Website Hits on Web Watch Site (000's)	Increase over prior period	10,459	13,497	14,172
Efficiency				
Goal: Provide Efficient Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Revenue Miles per Revenue Hour	Greater than 17	16.59	16.70	16.90
Revenue Miles per Total Operator Pay Hours	Greater than 10*	10.11	10.25	10.48
Passenger Trips per Operator Pay Hour	Greater than 2.6*	2.62	2.67	2.67
Expense per Revenue Mile	Less than \$6.50*	\$ 5.87	\$ 6.08	\$ 6.08
Expense per Revenue Hour	Less than \$105.00*	\$ 97.30	\$101.22	\$101.71
Recovery Ratio	Greater than 18%	22.0%	23.8%	23.8%
Subsidy per Passenger	Less than \$4.00	\$ 2.59	\$ 3.27	\$ 3.27
Effectiveness				
Goal: Provide Effective Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Ridership	Increase from prior period	3.4%	-11.7%	2.6%
Vanpool Units in Service	Increase from prior period	647	692	742
Passenger Miles per Revenue Miles	Greater than 10*	11.53	10.33	10.33
Productivity (Passengers per Revenue Hour)	Greater than 25*	29.35	25.1	25.5
Ridership per Revenue Mile	Greater than 1.5*	1.7	1.5	1.5

Below performance standard

Within 10% of performance standard

Meets/exceeds performance standard

Peer Performance Comparison

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

The RTA's peer group includes the following systems:



Long Island Bus (MTA) – New York, NY

Orange County Transportation Authority (OCTA) – 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

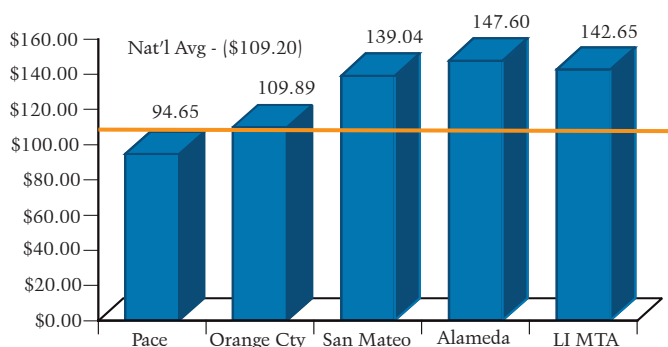
Passengers per Revenue Mile

The following charts are prepared using 2007 National Transit Database (NTD) data for bus only, which is the latest data available at this writing.

Peer Performance Comparison

Service Efficiency

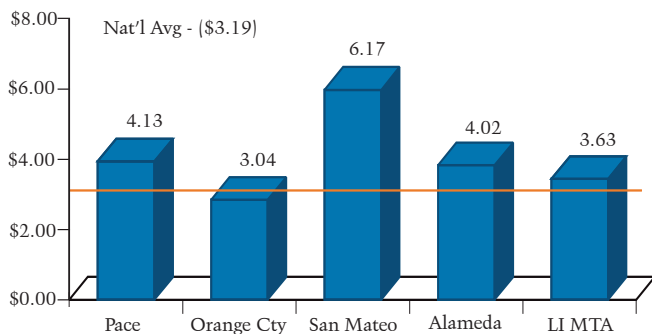
Chart P. Operating Expense per Revenue Hour



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 \$94.65, Pace’s cost per hour is 13.9% less than the nearest peer—Orange County (CA). Pace’s costs are also \$14.55 per hour or 13.3% less than the national average for this performance measuring category.

Cost Effectiveness

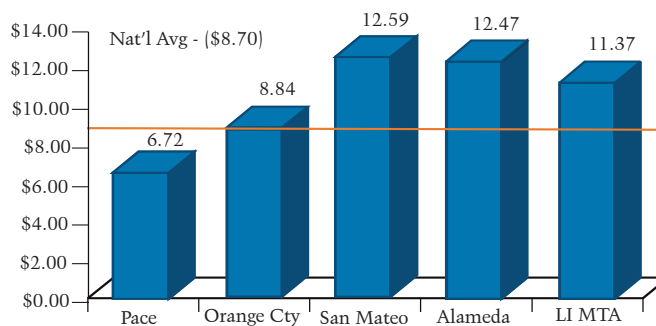
Chart R. Operating Expense per Passenger



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.

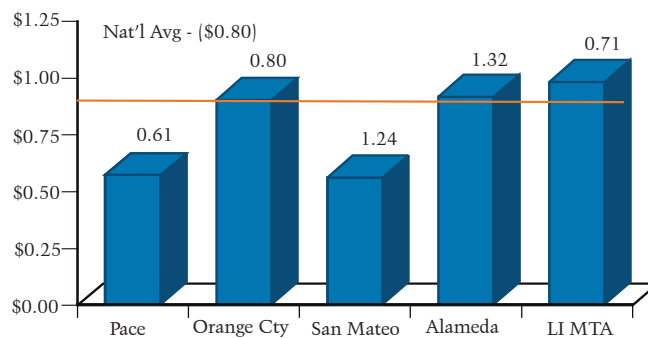
At \$4.13, Pace’s operating expense per passenger is the second highest next to San Mateo (CA). Excluding

Chart Q. Operating Expense per Revenue Mile



Pace’s operating expense per mile is also well below everyone in this peer group. At \$6.72 per mile, Pace’s cost is \$2.12 per mile or 24.0% below the nearest peer, Orange County (CA), and \$1.98 per mile or 22.8% below the national average.

Chart S. Operating Expense per Passenger Mile

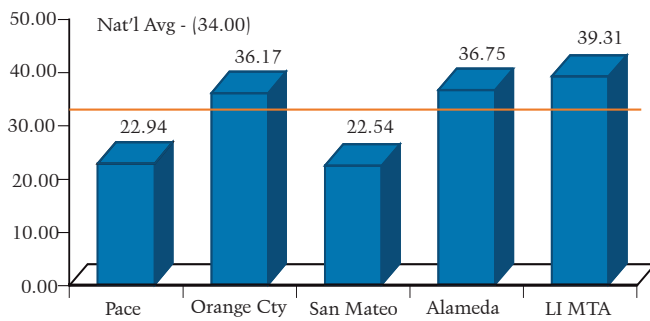


Orange County (CA), Pace and all suburban bus peers exceeded the 2007 average national expense per passenger of \$3.19.

At \$0.61, Pace’s expense per passenger mile is the lowest of all the suburban peers as well as the national transit average of \$0.80.

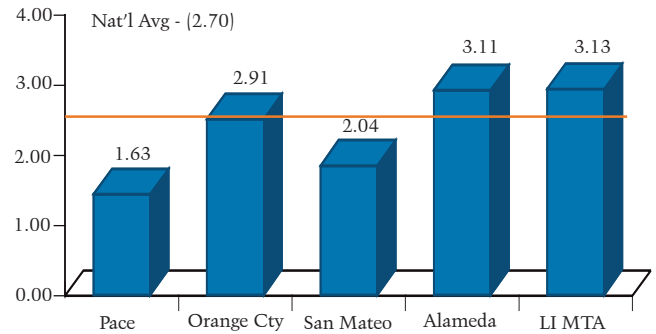
Service Effectiveness

Chart T. Passengers per Revenue Hour



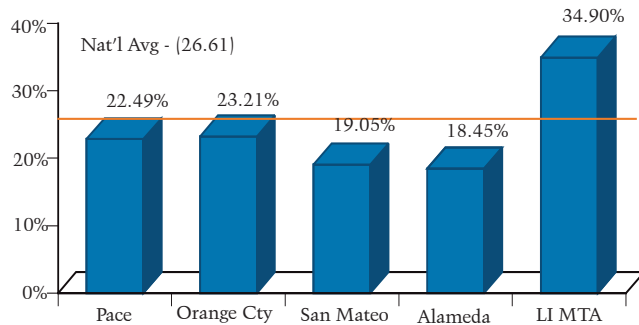
Service effectiveness, as measured by the performance ratios passengers per total revenue hour and passenger miles per total revenue mile, shows Pace to have the second lowest performance ratio compared to all agencies in this group, and 11.06 below the national average. The size of the service area 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 U. 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 V. Farebox Recovery Ratio

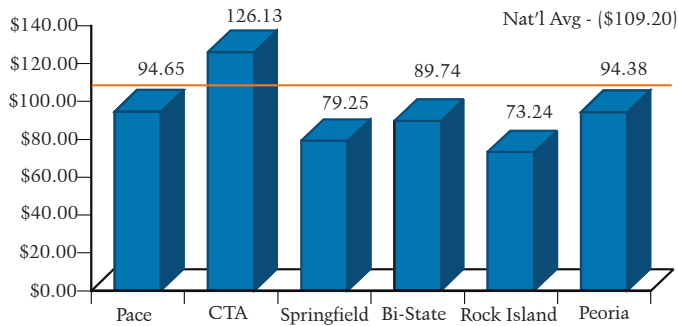


Pace's bus only farebox recovery rate of 22.49% is lower than the national average bus ratio of 26.61%. However, Pace outperformed San Mateo and Alameda (AC Transit/Oakland).

State/Local Government Performance Comparison

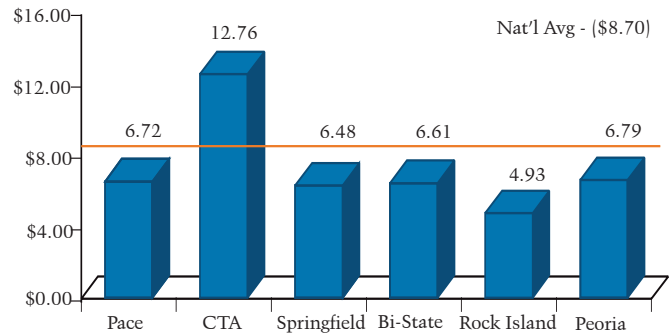
Service Efficiency

Chart W. Operating Expense per Revenue Hour



Pace's service efficiency, as measured by operating expense per revenue hour and mile, compares favorably to CTA and the national average.

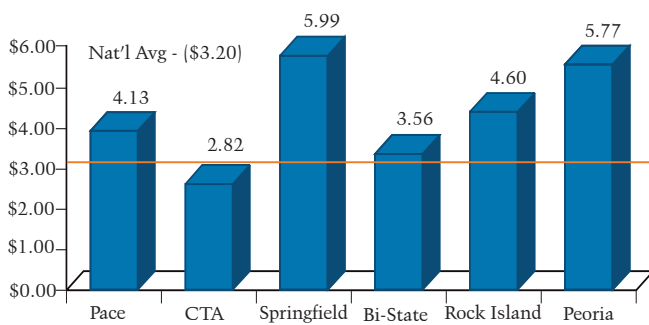
Chart X. Operating Expense per Revenue Mile



At \$6.72, Pace's expense per revenue mile is \$1.98 below the national average. The CTA's cost per revenue mile exceeds Pace's by \$6.04 per mile.

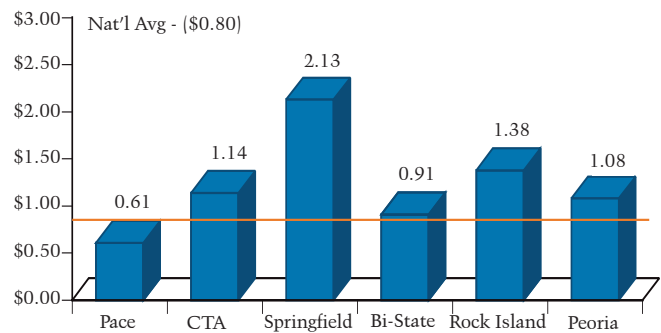
Cost Effectiveness

Chart Y. Operating Expense per Passenger



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

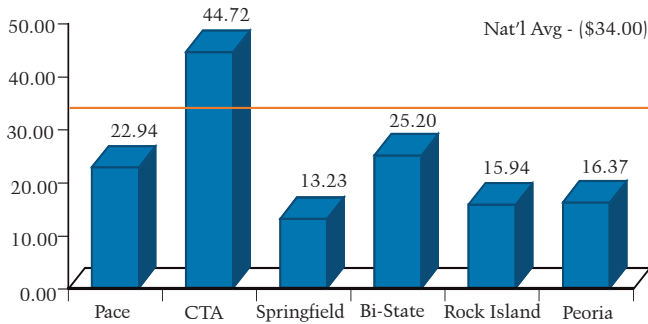
Chart Z. Operating Expense per Passenger Mile



Pace's operating expense per passenger mile is well below everyone in this peer group. In addition, Pace's cost is 23.8% lower than the national bus average.

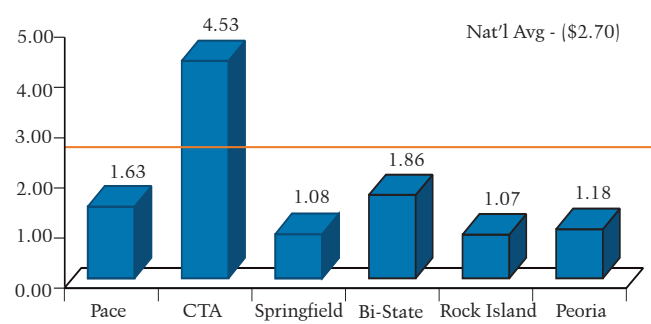
Service Effectiveness

Chart AA. Passengers per Revenue Hour



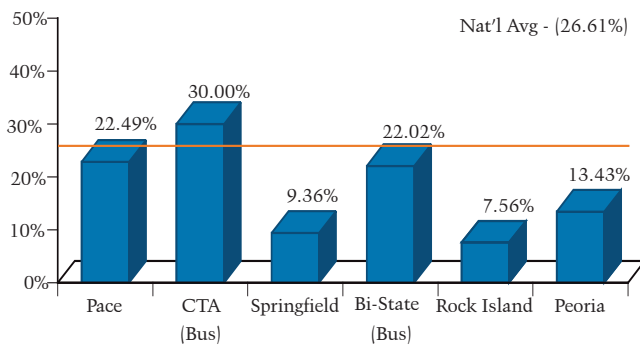
When compared to other Illinois transit operators, Pace’s service effectiveness, as measured by passengers per revenue hour and per revenue mile, is comparable. At approximately 23 passengers per revenue hour, Pace service outperforms Springfield, Rock Island and Peoria. Higher density markets, such as St. Louis (Bi-State) and Chicago (CTA) performed better.

Chart BB. Passengers per Revenue Mile



At 1.63 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 CC. 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 30.00%—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 E: Planning Initiatives

Vision 2020—The Blueprint for the Future

Overview: Vision 2020

Vision 2020: the Blueprint for the Future, Pace's strategic framework for suburban transit service, calls for a different set of services to be in place by 2020. The first steps to achieving that vision are well underway, using a "family of services" approach that takes into account the three key elements of Vision 2020: the "core" fixed route network, a "first/last mile" array of community services, and numerous capital infrastructure elements including "on the street" facilities like transportation centers, far side bus stops and Park-n-Rides, innovative "operational improvements" such as Transit Signal Priority (TSP) and fare payment system upgrades, and a variety of "planning/analysis tools" that Strategic Services will use to evaluate and improve Pace service.

Improved speed and expanded coverage are the goals underlying Vision 2020. Vision 2020 can be achieved if we change the way we provide service, as the "legacy" service model is simply not sustainable in light of the projected resources available to Pace. To achieve the coverage that the region needs, Pace will expand the scope and scale of existing services while also introducing some new ways to operate service at the community level. In 2010 and the next few years, Strategic Services will continue to focus on the following program areas and projects.

Core Fixed Route Network

Arterial Rapid Transit

To achieve a critical element of Vision 2020, Pace plans to implement a BRT strategy—called Arterial Bus Rapid Transit, or ART—to improve regional connectivity throughout suburban Northeastern Illinois. ART will provide premium quality, fast frequent and reliable service. It will operate in mixed traffic on arterial streets, with short sections of bus-only lanes and queue bypass lanes where needed to help buses get through congested road sections. ART will allow Pace to increase service levels at minimum cost for the maximum number of people, and it can be implemented in a relatively short timeline compared with other rapid transit options.

In Vision 2020, Pace identified 24 strategic arterial corridors as potential candidates for the ART network. Last year, Pace's ART Feasibility Study examined and prioritized these corridors. Six of them—95th Street, Dempster Street, Halsted Street, Harlem Avenue, Milwaukee Avenue and Oak Brook—were identified for implementation in the next ten years. The Pace ART network will feature limited stops, stations with enhanced passenger amenities including lights and heat, smart card fare collection, information kiosks with system maps, real-time schedule information, upgraded signs and shelters and distinctive vehicles using TSP to improve schedule adherence.

Express Bus Network

In addition to the ART network, a series of express routes is planned to operate on regional expressways to provide long distance connections between sub-regional activity centers. As 2009 draws to a close, Pace's Suburban Express Bus Network is expected to add several new routes that will give residents of Northeastern Illinois more direct point-to-point connections via new and expanded services along the I-55, I-355 and I-294 corridors. These routes will facilitate faster, more direct travel between major activity centers and provide congestion relief, improved mobility and better access to employment opportunities. They are being funded through the RTA's ICE and JARC programs.

For 2010 and beyond, additional Express Bus Network projects will build on this progress in several ways, including a study, to be done in conjunction with the RTA, for potential for the development of shoulder-riding priority on I-55. In addition, work will continue regarding the evaluation of new park-n-ride facilities and improved amenities at these facilities, the launching of a corridor planning study to develop the express bus network on I-355, IL-53 and I-290, as well as a collaboration with the Illinois Tollway to expand express bus service on I-294 in conjunction with their plan to develop a High Occupancy Toll (HOT) Lane on the most congested sections of that route.

Fixed Route Service Restructuring

Service restructuring is an on-going program throughout Pace's six-county operating area. Since 2000, in order to address the rapidly changing markets and demographics of the Pace service area, cross-functional teams have been convened to analyze current service, review travel patterns, investigate potential ridership generators such as residential, commercial and retail developments and receive considerable input from riders, operators and community representatives. These efforts resulted in the restructuring of bus service in various regions within the six-county operating area, including Elgin, Aurora, Joliet, North Shore, and most recently, South and Southwest Cook County and Will County.

The benefits that have been realized by the service restructuring projects have included improving on-time performance of service, discontinuing unproductive route segments, expanding service in areas with greater ridership demand, increasing service frequencies and spans, improving passenger amenities at bus stops and introducing posted stops on select routes to speed up service. In years to come, Pace will undertake similar initiatives in the greater Waukegan area and in West Cook County with the goal of improving service speeds, providing greater service coverage and increasing ridership. When all regions have been restructured, staff will continue to fine-tune existing service and implement future phases of restructuring.

Community Services

Community Transit

As outlined in Pace's Vision 2020 Plan, in order to support Pace's large arterial route network as well as the local mobility of its customers, community-based transit services are being developed and implemented in selected markets to provide the first and last mile of a trip connecting individual origins and destinations to the existing Pace route network.

Since transportation needs vary from community to community, Pace provides a full family of services in its community transit program ranging from Call-n-Rides (demand responsive service) to flexible routes (combining fixed route with dial a ride), to circulators (connect-

ing community activity centers following a regular route and schedule) as well as vanpools, rideshare, municipal dial a rides and shuttles. Pace will also explore ways to create "franchises" – partnerships with existing local providers—to achieve the peak hour coverage necessary to get people to work. These "franchises" could also provide service in low density portions of the region to provide "cross boundary" trips that supplement the existing para-transit service for the elderly and people with disabilities.

RideShare

Pace's implementation of the RideShare program in 2010-12 will continue through www.PaceRideShare.com, a website that matches users who can share their commute by carpooling. This also facilitates the formation of new Pace vanpools and supports the retention of existing vanpools.

The marketing of the RideShare-specific programs is funded primarily with federal grant money. Pace has also partnered with the Northwestern Indiana Regional Planning Commission (NIRPC), which is contributing funds for use of the website. In addition, the ongoing outreach activities of the Business Development team includes introduction of RideShare to our region's employers.

A grant-funded Emergency Ride Home (ERH) program will be available in 2010 to reimburse carpoolers and vanpoolers for emergency-related taxi rides. Pace will also continue to monitor existing carpools in the region through an enhanced carpool tracker module.

Capital Infrastructure

Transit Signal Priority (TSP)

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

Bus-on-Shoulder Operations

Bus-only shoulder riding is one way of giving right of way to buses. Buses traveling on shoulders would deliver a consistently reliable schedule to passengers regardless of the traffic conditions along the route. Transit agencies can utilize shoulder lanes for BRT and/or express routes along certain congested roadways where favorable conditions exist. Experiences of such use have provided widely encouraging results across the nation. On congested roadways, bus-only shoulder riding supports cost-effective multimodal transportation choices, improves bus schedule reliability, and attracts more automobile drivers into buses. Pace is currently partnering with RTA, IDOT and ISTHA to study the feasibility and implementation of bus-on-shoulders operations within this region.

Queue Jump Project

Pace is conducting a current study to evaluate and determine a concept design for a bus queue jump lane at intersections with existing dedicated right turn bays. The project will address geometric design as well as the need for the signal modifications. A queue jump lane is a short stretch of bus lane combined with traffic signal priority. The idea is to enable buses to bypass waiting queues of traffic and to cut out in front by getting an early green signal. A special bus only signal may be required and coordinated with a TSP system.

The queue jump lane can be a right turn only lane, permitting straight through movements for buses only. A queue jump lane can also be installed between right turn and straight through lanes. A similar arrangement can be used to permit a bus to cross traffic lanes to make a left turn immediately after serving a curb side stop. The project will address selected locations representative of typical conditions in the six County Region. A regional program will be developed from this study.

Market Research & Analysis

Beginning in 2010, the Market Research and Analysis group will focus their efforts on supporting the planning and implementation of Pace's Arterial Rapid Transit and Express Bus services. Through user and non-user surveys and analysis of market data, we can identify service planning opportunities that meet the needs of commuters looking for faster and more reliable service. At the same time, market research and analysis efforts

will continue to identify and serve the needs of riders seeking more traditional, localized or special-needs service through our core and community-based family of services.

Hastus Scheduling Software Upgrade

In early 2010, Pace will upgrade its Hastus scheduling software to Version 2009. Hastus is the sophisticated scheduling tool used by transit agencies worldwide to develop fixed route bus schedules and crew schedules. Pace has used Hastus for over 15 years with positive results such as improved schedule accuracy and greater efficiency of bus operator assignments through state of the art optimization algorithms. This has translated into better customer service and more cost effective deployment of operating personnel. Significant enhancements have been made to the software since Pace's last upgrade five years ago.

Enhanced features for Version 2009 include "behind the scenes" updates to the optimization algorithms as well as "front-end" updates to the various user interfaces. The algorithmic updates will enable Pace to achieve greater efficiency in producing bus and crew schedules. The enhanced user interfaces will improve the scheduling staff's productivity in using the software. Version 2009 introduces the following noteworthy features:

- Improved ATP running time calibration module - This helps determine how much time is needed for scheduled trips. It also helps schedulers analyze and calculate the minimum time needed at terminals, so buses can get back on schedule after routine traffic delays.
- Redesigned Roster module - This helps assemble daily work assignments into weekly operator work packages. It also helps balance the need to minimize pay penalties such as overtime and the need to ensure reasonable operator work assignments. The revisions offer a greater assortment of attributes, rules, and parameters to achieve more efficient results faster.
- Improved Minbus and CrewOpt algorithms - These proprietary Hastus algorithms help minimize the number of buses and bus operators required to operate a given service level. A typical enhancement includes a secondary algorithm that automatically attempts to marginally improve initial results before a final solution is completed. As with the Roster module, a greater assortment of rule and parameter options under Version 2009 will afford a more precise configuration of the algorithms for more effective results.

Marketing and Communications Plan

In 2009, Pace invested the majority of its marketing resources into reaching out to persons with disabilities. Pace sought to improve its relationships with those riders, touting recent improvements in paratransit service and the benefits of using fixed route buses and trains.

Another major effort surrounded the bus route changes in south Cook County, which took place in two phases on March 22 and June 7, 2009. To provide as much information as possible to customers and other stakeholders, Pace advertised in newspapers, on buses, at public events and even by using Pace employees as “Transit Ambassadors” who communicated with riders at bus stops in the days leading up to the route changes. In particular, Pace made a special effort to tell riders about the change in bus stop policy on three routes—350, 352 and 364. On those three routes, passengers can only board and alight at Pace bus stop signs, in contrast to other Pace routes, on which passengers can flag down a bus to board anywhere along the route where it is safe to do so.

The agency also marketed its Express Services to Popular Destinations to attendees of sporting events and concerts, and attempted to increase awareness of Pace services among the Spanish-speaking population of the region.

In other efforts, Pace engaged in extensive promotion of its 25th Anniversary—on July 1, 2009—and its increased Dial-a-Ride subsidies to many units of local government. Pace also promoted its low-cost pass options to high school and college students.

Pace’s 2010 Marketing Plan represents a continuation of the previous year’s efforts towards the disabled, student and Latino communities. A 2009 survey of disabled riders will allow Pace to fine-tune its message to this group, in the hopes of providing better service and more effectively managing the high cost of paratransit service. Furthermore, the agency’s promotional activities will support any restructuring efforts or bus route changes, including transitioning other routes to a “posted stops only” policy. The expansion of the call-n-ride concept to other portions of the six-county region will also require promotional support.



Pace advertising wrapped bus.

Pace will continue to add passenger amenities—bus stop signs and shelters—wherever possible. At the end of 2009, the agency reformed the way it purchases and installs passenger shelters, both advertising and non-advertising shelters, to have more control over the process of installing shelters upon the request of external stakeholders and generating as much advertising revenue as possible. This reform should vastly improve the agency’s ability to install a greater number of shelters throughout the region.

As the local economy appears to be on the road to recovery, Pace in 2010 will continue to tout its services as a method of saving money and taking control over one’s transportation spending. 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 successful RideShare matching program.

At a time when many commuters are looking for alternatives to 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 a person trying Pace service for the first time.

This page left intentionally blank.

Appendix F: 2008-2010 Operating Budget Detail

2008 Actual Operating Results

2008 Actual Program, Activity and Object Matrix

	(1)		(1)	(2)
	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
REVENUE				
Farebox	\$ 19,889,507	\$ 880,068	\$ 2,390,492	\$ 1,430,408
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,417,812	1,092,741	337,502	9,248,854
Total Revenue	\$ 22,307,319	\$ 1,972,809	\$ 2,727,994	\$10,679,262
OPERATING EXPENSES				
Operations				
Labor/Fringes	\$ 48,314,543	\$ 1,623,779	\$ 0	\$ 0
Parts/Supplies	34,839	0	0	0
Purchased Transportation	0	1,049,184	9,759,723	15,081,501
Fuel	0	0	0	0
Other	132,615	13,837	0	0
Total Operations	\$ 48,481,997	\$ 2,686,800	\$ 9,759,723	\$15,081,501
Vehicle Maintenance				
Labor/Fringes	\$ 10,666,490	\$ 353,731	\$ 0	\$ 0
Parts/Supplies	4,102,379	69,356	0	0
Other	(96,944)	39,084	0	479,145
Total Vehicle Maintenance	\$ 14,671,925	\$ 462,171	\$ 0	\$ 479,145
Non-Vehicle Maintenance				
Labor/Fringes	\$ 746,320	\$ 0	\$ 0	\$ 0
Parts/Supplies	492,275	0	0	0
Other	810,059	0	0	39,147
Total Non-Vehicle Maintenance	\$ 2,048,654	\$ 0	\$ 0	\$ 39,147
General Administration				
Labor/Fringes	\$ 2,108,644	\$ 276,797	\$ 0	\$ 0
Parts/Supplies	76,348	1,332	0	0
Utilities	2,068,117	115	0	58,138
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	276,356	76,505	0	743,481
Indirect Overheard Allocation	0	0	0	0
Total Administration	\$ 4,529,465	\$ 354,749	\$ 0	\$ 801,619
Total Expenses	\$ 69,732,041	\$ 3,503,720	\$ 9,759,723	\$16,401,412
Funding Requirement	\$ 47,424,722	\$ 1,530,911	\$ 7,031,729	\$ 5,722,150
Recovery Ratio	31.99%	56.31%	27.95%	65.11%

(1) Includes CMAQ/JARC Service

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

Vanpool	Administration	Centralized Support	Total Suburban Svc	Regional ADA Paratransit	2008 Actual
\$ 3,809,750	\$ 0	\$ 0	\$ 28,400,225	\$ 6,996,425	\$ 35,396,650
0	3,089,197	0	3,089,197	0	3,089,197
0	4,666,382	0	4,666,382	0	4,666,382
0	1,235,617	0	1,235,617	0	1,235,617
0	1,474,368	0	14,571,277	938,735	15,510,012
\$ 3,809,750	\$ 10,465,564	\$ 0	\$ 51,962,698	\$ 7,935,160	\$ 59,897,858
\$ 0	\$ 0	\$ 2,625,703	\$ 52,564,025	\$ 0	\$ 52,564,025
0	0	551,086	585,925	0	585,925
	0	0	25,878,683	97,110,650	122,989,333
2,411,477	0	19,557,225	21,968,702	2,004,271	23,972,973
1,514,502	0		1,660,954	0	1,660,954
\$ 3,925,979	\$ 0	\$ 22,734,014	\$ 102,670,014	\$ 99,114,921	\$ 201,784,935
\$ 0	\$ 0	\$ 2,451,275	\$ 13,471,496	\$ 0	\$ 13,471,496
0	0	1,123,168	5,294,903	0	5,294,903
0	0	1,177,127	1,598,412	0	1,598,412
\$ 0	\$ 0	\$ 4,751,570	\$ 20,364,811	\$ 0	\$ 20,364,811
\$ 0	\$ 0	\$ 547,085	\$ 1,293,405	\$ 0	\$ 1,293,405
0	0	0	492,275	0	492,275
0	118,501	561,743	1,529,450	0	1,529,450
\$ 0	\$ 118,501	\$ 1,108,828	\$ 3,315,130	\$ 0	\$ 3,315,130
\$ 0	\$ 12,699,285	\$ 0	\$ 15,084,726	\$ 2,123,172	\$ 17,207,898
0	255,246	0	332,926	19,673	352,599
0	238,341	62,996	2,427,707	10,996	2,438,703
0	0	7,825,554	7,825,554	266,790	8,092,344
0	0	13,836,585	13,836,585	353,219	14,189,804
0	5,171,507	3,408,136	9,675,985	2,160,186	11,836,171
0	0	0	(3,577,012)	3,577,012	0
\$	\$ 18,364,379	\$ 25,133,271	\$ 45,606,471	\$ 8,511,048	\$ 54,117,519
\$ 3,925,979	\$ 18,482,880	\$ 53,727,683	\$ 171,956,426	\$ 107,625,969	\$ 279,582,395
\$ 116,229	\$ 8,017,316	\$ 53,727,683	\$ 119,993,728	\$ 99,690,809	\$ 219,684,537
97.04%	56.62%	0.00%	36.00%	10.00%	

2009 Estimated Operating Results

2009 Estimated Program, Activity and Object Matrix

	(1)		(1)	(2)
	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
REVENUE				
Farebox	\$ 24,788,000	\$ 997,306	\$ 2,634,960	\$ 1,662,145
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,598,894	887,000	381,703	8,141,636
Total Revenue	\$ 27,386,894	\$ 1,884,306	\$ 3,016,663	\$ 9,803,781
OPERATING EXPENSES				
Operations				
Labor/Fringes	\$ 50,205,571	\$ 1,671,033	\$ 0	\$ 0
Parts/Supplies	37,235	1,500	0	0
Purchased Transportation	0	913,000	10,341,486	16,599,891
Fuel	0	0	0	0
Other	132,631	18,500	0	0
Total Operations	\$ 50,375,437	\$ 2,604,033	\$10,341,486	\$16,599,891
Vehicle Maintenance				
Labor/Fringes	\$ 11,448,118	\$ 390,872	\$ 0	\$ 0
Parts/Supplies	4,030,807	116,083	0	0
Other	(203,352)	64,572	0	563,650
Total Vehicle Maintenance	\$ 15,275,573	\$ 571,527	\$ 0	\$ 563,650
Non-Vehicle Maintenance				
Labor/Fringes	\$ 767,397	\$ 0	\$ 0	\$ 0
Parts/Supplies	528,821	0	0	0
Other	823,029	0	0	33,777
Total Non-Vehicle Maintenance	\$ 2,119,247	\$ 0	\$ 0	\$ 33,777
General Administration				
Labor/Fringes	\$ 2,266,759	\$ 284,322	\$ 0	\$ 0
Parts/Supplies	68,763	400	0	0
Utilities	1,747,586	115	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	131,012	1,450	0	790,610
ADA Overhead	0	0	0	0
Total Administration	\$ 4,214,120	\$ 286,287	\$ 0	\$ 790,610
Total Expenses	\$ 71,984,377	\$ 3,461,847	\$10,341,486	\$17,987,928
Funding Requirement	\$ 44,597,483	\$ 1,577,541	\$ 7,324,823	\$ 8,184,147
Budget Balancing Actions	\$ 0	\$ 0	\$ 0	\$ 0
Adjusted Funding Requirement	\$ 44,597,483	\$ 1,577,541	\$ 7,324,823	\$ 8,184,147
Recovery Ratio	38.05%	54.43%	29.17%	54.50%

(1) Includes CMAQ/JARC Service

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

Vanpool	Administration	Centralized Support	Total Suburban Svc	Total Regional ADA Paratransit	Combined 2009 Estimate
\$ 4,152,627	\$ 0	\$ 0	\$ 34,235,038	\$ 7,257,906	\$ 41,492,944
0	2,600,000	0	2,600,000	0	2,600,000
0	3,050,000	0	3,050,000	0	3,050,000
0	264,000	0	264,000	0	264,000
0	1,587,800	0	13,597,033	623,806	14,220,839
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 4,152,627	\$ 7,501,800	\$ 0	\$ 53,746,071	\$ 7,881,712	\$ 61,627,783
\$ 0	\$ 0	\$ 2,887,566	\$ 54,764,170	\$ 0	\$ 54,764,170
0	0	647,622	686,357	0	686,357
0	0	0	27,854,377	105,933,306	133,787,683
1,714,692	0	11,349,987	13,064,679	1,298,329	14,363,008
1,957,627	0	0	2,108,758	0	2,108,758
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 3,672,319	\$ 0	\$ 14,885,175	\$ 98,478,341	\$ 107,231,635	\$ 205,709,976
\$ 0	\$ 0	\$ 2,606,483	\$ 14,445,473	\$ 0	\$ 14,445,473
0	0	1,354,754	5,501,644	0	5,501,644
0	0	1,597,586	2,022,456	0	2,022,456
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 0	\$ 5,558,823	\$ 21,969,573	\$ 0	\$ 21,969,573
\$ 0	\$ 0	\$ 567,473	\$ 1,334,870	\$ 0	\$ 1,334,870
0	0	0	528,821	0	528,821
0	223,500	725,681	1,805,987	0	1,805,987
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 223,500	\$ 1,293,154	\$ 3,669,678	\$ 0	\$ 3,669,678
\$ 0	\$ 14,044,253	\$ 0	\$ 16,595,334	\$ 2,381,704	\$ 18,977,038
0	267,625	0	336,788	0	336,788
0	309,823	0	2,057,524	0	2,057,524
0	0	10,652,742	10,652,742	355,441	11,008,183
0	0	15,656,475	15,656,475	295,181	15,951,656
0	6,544,967	4,127,954	11,595,993	2,556,055	14,152,048
0	0	0	(3,688,422)	3,688,422	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 21,166,668	\$ 30,437,171	\$ 53,206,434	\$ 9,276,803	\$ 62,483,237
\$ 3,672,319	\$ 21,390,168	\$ 52,174,323	\$ 177,324,026	\$ 116,508,438	\$ 293,832,464
\$ (480,308)	\$ 13,888,368	\$ 52,174,323	\$ 123,577,955	\$ 108,626,726	\$ 232,204,681
\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,658,000)	\$ (2,658,000)
\$ (480,308)	\$ 13,888,368	\$ 52,174,323	\$ 123,577,955	\$ 105,968,726	\$ 229,546,681
113.08%	35.07%	0.00%	36.00%	10.00%	

2010 Operating Budget

2010 Program, Activity and Object Matrix

	(1)	(1)	(1)	(2)
	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
REVENUE				
Farebox	\$ 25,205,736	\$ 1,006,798	\$ 3,101,742	\$ 1,751,526
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,373,140	937,000	385,520	8,909,917
Total Revenue	\$ 27,578,876	\$ 1,944,798	\$ 3,487,262	\$10,661,443
OPERATING EXPENSES				
Operations				
Labor/Fringes	\$ 51,653,283	\$ 1,743,314	\$ 0	\$ 0
Parts/Supplies	39,163	1,575	0	0
Purchased Transportation	0	931,000	14,001,466	17,478,098
Fuel	0	0	0	0
Other	136,405	22,325	0	0
Expense/Service Adjustments	0	0	0	0
Total Operations	\$ 51,828,851	\$ 2,698,214	\$14,001,466	\$17,478,098
Vehicle Maintenance				
Labor/Fringes	\$ 11,975,644	\$ 408,156	\$ 0	\$ 0
Parts/Supplies	3,911,265	111,600	0	0
Other	(429,988)	60,472	0	608,275
Total Vehicle Maintenance	\$ 15,456,921	\$ 580,228	\$ 0	\$ 608,275
Non-Vehicle Maintenance				
Labor/Fringes	\$ 856,453	\$ 0	\$ 0	\$ 0
Parts/Supplies	508,337	0	0	0
Other	713,980	0	0	35,466
Total Non-Vehicle Maintenance	\$ 2,078,770	\$ 0	\$ 0	\$ 35,466
General Administration				
Labor/Fringes	\$ 2,442,090	\$ 306,003	\$ 0	\$ 0
Parts/Supplies	68,481	1,400	0	0
Utilities	1,722,455	117	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	333,799	2,076	0	908,171
ADA Overhead	0	0	0	0
Total Administration	\$ 4,566,825	\$ 309,596	\$ 0	\$ 908,171
Total Expenses	\$ 73,931,367	\$ 3,588,038	\$14,001,466	\$19,030,010
Funding Requirement	\$ 46,352,491	\$ 1,644,240	\$10,514,204	\$ 8,368,567
Budget Balancing Actions	\$ 0	\$ 0	\$ 0	\$ 0
Adjusted Funding Requirement	\$ 46,352,491	\$ 1,644,240	\$10,514,204	\$ 8,368,567
Recovery Ratio	37.30%	54.20%	24.91%	56.02%

(1) Includes CMAQ/JARC Service

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

Vanpool	Administration	Centralized Support	Total Suburban Svc	Total Regional ADA Paratransit	Combined 2010 Final Budget
\$ 4,444,937	\$ 0	\$ 0	\$ 35,510,739	\$ 7,691,765	\$ 43,202,504
0	2,390,000	0	2,390,000	0	2,390,000
0	2,450,000	0	2,450,000	0	2,450,000
0	219,000	0	219,000	0	219,000
0	1,868,100	0	14,473,677	660,977	15,134,654
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 4,444,937	\$ 6,927,100	\$ 0	\$ 55,043,416	\$ 8,352,742	\$ 63,396,158
\$ 0	\$ 0	\$ 3,066,608	\$ 56,463,205	\$ 0	\$ 56,463,205
0	0	729,407	770,145	0	770,145
0	0	0	32,410,564	116,149,933	148,560,497
2,034,721	0	14,800,521	16,835,242	1,681,709	18,516,951
2,202,313	0	0	2,361,043	0	2,361,043
0	0	0	0	0	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 4,237,034	\$ 0	\$ 18,596,536	\$ 108,840,199	\$ 117,831,642	\$ 226,671,841
\$ 0	\$ 0	\$ 2,766,929	\$ 15,150,729	\$ 0	\$ 15,150,729
0	0	1,372,525	5,395,390	0	5,395,390
0	0	1,575,500	1,814,259	0	1,814,259
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 0	\$ 5,714,954	\$ 22,360,378	\$ 0	\$ 22,360,378
\$ 0	\$ 0	\$ 602,327	\$ 1,458,780	\$ 0	\$ 1,458,780
0	0	0	508,337	0	508,337
0	229,300	817,500	1,796,246	0	1,796,246
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 229,300	\$ 1,419,827	\$ 3,763,363	\$ 0	\$ 3,763,363
\$ 0	\$ 14,701,668	\$ 0	\$ 17,449,761	\$ 2,499,934	\$ 19,949,695
0	267,381	0	337,262	0	337,262
0	323,155	0	2,045,727	0	2,045,727
0	0	10,926,627	10,926,627	386,045	11,312,672
0	0	16,282,734	16,282,734	306,988	16,589,722
0	6,816,429	4,694,144	12,754,619	2,697,577	15,452,196
0	0	0	(3,872,843)	3,872,843	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 22,108,633	\$ 31,903,505	\$ 55,923,887	\$ 9,763,387	\$ 65,687,274
\$ 4,237,034	\$ 22,337,933	\$ 57,634,822	\$ 190,887,827	\$ 127,595,029	\$ 318,482,856
\$ (207,903)	\$ 15,410,833	\$ 57,634,822	\$ 135,844,411	\$ 119,242,287	\$ 255,086,698
\$ 0	\$ 0	\$ 0	\$ (6,498,000)	\$ (28,939,287)	\$ (35,437,287)
\$ (207,903)	\$ 15,410,833	\$ 57,634,822	\$ 129,346,411	\$ 90,303,000	\$ 219,649,411
104.91%	31.01%	0.00%	36.00%	10.00%	-

Appendix G: 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.

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

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

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

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

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

Budget Amendment Process

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

Budget amendments which do not impact the RTA balanced budget determination basis are provided to the RTA for information purposes. The RTA may also initiate the need for a budget amendment by Pace or another Service Board if it determines such an amendment is necessary. Generally this would only occur if a Service Board failed to achieve its budgeted recovery ratio and/or exceeded its public funding allocation, in which case the RTA can direct the Service Board to submit an amended budget within a specified time frame. 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 2010 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 DD. 2010 Budget Development Calendar

Date (2009)	Event
May 15	Release budget call to Agency management
June 17	Budget call requests due from management
July	Staff develops a preliminary budget
August 12	Review Preliminary 2010 Budget with Pace Board
August 14	Submit Preliminary 2010 Budget to RTA
September 15	RTA scheduled to set 2010 Funding and Recovery Marks
September 16 - 30	Staff develops Proposed 2010 Budget per Board directives
October 14	Pace Board releases Proposed 2010 Budget for Public Hearing
October 19 - 30	Public Hearings on Pace's Proposed 2010 Budget
November 11	Pace Board adopts Final 2010 Budget
November 15	Submit Final 2010 Budget to RTA
November 16	RTA evaluates Pace budget for compliance
December 17	RTA scheduled to approve/adopt 2010 Budget for Pace

Appendix H: 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 2010, the RTA has requested that ten year forecasts of both operating and capital needs be provided to them. This information will be provided in Pace's formal budget submittal for 2010 in November 2009.

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, \$15,300,000 of Unrestricted Net Assets are being retained for working cash purposes during 2010.

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 \$5.3 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 I: 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.

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

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

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

CMAQ (Congestion Mitigation/Air Quality 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.

Illinois Jobs Now Signed into law July 13, 2009. Approved \$1.8 billion for transit and Pace is expected to receive \$90 million.

Illinois Jump Start Signed into law April 3, 2009. Approved \$900 million for transit and Pace is expected to receive \$203 million.

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.

Glossary (Continued)

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.

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

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

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

This page left intentionally blank.

Appendix J: Budget Balancing Actions

Budget Balancing Actions

Suburban Services Budget

The gap between the projected funding need for 2010 and the amount available from RTA sales taxes and PTF is \$6.498 million. This shortfall is significant and will require Pace to reduce expenses in order to balance the Suburban Services budget for 2010. As mentioned in the Executive Summary, Pace, like all governmental agencies supported by sales taxes, has seen a serious drop in public funding due to the economic recession. In 2009, Pace lost \$23.3 million in public funding, over 15% of total public funding. We were fortunate that falling fuel prices, increased operating income and the deferral of service improvements allowed us to balance the 2009 budget without having to reduce services. However, the economy continues to languish and public funding to Pace for 2010 remains flat to 2009. As a result, Pace will need to trim expenses in order to achieve a balanced budget in 2010. Due to the fact that a major fare increase (of 16% to 40% based on fare category) was implemented in January 2009, we do not believe Suburban Services fares can be increased further in 2010; therefore, we will rely on expense reductions to balance the Suburban Services Budget.

The proposed 2010 Budget assumes reductions to both direct service and non-service costs. While every activity Pace engages in is ultimately service related, we are segregating the reduction into these categories so as to better identify those reductions which directly impact services from those that do not.

The budget is balanced by \$2.708 million in reductions to non-service related expenses and \$3.790 million in direct service related expenses. These figures are summarized on the following table

Table 44. Summary Budget Balancing Actions

Action	Savings (Millions)	Ridership Impact (Millions)
Service Reductions	\$ 3.790	.750
Non-Service Reductions	2.708	—
Total	\$ 6.498	.750

Non-Service Reductions

The non-service reduction amount of \$2.708 million is comprised of two categories—non-union labor and fringe benefits and other non-service costs. The non-service reduction amount is further broken down as follows.

	Amount (Millions)
Non-Union Labor and Fringe Benefits	\$ 1.131
Other Non-Service Expenses	\$ 1.577
Total	\$ 2.708

The non-union labor savings will be achieved via a five day unpaid furlough of all non-union personnel along with increased contributions to non-union employee healthcare costs and health and welfare benefits savings. The other non-service savings will be achieved by reductions in marketing related expenditures, risk management claim related expenses and a further savings in fuel.

Service Related Reductions

After the identification of all potential non-service related savings opportunities, we are still left with a \$3.790 million shortfall that will require us to trim services. To that end, Pace's Planning Department has identified the services that will be reduced in order to achieve these savings. These services are primarily our less utilized services where the negative impact on ridership will be minimized. They are identified on the following table.

Proposed Service Reductions

Table 45. Proposed Service Reductions—Weekday Service**

Route	Name	Days	Annual Ridership	Annual Net Savings
*210	Lincoln Avenue	Weekday	20,000	\$ 37,171
326	West Irving Park	Weekday	64,139	286,425
*362	Park Forest	Weekday	5,100	47,634
451	Southeast Homewood	Weekday	5,712	18,268
452	Northeast Homewood	Weekday	12,244	7,880
460	Hazel Crest	Weekday	9,422	15,563
535	Fox Valley Shuttle	Weekday	13,973	43,936
616	The Chancellory Connection	Weekday	55,876	314,958
*626	Skokie Valley Limited	Weekday	No impact	27,617
637	Wood Dale - Rosemont CTA	Weekday	23,968	41,569
654	South Glen Ellyn	Weekday	5,736	72,109
657	Bloomingtondale/Glendale Heights	Weekday	15,090	87,166
661	Southwest Westmont	Weekday	8,477	52,300
668	Burr Ridge-Hinsdale	Weekday	12,086	47,482
669	Western Spring-Indian Head Pk.	Weekday	11,622	62,373
676	Naperville-Cress Creek	Weekday	21,736	145,517
685	Naperville-West Wind Estates	Weekday	17,705	87,861
687	Naperville-Farmstead	Weekday	17,311	67,872
689	Naperville-Hobson Village	Weekday	15,074	70,313
690	Arlington Heights Road	Weekday	20,524	44,849
696	Woodfield-Arlington Hts-Randhurst	Weekday	66,814	550,964
699	Palatine-Woodfield-Elk Grove	Weekday	72,234	611,124
711	Wheaton-Addison	Weekday	44,459	297,741
*747	DuPage Connection	Weekday	12,000	84,458
750	Country Club Hills	Weekday	10,095	17,163
753	Matteson	Weekday	9,882	25,891
*757	Northwest Connection	Weekday	5,100	18,839
767	Congress/Douglas-Prairie Stone	Weekday	11,430	24,895
781	North Naperville Office Complex	Weekday	5,416	84,719
821	Woodridge-Belmont	Weekday	15,235	133,572
822	Woodridge Lisle	Weekday	20,045	106,325
1012	Evergreen Park-Prairie Stone	Weekday	7,590	113,388
643/645	NW Elmhurst-Elmhurst Industrial	Weekday	7,880	21,932

Table 46. Proposed Service Reductions—Weekend Service**

Route	Name	Days	Annual Ridership	Annual Net Savings
234	Wheeling-Des Plaines	Saturday	5,330	\$ 5,157
*302	Ogden/Stanley	Saturday	2,100	3,996
304	Cicero-LaGrange	Saturday	6,199	6,081
*315	Austin/Ridgeland	Saturday	3,000	1,332
320	Madison Street	Saturday	3,383	2,129
348	138th St. Riverdale Connector	Saturday	3,393	19,342
367	University Park	Saturday	3,632	7,950
422	Linden CTA-Glenview-Northbrook Ct.	Saturday	13,355	25,904
423	Linden CTA-The Glen-Harlem CTA	Saturday	11,799	27,209
528	Aurora Trans. Ctr.-Rush Copley Medical	Saturday	3,275	6,399
529	Randell Road-5th Street	Saturday	10,650	22,283
535	Fox Valley Shuttle	Saturday	2,507	9,295
715	Central DuPage	Saturday	8,500	75,192
747	DuPage Connection	Saturday	1,560	20,184
*208	Golf Road	Sunday	No impact	3,579
209	Busse Highway	Sunday	7,838	6,222
223	Elk Grove-Rosemont CTA	Sunday	12,331	12,925
304	Cicero-LaGrange	Sunday	4,987	4,176
366	Park Forest-Chicago Heights	Sunday	3,957	3,525

* Routes marked with an asterisk are proposed for a reduction in service hours.

** These routes were taken to public hearings and actual service reductions implemented may be revised from the above based on results of the public hearings.

ADA Paratransit Budget

The ADA Paratransit Program is in a state of financial crisis as we approach 2010. The RTA ADA fund, which was established by PA 95-0708, has declined in value based on the decline in sales tax income while program expenses have grown due to increasing demand for services.

In order to understand the financial situation facing the ADA program for 2010, it is important to take a closer look at the position the program is in for 2009.

2009 ADA Budget Overview

Based on declining sales tax projections, the RTA reduced the ADA fund level from \$100 million in 2008 to an initial 2009 budget level of \$99 million. The \$99 million fund level initially set for 2009 was then reduced further on two separate occasions to the \$89 million level as it currently stands. While the fund level was reduced by \$11 million from 2008, the funding needed grew from the \$100 million in 2008 to a projected \$108 million in 2009. The 2008 to 2009 funding requirement increased primarily to an 8% growth in demand for services during 2009.

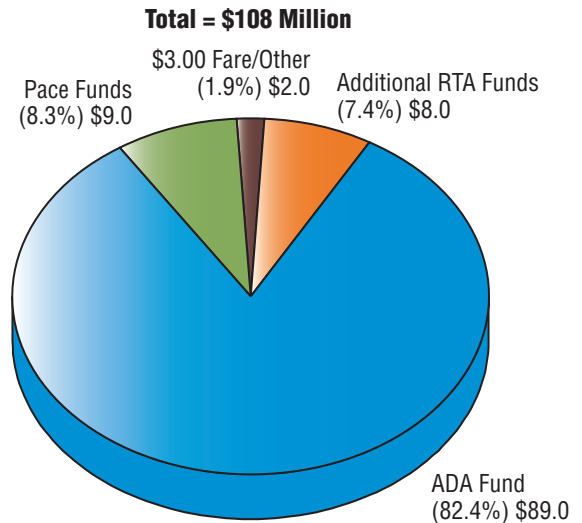
The RTA has identified \$8 million in additional funding for ADA in 2009. They are also requiring Pace to commit \$9 million from our 2010 federal capital funding, raise ADA fares to \$3.00 and reduce call taking hours to close the remaining gap for 2009. While these actions are designed to address the 2009 shortfall they do not represent a solution for 2010 or beyond.

2010 ADA Budget Situation

For 2010, Pace projects that based on 6% ridership growth and known increases in contractor costs the funding required for the ADA program will reach \$119.2 million.

The RTA projects \$90.3 million to be available from the ADA fund in 2010, leaving a shortfall of \$28.9 million.

Chart EE. 2009 ADA Paratransit Funding



RTA ADA 2010 Budget Solution

The RTA has identified the need for budget balancing actions of up to \$17.2 million in 2010. These actions include the future availability of \$9.0 million in RTA/ICE funds contingent on the compliance with the requirements of their ordinances 2009-67 and 2009-74. In addition, they include the commitment by Pace of \$3.4 million of its Suburban Service operating or capital funds in the \$17.2 million.

This proposed solution is problematic from several standpoints—first and foremost, it does not balance the ADA budget for 2010. Second, it presumes that Pace is responsible for funding the ADA paratransit program from its Suburban Services operating or capital funds. This is a position that Pace rejects.

While the RTA required Pace to use \$9.0 million of its capital funds to balance the ADA shortfall for 2009, it was accepted by the Pace Board as a crisis resolution action and it does not represent the view that Pace bears any responsibility for future funding of the ADA program. To that end, the Pace Board will not approve further use of Pace funds to balance the ADA budget in 2010.

Pace ADA 2010 Budget Solution

Under the present circumstances indicating inadequate funding from RTA for 2010, the Pace Board will consider what actions they can take to close the 2010 budget shortfall. The RTA ordinance (2009-74) identifies that further actions will be required to balance the 2010 ADA budget, including but not limited to:

- adjusting service and/or fares,
- implementing efficiencies,
- reducing operating costs, and
- identifying additional funds or revenues including 2010 RTA ICE funds and Pace funds.

With the exception to the use of Pace funds, Pace intends to pursue implementation of the RTA's recommended actions.

- Pace implemented the ADA fare increase to \$3.00 in November 2009, as required by RTA.
- Pace intends to fully implement the cost savings opportunities identified by the RTA's study of the ADA paratransit system completed in 2009.

- Pace is working with State and RTA officials to secure \$8.5 million of additional funding for the ADA program.

In the event and to the extent these efforts are unsuccessful, and only as a last resort, Pace will need to consider a further fare increase for the ADA program.

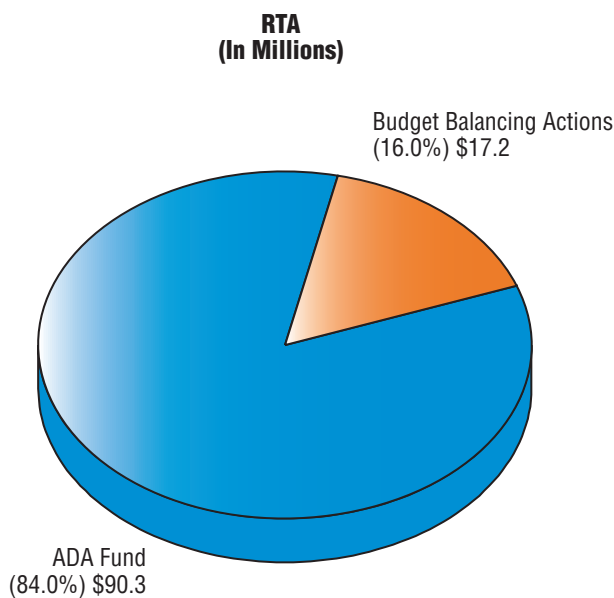
The total result stemming from the above actions is being considered the "budget balancing actions" which closes the gap between the RTA/ADA fund level and the projected deficit for 2010.

The RTA and Pace have different assumptions with regard to the amount and composition of budget balancing actions required in 2010. These differences will be reconciled as more information from RTA becomes known. Last, but most important, RTA is expected to provide working cash to Pace in the event more than \$107.5 million is needed to fund the program in 2010.

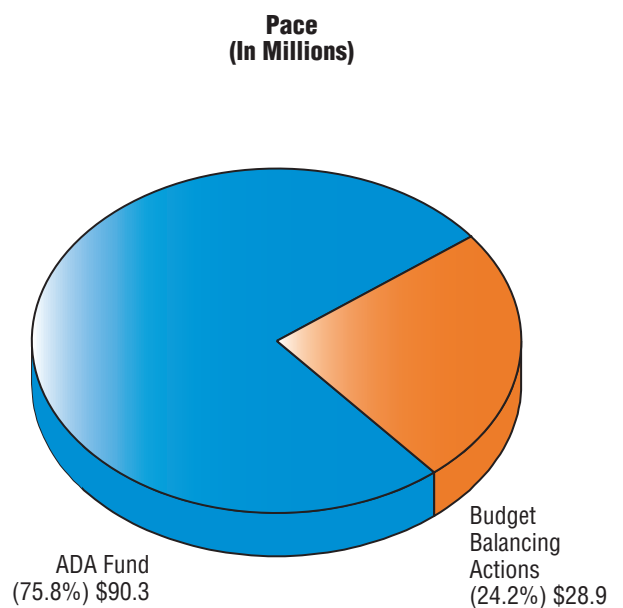
Chart FF identifies the RTA's proposed 2010 ADA budget solution and Chart GG identifies Pace's recommended 2010 ADA budget solution.

Additional detail on Pace's actions is provided on Table 48.

**Chart FF. 2010 RTA/ADA Paratransit Deficit—
\$107.5 Million**



**Chart GG. 2010 Pace/ADA Paratransit Deficit—
\$119.2 Million**



2010 ADA Fares

The following table identifies the ADA paratransit fare in effect as of November 2009.

Table 47. Pace Proposed ADA Fare Adjustments

	October 2009	RTA Required 2009 Action November 2009
City ADA Fare	\$ 2.25	\$ 3.00
Suburban ADA Fares		
Cook	\$ 3.00	\$ 3.00
Collar County	\$ 2.50	\$ 3.00
Other		
City Monthly Pass	\$ 150.00	Eliminated ¹

¹ This action is not required by RTA Ordinance 2009-67.

Regional ADA Paratransit Budget Balancing Actions

Table 48 identifies two options which achieve the budget balancing actions required. Pace is working to secure new funding for the ADA program and that is the preferred option. The alternative, in the event adequate new funding is not secured, is to increase fares.

**Table 48. Regional ADA Paratransit Budget—Potential Budget Balancing Actions
Estimated Impact Amount—Annual (Millions)**

Item	Option	
	New Funding	No New Funding
\$3.00 Fare (in effect as of November 2009)	\$ 6.2	\$ 6.2
Additional Funding		
RTA/ICE Funds	\$ 9.0	\$ -
Other New Funding	8.5	-
RTA Working Cash	5.2	-
Fare Increase to Federal Limit	\$ -	\$ 22.7
Total	\$ 28.9	\$ 28.9

Pace Quick Facts

Service Characteristics

Background data on the Pace service is provided below:

Fixed Route Service

Number of Fixed Routes (August, 2009)	213
• Regular Routes	143
• Feeder Routes	50
• Shuttle Routes	16
• Subscription Services	1
• Seasonal Routes	3
Number of Accessible Routes	213
Peak Period Vehicle Requirements	607
Pace-owned Fleet Size	701
Number Accessible	701
Average Vehicle Age	7.4 years
Contractor Owned Vehicles in Pace service	8
Number of Private Contractors	4
Number of Pace-owned Garages	11
Number of Pace Municipal Contractors	2

Paratransit

Number of Communities Served	210
Number of Local Dial-A-Ride Projects	65
Pace-owned Fleet Size (Includes Suburban ADA)	366
Average Vehicle Age	4.5 years
Community Transit Vehicles in Service (August, 2009)	80
Contractor Owned Vehicles in City ADA service	580

Vanpool

Vans in Service (August, 2009)—VIP	293
Vans in Service (August, 2009)—Corporate Shuttle	16
Vans in Service (August, 2009)—Advantage	301
Total Vans in Service	610
Average Vehicle Age	3.5 years

Other

Number of Pace Employees (Includes ADA Staff)	1,457
---	-------

Ridership (000's)

	2008 Actual	2009 Estimate	2010 Budget
Fixed Route	34,655	30,102	30,744
DAR/Ride DuPage/Kane	1,103	1,282	1,365
Vanpool	2,021	1,966	2,110
Total Suburban Service	37,779	33,350	34,219
Regional ADA	2,727	2,881	3,053
Total System	40,506	36,231	37,272

Vehicle Miles (000's)

	2008 Actual	2009 Estimate	2010 Budget
Fixed Route	24,906	24,606	25,147
DAR/Ride DuPage/Kane	4,061	5,206	5,496
Vanpool	12,679	12,388	13,322
Total Suburban Service	41,646	42,200	43,965
Regional ADA*	4,974	26,144	27,707
Total System	46,620	68,344	71,672

*2008 excludes City ADA miles

Vehicle Hours (000's)

	2008 Actual	2009 Estimate	2010 Budget
Fixed Route	1,656	1,640	1,676
DAR/Ride DuPage/Kane	286	290	290
Vanpool	N/A	N/A	N/A
Total Suburban Service	1,942	1,930	1,966
Regional ADA	1,336	1,680	1,780
Total System	3,278	3,610	3,746

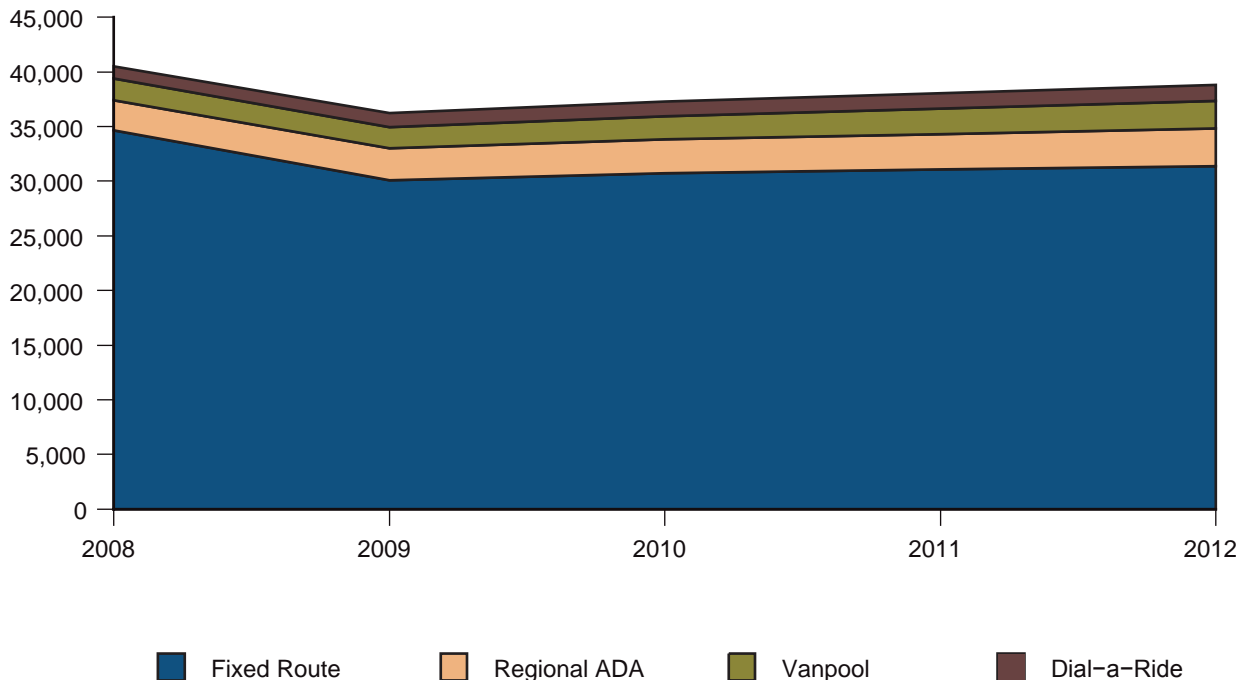
Ridership

The following table identifies projected ridership changes by operating element for years 2008 through 2012.

Table 49. Pace 2010-2012 Status Quo Ridership Projections

(000's)	2008 Actual	2009 Estimated	% Change	2010 Projected	% Change	2011 Projected	% Change	2012 Projected	% Change
Pace Owned Carriers	31,688	27,379	-13.6%	27,834	1.7%	28,112	1.0%	28,393	1.0%
Public Carriers	997	914	-8.3%	923	1.0%	932	1.0%	942	1.1%
Private Carriers	1,970	1,809	-8.2%	1,987	9.8%	2,007	1.0%	2,027	1.0%
Total Fixed Route	34,655	30,102	-13.1%	30,744	2.1%	31,051	1.0%	31,362	1.0%
Dial-a-Ride	1,103	1,282	16.2%	1,365	6.5%	1,403	2.8%	1,443	2.9%
Vanpool	2,021	1,966	-2.7%	2,110	7.3%	2,321	10.0%	2,553	10.0%
Suburban Service Total	37,779	33,350	-11.7%	34,219	2.6%	34,775	1.6%	35,358	1.7%
Regional ADA Paratransit Service	2,727	2,881	5.6%	3,053	6.0%	3,235	6.0%	3,429	6.0%
Combined Pace Service	40,506	36,231	-10.6%	37,272	2.9%	38,010	2.0%	38,787	2.0%

Chart HH. Pace 2008-2012 Status Quo Ridership





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

PACE

Illinois

For the Fiscal Year Beginning

January 1, 2009

Handwritten signature of the President of GFOA.

President

Handwritten signature of Jeffrey R. Emerson, Executive Director of GFOA.

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, 2009.

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.

