



Suburban Service Budget and Regional ADA Paratransit Budget

2011 Operating and Capital Program
2011-2020 Business Plan for Operations
2011-2020 Capital Business Plan

Final Program • November 2010
Serving Northeastern Illinois since 1984



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Pace 2011 Budget—November 2010

Chairman's Message

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

These are challenging economic times for all of us. At Pace, we are committed to living within our means while delivering the core services our riders—and our communities—deserve. That is why I am pleased to present our balanced budget for 2011. This austere budget does not include a fare increase or service reductions. This was not an easy task, but we take great pride in running a fiscally responsible mass transit agency that is responsive to our stakeholders.

At a time when RTA sales tax funding has been nearly flat, we rolled up our sleeves and made tough decisions. In 2009, we increased fares to shore up our revenue performance. In 2010, we trimmed low productivity services and administrative costs. These actions, combined with exemplary cost control, have positioned us to balance the 2011 budget. Doing more with less has been a common theme at Pace, but we are committed to being stewards of precious resources.

Our efforts to replace our fleet with fuel efficient vehicles will continue into 2011 with plans to purchase 96 fixed route buses, 7 suburban paratransit vehicles, 143 vanpool vans and—based on new funding from the State—up to 42 vehicles for the Regional ADA Paratransit service that Pace operates. These vehicles are in addition to the 125 ADA Paratransit vehicles that will be purchased with a State grant for 2010. These State-funded vehicles represent the first public investment in equipment for the Regional ADA Paratransit program and will help to cut operating costs paid to contractors to reimburse them for using their own vehicles. Further, based on a mandate from the State, all new vehicles purchased with State funds will be “Green,” using an environmentally-friendly hybrid technology.

There is even more good news to report with regard to the Regional ADA Paratransit program—we project to reduce the operating cost of the program in 2010 compared to 2009, and anticipate very modest growth for 2011. We are optimistic that the State and RTA will fulfill their commitments to fully fund the program for 2010 and 2011. For 2011, we do not plan to increase ADA paratransit fares as committed to in our funding agreement with the State and RTA.

While our financial situation is stable, we must continue to run a fiscally responsible agency as we look to the future. RTA is projecting for minimal funding growth and that will require us to maintain a firm control of costs while identifying opportunities to improve services. We remain fully committed to this effort.

We must also work with our regional partners to identify and secure adequate funding for capital infrastructure needs. The recently completed RTA Capital Asset Condition Assessment identifies a net regional funding shortfall of \$17 billion for capital repair and replacement over the next ten years. Pace's share of this shortfall is nearly \$600 million. Closing this shortfall is vital to our ability to maintain effective operations and control costs while providing the quality of service our communities and riders deserve.

Please take this opportunity to review our 2011 budget and provide us with your comments—we look forward to hearing from you. Pace has scheduled 13 public hearings throughout the region, times and locations are identified in this document and on our website at www.pacebus.com.

Sincerely,



Richard A. Kwasneski
Chairman

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Executive Summary

Budget Highlights and Issues

Budget Highlights and Issues

The budget outlook for 2011 is stable. The budget is balanced without the need for adjustments to fares or services.

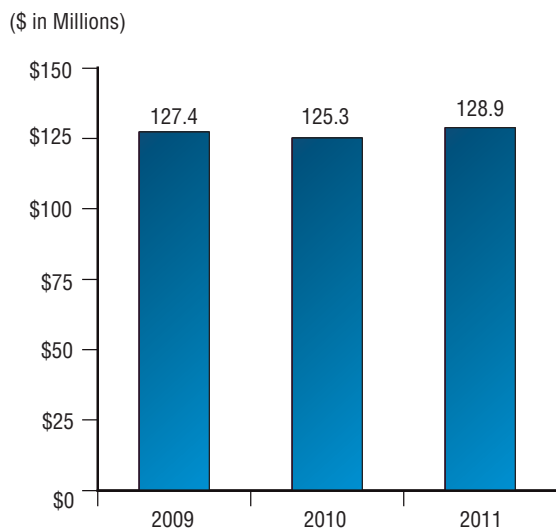
In this time of flat sales tax performance, significant challenges are being addressed to control costs and keep the Agency financially sound. In response to declining sales tax funding in 2009, Pace increased fares. In 2010 \$4.1 million in reductions were implemented. These proactive steps have helped position Pace to balance the 2011 budget without any further adjustments. While the funding outlook for 2011 continues to be disappointing, it is manageable and Pace expects to maintain stable service and fare levels.

Suburban Services Operating Funding

The economic recession has had a significant impact on sales taxes which comprise Pace's primary source of public subsidy. It is projected by RTA that over the three year period of 2009 to 2011 that Pace's public funding will only increase by 1.1%. Were it not for the corrective actions taken in 2009 and 2010, Pace would be facing a serious shortfall in 2011, fortunately, we are not.

Pace public funding for 2009 to 2011 is represented in the following chart.

Chart A. Pace Suburban Services—RTA Funding 2009-2011



Pace strategies to balance the budget, given this flat funding outlook, are based on a restrictive hold of all new initiative elements, limited labor growth, lowered projections for inflation (1.3% for 2011) and utilization of a limited amount (\$2.0 million) of federal funds to support operations.

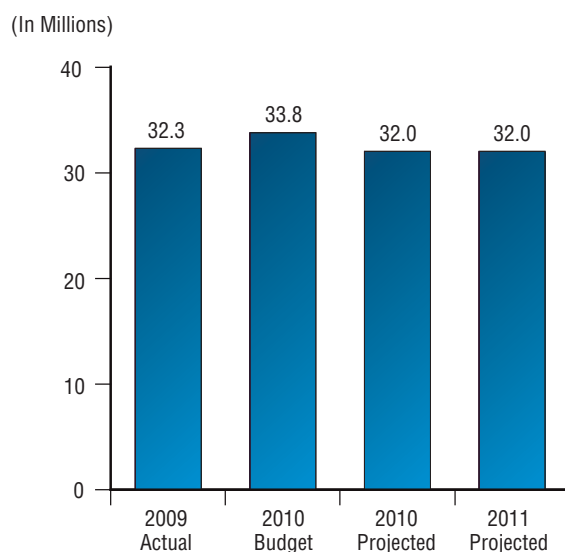
Cost increases, primarily for fuel and health care, will contribute to overall expense growth of 3.1% projected for 2011. On the positive side, operating revenues are projected to increase by 3.3% in 2011 largely due to non-farebox related revenue elements.

Due to the weak economy and high unemployment in the region, Pace ridership for 2010 is projected to fall, finishing the year slightly down from 2009 and below budget for 2010.

The ridership in 2011 is projected to be essentially flat to 2010. Unemployment in Illinois is not expected to peak until the second quarter of 2011, indicating continued weak demand for ridership.

The following chart identifies recent and projected Pace ridership performance.

Chart B. Pace Suburban Services Ridership 2009-2011



ADA Paratransit Funding

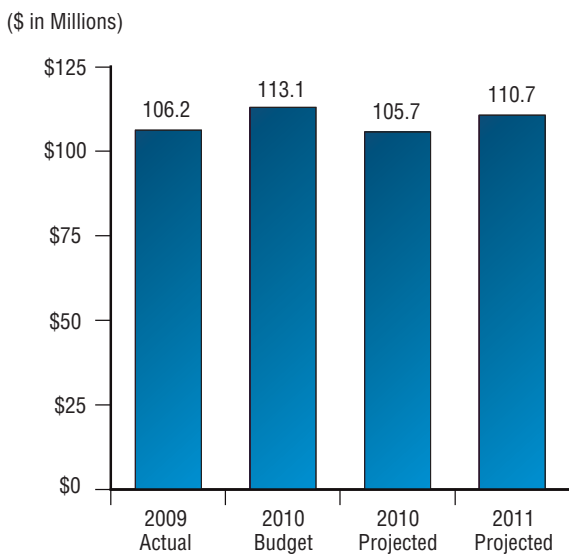
The 2011 budget outlook for the Regional ADA Paratransit program is mixed. On the positive side, expense growth is minimal at 4.4% which is comprised of increased demand of 2.0% and contract cost increases of 2.4%. Operating revenue will reach a record level of nearly \$10.0 million.

A continuing concern, however, is that the funding required for 2011 will rely on the provision of additional funds. The 2011 funding marks set by RTA require up to \$9.24 million in budget balancing efforts and \$8.50 million in additional funding from the State. Thus far in 2010, the State has not delivered on similar funding commitments for 2010.

In 2010, Pace has reduced the cost of the program from 2009 levels and projects to be substantially under budget. However, as the budget was not fully funded in the first place, this favorable performance does not generate any resources which can be used in 2011.

The following chart summarizes ADA paratransit funding results for 2009 to 2011.

Chart C. Regional ADA Paratransit—Funding 2009-2011

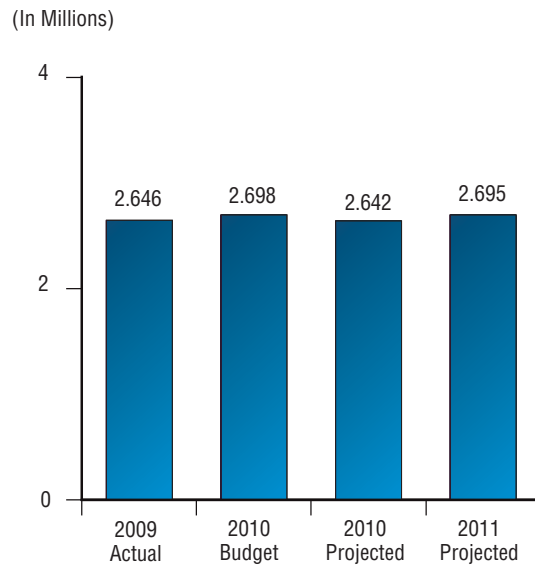


Demand for ADA paratransit services is down slightly in 2010 versus 2009, largely due to a fare increase implemented in November 2009. At that time, City and Suburban ADA fares were set at a uniform \$3.00 per trip. Weakened demand for the ADA paratransit program is projected to continue into 2011 due to the economy and residual impact of the 2009 fare adjustment.

Regional ADA paratransit ridership is shown on the following chart.

Pace projects to provide 53,000 additional ADA paratransit trips in 2011.

Chart D. Regional ADA Paratransit—Ridership 2009-2011*



*excludes Taxi Access program

2011 Operating Budget Summary

On September 15, 2010, 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 2011 is \$183.320 million. Suburban Services operating revenues are budgeted at \$49.802 million. Total public funding for Suburban Services will reach \$133.518 million based on funding marks provided by the RTA. This amount will cover the status quo operating deficit. There are no fare increases or service reductions included in the 2011 budget for Suburban Services.

The status quo expense budget for the Regional ADA Paratransit program in 2011 is \$120.656 million.

At current fare levels, ADA operating income will be \$9.994 million resulting in a funding requirement of \$110.662 million. The ADA fund for 2011 is projected at \$92.921 million. State (\$8.500 million) and RTA (\$9.241 million) funding is projected to close the remaining gap.

There are no fare adjustments proposed for ADA paratransit services in 2011.



Pace opened its new Administrative Headquarters building in spring of 2009.

Table 1. 2011 Combined Pace Services Operating Budget Summary (000's)

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
Total Operating Expenses	\$ 183,320	\$ 120,656	\$ 303,976
Less: Total Operating Revenue	49,802	9,994	59,796
Funding Requirement	\$ 133,518	\$ 110,662	\$ 244,180
Less: Sales Tax (Part I)	\$ 72,617	\$ 0	\$ 72,617
Sales Tax & PTF (Part II)	29,617	92,921	122,538
Suburban Community Mobility Funds (SCMF)	18,585	0	18,585
South Suburban Job Access Funds	7,500	0	7,500
RTA Discretionary (PTF - Part I)	535	0	535
Federal CMAQ/JARC/New Freedom Funds	1,935	0	1,935
RTA ICE Funds	236	0	236
Federal 5307 Funds	2,000	0	2,000
State Funds	0	8,500	8,500
RTA Funds/Budget Balancing Actions	0	9,241	9,241
Pace Funds	493	0	493
Net Funding Available	\$ 0	\$ 0	\$ 0
Recovery Ratio	36.00%	10.00%	N/A

2011 Capital Budget Summary

Suburban Services

The 2011 Capital Program totals \$80.30 million. The program contains \$70.60 million for the purchase of 96 fixed route buses, 7 paratransit vehicles, and 143 vans. Additionally, these funds will be used for associated capital which is used to purchase bus components such as engines and transmissions, funds to help pay for bus overhaul/maintenance expenses and funding to pay for capital cost of contracting expenses.

The program contains \$7.25 million for the purchase of maintenance equipment, non-revenue service trucks, computer systems, office equipment and mid-life renovation to our garages.

The program also contains \$2.45 million for alternative analysis funds to develop the J-Route BRT identified in the DuPage Area Transit Plan, Pace funded capital/unanticipated capital and project administration.

Regional ADA Paratransit

For the first time, the State has allocated funding for Regional ADA Paratransit capital needs. This capital program totals \$4.70 million for the purchase of 42 paratransit buses.

In summary, the total combined 2011 capital budget equals \$85 million for Suburban service and Regional ADA Paratransit needs.

Table 2. 2011 Suburban Services Capital Budget (000's)

Project Description	Amount
ROLLING STOCK	
96 Fixed Route Buses - 40 ft.	\$ 55,350
7 Paratransit Buses	700
143 Vanpool Vans	5,400
Bus Overhaul/Maintenance Expense	2,000
Associated Capital	5,150
Capital Cost of Contracting	2,000
Subtotal - Rolling Stock	\$ 70,600
SUPPORT FACILITIES/EQUIPMENT	
Maintenance Equipment/Non-Revenue Vehicles	\$ 250
Computer System/Hardware & Software	3,600
Office Equipment	100
Garages - Mid-Life Renovation	3,300
Subtotal - Support Facilities/Equipment	\$ 7,250
PROJECT ADMINISTRATION/MISCELLANEOUS	
Project Administration	\$ 800
Pace Funded Capital/Unanticipated Capital	1,350
J-Route BRT Alternative Analysis	300
Subtotal - Project Administration/Misc.	\$ 2,450
TOTAL SUBURBAN CAPITAL PROGRAM	\$ 80,300
TOTAL FUNDING	
Federal 5307	\$ 33,700
Federal 5309	1,000
Federal CMAQ	5,400
IDOT	38,850
Pace Funds	1,350
TOTAL SUBURBAN FUNDING	\$ 80,300

Table 3. 2011 Regional ADA Capital Budget (000's)

Project Description	Amount
ROLLING STOCK	
42 Paratransit Buses	\$ 4,700
TOTAL ADA CAPITAL PROGRAM	\$ 4,700
TOTAL FUNDING	
Federal 5309	\$ 700
IDOT	4,000
TOTAL ADA FUNDING	\$ 4,700
COMBINED CAPITAL BUDGET	\$ 85,000

2011 Suburban Service Operating Budget

Summary

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

- Pace will incur \$183.320 million in operating expenses for 2011 in the provision of transit services in the Region.
- A total of \$49.802 million in revenue will be generated from operations.
- An initial deficit or funding requirement of \$133.518 million will occur from operations prior to funding.
- A total of \$128.854 million in funding generated from regional sales taxes is proposed to be available for 2011.
- A total of \$1.935 million in Federal Congestion Mitigation/Air Quality (CMAQ), Job Access and Reverse Commute (JARC) and New Freedom funds are expected for next year; and \$236,000 in RTA Innovation, Coordination and Enhancement (ICE) funds are programmed for 2011.
- With a slight funding gap of \$2.493 million for next year, Pace proposes to use \$2.000 million of Federal Capital Cost of Contracting funds and \$493,000 of Pace funds to balance the remaining funding need.

The small funding gap for 2011 continues to be a product of a poor economy which is impacting both operating income as well as public funding revenues. However, there are some indications that public funding revenues may be stabilizing given RTA's establishment of an in-

crease in the funding marks for 2011.

For 2011, there is some optimism for the Suburban Services budget. Operating revenue is projected to grow 3.3%; however, the increase is coming from a modest growth in non-service revenues like advertising income. Fare revenues are expected to remain flat next year as ridership is forecasted to remain unchanged for 2011. Numerous factors have affected ridership growth over the past year; however, the continued poor economic outlook is being blamed for no expected growth in ridership next year. Pace ridership is heavily influenced by employment levels and the outlook for employment is less than promising for next year. The State of Illinois is forecasting a continued rise in unemployment through the first half of next year. This outlook continues to weigh heavily on the lack of growth for riders next year.

Total expense growth has been held to a 3.1% overall growth based on conservative assumptions for labor growth, fuel and health care. The small rate of growth has actually been helped by a very low inflationary outlook of 1.3% for next year.

The 2011 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.

A detailed review of the 2011 Suburban Service operating program is presented in this section.

Table 4. 2011 Suburban Service Operating Budget Summary (000's)

	2009 Actual	2010 Estimate	2011 Budget
Total Operating Expenses	\$ 174,415	\$ 177,765	\$ 183,320
Less: Total Operating Revenue	50,631	48,207	49,802
Funding Requirement	\$ 123,784	\$ 129,558	\$ 133,518
Less: Sales Tax (Part I)	\$ 70,439	\$ 69,883	\$ 72,617
Sales Tax & PTF (Part II)	28,966	29,812	29,617
Suburban Community Mobility Fund (SCMF)	18,202	18,061	18,585
South Suburban Job Access Fund	7,500	7,500	7,500
RTA Discretionary (PTF Part 1)	2,267	0	535
Federal CMAQ/JARC/New Freedom Funds	3,342	2,269	1,935
RTA ICE Funds	36	250	236
Federal 5307 Funds	0	2,300	2,000
Pace Funds	0	0	493
Net Funding Available	\$ 6,969	\$ 517	\$ 0
Recovery Ratio	34.80%	35.71%	36.00%

Sources of Funds

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

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

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

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

Table 5. Part I. Allocation of Sales Tax Receipts

	RTA	CTA	Metra	Pace
Chicago	15.00%	85.00%	—	—
Suburban Cook	15.00%	25.50%	46.75%	12.75%
Collar Counties	15.00%	—	59.50%	25.50%

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

	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Plan
REGIONAL FUNDS					
Sales Tax - Part I	\$ 752,925	\$ 729,773	\$ 660,183	\$ 649,600	\$ 675,012
PTF Match to Part I Sales Tax (25%)	188,931	182,443	169,353	162,400	168,753
Sales Tax - Part II	—	222,928	234,055	240,875	241,287
PTF Match to Part II Sales Tax (+5% Part I)	—	44,758	113,188	111,343	113,337
Total Sales Tax and PTF	\$ 941,856	\$ 1,179,902	\$ 1,176,779	\$ 1,164,218	\$ 1,198,389
PACE SHARE OF REGIONAL FUNDS					
Sales Tax - Part I	\$ 81,232	\$ 78,240	\$ 70,439	\$ 69,883	\$ 72,617
PTF Match to Part I Sales Tax	6,960	—	2,267	—	535
Sales Tax II and PTF	—	37,130	54,668	55,373	55,702
Total Pace Share	\$ 88,192	\$ 115,370	\$ 127,374	\$ 125,256	\$ 128,854
PACE FUNDING AS A PERCENT OF REGIONAL FUNDING					
Sales Tax I and PTF I	9.4%	8.6%	8.8%	8.6%	8.7%
Sales Tax II and PTF II	—	13.9%	15.7%	15.7%	15.7%
Total Receipts	9.4%	9.8%	10.8%	10.8%	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 \$72,617,000 for Pace for 2011. This represents approximately 10.8% of the total RTA region's estimate of \$675,012,000. The RTA estimate for Pace sales tax will increase 3.0% from 2009 to 2011. 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 2011, they will provide \$.535 million.

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 2011.

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 2011.

New Freedom Program

The Federal Transit Administration provides for a program which encourages service and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act. Pace has programmed use of New Freedom funds in 2011.

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 7).

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 2011 RTA budget.

Suburban Community Mobility Fund (SCMF)

The SCMF provides \$18.6 million (2011) 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 2011, 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 \$30.8 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)

	2011 Plan
NEW SALES TAX	\$ 241,287
Public Transportation Funds	
5% Match—New Sales Tax & Old Sales Tax	\$ 45,815
5% Match—Chicago RETT	1,200
Total 5% PTF Match	\$ 47,015
25% PTF Match—New Sales Tax	60,322
Total New Sales Tax & PTF	\$ 348,624
DISTRIBUTION	
Regional ADA Paratransit Fund - Pace/RTA	\$ 92,921
Suburban Community Mobility Fund - Pace	18,585
RTA Innovation, Coordination/Enhancement Fund	9,292
Balance Available for Allocation to Service Boards	\$ 227,826
SERVICE BOARD DISTRIBUTION	
CTA—48%	\$ 109,356
Metra—39%	88,853
Pace—13%	29,617
Total to Service Boards	\$ 227,826
South Cook Job Access*	\$ 7,500

*Not sourced from new sales tax/PTF

Operating Revenues

Pace is budgeting for \$49.802 million in Suburban Service operating revenue in 2011, a \$1.595 million or 3.3% increase from estimated 2010 levels. Farebox revenues are expected to remain flat next year as ridership is forecasted to remain unchanged for 2011. Advertising revenues are projected to increase from 2010 levels, however, remain well below historical levels. Pace's bus advertising contractor continues to struggle given the downturn in the economy. Other/Local Share revenue will grow next year by 4.2%. Investment income will grow at a modest rate given the financial markets outlook for interest rates to remain low for 2011. On the positive side, 2011 revenues reflect an increase in State reduced fare reimbursement. The outlook remains cautious that half-fare revenues may return to historical levels.

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



Pace's U.S. Cellular Field Express takes passengers directly from six convenient locations to the ball park.



Ad shelter advertising is a source of revenue to Pace.

Uses of Funds

All funds received in 2011 will be used to support Pace services. The components of the 2011 Suburban Service operating program are fixed route carriers (Pace-owned, public/municipal contract and private contract carriers); dial-a-ride services; the vanpool program; centralized support expenses and costs for administration.

Pace-Owned Services

Pace is responsible for the direct operation of nine carriers in the six county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry 83% of the total suburban service ridership. Pace expects to provide \$74.516 million for expenses to these carriers in 2011. Further information on the Pace-owned services budget can be found on page 14.

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 \$3.564 million in 2011. Further information on the public/municipal contracted services budget can be found on page 15.

Private Contract Services

Pace provides service to more than 31 communities by directly contracting with four private transit companies. In 2010, Pace contracted for Job Access Reverse Commute (JARC) service. The combined total cost for privately contracted service in 2011 is \$8.440 million. Further information on the private contract services can be found on page 16.

Dial-a-Ride Services

Pace participates in 66 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 2011 is \$17.760 million. Further information on the dial-a-ride services budget can be found on page 17.

Vanpool Services

The 2011 budget for vanpool services is \$3.635 million. 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. Pace expects this program to have 601 vans in service by the end of 2011. Further information on the vanpool services budget can be found on page 18.

Centralized Support

Pace provides a variety of direct operational support items through a centralized support program. Pace has been able to save money by buying in bulk and consolidating services. In total, Pace will spend \$57.494 million to provide fuel, insurance, health care and other support items in 2011. Further detail on the centralized support program budget is contained on page 20.



The Pace Board of Directors develop policies on the use of Pace funds.



Pace's Administrative Office Building.



The main lobby of Pace's Administrative Office Building.

Administration

In order to accomplish the duties of direct operational support, service planning, capital planning, financial control and MIS support, Pace's 2011 administrative budget is set at \$22.056 million. Further information on the administration budget can be found on page 21.

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 \$4.145 million which has been allocated to the Regional ADA Paratransit Services budget.

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 2011, Pace's Suburban Service operations are projected to finish with a \$24.489 million fund balance before consolidation with a \$5.136 million negative fund balance from ADA operations, the result is a \$19.353 million fund balance agency wide.

Table 8. 2011 Suburban Service Revenue Summary (000's)

	2009 Actual	2010 Estimate	2011 Budget
OPERATING REVENUES			
Pace-Owned Services	\$ 26,385	\$ 25,709	\$ 25,709
Public/Municipal Contracted Services	1,849	1,788	1,819
Private Contracted Services	2,807	2,384	2,384
Dial-A-Ride Services	9,121	9,494	9,945
Vanpool Program	3,845	3,827	3,827
Half-Fare Reimbursement	2,351	1,257	2,000
Investment/Other Income	1,643	1,708	1,802
Advertising Revenue	2,630	2,040	2,316
Total Operating Revenue	\$ 50,631	\$ 48,207	\$ 49,802
PUBLIC FUNDING			
Sales Tax (Part I)	\$ 70,439	\$ 69,883	\$ 72,617
RTA Discretionary (PTF - Part I)	2,267	0	535
Sales Tax and PTF (Part II)	28,966	29,812	29,617
Suburban Community Mobility Fund (SCMF)	18,202	18,061	18,585
South Cook Job Access Funds	7,500	7,500	7,500
Federal CMAQ/JARC/New Freedom Fund	3,342	2,269	1,935
Federal 5307	0	2,300	2,000
RTA/ICE Funds	36	250	236
Pace Funds	0	0	493
Total Public Funding	\$ 130,752	\$ 130,075	\$ 133,518
Total Source of Funds	\$ 181,383	\$ 178,282	\$ 183,320

Chart E. Sources of Funds

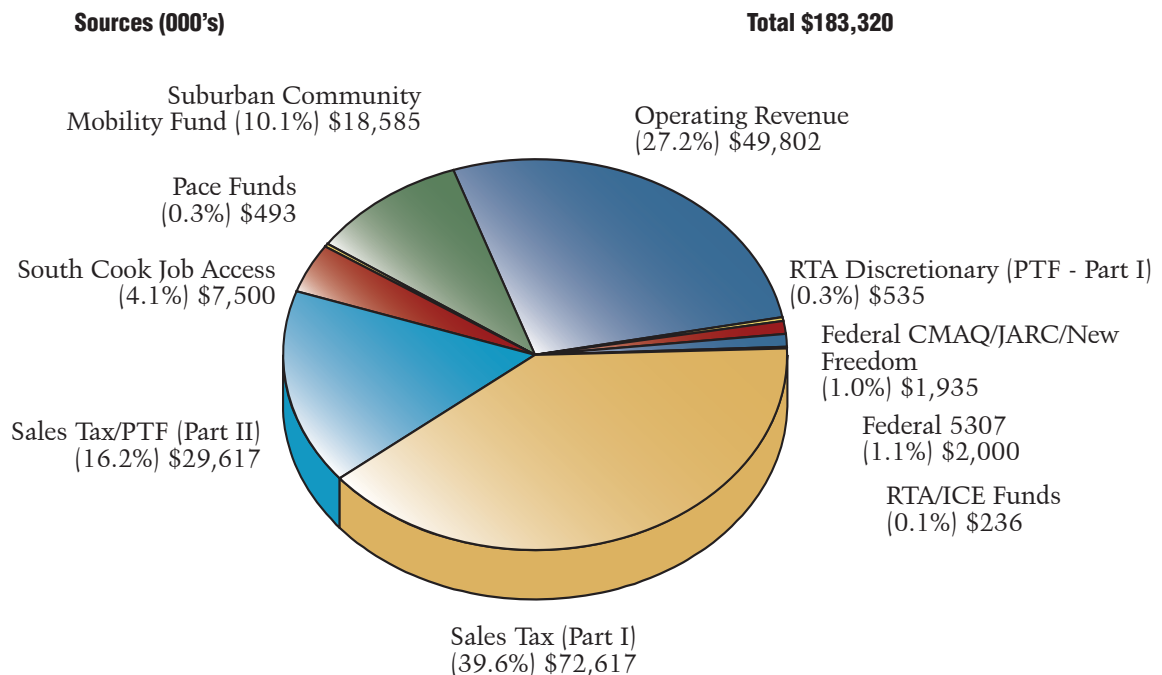
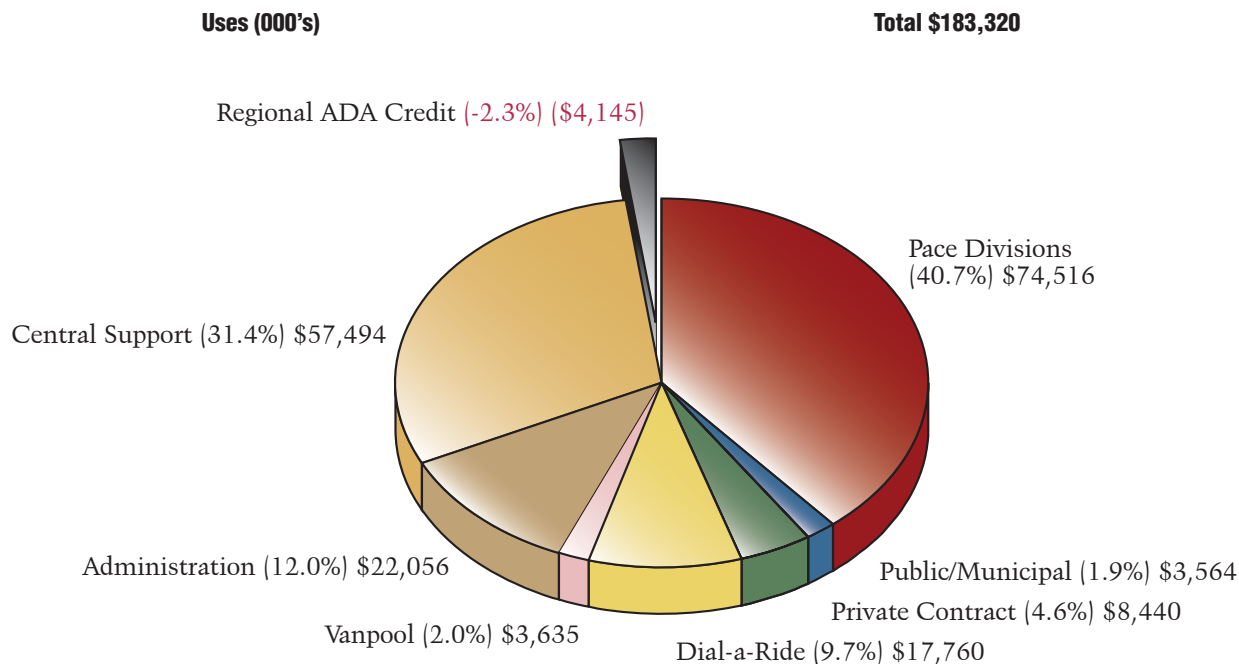


Table 9. 2011 Suburban Service Expense Summary (000's)

	2009 Actual	2010 Estimate	2011 Budget
EXPENSES			
Pace-Owned Services	\$ 71,645	\$ 72,677	\$ 74,516
Public/Municipal Contracted Services	3,465	3,506	3,564
Private Contracted Services	9,885	8,695	8,440
Dial-A-Ride Services	16,645	17,405	17,760
Vanpool Program	3,375	3,585	3,635
Centralized Operations	52,058	54,734	57,494
Administration	20,991	21,036	22,056
Regional ADA Support Credit	(3,649)	(3,873)	(4,145)
Total Expenses	\$ 174,415	\$ 177,765	\$ 183,320
Net Funding Available	\$ 6,969	\$ 517	\$ 0
Recovery Rate	34.80%	35.71%	36.00%
UNRESTRICTED NET ASSETS (FUND BALANCE)			
Beginning Balance	\$ 19,882	\$ 26,075	\$ 26,342
Net Operating Results	6,969	517	0
Less: Capital Expended from Fund Balance	775	250	1,853
Ending Balance	\$ 26,075	\$ 26,342	\$ 24,489

Chart F. Uses of Funds



2011 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. Combined, these carriers account for 83% of the system's suburban ridership.

In 2011, Pace will spend \$48.8 million to provide service in these areas. This represents a 3.9% increase over estimated 2010 levels.

Total revenues are projected to remain constant with the 2010 estimate, consistent with the ridership assumptions.

Total operating expenses will grow 2.5% over 2010 levels. Labor and fringe benefit costs are the primary factors affecting the rising costs in 2011.

Recovery performance will decline slightly at the divisions for 2011 due to the growth in operating expenses.

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

2011 Goals

Pace's efforts for 2011 include providing 26.6 million rides with a minimum recovery ratio of 34.5%.

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



Pace River Division in Elgin.

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

	2009 Actual	2010 Estimate	2011 Budget
REVENUE			
Pace Divisions	\$ 25,989	\$ 25,709	\$ 25,709
CMAQ/JARC	396	0	0
Total Revenue	\$ 26,385	\$ 25,709	\$ 25,709
EXPENSES			
Operations	\$ 48,399	\$ 50,378	\$ 51,501
CMAQ/JARC	1,834	0	0
Maintenance	11,148	11,909	12,474
Bus Parts/Supplies	3,526	3,392	3,400
Non-Vehicle Maintenance	2,141	2,193	2,315
General Administration	4,597	4,805	4,826
Total Expenses	\$ 71,645	\$ 72,677	\$ 74,516
Funding Requirement	\$ 45,260	\$ 46,968	\$ 48,807
Recovery Ratio	36.83%	35.37%	34.50%
Ridership	26,612	26,649	26,649
Vehicle Miles	21,806	21,511	21,511
Vehicle Hours	1,447	1,426	1,426
Full Time Equivalents (FTE's)	1,173	1,160	1,160

2011 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 2011. 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 2011. Combined, these services will provide .786 million rides, and generate \$1.001 million in revenue via the farebox or local share contributions. Total service expenditures will reach \$2.696 million in 2011, and net required funding will increase slightly to \$1.694 million. The goal for these two providers in 2011 includes increasing ridership by 1.0% and achieving a minimum 36% recovery ratio.

Downers Grove

The Village of Downers Grove operates the Grove Commuter Shuttle, transporting passengers to the Metra/Burlington Northern rail station in Downers Grove. This service is included in Pace's budget for 2011 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 2011. The cost of this service is estimated at \$374,000 and is funded 100% by the Village of Schaumburg.



Service is provided by the City of Highland Park to Ravinia events.

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

	2009 Actual	2010 Estimate	2011 Budget
REVENUE			
Highland Park	\$ 481	\$ 469	\$ 475
Niles	566	512	526
Schaumburg	390	363	374
Downers Grove	412	444	444
Total Revenue	\$ 1,849	\$ 1,788	\$ 1,819
EXPENSES			
Highland Park	\$ 1,202	\$ 1,228	\$ 1,235
Niles	1,415	1,421	1,461
Schaumburg	390	363	374
Downers Grove	458	494	494
Total Expenses	\$ 3,465	\$ 3,506	\$ 3,564
Funding Requirement	\$ 1,616	\$ 1,718	\$ 1,745
Recovery Ratio	53.3%	51.0%	51.1%
Ridership	911	903	903
Vehicle Miles	630	612	612
Vehicle Hours	55	52	52

2011 Private Contract Carrier Budget

In 2011, 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
- Coach USA
- First Group
- MV Transportation

The net cost of providing fixed route contracted service will decline \$0.255 million in 2011. This represents a 4.0% decrease from estimated 2010 levels.

The decline, in 2011, can be attributed to the annualized impact of service changes implemented in the first quarter of 2010, including the transfer of some service to Pace divisions.

Operating revenues are projected to remain constant with 2010 estimates, consistent with ridership projections.

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

2011 Goals

2011 goals include providing service to 1.4 million riders, while achieving a minimum recovery ratio of 28.25%.



MV Transportation is one of our private contractors.

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

	2009 Actual	2010 Estimate	2011 Budget
REVENUE			
Private Contract	\$ 2,807	\$ 2,384	\$ 2,384
CMAQ/JARC	0	0	0
Total Revenue	\$ 2,807	\$ 2,384	\$ 2,384
EXPENSES			
Private Contract	\$ 9,796	\$ 8,541	\$ 8,440
CMAQ/JARC	89	154	0
Total Expenses	\$ 9,885	\$ 8,695	\$ 8,440
Funding Requirement	\$ 7,078	\$ 6,311	\$ 6,056
Recovery Ratio	28.40%	27.42%	28.25%
Ridership	1,724	1,414	1,414
Vehicle Miles	2,458	2,238	2,189
Vehicle Hours	156	135	133

2011 Dial-a-Ride Services Budget

Dial-a-ride service is available in a large portion of the Pace service area through 66 dial-a-ride projects. Nearly all service is provided with Pace-owned paratransit vehicles.

Pace contracts directly with private providers for the operation of 42 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 24 other dial-a-ride projects. In most cases, the local community operates the service. For 2011, 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 2011. Pace raised the subsidy from \$2.25 to \$3.00 at the beginning of 2009 as part of a planned new initiative program.

The budget shown in Table 13 is based on the \$3.00/75% subsidy formula for local dial-a-ride and will provide \$17.8 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 2011 at a cost of \$79,114. Revenues for this program are projected at \$113,617, with 95 vehicles in service by year-end 2011. The 2011 budgeted recovery rate for this program is 143.61%.

Ride DuPage

In 2004, the Ride DuPage program was implemented. The program coordinates paratransit operations which were previously operated and dispatched by numerous private and public organizations. Pace coordinates dispatching and provides service through a mix of transportation providers. This service is included in Pace’s 2011 budget at a cost of \$1.607 million. 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 \$2.824 million. The funding for this program is a combination of federal grant funding and local share agreements.

2011 Goals

Combined dial-a-ride efforts in 2011 will include carrying 1.3 million riders while maintaining recovery performance to a level of 55.99%.

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

	2009 Actual	2010 Estimate	2011 Budget
REVENUE			
Dial-A-Ride	\$ 6,958	\$ 7,329	\$ 7,735
Ride DuPage	1,192	1,091	1,137
Ride In Kane	971	1,074	1,073
Total Revenue	\$ 9,121	\$ 9,494	\$ 9,945
EXPENSES			
Operations	\$ 10,812	\$ 11,680	\$ 11,978
Maintenance	472	474	479
Non-Vehicle Maintenance	40	35	35
Administration	783	828	838
Ride DuPage	1,664	1,620	1,606
Ride In Kane	2,874	2,767	2,824
Total Expenses	\$ 16,645	\$ 17,405	\$ 17,760
Funding Requirement	\$ 7,524	\$ 7,910	\$ 7,815
Recovery Ratio	54.80%	54.55%	55.99%
Ridership	1,230	1,250	1,265
Vehicle Miles	5,007	5,147	5,214
Vehicle Hours	274	275	280

2011 Vanpool Budget

The Vanpool Program is a commuting option which provides passenger vans to small groups of 5 to 14 people, allowing them to commute to and from work together. Pace estimates to have 601 vans in service by year-end 2010, carrying 1.8 million riders. With no growth projected in 2011 for the number of vans, revenue and ridership is expected to remain flat to 2010 levels. Expenses are anticipated to increase 1.4% over 2010 levels reflecting inflationary cost growth. Costs to maintain an aging fleet are projected to grow 5% while all other expenses, including fuel, are expected to remain static. Fuel costs are up significantly from 2009 levels. By year-end 2010, the average price per gallon is estimated at \$2.40; however, it is assumed that this price will stay constant through 2011.

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 959,680 with 286 vans in service by the end of 2011. The 2011 budgeted revenue is expected to remain flat to 2010 levels, as no growth is forecasted for the number of vehicles next year. Total expenses are projected to increase 1.4%. Recovery performance is budgeted at 128.97% for 2011.

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 maintain 18 shuttle vans in service by the end of 2011. The 2011 budgeted recovery rate for this program is 175.78%.

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 2011, there is no growth forecasted for this program. Revenue will remain unchanged while expenses will increase 1.4%. Pace projects to have 297 vans in service by 2011 year-end. The recovery rate for the Advantage Program is budgeted at 78.00% in 2011.

2011 Goals

Pace's efforts for the entire Vanpool Program in 2011 will include carrying 1.799 million passengers and maintaining a recovery ratio of 105.29%. Pace projects to have 601 vans in service by the end of 2011.



Pace's Vanpool Program offers a variety of different service options.

Table 14. Vanpool Budget (000's)

	2009 Actual	2010 Estimate	2011 Budget
REVENUE			
VIP	\$ 2,249	\$ 2,249	\$ 2,249
Corporate Shuttle	185	185	185
Advantage	1,412	1,393	1,393
Total Revenue	\$ 3,845	\$ 3,827	\$ 3,827
EXPENSE			
VIP	\$ 1,646	\$ 1,720	\$ 1,744
Corporate Shuttle	91	104	105
Advantage	1,638	1,761	1,786
Total Expenses	\$ 3,375	\$ 3,585	\$ 3,635
Funding Requirement	\$ (471)	\$ (242)	\$ (192)
RECOVERY RATE			
VIP	136.60%	130.75%	128.97%
Corporate Shuttle	203.74%	178.21%	175.78%
Advantage	86.20%	79.08%	78.00%
Total Recovery Rate	113.95%	106.74%	105.29%
RIDERSHIP			
VIP	960	959	959
Corporate Shuttle	48	48	48
Advantage	802	792	792
Total Ridership	1,810	1,799	1,799
VEHICLE MILES			
VIP	7,293	7,293	7,293
Corporate Shuttle	273	273	273
Advantage	4,276	4,219	4,219
Total Vehicle Miles	11,842	11,785	11,785
Vehicles in Service (year-end) - VIP	286	286	286
Vehicles in Service (year-end) - Corporate Shuttle	18	18	18
Vehicles in Service (year-end) - Advantage	301	297	297
Total Vehicles in Service	605	601	601

2011 Centralized Support Budget

Pace manages numerous functions and expenditures “centrally” on behalf of the entire Agency. The centralized support budget will reach \$57.5 million in 2011. This budget includes expenses for fuel, liability insurance and health care.

In 2010, Pace’s centralized support expense is estimated to end the year up \$2.7 million or 5.1% over prior year levels. A majority of this growth will come from fuel and health care.

The 2011 centralized support budget will grow 5.0% over estimated 2010 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 3.4% over 2010 levels with most of this growth attributed to rising labor and fringe benefit costs.

Fuel expenses are projected to grow 6.6% in 2011. Fuel consumption is budgeted at nearly 6 million gallons for suburban service only. An additional 840,000 gallons are included in the Regional ADA Paratransit budget. The budget assumes an average price of \$2.33 per gallon, a fifteen cent increase over 2010 estimates. Fuel is one of the most volatile components of our budget that continues to affect total operating costs.

The maintenance area is comprised of 39 positions and includes both maintenance and materials management personnel. Total maintenance expense is projected to grow 3.0% over 2010 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 5.6% over 2010 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 2011, health care expenses are forecasted to rise 11%, while liability insurance costs are essentially at 2010 year-end estimates. In addition, added costs associated with farebox/radio warranty contracts have contributed to the overall growth in administration expenses.

2011 Goals

Pace’s 2011 budgetary efforts for centralized support will include holding non-labor expenditures to a minimum while maintaining a staffing level of 83 positions.

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

Table 15. Centralized Support Budget (000's)

	2009 Actual	2010 Estimate	2011 Budget
Operations	\$ 4,553	\$ 4,574	\$ 4,730
Fuel	10,321	13,104	13,971
Maintenance	4,338	4,116	4,241
Non-Vehicle Maintenance	1,055	1,318	1,392
Administration	4,200	3,962	3,789
Liability Insurance	13,596	12,560	12,613
Health Care	13,994	15,100	16,758
Total	\$ 52,058	\$ 54,734	\$ 57,494
Fuel			
# of Gallons (Suburban Service only)	5.902 mil	5.999 mil	5.999 mil
\$/Gallon	\$ 1.75	\$ 2.18	\$ 2.33
Full-Time Equivalentents (FTE's)	82	83	83

2011 Administrative Budget

The 2011 administrative budget is estimated to reach \$22.1 million. Pace will utilize 173 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 2010, administrative expenses are estimated to end the year essentially at 2009 levels.

The 2011 administrative budget will increase 4.8% over 2010 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 2.1% over 2010 year-end levels.

Contributing to the growth for general administration, labor and fringe benefit costs will grow 2.4% in 2011. Utility costs, particularly natural gas, is projected to decline 8%. The decline in natural gas cost is attributed to elimination of the old administrative building.

The expense category “Other” will rise 11.4% next year with continued cost growth for data processing and planning studies. Additional information on Pace’s planning initiatives are contained in Appendix E of the document.

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

2011 Goals

Pace’s 2011 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.



Pace’s new Administrative Office Building was built with many energy efficient features including a lighting system utilizing automatic dimming and occupancy sensor controls.

Table 16. Administrative Budget (000’s)

	2009 Actual	2010 Estimate	2011 Budget
Non-Vehicle Maintenance	\$ 178	\$ 241	\$ 246
General Administration			
Labor/Fringe Benefits	14,042	14,059	14,396
Parts/Supplies	244	265	272
Utilities	270	351	323
Other	6,257	6,120	6,819
Total Expenses	\$ 20,991	\$ 21,036	\$ 22,056
Full Time Equivalents (FTE’s)	173	173	173

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Suburban Service Budget and Ten Year Business Plan

General

The following section presents Pace’s Suburban Service budget, two year financial plan and a ten year business plan for the period 2011 through 2020. The RTA Act requires that the Service Boards submit a budget and a two year financial plan. The plan is required to show a balance between the funding estimates provided by the RTA (known as “the marks”) and the anticipated costs of providing services. Pace’s plan for 2011–2013 achieves this balance. In keeping with the expanded budget development guidelines that have been established 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 years in review are provided in this section.

The ten year plan largely reflects a status quo operation. The basis for a status quo outlook comes from estimates for 2010 that show service and ridership levels finishing down from 2009 levels, and also, below the 2010 budget. Service levels were reduced in the early half of 2010 due to required budget balancing actions, and the lingering affect of the poor economy has continued to negatively affect demand for 2010. The outlook for 2011 sees little improvement. Demand is forecasted to remain flat, and low inflation levels correlate to lower growth in costs. This same outlook for 2011, sustains itself through the ten year outlook. A slow recovery is seen over the planning cycle.

The RTA also sees a slow economic recovery which is supported by their conservative outlook for sales tax growth for 2011 and the out-years. However, while

projecting conservative growth, nonetheless this is the first time in two years that growth is being forecasted for public funding. Just as recent as early last spring in 2009, the RTA notified the Service Boards that sales tax funding would fall short of budget for 2008, and then they reduced funding levels to the CTA, Metra, and Pace on two separate occasions during 2009. For 2010, Pace implemented strategies to balance operations to the reduced funding levels that were included in the 2010 budget. While the funding marks set by the RTA for 2011 remain \$2.5 million short of Pace’s funding need, we have been able to balance the budget using a small amount (\$2.0 million) of federal capital funds and \$0.5 million of retained earnings to cover the small funding gap.

As noted, the budget and two year financial plan are balanced, and Pace will achieve a 36% recovery ratio set by the RTA for the Suburban Service program for 2011. Pace’s budget will be balanced using Federal 5307 funds and retained earnings for 2011. No fare increase or service reductions are planned for 2011. For plan years 2012 to 2020, we have applied a continued use of federal capital funds to a maximum level of \$5.0 million. The capital funds help balance the funding gap through 2013. However, by 2014, the gap will widen, thereby requiring some type of additional budget balancing strategies. The use of federal capital funds will also help achieve a 36% recovery ratio through 2018. A discussion of the assumptions used in developing the multi-year plan and a review of the highlights of the plan are provided in the following pages, along with Table 19 showing the full details of the plan.

Table 17. Baseline Economic Assumptions

	2010	2011	2012	2013	2014-2020*
Change in Demand (Based on Total Ridership) (1)	(0.8%)	0.0%	1.1%	1.1%	1.0%
T-Bill Rates (90 Day) (2)	0.3%	0.8%	2.1%	4.0%	4.7%
CPI-U (National) (3)	1.4%	1.3%	1.2%	1.1%	1.8%
Ultra-Low Sulfur (Price Growth) (4)	24.9%	6.6%	4.9%	0.5%	2.5%
Pace Public Funds (Sales Tax) (5)	(1.7%)	2.9%	2.9%	2.4%	3.0%

*Annual Compound Rates

(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 considered when forecasting investment income.

(3) The Congressional Budget Office (CBO) was the source for CPI data for all years.

(4) Reflects fuel price estimates for the current and future years for diesel. Oil futures contract pricing was used for budget and plan years 2011-2013. Outlying years’ information was provided by the Energy Information Association (EIA).

(5) Reflects RTA sales tax estimates for Pace for the budget 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 Congressional Budget Office – CBO (was the primary source used for inflation indices); The Kiplinger Letter (was referenced for general economic information including outlooks for inflation, interest rates, etc.); The Bureau of Labor Statistics – BLS (a source for key indicators including the Producer Price Index – PPI, Utilities, Inflation, etc.); EIA – The U.S. Energy Information Administration (a source for energy price growth for fuel); The Oil Daily (an oil industry newsletter providing up-to-the-minute activities in the oil market); Moody's Economic Projections (a list of selected indices provided by the RTA to assist the Service Boards in developing forecasts); and the Wall Street Journal, which was referenced for general economic trends.

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

	2011	2012	2013	2014-2020*
Fare Revenue	0.1%	1.1%	1.3%	1.6%
Total Revenue	3.3%	7.8%	1.4%	1.7%
Labor/Fringes	2.8%	2.3%	2.2%	3.3%
Health Care	11.0%	9.0%	9.0%	9.0%
Parts/Supplies	0.9%	2.6%	1.9%	5.6%
Purchased Transportation	0.6%	2.7%	2.5%	3.9%
Utilities	1.7%	1.2%	1.1%	4.9%
Insurance/Claims	0.4%	5.0%	5.0%	5.8%
Fuel (Costs)	5.8%	4.7%	0.8%	3.1%
<i>*Annual Compound Rates</i>				
	2010	2011	2012	
Ultra-Low Sulfur Price (Diesel)	\$2.18	\$2.33	\$2.44	
Vanpool Gasoline Price	\$2.40	\$2.40	\$2.42	
Number of Gallons (Diesel)	6.839 mil	6.839 mil	6.839 mil	
Number of Gallons (Gasoline)	.793 mil	.793 mil	.809 mil	
Fuel Costs—Suburban Service	\$13.104 mil	\$13.971 mil	\$14.659 mil	
Fuel Costs—Regional ADA	\$1.835 mil	\$1.957 mil	\$2.053 mil	
Fuel Costs—Vanpool	\$1.902 mil	\$1.902 mil	\$1.954 mil	

Highlights–2011 Budget and Two Year Plan

Pace's 2011 Budget presented in Table 19 is balanced using RTA Sales Tax funding marks, Federal CMAQ, JARC, and New Freedom funds, a small amount of Federal 5307 Capital Cost of Contracting funds, and a small amount of Pace retained earnings that are projected to come from savings generated from favorable performance in 2010. For the two out-years (2012 – 2013) the plan is balanced, again, through the use of Federal 5307 funds. For all three years, Pace achieves a 36% recovery ratio, including the allowed use of federal funds when calculating the ratio.

Some of the highlights for the three years include operating revenues which will grow at an annual compound rate of 4.5%. Revenue growth increases significantly during this time period due to a rise in local share and advertising revenue. Local share revenues will increase as local communities are expected to pick-up the costs for their service as federal grant funds will be exhausted. Advertising revenue is expected to return to historical levels due to the expiration of the existing contract and an improving economy.

Expenses will grow at an annual compound rate of 3.1% during the three year period. This is a relatively low rate which is largely driven by the outlook for low inflation over this time period.

Total public funding will grow at an annual compound rate of only 2.6%. The conservative outlook for funding requires the continued use of federal funds in order to maintain a status quo program over the three year horizon.

Highlights–Ten Year Business Plan

As previously noted, the ten year plan presented in this section largely reflects a status quo operation. The lingering affect of a poor economy that continues to negatively affect demand is attributed to the slow recovery seen over this planning cycle.

Revenues are projected to grow at an annual compound growth rate of 2.5% over the ten year horizon. The growth is anemic due to a conservative outlook for ridership. Ridership is projected to remain flat for 2011, and first begins to grow by 1.1% in 2012. The assump-

tion for programs like vanpool and some of the popular dial-a-ride services are forecasted to grow at 5.0% and 2.0% respectively in the outlying years, which is down from prior period growth levels for these services.

The growth in non-service revenue is also anemic over the planning cycle. For 2011, the only growth in revenue is coming from non-service income; specifically, a change in the assumption that Pace will pick-up additional half-fare reimbursement income. In 2012, there is an assumption that advertising revenue will return to historical levels due to expiration of the existing contract and an improving economy. However, after 2012, the outlook for revenue growth remains conservative.

Expenses grow at a 3.8% annual compound rate. This relatively low rate is driven by the long term outlook for inflation. Inflation first begins to rise around 2015, whereas so does the outlook for expenses. However, over the course of the ten year plan cycle, inflation is projected to be no higher than 2.0% during any year.

Required funding grows at a 4.3% annual compound rate due to the larger growth rate for expenses; however, public funding is forecasted to grow at 2.9% over the ten year cycle, thereby creating funding shortfalls beginning in 2014. In order to bring the funding requirement in-line with available funds, the plan assumes budget balancing actions will begin in 2014. Actions may include, but are not limited to, adjusting service, adjusting fares, implementing efficiencies, reducing operating costs, and identifying additional funds or revenues.

Included in the plan is the use of Federal 5307 funds to help cover funding needs and would also help maintain a 36% recovery ratio. The ratio would remain constant for seven years, not declining until 2018. Full details of Pace's 2011 to 2020 Ten Year Business Plan are provided in the table on the following page.

Suburban Service Budget and Ten Year Business Plan

Table 19. 2011-2020 Suburban Service Operating Budget and Ten Year Business Plan (000's)

	2009 Actual	2010 Estimate	2011 Budget	2012 Plan	2013 Plan
OPERATING REVENUE					
Farebox	\$ 32,833	\$ 31,788	\$ 31,820	\$ 32,183	\$ 32,590
Local Share/Other	12,603	13,060	13,603	14,892	15,120
Advertising Revenue	2,630	2,040	2,316	4,442	4,543
Investment Income	214	62	63	177	176
Reduced Fare Reimbursement	2,351	1,257	2,000	2,000	2,000
Total Revenue	\$ 50,631	\$ 48,207	\$ 49,802	\$ 53,694	\$ 54,429
OPERATING EXPENSES					
Labor/Fringes	\$ 87,414	\$ 88,237	\$ 90,681	\$ 92,779	\$ 94,813
Health Care	13,994	15,100	16,758	18,266	19,910
Parts/Supplies	6,256	6,303	6,360	6,526	6,650
Purchased Transportation	25,985	24,589	24,736	25,397	26,027
Fuel	12,081	15,006	15,874	16,613	16,746
Utilities	2,038	2,014	2,048	2,073	2,096
Insurance	13,596	12,560	12,613	13,244	13,906
Other	16,700	17,828	18,395	18,717	19,045
Regional ADA Support Credit	(3,649)	(3,873)	(4,145)	(4,229)	(4,308)
Total Expenses	\$ 174,415	\$ 177,765	\$ 183,320	\$ 189,384	\$ 194,884
Deficit	\$ 123,783	\$ 129,558	\$ 133,518	\$ 135,690	\$ 140,455
Budget Balancing Actions	0	0	0	0	0
Funding Requirement	\$ 123,783	\$ 129,558	\$ 133,518	\$ 135,690	\$ 140,455
PUBLIC FUNDING					
Sales Tax (Part I)	\$ 70,439	\$ 69,883	\$ 72,617	\$ 74,722	\$ 77,102
RTA Sales Tax and PTF - (Part II)	28,966	29,812	29,617	30,485	31,456
Suburban Community Mobility Funds (SCMF)	18,202	18,061	18,585	19,124	19,733
South Suburban Job Access Funds	7,500	7,500	7,500	7,500	7,500
RTA Discretionary (PTF - Part I)	2,267	0	535	747	0
Federal CMAQ/JARC/New Freedom	3,342	2,269	1,935	0	0
RTA ICE Funding	36	250	236	0	0
Federal 5307	0	2,300	2,000	3,112	4,664
Pace Funds	0	0	493	0	0
Total Public Funding	\$ 130,752	\$ 130,075	\$ 133,518	\$ 135,690	\$ 140,455
Net Funding Available	\$ 6,969	\$ 517	\$ 0	\$ 0	\$ 0
Recovery Ratio	34.80%	35.71%	36.00%	36.00%	36.00%
PACE BALANCE SHEET					
Total Assets	\$ 356,959	\$ 378,714	\$ 397,210	\$ 418,843	\$ 440,971
Total Liabilities	153,527	159,701	168,814	179,012	189,238
Invested Net Assets	177,356	192,670	203,906	215,592	227,743
Unrestricted Net Assets (Fund Balance)	26,075	26,342	24,489	24,239	23,988
Total Liabilities & Net Assets	\$ 356,959	\$ 378,714	\$ 397,210	\$ 418,843	\$ 440,971

2014 View	2015 View	2016 View	2017 View	2018 View	2019 View	2020 View
\$ 33,093	\$ 33,611	\$ 34,142	\$ 34,687	\$ 35,248	\$ 35,825	\$ 36,418
15,504	15,899	16,304	16,721	17,149	17,589	17,862
4,602	4,680	4,769	4,865	4,962	5,061	5,162
392	507	457	327	74	0	0
2,020	2,040	2,061	2,081	2,102	2,123	2,144
\$ 55,611	\$ 56,737	\$ 57,733	\$ 58,682	\$ 59,536	\$ 60,598	\$ 61,587
\$ 96,908	\$ 99,709	\$ 102,929	\$ 106,429	\$ 110,048	\$ 113,789	\$ 117,658
21,702	23,655	25,784	28,105	30,635	33,392	36,397
6,901	7,241	7,640	8,083	8,552	9,048	9,572
26,703	27,611	28,661	29,807	30,999	32,239	33,529
17,402	18,054	18,754	19,354	20,018	20,469	20,874
2,171	2,267	2,375	2,494	2,619	2,750	2,887
14,448	15,185	16,051	17,014	18,034	19,117	20,263
19,387	19,817	20,301	20,822	21,362	21,922	22,502
(4,404)	(4,531)	(4,677)	(4,836)	(5,001)	(5,171)	(5,347)
\$ 201,219	\$ 209,008	\$ 217,817	\$ 227,271	\$ 237,265	\$ 247,554	\$ 258,337
\$ 145,607	\$ 152,271	\$ 160,085	\$ 168,590	\$ 177,730	\$ 186,956	\$ 196,750
(711)	(3,138)	(6,580)	(10,572)	(15,056)	(19,476)	(24,311)
\$ 144,896	\$ 149,133	\$ 153,505	\$ 158,018	\$ 162,674	\$ 167,480	\$ 172,439
\$ 79,569	\$ 82,115	\$ 84,743	\$ 87,455	\$ 90,254	\$ 93,142	\$ 96,122
32,463	33,501	34,573	35,680	36,822	38,000	39,216
20,364	21,016	21,689	22,383	23,099	23,838	24,601
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
0	0	0	0	0	0	0
5,000	5,000	5,000	5,000	5,000	5,000	5,000
0	0	0	0	0	0	0
\$ 144,896	\$ 149,133	\$ 153,505	\$ 158,017	\$ 162,674	\$ 167,480	\$ 172,439
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
36.00%	36.00%	36.00%	36.00%	35.61%	34.86%	34.09%
\$ 410,067	\$ 483,863	\$ 377,210	\$ 395,570	\$ 414,787	\$ 434,638	\$ 455,143
145,953	206,867	86,815	91,240	95,719	100,256	104,855
240,375	253,507	267,156	281,341	296,079	311,392	327,299
23,739	23,489	23,240	22,990	22,990	22,990	22,990
\$ 410,067	\$ 483,863	\$ 377,210	\$ 395,570	\$ 414,787	\$ 434,638	\$ 455,143

Pace Suburban Service Cash Flow—2011

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

The projected cash flow for Pace’s Suburban Service operations shows sufficient funds for Pace to maintain operations during 2011.



Bus transportation on fixed route service is now free to many people with disabilities.

Table 20. Pace Suburban Service Projected Cash Flow Summary—2011 (000's)

	Beginning Balance	Revenues	Expenses	Net Results	Ending Balance
January	\$ 35,544	\$ 13,011	\$ 14,958	\$ (1,947)	\$ 33,597
February	33,597	13,011	14,958	(1,947)	31,650
March	31,650	13,011	16,595	(3,584)	28,065
April	28,065	20,457	14,958	5,499	33,564
May	33,564	13,357	14,958	(1,601)	31,963
June	31,963	13,357	14,958	(1,601)	30,362
July	30,362	13,357	14,958	(1,601)	28,761
August	28,761	14,690	14,958	(268)	28,492
September	28,492	21,023	14,958	6,065	34,557
October	34,557	20,939	14,958	5,981	40,538
November	40,538	13,550	14,958	(1,408)	39,130
December	39,130	13,557	18,996	(5,439)	33,691

2011 Regional ADA Paratransit Operating Budget

Summary

The 2011 Regional ADA Service program is summarized below and detailed throughout this section. The table below shows total operating expenses will reach \$120.656 million in 2011—up 4.4% or \$5.132 million over estimated 2010 levels. Revenues will increase by 2.0% or \$.196 million to \$9.994 million. The growth in revenue corresponds to the projected increase in demand. The ADA program will require \$110.662 million in funding for 2011—up 4.7% or \$4.936 million. The funding marks established by the RTA on September 15th show \$92.921 million in funding to be available from the ADA fund for next year. An additional \$8.500 million will come from the State of Illinois; however, this will leave a funding gap of \$9.241 million which the RTA has committed to covering through increased funding, likely from their ICE fund, and/or additional budget balancing actions as they have noted in their funding ordinance of September 15th.

The Regional ADA Paratransit Program is projected to finish 2010 favorable to budget, with an estimated funding requirement of \$105.725 million that represents a decline in spending from 2009. The decline in spending is due largely to reduced demand that has resulted from the fare increase that was implemented in November 2009. The 2010 RTA budget provides \$98.803 million in ADA funding, and reserves additional funds to be provided by the RTA from their RTA ICE fund or working cash

funds. We expect the RTA will identify the source and fully fund the ADA program in 2010.

For 2011, total ADA operating costs are increasing 4.4%. This is conservative compared to prior annual cost increases. The primary factors contributing to the conservative cost growth is a small (2%) increase in demand and a 2.4% increase in service contract costs for next year.

The funding of the ADA program appears to be manageable at least through 2011. This is attributed to the combination of concentrated efforts to manage costs and the fare increase of November 2009, which has dampened demand. Additional funding from the State of Illinois of \$8.500 million has been programmed for both 2010 and 2011. By 2012, funding issues return, thereby confirming that cost containment alone is not a solution for this program. Any realistic solution to addressing the ADA funding gap has to contain a significant source of dedicated new funding for this program in the long run.

The 2011 Regional ADA Paratransit program is balanced to both the funding and recovery marks set for Pace by the RTA. The program will achieve the 10.0% recovery ratio set for next year using capital cost exemption credits allowed by the RTA.

A detailed review of the 2010 Regional ADA Paratransit operating program is presented in this section.

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

	2009 Actual	2010 Estimate	2011 Budget
Total Operating Expenses	\$ 114,754	\$ 115,524	\$ 120,656
Less: Total Operating Revenue	8,543	9,798	9,994
Funding Requirement	\$ 106,211	\$ 105,726	\$ 110,662
Less: Sales Tax & PTF (Part II)	\$ 91,010	\$ 90,303	\$ 92,921
State Funds	0	8,500	8,500
Federal 5307 Funds	9,000	0	0
RTA ICE Funds	4,101	6,923	0
RTA Discretionary Funds	2,100	0	0
RTA Funds / Budget Balancing Actions	0	0	9,241
Total Funding	\$ 106,211	\$ 105,726	\$ 110,662
Net Funding Available	\$ 0	\$ 0	\$ 0
Recovery Ratio*	10.00%	10.00%	10.00%

*Capital cost exemption credits applied for all years.

Regional ADA Paratransit Sources of Funds

The Regional ADA paratransit budget is funded from two sources—public funds and revenues generated from operations.

ADA Fund

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

On September 15th, the RTA has established \$92.921 million in funding from the Regional ADA Paratransit Fund for 2011.

State of Illinois Funds

In November, 2009, The Illinois Department of Transportation (IDOT), The Regional Transportation Authority (RTA), The Chicago Transit Authority (CTA), The Suburban Bus Division of the RTA (Pace), and The Commuter Rail Division of the RTA (Metra) entered into a Memorandum of Understanding whereby CTA and Pace would receive additional funds for budget years 2010 and

2011 to help cover funding gaps that were projected for the CTA and the Regional ADA Paratransit Program. A condition of the understanding was that CTA and Pace would forgo proposed fare increases for 2010 and 2011 in order to be eligible for the added funding. For 2011, the RTA has included \$8.500 million in state IDOT funding for the Regional ADA Paratransit Program as part of the September 15th marks.

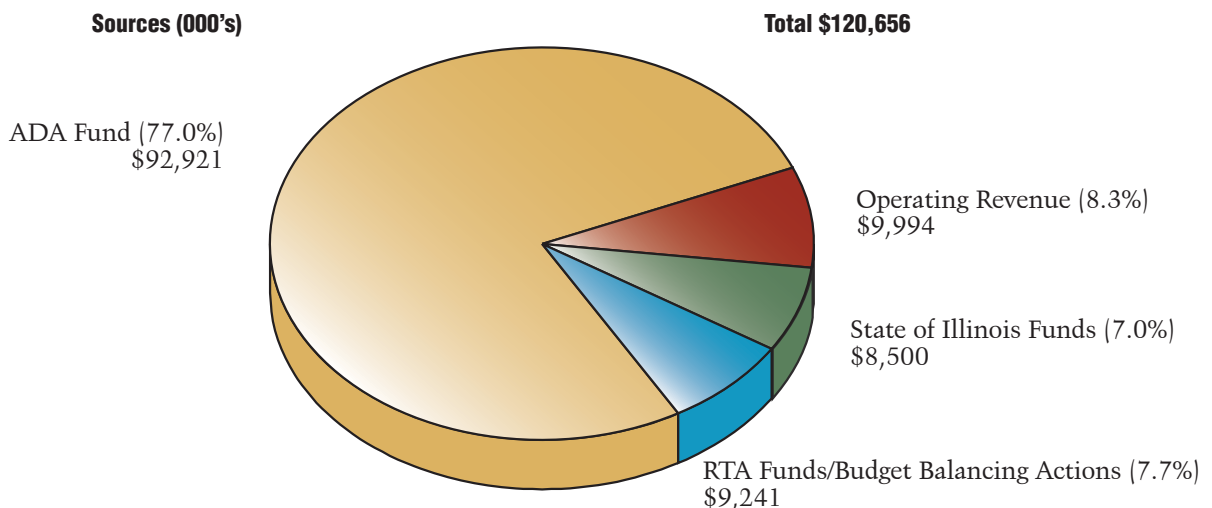
RTA Funds/Budget Balancing Actions

Included in the Memorandum of Understanding is the provision that the RTA will be responsible for insuring that the Regional ADA Paratransit Program is fully funded during the period 2010 – 2011. Therefore, given that a funding gap of \$9.241 million exists after applying sales tax and IDOT funding, the RTA has established an equal amount to cover this gap which they have indicated will be covered by either budget balancing actions, or a source of funds which will likely be their ICE fund.

Operating Revenue

The remaining funding source is operating revenue which is generated from passenger fares. This source is estimated at \$9.994 million for 2011 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 2.0% in 2011.

Chart G. ADA Sources of Funds



Regional ADA Paratransit Uses of Funds

All funds received in 2011 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 32.

City ADA Services

Pace will continue to provide all ADA service within the City of Chicago. For 2011, Pace expects to spend \$91,303,000 for City ADA service. The majority of these expenditures (93.4%) will be spent on service delivery through private contractors. The balance includes costs for insurance, administration and costs related to trips for certifying ADA eligible participants.

Taxi Access Program (TAP)

Pace is also responsible for the provision of subsidized taxi service to ADA eligible riders in the City of Chicago. Pace will spend \$2,664,000 for TAP in 2011.

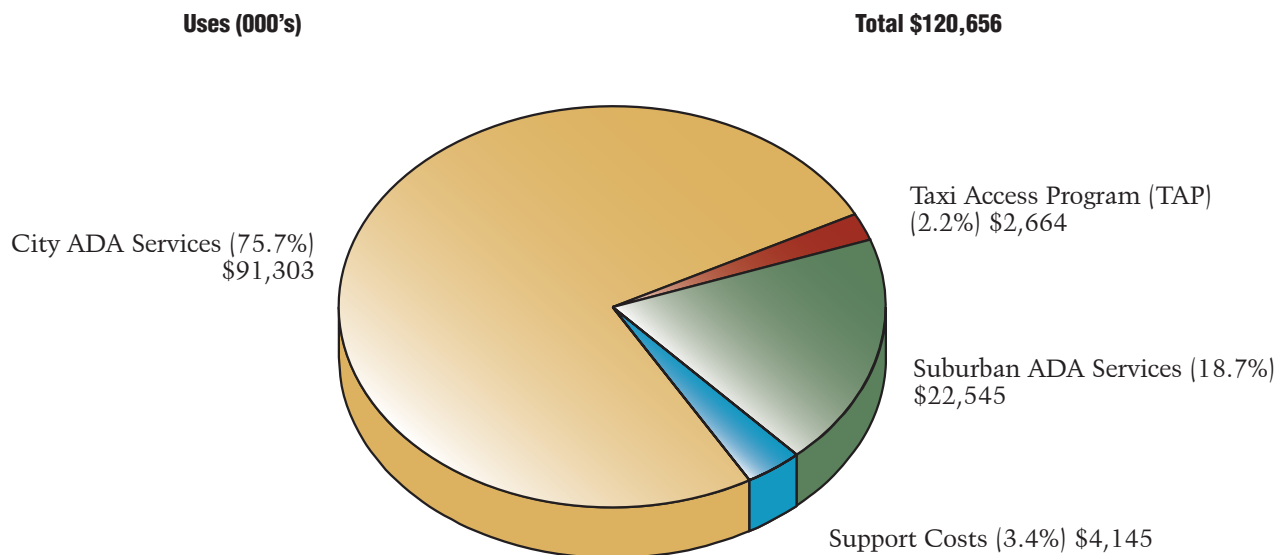
Suburban ADA Services

Pace provides ADA service in the suburbs. For 2011, Pace will spend \$22,545,000 for Suburban ADA service. Costs for contracted service in the suburbs will account for 95.4% 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 2011, Pace will incur \$4,145,000 in overhead costs that will be allocated to the Regional ADA program.

Chart H. ADA Uses of Funds



2011 Regional ADA Paratransit Service Budget—City/Suburban Detail

Pace's 2011 proposed revenue, expense and funding requirements for the Regional ADA Paratransit services are presented on Table 22 below. The estimates for 2010 and the proposed budget for 2011 are broken down into City, TAP and Suburban components.

The 2011 program is balanced to both the funding and recovery marks set by the RTA.

The recovery ratio for Regional ADA Paratransit services is established at 10% by the RTA Act. In determining compliance with the 10% requirement, the RTA can

allow the use of capital credits to expense, consistent with the Federal capital cost of contracting provisions. The purpose of the capital expense exemption from the recovery rate calculation is to exclude those capital costs—similar to the exclusion of capital costs from the calculation of the regional recovery ratio.

Table 22. 2011 Regional ADA Paratransit Service Budget—City/Suburban Details (000's)

	2010 Estimate			2011 Budget			Net Change 2010-2011
	City	Suburban	Region Total	City	Suburban	Region Total	
REVENUE							
Fares—Contract	\$ 6,165	\$ 1,762	\$ 7,927	\$ 6,288	\$ 1,797	\$ 8,085	\$ 158
Fares—TAP	674	-	674	687	-	687	13
RTA Certification	861	336	1,197	878	343	1,221	24
Total Revenue	\$ 7,700	\$ 2,098	\$ 9,798	\$ 7,853	\$ 2,140	\$ 9,994	\$ 196
EXPENSES							
Contract Services	\$ 81,792	\$ 18,692	\$100,484	\$ 85,296	\$ 19,552	\$104,848	\$ 4,364
TAP Services	2,554	-	2,554	2,664	-	2,664	110
Fuel	-	1,835	1,835	-	1,957	1,957	122
Administration	4,415	646	5,061	4,608	672	5,279	218
Insurance	461	21	482	475	21	496	14
RTA Certification	861	336	1,197	878	343	1,221	24
Other	38	0	38	46	0	46	8
ADA Support Allocation	-	-	3,873	-	-	4,145	272
Total Expenses	\$ 90,121	\$ 21,530	\$115,524	\$ 93,967	\$ 22,545	\$120,656	\$ 5,132
Funding Requirement	\$ 82,421	\$ 19,432	\$105,726	\$ 86,114	\$ 20,405	\$110,662	\$ 4,936
Public Funding	\$ -	\$ -	\$105,726	\$ -	\$ -	\$110,662	\$ 4,936
Net Funding Available	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ 0
Recovery Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	-
Ridership—Contract	2,055	587	2,642	2,096	599	2,695	53
Ridership—TAP	162	-	162	165	-	165	3
Ridership—Total	2,217	587	2,804	2,261	599	2,860	56

Regional ADA Budget and Ten Year Business Plan

General

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

In summary, the 2011 ADA Paratransit Budget is balanced to the funding marks set by the RTA. The 2011 budget and the out-years achieve the 10% recovery mark set by the RTA.

The Ten Year ADA Paratransit Business Plan reflects continued financial difficulties. The program shows a funding shortfall for 2012 and beyond.

While solutions to control costs are important, they will not be able to suppress the growth in demand potential that exists for this program. Any realistic solution to addressing these shortfalls cannot exist without a significant source of additional new funding being identified to pay for this service in the long run.

Pace recognizes that the RTA is responsible for the financial planning and funding of the ADA paratransit program; therefore, we provide this input to the RTA for their consideration.

Assumptions

In order to prepare this plan and forecast, a number of assumptions have been made. The economic assumptions used in this plan 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 pages 23 and 24 of this document.

The assumptions for service related expense growth unique to this ADA Paratransit Financial Plan are shown on Table 23.

Highlights—2011 Budget and Two Year Plan

The budget and two year plan presented in Table 24 shows the ADA paratransit program balanced to the RTA marks. However, it is important to note that the additional State funds available for 2011 disappear in 2012, thereby leaving a much larger gap to be addressed. Presently, there is no identified solution for the long range ADA funding shortfall.

Highlights—Ten Year Business Plan

All ten years of the plan rely 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 4.5%, consistent with the annual compound growth rate for ridership—4.5%. Expenses grow at a compound rate of 7.7% and reflects growth in demand as well as inflationary cost growth. ADA public funding will grow at an annual compound rate of 3.1% 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

	2011	2012	2013	2014-2020*
Contractor Costs—City	2.3%	2.0%	2.4%	4.1%
Contractor Costs—Suburban	2.6%	2.4%	2.2%	4.1%
Demand—City	2.0%	3.0%	4.0%	5.0%
Demand—Suburban	2.0%	3.0%	4.0%	5.0%

*Annual Compound Rates

Regional ADA Paratransit Budget and Ten Year Business Plan

Table 24. 2011-2020 Regional ADA Paratransit Budget and Ten Year Business Plan/Fund Balance (000's)

	2009 Actual	2010 Estimate	2011 Budget	2012 Plan	2013 Plan
OPERATING REVENUE					
Fares	\$ 7,178	\$ 8,601	\$ 8,773	\$ 9,036	\$ 9,397
RTA Certification Trips	1,365	1,197	1,221	1,246	1,271
Total Revenue	\$ 8,543	\$ 9,798	\$ 9,994	\$ 10,281	\$ 10,668
OPERATING EXPENSES					
Labor/Fringes	\$ 2,492	\$ 2,486	\$ 2,523	\$ 2,574	\$ 2,622
Health Care	458	407	454	495	540
Administrative Expense	2,377	2,206	2,348	2,377	2,403
Fuel	1,481	1,835	1,957	2,053	2,064
Insurance/Claims	510	482	496	519	543
RTA Certification Trips	965	1,197	1,221	1,246	1,271
Suburban ADA Purchased Transportation	17,566	18,692	19,552	20,608	21,885
City ADA Purchased Transportation	82,393	81,792	85,296	89,561	95,293
TAP & Mobility Direct Services	2,862	2,554	2,664	2,797	2,976
Regional ADA Support Allocation	3,649	3,873	4,145	4,229	4,308
Total Expenses	\$ 114,754	\$ 115,524	\$ 120,656	\$ 126,459	\$ 133,905
Funding Requirement	\$ 106,211	\$ 105,726	\$ 110,662	\$ 116,178	\$ 123,237
PUBLIC FUNDING					
Sales Tax and PTF (Part II)	\$ 91,010	\$ 90,303	\$ 92,921	\$ 95,616	\$ 98,662
State Funds	0	8,500	8,500	0	0
Federal 5307 Funds	9,000	0	0	0	0
RTA ICE Funds	4,101	6,923	0	0	0
RTA Discretionary Funds	2,100	0	0	0	0
RTA Funds/Budget Balancing Actions	0	0	9,241	20,562	24,575
Total Public Funding	\$ 106,211	\$ 105,726	\$ 110,662	\$ 116,178	\$ 123,237
Net Funding Available	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Recovery Ratio With Credits	10.0%	10.0%	10.0%	10.0%	10.0%
PACE ADA FUND BALANCE SHEET					
Total Assets	\$ 31,069	\$ 26,653	\$ 27,482	\$ 28,318	\$ 29,161
Total Liabilities	25,555	20,618	20,906	21,181	21,442
Invested in Capital Assets	10,651	11,172	11,713	12,274	12,856
Unrestricted Net Assets (Fund Balance)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)
Total Liabilities and Net Assets	\$ 31,069	\$ 26,653	\$ 27,482	\$ 28,318	\$ 29,161

	2014 View	2015 View	2016 View	2017 View	2018 View	2019 View	2020 View
\$	9,867	\$ 10,360	\$ 10,878	\$ 11,422	\$ 11,993	\$ 12,593	\$ 13,223
	1,351	1,443	1,544	1,654	1,771	1,897	2,031
\$	11,218	\$ 11,803	\$ 12,422	\$ 13,076	\$ 13,764	\$ 14,490	\$ 15,254
\$	2,680	\$ 2,758	\$ 2,847	\$ 2,944	\$ 3,044	\$ 3,147	\$ 3,254
	588	641	699	762	830	905	986
	2,434	2,476	2,523	2,573	2,624	2,677	2,730
	2,228	2,400	2,588	2,773	2,976	3,156	3,338
	565	595	631	670	712	756	804
	1,351	1,443	1,544	1,654	1,771	1,897	2,031
	23,577	25,598	27,899	30,466	33,269	36,329	39,672
	102,659	111,457	121,477	132,653	144,857	158,184	172,737
	3,206	3,481	3,793	4,142	4,524	4,940	5,394
	4,404	4,531	4,677	4,836	5,001	5,171	5,347
\$	143,693	\$ 155,379	\$ 168,678	\$ 183,472	\$ 199,607	\$ 217,162	\$ 236,294
\$	132,475	\$ 143,576	\$ 156,256	\$ 170,396	\$ 185,843	\$ 202,672	\$ 221,039
\$	101,819	\$ 105,077	\$ 108,439	\$ 111,909	\$ 115,491	\$ 119,186	\$ 123,000
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	30,656	38,499	47,817	58,487	70,352	83,486	98,039
\$	132,475	\$ 143,576	\$ 156,256	\$ 170,396	\$ 185,843	\$ 202,672	\$ 221,039
\$	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$	30,062	\$ 31,057	\$ 32,115	\$ 33,222	\$ 34,362	\$ 35,535	\$ 36,742
	21,738	22,106	22,513	22,944	23,383	23,828	24,282
	13,461	14,088	14,739	15,415	16,116	16,843	17,597
	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)
\$	30,062	\$ 31,057	\$ 32,115	\$ 33,222	\$ 34,362	\$ 35,535	\$ 36,742

Pace Regional ADA Paratransit Cash Flow—2011

The following provides an estimate of Pace’s 2011 revenues, expenses and cash position for Regional ADA Paratransit service operations on a monthly basis. Estimates for public funding are included in total revenues and are based on information provided by the RTA.

The projected cash flow presented below for Pace’s Regional ADA Paratransit service shows sufficient funds for Pace to maintain operations during 2011.



Regional ADA services are provided by private contractors.

Table 25. Pace Regional ADA Projected Cash Flow Summary—2011 (000's)

	Beginning Balance	Revenues	Expenses	Net Results	Ending Balance
January	\$ 1,784	\$ 9,346	\$ 10,055	\$ (708)	\$ 1,076
February	1,076	9,346	10,055	(708)	367
March	367	9,346	10,055	(708)	(341)
April	(341)	13,596	10,055	3,541	3,200
May	3,200	9,346	10,055	(709)	2,492
June	2,492	9,346	10,055	(709)	1,783
July	1,783	13,596	10,055	3,541	5,324
August	5,324	9,346	10,055	(709)	4,615
September	4,615	9,347	10,055	(708)	3,908
October	3,908	9,347	10,055	(708)	3,200
November	3,200	9,347	10,055	(708)	2,492
December	2,492	9,347	10,055	(708)	1,784

Suburban Service Capital Budget and Ten Year Business Plan

Overview

On September 15, 2010, the RTA Board established 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, in concert with the Service Boards, is also developing a comprehensive set of performance measures which will track and report at a frequency appropriate for each measurement. These measurements and the interim selection process has been in place and applied to the 2009 and 2010 Capital Budgets. This practice will continue and be applied to the 2011 Capital Budget. A more detailed capital project selection process will eventually be used to develop a future “objective needs-based” capital plan.

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

- *System Stability Investments* - “Maintain” which protects the existing system and service levels and addresses critical safety, security and regulatory projects, and moves towards returning the system to a “*State of Good Repair*.”
- *System Capacity Investments* - “Enhance” which makes improvements to the existing system and includes increasing capacity, 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.

Additionally, the RTA, in cooperation with the Service Boards, has recently completed a Capital Asset Condition Assessment. This study accumulated an inventory of all assets in the region, reviewed the condition of the assets, and placed them into one of three categories: (1) Backlog, (2) Normal Replacement, or (3) Capital Maintenance. The definitions of each category is as follows:

- *Backlog* - Replacement Costs for assets characterized by an age greater than their useful life. These assets are still in service and have not been replaced within their

useful life due to the lack of sufficient funding.

- *Normal Replacement* - Replacement Cost for assets that will reach the end of their useful life during the ten year program. These assets are still in service and would be scheduled for replacement during the ten year program if sufficient funding were available.
- *Capital Maintenance* - Cost associated with keeping an asset in a state of good repair. Capital Maintenance is typically significant, and the anticipated cost associated with keeping the asset in service for the full term of its useful life. Capital Maintenance is replacement or rehabilitation of asset components, but not replacement of the entire asset. This is referenced in our capital program for facilities as “Mid Life Renovations.”

The Ten Year Program Needs table below shows the amount of unmet capital needs by the categories of Backlog, Normal Replacement, and Capital Maintenance.

Table 26. Ten Year Program Needs (in Billions) *

	CTA	METRA	PACE	TOTAL
Backlog	\$10.00	\$3.70	\$.12	\$13.83
Normal Replacement	3.22	1.70	1.93	6.85
Capital Maintenance	1.78	1.97	.20	3.94
Total Ten Year Needs	\$15.00	\$7.37	\$2.25	\$24.62
% of Program Needs	60.90%	29.94%	9.16%	100.00%

* Source: RTA Capital Asset Condition Assessment Report, August 2010

Summary

The Region has a \$24.62 billion unmet capital need which is more than three times higher than the projected funding during that same period. The shortage of funds to support the capital needs of the RTA system will continue to present challenges with regard to achieving a “*State of Good Repair*.”

2011 Suburban Service Capital Program/Project Descriptions

Capital Budget Mark Assumptions

The 2011 Preliminary Capital Program marks from RTA provides \$33.7 million in Federal 5307 formula funding, \$1.0 million in Federal 5309 discretionary funding from specified congressional earmarks, and \$5.4 million in Federal CMAQ funding.

Additionally, \$38.9 million is expected to be available from the Illinois Department of Transportation (IDOT). Lastly, Pace plans to use \$1.3 million of its own funds for Capital Projects.

Table 27. Pace 2011 Proposed Capital Program Marks (000's)

Suburban	
Federal 5307 Formula	\$ 33,700
Federal 5309/5339 Discretionary Bus	1,000
Federal CMAQ	5,400
State IDOT Funding	38,850
Pace	1,350
Total	\$ 80,300

Summary

The 2011 Suburban Capital Program totals \$80.30 million. Nearly the entire program falls in the category of projects needed to return the Pace system to a “*State of Good Repair*.”

Rolling Stock (\$70.60 Million)

- 96 Fixed Route Replacement Buses (\$55.35 million) – The program provides federal 5307 funds for the replacement of 36 fixed route buses which have exceeded their useful life. In addition, Pace will use State IDOT funds to purchase 60 “Green” (hybrid electric) buses to replace buses which have met their useful life.
- 7 Suburban Dial-A-Ride Paratransit Buses (\$.70 million) – The program provides federal 5309 funds for the replacement of seven suburban Dial-A-Ride paratransit buses which have exceeded their useful life.
- 143 Vanpool Vans (\$5.40 million) – The program contains funds for the replacement of vanpool vans which have exceeded their useful life.

- Bus Overhaul Maintenance Expenses (\$2.00 million) – The program contains funds to cover reimbursement for maintenance overhaul expenses which qualify as capital.
- Capital Cost of Contracting (\$2.00 million) – The program contains funds to cover capital cost of contracting expenses incurred in suburban services.
- Associated Capital (\$5.15 million) – The program contains funds for the purchase of engines, transmissions, and other bus component assemblies.

Operating Cost Impacts

Pace’s average fleet age is 7.5 years for fixed route, 2.9 years for paratransit, and 4 years for vanpool. The typical life expectancy is 12 years, 4 to 7 years and 5 years, respectively. For fixed route buses, mid-life expenses begin increasing at the 6 to 8 year mark. Most of 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 (\$7.25 Million)

- Maintenance Equipment/Non-Revenue Vehicles (\$.25 million) – The program contains funds to purchase miscellaneous maintenance equipment as well as service trucks for the garages.
- Computer Hardware/Software and Systems (\$3.60 million) – The program contains funds to purchase miscellaneous hardware and software replacements of existing systems. Included in this budget item is the purchase of Ride Check Plus software which computes ridership for the system and for individual routes throughout the service area. In addition, this software will track other performance indicators such as on-time performance, passenger miles, vehicle speed, maximum loads and NTD ridership reporting.
- Office equipment (\$.10 million) – The program contains funds to purchase miscellaneous office equipment for the garages.
- Improvement to Garages/Facilities (\$3.30 million) – Project includes the replacement of three HVAC make up air mechanical units at Pace South Division. This equipment has exceeded its useful life and is in need of replacement. Other projects include mid-life renovation

of Pace Heritage Division and Phase II site upgrades of the existing Headquarters site as required by the Village of Arlington Heights. The Pace Heritage Division garage was originally constructed in 1926 and is in need of major renovation work.

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 now performs 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.

Miscellaneous/Project Administration (\$2.45 Million)

- Pace Funded Capital/Unanticipated Capital (\$1.35 million) – This project includes funds for capital eligible projects not anticipated in the budget process. These funds will be used to match existing federal grants prior to closeout and will pay for urgent capital items not programmed in the budget.

- J Route BRT Alternative Analysis (\$.30 million) – Pace is expected to receive a congressional earmark to perform an alternative analysis (AA) for a proposed “J Route” Bus Rapid Transit (BRT) corridor. The corridor links Naperville, Oak Brook, O’Hare and Schaumburg. The northern alignment between Thorndale/IL 83 into O’Hare and Schaumburg has been identified within the IDOT O’Hare Western By-Pass Study as a BRT transit corridor. The AA study area is between the Naperville and Elk Grove Village connection into the transit corridor. We are told that the federal grant will equal \$.30 million and that DuPage County has committed to providing \$.40 million in order that \$.70 million can be available for this study. In addition, Pace has received \$.60 million in federal earmarked funds from prior years for this alternative analysis study.

- Project Administration (\$.80 million) – Project includes funds for staff time spent on the administration of various grants. (Reduces operating expense by equal amount.)



In 2010, Pace demolished its old Administrative Office Building.



In 2010, Pace repaired six diesel tank sump enclosures at its North Shore garage.

Table 28. Suburban Service 2011 Capital Program—(000's)

Project Description	Asset* Condition	Evaluation** Criteria	Funding Source
ROLLING STOCK			
Purchase up to 36 - 40' Diesel Fixed Route Buses (Repl.)	B	M3	5307
Purchase of 60 - 40' Green Fixed Route Buses (Repl.)	B	M3	IDOT
Purchase up to 7 Dial-A-Ride Paratransit Vehicles (Repl.)	B	M3	5309
Purchase up to 143 Vanpool Replacement Vans	B	M3	CMAQ
Bus Overhaul/Maintenance Expense	CM	M3	5307
Associated Capital	CM	M3	5307
Capital Cost of Contracting	CM	M3	5307
Subtotal - Rolling Stock			
SUPPORT FACILITIES AND EQUIPMENT			
Maintenance Equipment/Non-Revenue Trucks	NR	M3	5307
Computer Systems/Hardware & Software	NR	M3	5307
Office Equipment	NR	M3	5307
Improvements to Garages/Facilities	B	M3	5307
Subtotal - Support Facilities & Equipment			
MISCELLANEOUS			
Pace Funded Capital/Unanticipated Capital	N/A	M3	Pace
J-Route BRT Alternative Analysis	N/A	EN2	5339
Subtotal - Miscellaneous			
PROJECT ADMINISTRATION			
Project Administration	N/A	M3	5307
Subtotal - Project Administration			
TOTAL 2011 CAPITAL PROGRAM			
2011 SUBURBAN MARKS			

***ASSET CONDITION**
 B - BACKLOG
 NR - NORMAL REPLACEMENT
 CM - CAPITAL MAINTENANCE

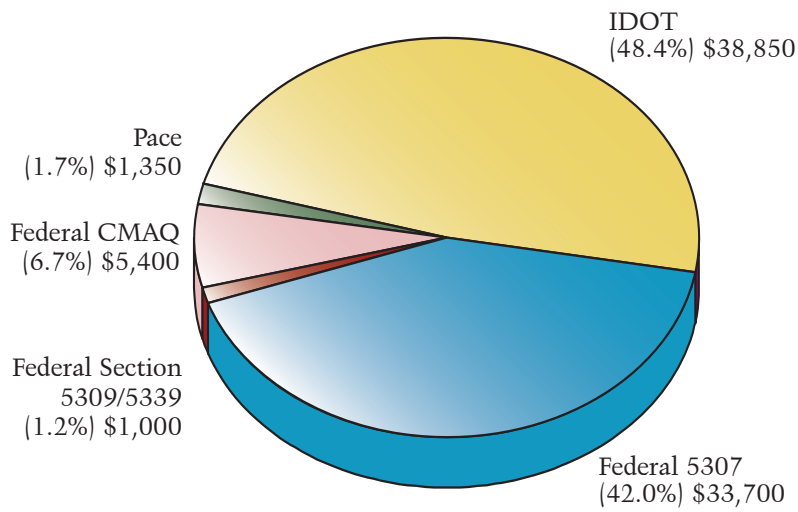
Total 2011 Budget	Federal Section 5307	Federal Section 5309/5339	CMAQ	IDOT	Pace
\$ 16,500	\$ 16,500	\$ 0	\$ 0	\$ 0	\$ 0
38,850	0	0	0	38,850	0
700	0	700	0	0	0
5,400	0	0	5,400	0	0
2,000	2,000	0	0	0	0
5,150	5,150	0	0	0	0
2,000	2,000	0	0	0	0
\$ 70,600	\$ 25,650	\$ 700	\$ 5,400	\$ 38,850	\$ 0
\$ 250	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0
3,600	3,600	0	0	0	0
100	100	0	0	0	0
3,300	3,300	0	0	0	0
\$ 7,250	\$ 7,250	\$ 0	\$ 0	\$ 0	\$ 0
\$ 1,350	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,350
300	0	300	0	0	0
\$ 1,650	\$ 0	\$ 300	\$ 0	\$ 0	\$ 1,350
\$ 800	\$ 800	\$ 0	\$ 0	\$ 0	\$ 0
\$ 80,300	\$ 33,700	\$ 1,000	\$ 5,400	\$ 38,850	\$ 1,350
\$ 80,300	\$ 33,700	\$ 1,000	\$ 5,400	\$ 38,850	\$ 1,350

**M = MAINTAIN M1 - SAFETY/SECURITY M2 - REGULATORY M3 - SOGR	EN = ENHANCE EN1 - CAPACITY IMPROVEMENT EN2 - OPERATIONAL EFFICIENCIES EN3 - NEW TECHNOLOGIES	EX = EXPAND EX1 - CONGESTION RELIEF EX2 - TRANSIT ALTERNATIVES
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Chart I. 2011 Suburban Service Capital Program—Sources and Uses of Funds

Sources (000's)

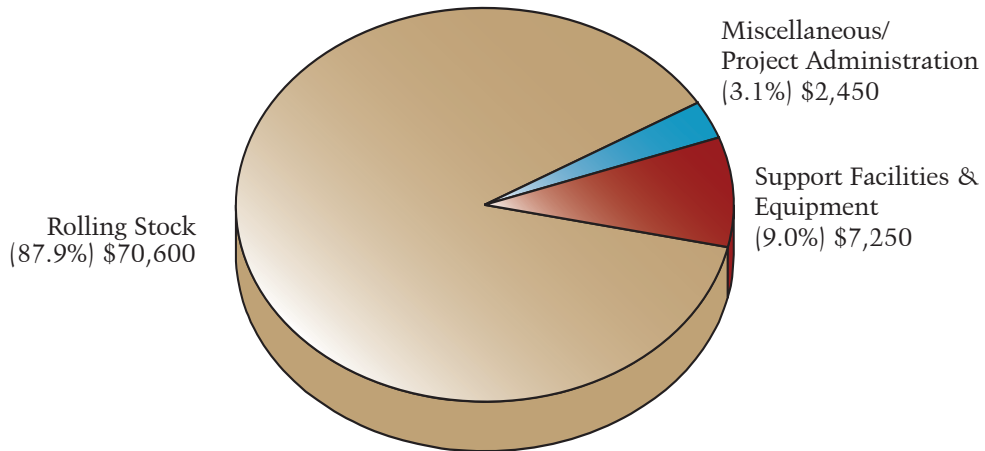
Total \$80,300



50% of Pace's program is derived from Federal sources

Uses (000's)

Total \$80,300



Nearly 90% of the 2011 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 expired on September 30, 2009. President Obama has signed an extension of the authorization that expires on December 30, 2010. Congress will need to pass a further extension of the authorization before they adjourn for the year. For planning purposes, the RTA marks assume the continued availability of federal funds in the 2011 through 2020, using a 4% annual growth rate.

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 2011 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 such as 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

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

On April 3, 2009, Governor Pat Quinn signed into law the "Jump Start" capital bill, providing \$900 million to make grants to fund public transportation projects in northeastern Illinois. Of this amount, \$45 million of this funding was allocated to Pace for Regional ADA Paratransit rolling stock and support equipment. The balance of the funding was allocated 58% to the CTA, 34% to Metra and 8% to Pace. Additionally, on July 13, 2009, the Governor signed the "*Illinois Jobs Now*" capital bill that provided \$1.80 billion for regional transit projects. The legislation allocated 50% of these funds to the CTA, 45% to Metra and 5% to Pace.

On July 21, 2010, Governor Pat Quinn announced the State's intention to award more than \$500 million of the "*Illinois Jobs Now*" funds towards mass transit infrastructure statewide. This funding included \$442.70 mil-

lion for the RTA for capital projects to be implemented by the CTA, Metra and Pace, and was included in the 2010 Capital Program. At this time, there is no certainty regarding the availability of the balance of the \$2.70 billion originally appropriated in 2009. A portion of these funds are dependent on bond authorizations that have yet to pass the General Assembly. In addition, sources for debt service on some of the bond funds depend on the new revenues for the State's General Revenue Fund. Encouraged by the release of State Bond Funds this year, the RTA has decided to include the balance of the full \$2.70 billion State Bond program in the marks which are distributed over the next four years, 2011-2014.

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.

Tollway Revenue Credits

The Service Boards may propose to exercise the toll revenue credit provision as provided 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.

2011-2020 Ten Year Suburban Service Capital Business Plan—Constrained To Marks

The marks released for Pace by the RTA on September 15, 2010, total \$603.60 million for the ten year period 2011-2020.

On May 20, 2010, the RTA approved the 2011 Business Plan call that included a request for information regarding the Five and Ten Year Capital Plans, consistent with the RTA marks established for the ten year period. However, it is important to point out that the anticipated funding is grossly inadequate. With a significant backlog of capital needs, coupled with insufficient funding, the RTA has directed the Service Board to develop their Capital Programs by concentrating on the maintenance and preservation (“*State of Good Repair*”) of existing facilities and equipment. This Ten Year Constrained Plan reflects those projects which will move Pace towards a “*State of Good Repair*.” The unconstrained budget, however, demonstrates that insufficient funds exist to return the system to a “*State of Good Repair*.”

Lastly, the Plan contains projects which will be funded with the new State Bond Program. A detailed listing of the projects in the State Program is contained in Appendix I.

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 \$140.40 million in new state funding for Pace for the four year period between 2011 to 2014. It should be noted that RTA also provided separate marks for Regional ADA paratransit. The Ten Year Regional ADA Paratransit Capital Plan may be found in a separate section of this book starting on page 53. It is important to note that since state funding for Regional ADA paratransit ends in 2014, Pace’s suburban budget assumes that suburban paratransit bus

replacements will have to be funded with suburban federal funding starting in 2015 unless state funding continues beyond 2014. All City bus replacement needs would remain unfunded if the State program does not continue. Table 29 summarizes the amount of funding over the next ten years that RTA has estimated Pace will receive. Highlights of the Ten Year Capital Plan follow. Table 30 details the ten year needs as constrained to the marks.

Rolling Stock (\$444.78 Million)

- Fixed route buses – 438 replacement buses
- Paratransit buses – 601 replacement buses
- Community Transit Vehicle Program – 106 replacement buses
- Vanpool equipment – 1,185 replacement vans

Electrical/Signal/Communications (\$34.50 Million)

- Radio system replacement
- Mobile Data Terminals (MDT) replacements, Intelligent Bus System (IBS), DriveCam, and Transit Signal Priority (TSP)

Support Facilities/Equipment (\$105.07 Million)

- Maintenance equipment, office equipment, computer systems, and support vehicles
- Mid-Life renovation to existing garages and facilities
- Print shop facility replacement
- Systemwide farebox system replacement

Stations & Passenger Facilities (\$7.70 Million)

- Corridor infrastructure replacement including purchase of signs, shelters, and other passenger amenities
- Mid-Life renovation to existing passenger facilities

Miscellaneous/Project Administration (\$11.55 Million)

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

Table 29. Pace FY2011 – 2020 Capital Program Marks— (In Millions)

Federal 5307 Formula	\$	404.60
Federal 5309/5339 Discretionary Bus		1.00
Federal CMAQ		54.00
State IDOT Funding		140.40
Pace		3.60
Total	\$	603.60

Table 30. 2011–2020 Suburban Service Capital Business Plan—State of Good Repair (000’s)—Constrained

Project Description	Eval. Criteria*	2011	2012	2013	2014	2015	Total 2011-2015
ROLLING STOCK QUANTITIES							
Fixed Route Buses		96	59	55	62	12	284
Dial A Ride Buses - Suburban		7	73	49	109	0	238
Suburban ADA Paratransit Buses		0	0	0	0	50	50
Community Based Vehicles		0	0	0	28	25	53
Vanpool Vehicles		143	60	112	87	170	572
ROLLING STOCK							
Fixed Route Buses - Replacements	M3	\$ 55,350	\$ 32,450	\$ 30,250	\$ 34,100	\$ 6,600	\$ 158,750
Dial A Ride Buses - Suburban Replacements	M3	700	5,840	3,920	8,720	0	19,180
ADA Buses-Suburban	M3	0	0	0	0	4,000	4,000
Community Buses - Replacements	M3	0	0	0	2,800	2,500	5,300
Vanpool Vehicle - Replacements	M3	5,400	2,400	4,480	3,480	6,800	22,560
Bus Maintenance/Overhaul	M3	2,000	2,000	2,000	2,000	2,000	10,000
Associated Capital	M3	5,150	4,000	3,000	3,000	3,000	18,150
Capital Cost of Contracting	M3	2,000	3,112	4,664	5,000	5,000	19,776
Subtotal - Rolling Stock		\$ 70,600	\$ 49,802	\$ 48,314	\$ 59,100	\$ 29,900	\$ 257,716
ELECTRICAL/SIGNAL/COMMUNICATIONS							
Radio System - Replacement	M3	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
MDT/IBS/AVL/DRIVECAM/TSP	M3	0	2,000	1,500	5,000	5,000	13,500
Subtotal - Electrical/Signal/Communications		\$ 0	\$ 2,000	\$ 1,500	\$ 5,000	\$ 5,000	\$ 13,500
SUPPORT FACILITIES AND EQUIPMENT							
Maintenance Equipment/Support Equipment	M3	\$ 250	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 3,250
Computer Systems - Hardware and Software	M3	3,600	3,498	2,886	3,000	3,000	15,984
Office Equipment	M3	100	100	100	100	100	500
Garages - Mid-Life Renovation	M3	3,300	11,000	7,150	2,000	3,900	27,350
Print Shop Facility - Replacement	M3	0	350	3,500	250	100	4,200
Farebox System - Replacement	M3	0	5,000	10,000	5,000	0	20,000
Subtotal - Support Facilities & Equipment		\$ 7,250	\$ 20,448	\$ 24,136	\$ 11,350	\$ 8,100	\$ 71,284
STATIONS AND PASSENGER FACILITIES							
Corridor Infrastructure - Replacement	M3	\$ 0	\$ 450	\$ 250	\$ 250	\$ 250	\$ 1,200
Passenger Facilities - Mid-Life Renovation	M3	0	750	750	750	750	3,000
Subtotal - Stations & Passenger Facilities		\$ 0	\$ 1,200	\$ 1,000	\$ 1,000	\$ 1,000	\$ 4,200
MISCELLANEOUS							
Unanticipated Capital/Pace Funded Capital	M3	\$ 1,350	\$ 250	\$ 250	\$ 250	\$ 250	\$ 2,350
J Route BRT Alternative Analysis/ART	EN2	300	0	0	0	0	300
Project Administration	M3	800	800	800	700	800	3,900
Subtotal - Miscellaneous		\$ 2,450	\$ 1,050	\$ 1,050	\$ 950	\$ 1,050	\$ 6,550
GRAND TOTAL - CONSTRAINED		\$ 80,300	\$ 74,500	\$ 76,000	\$ 77,400	\$ 45,050	\$ 353,250

***M = MAINTAIN**

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

EN = ENHANCE

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

EX = EXPAND

EX1 - CONGESTION RELIEF
EX2 - TRANSIT ALTERNATIVES

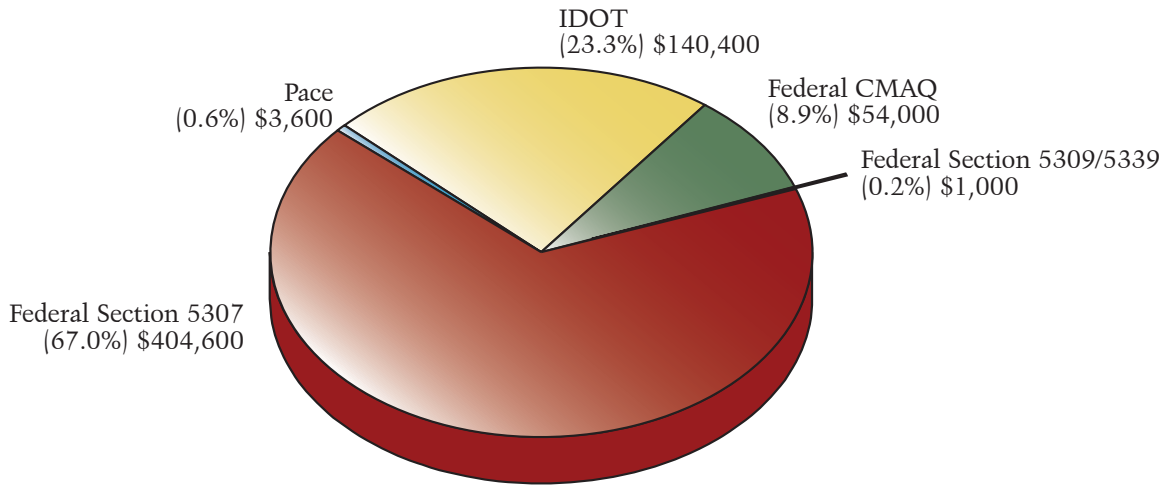
2016	2017	2018	2019	2020	Total 2016-2020	Ten Year Total
32	30	30	30	32	154	438
0	49	39	80	25	193	431
50	24	10	29	7	120	170
0	0	0	28	25	53	106
184	60	112	87	170	613	1,185

\$ 17,600	\$ 16,500	\$ 16,500	\$ 16,500	\$ 17,600	\$ 84,700	\$ 243,450
0	3,920	3,120	6,400	2,000	15,440	34,620
4,000	1,920	800	2,320	560	9,600	13,600
0	0	0	2,800	2,500	5,300	10,600
7,360	2,400	4,480	3,480	6,800	24,520	47,080
2,000	2,000	2,000	2,000	2,000	10,000	20,000
2,500	2,500	2,500	2,500	2,500	12,500	30,650
5,000	5,000	5,000	5,000	5,000	25,000	44,776
\$ 38,460	\$ 34,240	\$ 34,400	\$ 41,000	\$ 38,960	\$ 187,060	\$ 444,776
\$ 0	\$ 6,000	\$ 6,000	\$ 0	\$ 4,000	\$ 16,000	\$ 16,000
1,000	1,000	1,000	1,000	1,000	5,000	18,500
\$ 1,000	\$ 7,000	\$ 7,000	\$ 1,000	\$ 5,000	\$ 21,000	\$ 34,500
\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 3,500	\$ 6,750
2,500	2,500	3,000	3,350	3,000	14,350	30,334
100	100	100	100	100	500	1,000
2,540	2,860	3,000	3,500	3,540	15,440	42,790
0	0	0	0	0	0	4,200
0	0	0	0	0	0	20,000
\$ 5,640	\$ 5,960	\$ 6,600	\$ 7,950	\$ 7,640	\$ 33,790	\$ 105,074
\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 2,450
250	0	750	500	750	2,250	5,250
\$ 500	\$ 250	\$ 1,000	\$ 750	\$ 1,000	\$ 3,500	\$ 7,700
\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 3,600
0	0	0	0	0	0	300
800	550	800	800	800	3,750	7,650
\$ 1,050	\$ 800	\$ 1,050	\$ 1,050	\$ 1,050	\$ 5,000	\$ 11,550
\$ 46,650	\$ 48,250	\$ 50,050	\$ 51,750	\$ 53,650	\$ 250,350	\$ 603,600

Chart J. 2011–2020 Suburban Service Capital Business Plan—Sources and Uses of Funds—Constrained

Sources (000's)

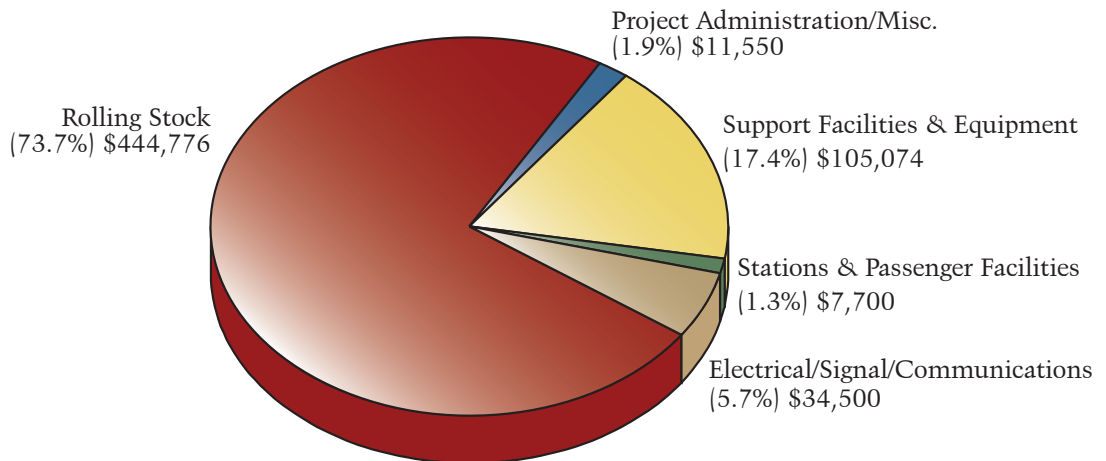
Total \$603,600



Over 76% of Pace's entire program would be funded with federal sources

Uses (000's)

Total \$603,600



Over 73% of Pace's program is for the purchase of rolling stock

2011-2020 Ten Year Suburban Capital Business Plan— Unconstrained Needs

Table 31 compares the Pace ten year capital needs to the expected funding levels issued by the RTA. This 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 \$589.4 million shortfall in funding to meet its replacement needs to its existing system. This funding barely replaces Pace’s obsolete rolling stock, much less address the infrastructure needs or equipment.

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 and renovation 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 \$220 million alone in the next ten years. Replacement of the Northwest Cook and South Holland garages will not be possible, just as an example. Both of these facilities are functionally obsolete. It will take several years to catch up with these replacements unless Pace receives a major increase in capital funding levels.

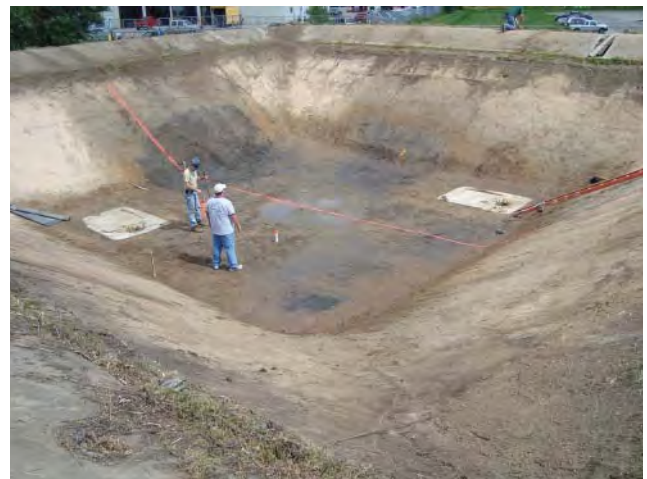
Lastly, it is important to note that funding is not available to address any system enhancement or expansion. Over ten years, the need to advance Pace’s Arterial Rapid Transit (ART) core expansion and other related initiatives is in serious jeopardy. The only way these types of projects will materialize is if Pace secures discretionary funding from Washington. Table 32 provides a detailed listing of Pace’s ten year needs, and the amount that is necessary to return the system to a “*State of Good Repair*.”

Table 31. Ten Year Suburban Capital Needs vs. Ten Year Marks (000’s)

	Total 10 Year Needs
Needs	
State of Good Repair (SOGR)	\$1,193,021
Funding	
Ten Year Estimated Capital Funding	\$ 603,600
Net Capital Shortfall	\$ 589,421



Pace undertook a major bus washer renovation project in 2010 at River Division.



In 2010, Pace completed the replacement of a fire protection system at South Division. This picture depicts preparation for the installation of a 200,000 gallon water reservoir holding tank.

Table 32. 2011–2020 Suburban Service Capital Business Plan (000's)—State of Good Repair—Unconstrained

Description	Eval. Criteria*	2011	2012	2013	2014	2015	Total 2011-2015
ROLLING STOCK QUANTITIES							
Fixed Route Buses		127	66	8	182	6	389
Dial-A-Ride Buses - Suburban		7	73	49	109	0	238
Community Based Vehicles		0	0	0	28	25	53
Vanpool Vehicles		284	60	112	87	170	713
ROLLING STOCK							
Fixed Route Buses - Replacements	M3	\$ 69,850	\$ 36,300	\$ 4,400	\$ 100,100	\$ 3,300	\$ 213,950
Dial-A-Ride Buses - Suburban Replacements	M3	560	5,840	3,920	8,720	0	19,040
Community Buses - Replacements	M3	0	0	0	2,800	2,500	5,300
Vanpool Vehicle - Replacements	M3	11,360	2,400	4,480	3,480	6,800	28,520
Bus Maintenance/Overhaul	M3	5,000	5,000	5,000	5,000	5,000	25,000
Associated Capital	M3	5,150	4,000	3,500	3,500	3,500	19,650
Capital Cost of Contracting	M3	2,000	3,112	4,664	5,000	5,000	19,776
Subtotal - Rolling Stock		\$ 93,920	\$ 56,652	\$ 25,964	\$ 128,600	\$ 26,100	\$ 331,236
ELECTRICAL/SIGNAL/COMMUNICATIONS							
Radio System - Replacement - Phase II	M3	\$ 0	\$ 0	\$ 3,000	\$ 0	\$ 0	\$ 3,000
MDT/IBS/AVL/DRIVECAM/TSP	M3	0	5,800	13,500	15,500	14,200	49,000
Subtotal - Electrical/Signal/Communications		\$ 0	\$ 5,800	\$ 16,500	\$ 15,500	\$ 14,200	\$ 52,000
SUPPORT FACILITIES/EQUIPMENT							
Maintenance Equipment/Support Equipment	M3	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 9,000
Computer Systems - Hardware and Software	M3	5,000	10,000	5,000	10,000	5,000	35,000
Office Equipment	M3	300	1,000	1,000	1,000	1,000	4,300
Garages - Mid Life Renovation	M3	14,135	40,300	18,560	10,920	9,480	93,395
Northwest Cook Garage - Replacement	M3	4,575	1,700	45,000	0	0	51,275
South Holland Garage - Replacement	M3	1,000	8,000	500	500	0	10,000
Print Shop Facility - Replacement	M3	0	350	3,500	250	100	4,200
Farebox System - Replacement	M3	0	5,000	35,000	0	0	40,000
DuPage Garage	M3	0	1,500	15,000	0	0	16,500
Subtotal - Support Facilities/Equipment		\$ 26,010	\$ 69,850	\$ 125,560	\$ 24,670	\$ 17,580	\$ 263,670
STATIONS AND PASSENGER FACILITIES							
DuPage County Transfer Center	M3	\$ 0	\$ 300	\$ 2,300	\$ 0	\$ 0	\$ 2,600
Corridor Infrastructure - Replacement	M3	3,000	2,000	2,000	3,000	3,000	13,000
Plainfield Park and Ride	M1	245	1,300	0	0	0	1,545
Passenger Facility - Mid Life Renovation	M3	1,225	6,910	14,560	6,495	5,280	34,470
Subtotal - Stations and Passenger Facilities		\$ 4,470	\$ 10,510	\$ 18,860	\$ 9,495	\$ 8,280	\$ 51,615
MISCELLANEOUS							
Unanticipated Capital	M3	\$ 1,350	\$ 250	\$ 250	\$ 250	\$ 250	\$ 2,350
J Route BRT Alternative Analysis/ART	EN2	300	2,000	5,000	5,000	5,000	17,300
Project Administration	M3	800	1,200	1,200	1,200	1,200	5,600
Subtotal - Miscellaneous		\$ 2,450	\$ 3,450	\$ 6,450	\$ 6,450	\$ 6,450	\$ 25,250
TOTAL - STATE OF GOOD REPAIR		\$ 126,850	\$ 146,262	\$ 193,334	\$ 184,715	\$ 72,610	\$ 723,771

*** 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

	2016	2017	2018	2019	2020	Total 2016-2020	Ten Year Total
	60	102	38	5	25	230	619
	0	73	49	109	0	231	469
	0	0	0	28	25	53	106
	284	60	112	87	170	713	1,426
\$	33,000	\$ 56,100	\$ 20,900	\$ 2,750	\$ 13,750	\$ 126,500	\$ 340,450
	0	5,840	3,920	8,720	0	18,480	37,520
	0	0	0	2,800	2,500	5,300	10,600
	11,360	2,400	4,480	3,480	6,800	28,520	57,040
	5,000	5,000	5,000	5,000	5,000	25,000	50,000
	3,500	3,500	3,500	3,500	3,500	17,500	37,150
	5,000	5,000	5,000	5,000	5,000	25,000	44,776
\$	57,860	\$ 77,840	\$ 42,800	\$ 31,250	\$ 36,550	\$ 246,300	\$ 577,536
\$	0	\$ 12,000	\$ 0	\$ 0	\$ 4,000	\$ 16,000	\$ 19,000
	11,500	7,400	8,700	5,700	5,000	38,300	87,300
\$	11,500	\$ 19,400	\$ 8,700	\$ 5,700	\$ 9,000	\$ 54,300	\$ 106,300
\$	3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000	\$ 24,000
	5,000	3,500	3,500	3,500	3,500	19,000	54,000
	1,000	1,000	1,000	1,000	1,000	5,000	9,300
	3,500	3,500	3,500	3,500	3,500	17,500	110,895
	0	0	0	0	0	0	51,275
	0	0	0	0	0	0	10,000
	0	0	0	0	0	0	4,200
	0	0	0	0	35,000	35,000	75,000
	0	0	10,000	12,000	0	22,000	38,500
\$	12,500	\$ 11,000	\$ 21,000	\$ 23,000	\$ 46,000	\$ 113,500	\$ 377,170
\$	0	\$ 0	\$ 0	\$ 350	\$ 0	\$ 350	\$ 2,950
	2,000	2,000	3,000	3,000	3,500	13,500	26,500
	0	0	250	0	0	250	1,795
	1,500	1,500	1,500	1,700	1,700	7,900	42,370
\$	3,500	\$ 3,500	\$ 4,750	\$ 5,050	\$ 5,200	\$ 22,000	\$ 73,615
\$	250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 3,600
	5,000	5,000	5,000	5,000	5,000	25,000	42,300
	1,200	1,200	1,500	1,500	1,500	6,900	12,500
\$	6,450	\$ 6,450	\$ 6,750	\$ 6,750	\$ 6,750	\$ 33,150	\$ 58,400
\$	91,810	\$ 118,190	\$ 84,000	\$ 71,750	\$ 103,500	\$ 469,250	\$ 1,193,021

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Regional ADA Paratransit Capital Budget and Business Plan

Overview

For the first time in history, the RTA has established marks for Regional ADA paratransit capital. Forty-five million was allocated to Pace from the State “*Illinois Jobs Now*” capital bill for rolling stock and support equipment. Fourteen million was applied for in grants in 2010, leaving thirty-one million to be allocated in a four year period. RTA is assuming in its marks that this money will be available for the four year period (2011-2014). Therefore, we have developed a plan using these funds to replace both suburban and city rolling stock operating in Regional ADA Paratransit Service. If this program is not reauthorized after 2014, the replacement needs for the program will be seriously affected. The present funding will only replace 276 vehicles over the four year period, which is grossly inadequate to replace all of the 924 vehicles currently in service. Additionally, these vehicles have a four year useful life, therefore they will need to be replaced twice over the life of the ten year period.

Lastly, the State is requiring that Pace purchase “Green” vehicles, which are hybrid type. The cost of these vehicles is much higher than the cost of a diesel engine vehicle. Pace needs funding to replace 1,922 paratransit buses but only has funding for 276, leaving a shortfall of 1,646 buses over the ten year period. This leaves no funding for other equipment, garage facilities or passenger facilities. A detailed State Five Year Capital Plan for the Regional ADA Paratransit Program is contained in Appendix I.

Table 33 represents a ten year unconstrained and constrained plan for Regional ADA Paratransit. The unconstrained needs total \$347.30 million; however, the RTA expects that only \$31.70 million will be available, leaving a shortfall of \$315.60 million. This is a very serious problem for the region and one that has not been addressed by the RTA.



Private contractor buses are used in the City of Chicago. If the State capital funding materializes, Pace will replace these buses with Pace owned equipment.

Table 33. 2011–2020 Regional ADA Paratransit—Unconstrained and Constrained Capital Budgets (000's)

Project Description	Eval. Criteria*	2011	2012	2013	2014	2015	Total 2011-2015
VEHICLE NEEDS VS. FUNDS							
Regional ADA Vehicle Needs		154	323	134	159	154	924
Regional ADA Vehicle Funding		42	78	78	78	0	276
Net Shortfall		112	245	56	81	154	648
Unconstrained							
ROLLING STOCK							
Buses - Paratransit	M3	\$ 17,710	\$ 37,145	\$ 15,410	\$ 18,285	\$ 17,710	\$ 106,260
Associated Capital	M3	1,000	1,000	1,000	1,000	1,000	5,000
Subtotal - Rolling Stock		\$ 18,710	\$ 38,145	\$ 16,410	\$ 19,285	\$ 18,710	\$ 111,260
ELECTRICAL/SIGNAL/COMMUNICATIONS							
Radio System	M3	\$ 0	\$ 3,000	\$ 3,000	\$ 2,000	\$ 0	\$ 8,000
Call Recorder for Contractor Sites	M3	2,000	2,000	2,200	2,000	0	8,200
Subtotal - Electrical/Signal/Communications		\$ 2,000	\$ 5,000	\$ 5,200	\$ 4,000	\$ 0	\$ 16,200
SUPPORT FACILITIES AND EQUIPMENT							
Construct - 3 Garages	M3	\$ 0	\$ 2,000	\$ 7,000	\$ 2,000	\$ 7,000	\$ 18,000
Regional ADA Administration Facility	M3	0	750	500	5,000	0	6,250
Regional Call Centers Telephone Equipment	M3	0	2,000	2,100	2,100	2,000	8,200
Computers	M3	1,500	1,500	1,500	1,500	0	6,000
Farebox System	M3	0	1,000	975	1,200	0	3,175
Subtotal - Support Facilities and Equipment		\$ 1,500	\$ 7,250	\$ 12,075	\$ 11,800	\$ 9,000	\$ 41,625
STATIONS AND PASSENGER FACILITIES							
Construct -3 Transfer Facilities	M3	\$ 0	\$ 250	\$ 1,000	\$ 250	\$ 1,000	\$ 2,500
ADA Stop Upgrades	M3	0	250	250	250	250	1,000
Subtotal - Stations and Passenger Facilities		\$ 0	\$ 500	\$ 1,250	\$ 500	\$ 1,250	\$ 3,500
TOTAL		\$ 22,210	\$ 50,895	\$ 34,935	\$ 35,585	\$ 28,960	\$ 172,585
Constrained							
Buses - Paratransit (276)	M3	\$ 4,700	\$ 9,000	\$ 9,000	\$ 9,000	\$ 0	\$ 31,700
Shortfall		\$ 17,510	\$ 41,895	\$ 25,935	\$ 26,585	\$ 28,960	\$ 140,885
FUNDING ASSUMPTIONS							
State IDOT Funding		\$ 4,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 0	\$ 31,000
Federal 5309 Bus Discretionary		700	0	0	0	0	700
TOTAL		\$ 4,700	\$ 9,000	\$ 9,000	\$ 9,000	\$ 0	\$ 31,700

***M=MAINTAIN**
M1 - SAFETY/SECURITY
M2 - REGULATORY
M3 - STATE OF GOOD REPAIR

EN=ENHANCE
EN1 - CAPACITY IMPROVEMENT
EN2 - OPERATIONAL EFFICIENCIES
EN3 - NEW TECHNOLOGIES

EX=EXPAND
EX1 - CONGESTION RELIEF
EX2 - TRANSIT ALTERNATIVES

2016	2017	2018	2019	2020	Total 2016-2020	Ten Year Total
250	158	99	263	228	998	1,922
0	0	0	0	0	0	276
250	158	99	263	228	998	1,646

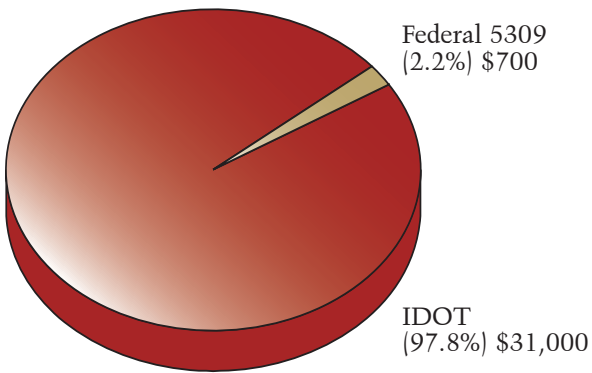
\$ 28,750	\$ 18,170	\$ 11,385	\$ 30,245	\$ 26,220	\$ 114,770	\$ 221,030
1,000	1,000	1,000	1,000	1,000	5,000	10,000
\$ 29,750	\$ 19,170	\$ 12,385	\$ 31,245	\$ 27,220	\$ 119,770	\$ 231,030
\$ 0	\$ 3,000	\$ 3,000	\$ 2,000	\$ 0	\$ 8,000	\$ 16,000
2,000	2,220	2,220	2,220	0	8,660	16,860
\$ 2,000	\$ 5,220	\$ 5,220	\$ 4,220	\$ 0	\$ 16,660	\$ 32,860
\$ 2,000	\$ 7,000	\$ 1,200	\$ 1,200	\$ 1,200	\$ 12,600	\$ 30,600
1,000	0	1,000	0	1,000	3,000	9,250
0	2,300	2,300	2,300	2,300	9,200	17,400
1,500	1,500	1,500	1,500	1,500	7,500	13,500
0	0	1,000	975	1,200	3,175	6,350
\$ 4,500	\$ 10,800	\$ 7,000	\$ 5,975	\$ 7,200	\$ 35,475	\$ 77,100
\$ 250	\$ 1,000	\$ 100	\$ 100	\$ 100	\$ 1,550	\$ 4,050
250	250	250	250	250	1,250	2,250
\$ 500	\$ 1,250	\$ 350	\$ 350	\$ 350	\$ 2,800	\$ 6,300
\$ 36,750	\$ 36,440	\$ 24,955	\$ 41,790	\$ 34,770	\$ 174,705	\$ 347,290

\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,700
\$ 36,750	\$ 36,440	\$ 24,955	\$ 41,790	\$ 34,770	\$ 174,705	\$ 315,590

\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,000
0	0	0	0	0	0	700
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,700

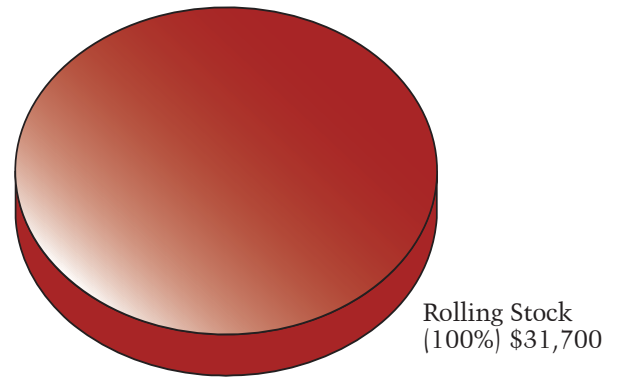
Chart K. 2011-2020 Regional ADA Paratransit Capital Plan—Sources and Uses of Funds (000's)

Sources - Constrained \$31,700



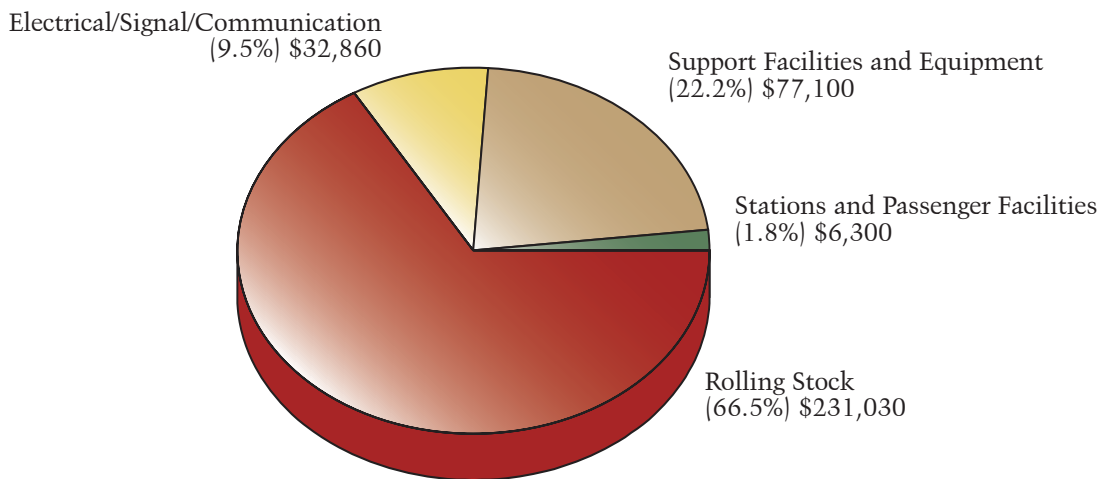
Over 97% of Pace's entire program would be paid for with State IDOT bond funds

Uses - Constrained \$31,700



100% of the available State funding would be used to purchase paratransit vehicles

Needs - Unconstrained \$347,290



If adequate funding were available, funds could be used to support a full host of needs including equipment, garages and passenger amenities.

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Combined Suburban Service/Regional ADA Budget and

Combined Suburban Service/ADA Budget and Ten Year Business Plan

Pace's Combined Budget and Ten Year Business Plans are summarized below and details are included in Table 34. A table presenting anticipated cash flows for 2011 has also been provided.

Highlights of the multi-year plan show combined total system revenues will grow at an annual compound rate of 2.9%.

The growth in revenue is the result of ridership growth.

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

	2009 Actual	2010 Estimate	2011 Budget	2012 Plan	2013 Plan
SUBURBAN SERVICE					
Revenue	\$ 50,631	\$ 48,207	\$ 49,802	\$ 53,694	\$ 54,429
Expense	174,415	177,765	183,320	189,384	194,884
Funding Requirement*	123,783	129,558	133,518	135,690	140,455
Public Funding	130,752	130,075	133,518	135,690	140,455
Net Funding Available	\$ 6,969	\$ 517	\$ 0	\$ 0	\$ 0
Total Assets	\$ 356,959	\$ 378,714	\$ 397,210	\$ 418,843	\$ 440,971
Total Liabilities	153,527	159,701	168,814	179,012	189,238
Invested Net Assets	177,356	192,670	203,906	215,592	227,743
Unrestricted Net Assets (Fund Balance)	26,075	26,342	24,489	24,239	23,988
Total Liabilities & Net Assets	\$ 356,959	\$ 378,714	\$ 397,210	\$ 418,843	\$ 440,971
REGIONAL ADA PARATRANSIT SERVICE					
Revenue	\$ 8,543	\$ 9,798	\$ 9,994	\$ 10,281	\$ 10,668
Expense	114,754	115,524	120,656	126,459	133,905
Funding Requirement	106,211	105,726	110,662	116,178	123,237
Public Funding**	106,211	105,726	110,662	116,178	123,237
Net Funding Available	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Assets	\$ 31,069	\$ 26,653	\$ 27,482	\$ 28,318	\$ 29,161
Total Liabilities	25,555	20,618	20,906	21,181	21,442
Invested Net Assets	10,651	11,172	11,713	12,274	12,856
Unrestricted Net Assets(Fund Balance)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)
Total Liabilities & Net Assets	\$ 31,069	\$ 26,653	\$ 27,482	\$ 28,318	\$ 29,161
COMBINED SERVICE					
Revenue	\$ 59,174	\$ 58,005	\$ 59,796	\$ 63,975	\$ 65,097
Expense	289,169	293,289	303,976	315,845	328,789
Funding Requirement*	229,995	235,284	244,180	251,870	263,692
Public Funding**	236,963	235,801	244,180	251,870	263,692
Net Funding Available	\$ 6,969	\$ 517	\$ 0	\$ 0	\$ 0
Total Assets	\$ 388,028	\$ 405,367	\$ 424,692	\$ 447,161	\$ 470,132
Total Liabilities	179,082	180,319	189,720	200,193	210,680
Invested Net Assets	188,007	203,842	215,619	227,866	240,599
Unrestricted Net Assets(Fund Balance)	20,939	21,206	19,353	19,103	18,852
Total Liabilities & Net Assets	\$ 388,028	\$ 405,366	\$ 424,692	\$ 447,161	\$ 470,132

*Suburban Service Funding Requirement reflects Budget Balancing Actions beginning in 2014.

**Regional ADA Public Funding reflects Budget Balancing Actions beginning in 2011.

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 5.4% over the ten years. The growth in expenses reflects all 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 5.3%.

2014 View	2015 View	2016 View	2017 View	2018 View	2019 View	2020 View
\$ 55,611	\$ 56,737	\$ 57,733	\$ 58,682	\$ 59,536	\$ 60,598	\$ 61,587
201,219	209,008	217,817	227,271	237,265	247,554	258,337
144,896	149,133	153,505	158,018	162,674	167,480	172,439
144,896	149,133	153,505	158,018	162,674	167,480	172,439
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 410,067	\$ 483,863	\$ 377,210	\$ 395,570	\$ 414,787	\$ 434,638	\$ 455,143
145,953	206,867	86,815	91,240	95,719	100,256	104,855
240,375	253,507	267,156	281,341	296,079	311,392	327,299
23,739	23,489	23,240	22,990	22,990	22,990	22,990
\$ 410,067	\$ 483,863	\$ 377,210	\$ 395,570	\$ 414,787	\$ 434,638	\$ 455,143
\$ 11,218	\$ 11,803	\$ 12,422	\$ 13,076	\$ 13,764	\$ 14,490	\$ 15,254
143,693	155,379	168,678	183,472	199,607	217,162	236,294
132,475	143,576	156,256	170,396	185,843	202,672	221,039
132,475	143,576	156,256	170,396	185,843	202,672	221,039
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 30,062	\$ 31,057	\$ 32,115	\$ 33,222	\$ 34,362	\$ 35,535	\$ 36,742
21,738	22,106	22,513	22,944	23,383	23,828	24,282
13,461	14,088	14,739	15,415	16,116	16,843	17,597
(5,136)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)
\$ 30,062	\$ 31,057	\$ 32,115	\$ 33,222	\$ 34,362	\$ 35,535	\$ 36,742
\$ 66,829	\$ 68,540	\$ 70,154	\$ 71,757	\$ 73,299	\$ 75,088	\$ 76,841
344,912	364,387	386,495	410,743	436,872	464,716	494,631
278,083	295,847	316,341	338,986	363,573	389,628	417,790
278,083	295,847	316,341	338,986	363,573	389,628	417,790
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 440,129	\$ 514,920	\$ 409,325	\$ 428,792	\$ 449,149	\$ 470,173	\$ 491,885
167,691	228,973	109,328	114,184	119,102	124,084	129,137
253,836	267,595	281,895	296,756	312,195	328,235	344,896
18,603	18,353	18,104	17,854	17,854	17,854	17,854
\$ 440,129	\$ 514,920	\$ 409,325	\$ 428,792	\$ 449,149	\$ 470,173	\$ 491,885

Combined Suburban Service/ADA Cash Flow

The following table provides an estimate of 2011 revenues, expenses and the cash position for Pace’s combined operations—Suburban Service and Regional ADA Service.

The agency budget is balanced to the funding levels and meets the recovery marks set by the RTA for 2011. Pace’s combined cash position appears balanced and sufficient to meet next year’s needs.



This fare drop box is installed on all paratransit vehicles in the suburbs.

Table 35. Pace Combined Services Projected Cash Flow Summary—2011 (000's)

	Beginning Balance	Revenues	Expenses	Net Results	Ending Balance
January	\$ 37,328	\$ 22,357	\$ 25,013	\$ (2,656)	\$ 34,672
February	34,672	22,357	25,013	(2,656)	32,016
March	32,016	22,357	26,650	(4,293)	27,723
April	27,723	34,053	25,013	9,040	36,764
May	36,764	22,703	25,013	(2,310)	34,454
June	34,454	22,703	25,013	(2,310)	32,144
July	32,144	26,953	25,013	1,940	34,084
August	34,084	24,036	25,013	(977)	33,107
September	33,107	30,370	25,013	5,357	38,464
October	38,464	30,286	25,013	5,273	43,738
November	43,738	22,897	25,013	(2,116)	41,622
December	41,622	22,904	29,051	(6,147)	35,475

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 2011 is budgeted at 173 filled full-time equivalents (FTEs).

The central support category for 2011 is budgeted at 83 filled FTE positions.

The Pace division element is comprised of nine Pace division garages and is budgeted at 1,160 filled FTE positions for 2011.

The Regional ADA Budget includes 36 FTE positions for 2011 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 62.

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

2009 ACTUAL					
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	
Total	209	82	1,173	1,464	
2010 ESTIMATED					
Area:	Admini- stration	Central Support	Pace Divisions	Total	
Activity					
Operations	0	36	907	943	
Maintenance	0	39	205	244	
Non-Vehicle Maintenance	0	8	15	23	
Administration	173	0	33	206	
Suburban Service Total	173	83	1,160	1,416	
Regional ADA Paratransit	36	0	0	36	
Total	209	83	1,160	1,452	
2011 BUDGET					
Area:	Admini- stration	Central Support	Pace Divisions	Total	
Activity					
Operations	0	36	907	943	
Maintenance	0	39	205	244	
Non-Vehicle Maintenance	0	8	15	23	
Administration	173	0	33	206	
Suburban Service Total	173	83	1,160	1,416	
Regional ADA Paratransit	36	0	0	36	
Total	209	83	1,160	1,452	

Chart L. Pace Organizational Chart

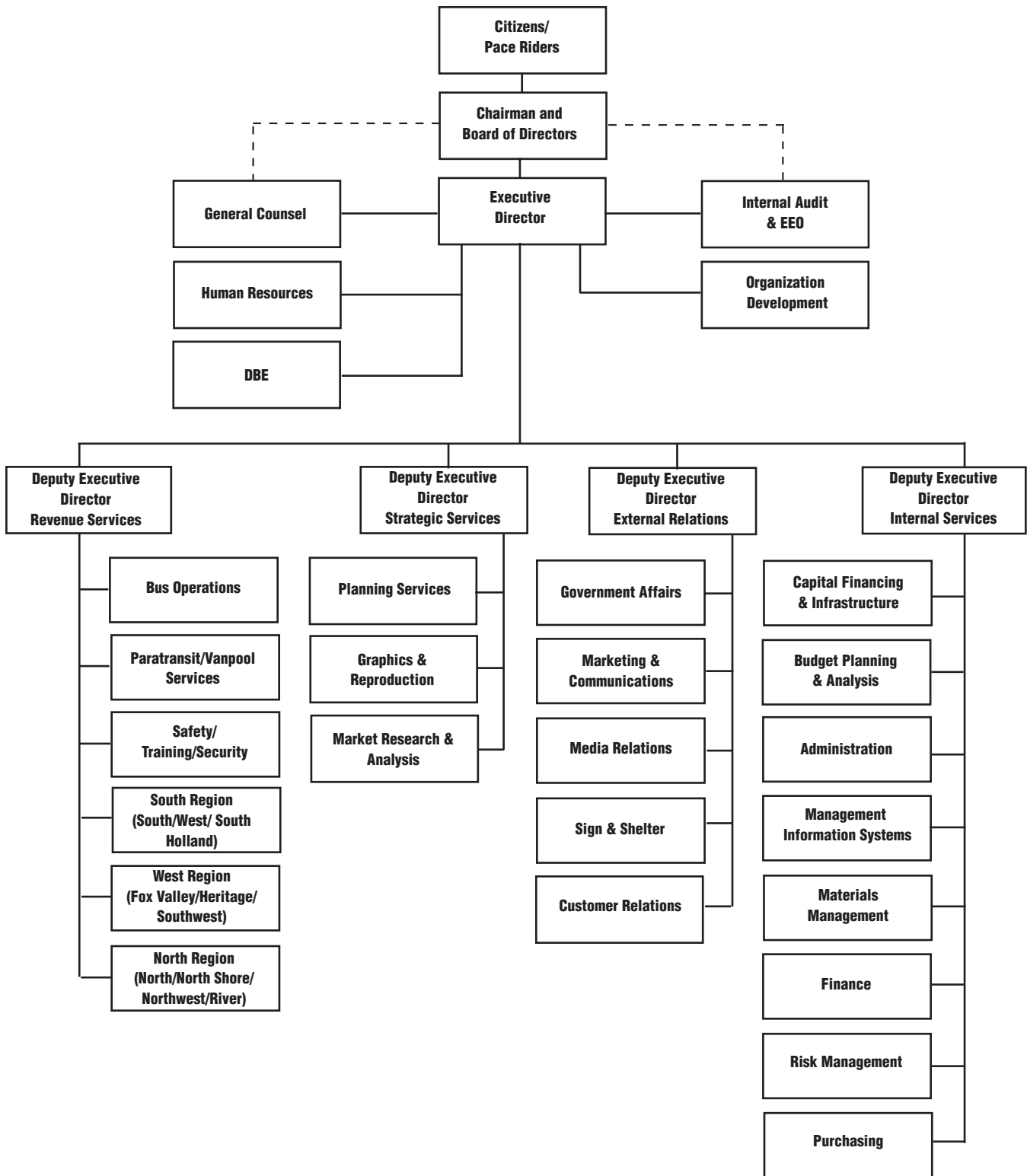


Table 37. Pace's 2011 Proposed Operating Budget—Department Budgeted Positions

	2010 Budget	2011 Budget		2010 Budget	2011 Budget
Office of the Executive Director	3.0	3.0	Regional ADA		
General Counsel	6.0	6.0	City ADA Paratransit	30.0	30.0
Internal Audit	6.0	6.0	Suburban Service Allocation	6.0	6.0
Human Resources	8.5	8.5	Total Regional ADA	36.0	36.0
Organizational Development	2.0	2.0	TOTAL Suburban Service and Regional ADA	1471.0	1471.0
TOTAL	25.5	25.5	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	TOTAL - With Vacancy Factors	1452.0	1452.0
Bus Operations	9.5	9.5			
Maintenance/Technical Services	24.0	24.0			
Vanpool	16.0	16.0			
Paratransit	12.0	12.0			
Safety	4.0	4.0			
Pace Divisions:					
Bus Operators	840.0	840.0			
Operations Supervisors	67.0	67.0			
Maintenance	205.0	205.0			
Non-Vehicle Maintenance	15.0	15.0			
Administration	33.0	33.0			
TOTAL	1230.5	1230.5			
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	16.0	16.0			
Purchasing	8.0	8.0			
Risk Management	4.0	4.0			
Administration	4.0	4.0			
Finance	25.0	25.0			
MIS	30.0	30.0			
TOTAL	111.0	111.0			
Strategic Services					
Deputy Executive Director, Strategic Services	2.0	2.0			
Graphic Services	7.0	7.0			
Market Research/Analysis	3.0	3.0			
Planning Services	32.5	32.5			
TOTAL	44.5	44.5			
External Relations					
Deputy Executive Director, External Relations	2.0	2.0			
Government Affairs	7.5	7.5			
Marketing & Communications	5.0	5.0			
Media Relations	1.0	1.0			
Customer Relations	4.0	4.0			
Sign/Shelter	4.0	4.0			
TOTAL	23.5	23.5			
Total Suburban Service	1435.0	1435.0			

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

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.

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.

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.

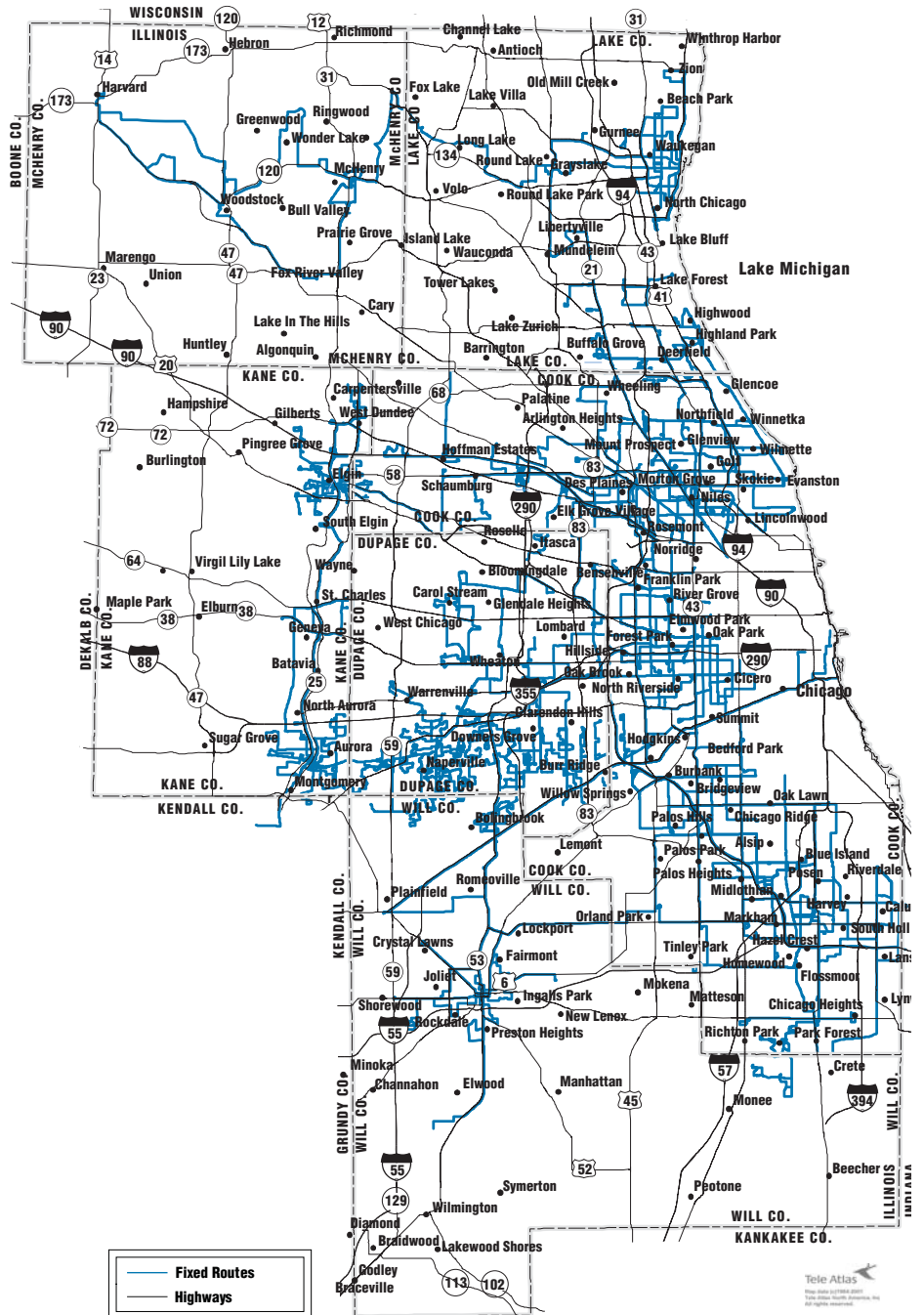
Fixed Route Service Characteristics

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

Fixed Route Service

135 regular, 38 feeder routes, 16 shuttle routes, numerous special event services, and three seasonal routes are operated by Pace. These routes serve 205 communities and carry over 2.414 million riders per month utilizing 562 vehicles during peak periods.

Map 1. Fixed Route Service Characteristics



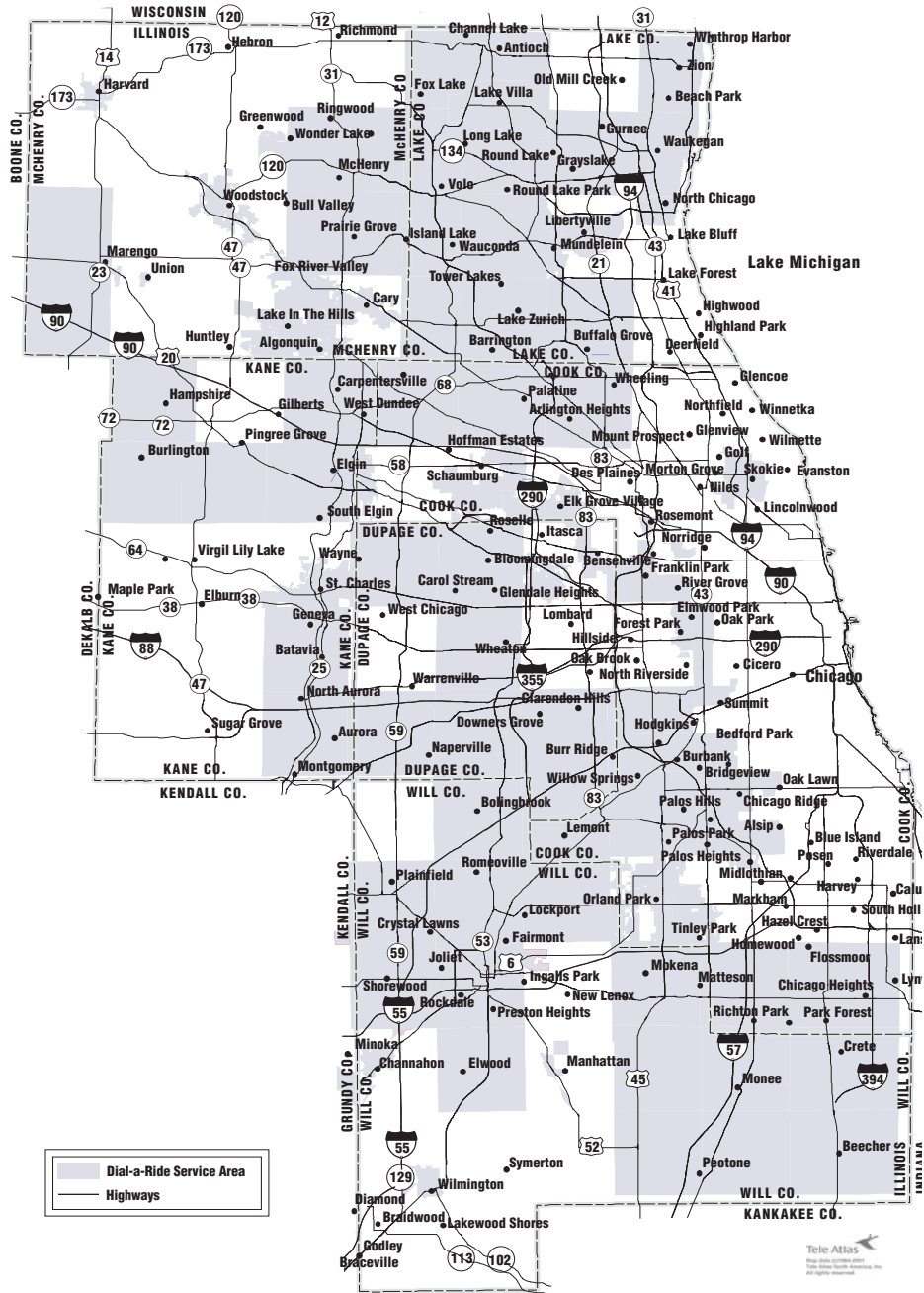
Dial-A-Ride Service Characteristics

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

Dial-a-Ride

157 Pace-owned lift-equipped vehicles are utilized to provide curb-to-curb service to approximately 105,420 riders each month. The majority are elderly and/or have disabilities. Pace contracts directly with private providers for the operation of 42 dial-a-ride projects and has grant agreements with villages and townships for the operation of 24 other dial-a-ride projects. Also, three other projects are operated by Pace River Division. These 66 projects provide services to over 210 communities throughout the six county area.

Map 2. Dial-A-Ride Service Characteristics



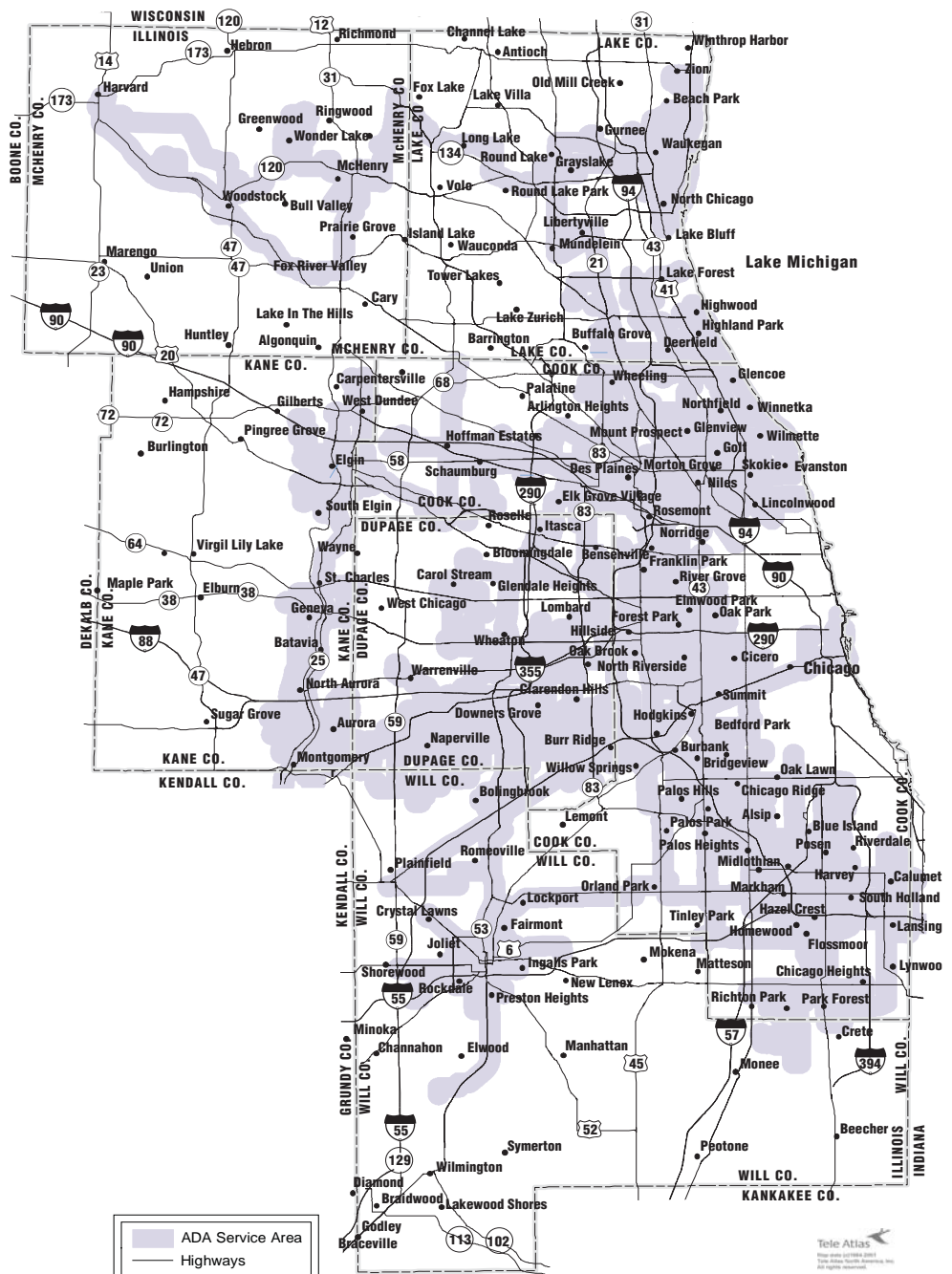
Suburban ADA Paratransit Service Characteristics

The following map and description summarizes the operating characteristics of the Suburban ADA Paratransit Service program.

Suburban ADA Paratransit

210 Pace-owned lift-equipped vehicles are utilized to provide curb-to-curb service to approximately 50,000 riders each month. Individuals that are not able to use Pace's fixed routes can register to utilize Pace's ADA Paratransit Service. The RTA administers a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area represents a corridor of 3/4 mile to either side of Pace's regular fixed routes in the suburban areas as called for by federal regulations. Pace contracts with private operators strategically located throughout the service area to provide this service.

Map 3. Pace Suburban ADA Paratransit Service Characteristics



City ADA Paratransit Service Characteristics

City ADA Paratransit

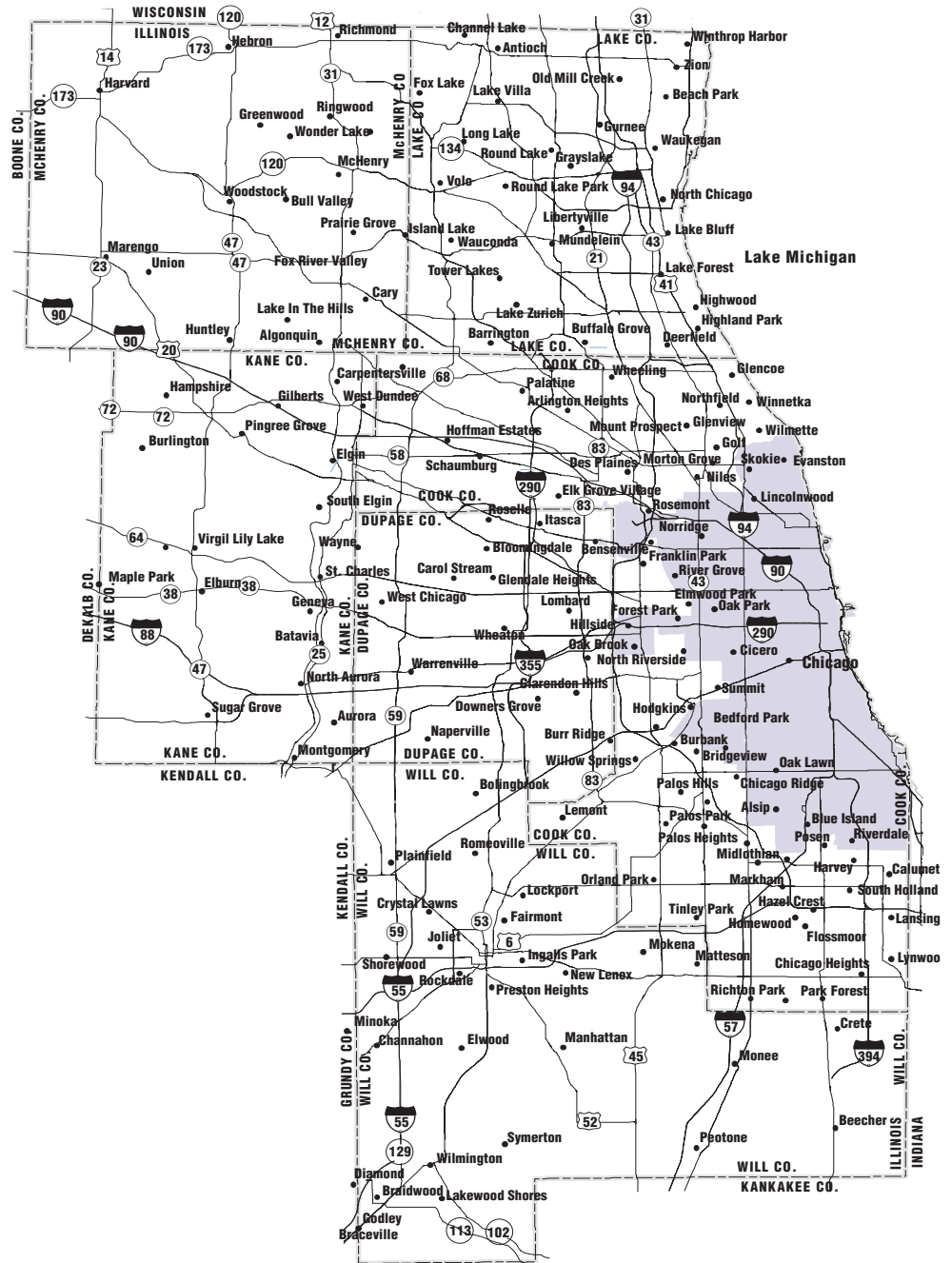
Four ADA Paratransit service contractors provide ADA Paratransit services to locations within 3/4 mile of CTA bus routes and up to a 3/4 mile radius of each CTA rail station.

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

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

566 contractor-owned vehicles are used to provide service to over 188,000 riders each month. Each contractor can provide service anywhere within the City ADA service area.

Map 4. City ADA Paratransit Service Characteristics



Pace Rolling Stock—Active Fleet

Table 38. Pace Rolling Stock Active Fleet

Fixed Route (Fully Accessible)

Manufacturer	Year	# of Vehicles	Age	Length
Orion	1992	8	18	35'
Orion	1993	36	17	40'
Orion	1993	1	17	35'
NABI	1999	30	11	35'
NABI	1999	20	11	40'
Chance Trolleys	2000	7	10	25'
Orion	2000	85	10	40'
Orion	2001	66	9	40'
MCI	2002	8	8	40'
NABI	2003	84	7	35'
NABI	2003	98	7	40'
Orion	2004	6	6	40'
NABI	2005	60	5	40'
Eldorado	2006	102	4	30'
Eldorado	2007	38	3	30'
Eldorado	2008	5	2	32'
Eldorado	2009	25	1	30'
Total		679		
Average Age			7.5 years	

Paratransit (Fully Accessible)

Manufacturer	Year	# of Vehicles	Age	Length
Eldorado Vans	2001	21	9	19'
Eldorado Buses	2001	18	9	23'
Eldorado Buses	2002	15	8	23'
Eldorado Vans	2002	1	8	19'
Eldorado Buses	2003	20	7	23'
Eldorado Vans	2003	13	7	19'
Eldorado Buses	2004	28	6	23'
Eldorado Vans	2004	9	6	19'
Eldorado Buses	2008	145	2	23'
Eldorado Buses	2009	69	1	23'
Eldorado Vans	2009	28	1	19'
Total		367		
Average Age			2.9 years	

Vanpool

Manufacturer	Year	# of Vehicles	Age	Length
Vans	1998	5	12	Various
Vans	2000	11	10	Various
Vans	2001	12	9	Various
Vans	2002	20	8	Various
Vans	2003	73	7	Various
Vans	2004	21	6	Various
Vans	2005	119	5	Various
Vans	2006	181	4	Various
Vans	2007	101	3	Various
Sedans	2007	2	3	Various
Vans	2008	60	2	Various
Vans	2009	112	1	Various
Vans	2010	21	0	Various
Total		738		
Average Age			4.0 years	

Community Based Service

Manufacturer	Year	# of Vehicles	Age	Length
Champion Crusader	2007	11	3	22'
Champion Crusader	2008	17	2	22'
Champion Crusader	2009	25	1	22'
Total		53		
Average Age			1.7 years	



Pace System Infrastructure

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

Fixed Facilities Owned or Operated by Pace

Garages/Administrative Headquarters

- 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, 1926 and 1985
- D. Pace North Division
1400 W. Tenth St., Waukegan
57,800 square feet, 1987
- E. Pace West Division
3500 W. Lake St., Melrose Park
221,570 square feet, 1986
- F. Pace Southwest Division
9889 Industrial Dr., Bridgeview
81,500 square feet, 1994
- G. Pace South Division
2101 W. 163rd Place, Markham
191,000 square feet, 1988
- H. Pace Northwest Division
900 E. Northwest Hwy.,
Des Plaines
82,700 square feet, 1962
- J. City of Highland Park*
1150 Half Day Road,
Highland Park
- K. Village of Niles*
7104 Touhy Ave., Niles
- L. Pace North Shore Division
2330 Oakton St., Evanston
81,500 square feet, 1995
- M. Pace Administrative
Headquarters
550 W. Algonquin Rd.,
Arlington Heights
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
- P. Pace Print Shop
86 Lively Blvd., Elk Grove Village
3,500 square feet, 2010 (Lease Premises)

*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

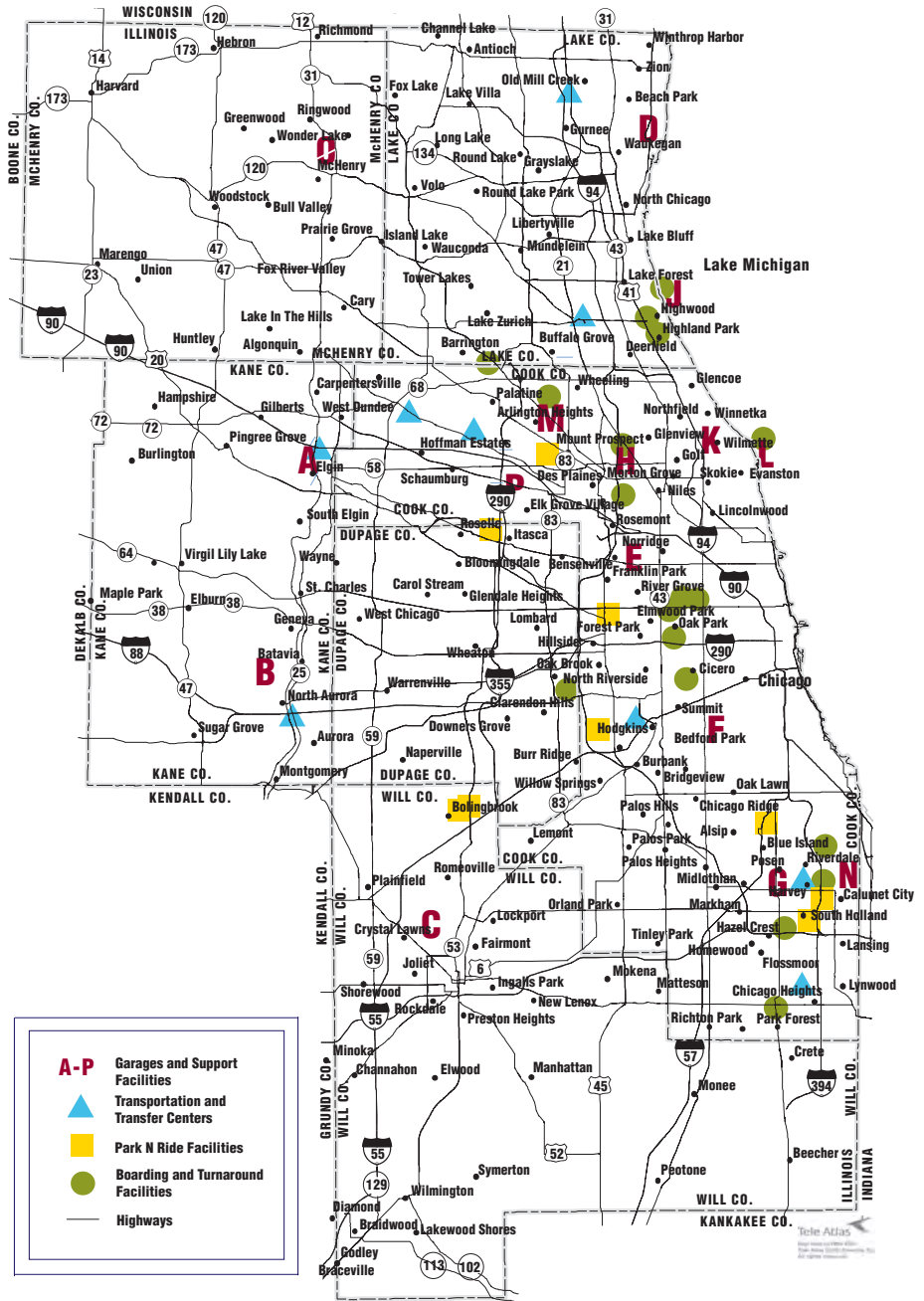
Boarding and Turnaround Facilities

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

Map 5. Pace System Garage and Support Facilities



Appendix B: 2011 Ridership and Suburban Service Fares

Pace Ridership

The following table identifies projected ridership changes by operating element for years 2009 through 2013.

Table 39. Pace 2011-2013 Ridership Projections

(000's)	2009 Actual	2010 Estimated	% Change	2011 Projected	% Change	2012 Projected	% Change	2013 Projected	% Change
Pace Owned Carriers	26,612	26,649	0.1%	26,649	0.0%	26,916	1.0%	27,185	1.0%
Public Carriers	911	903	-0.9%	903	0.0%	912	1.0%	922	1.1%
Private Carriers	1,724	1,414	-18.0%	1,414	0.0%	1,428	1.0%	1,442	1.0%
Total Fixed Route	29,247	28,966	-1.0%	28,966	0.0%	29,256	1.0%	29,549	1.0%
Dial-a-Ride	1,230	1,250	1.6%	1,265	1.2%	1,281	1.3%	1,300	1.5%
Vanpool	1,810	1,799	-0.6%	1,799	0.0%	1,835	2.0%	1,890	3.0%
Suburban Service Total	32,287	32,016	-0.8%	32,031	0.0%	32,373	1.1%	32,739	1.1%
Regional ADA Paratransit Service	2,838	2,804	-1.2%	2,860	2.0%	2,946	3.0%	3,064	4.0%
Combined Pace Service	35,125	34,820	-0.9%	34,891	0.2%	35,319	1.2%	35,803	1.4%



Pace's Harvey transportation center is the most heavily used facility in our system.



Congestion of arterial roads continues to be a problem for Pace.

Ridership and Fares

Suburban Service Ridership

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

For 2010, Pace Suburban Service ridership is estimated to decline slightly from 2009 levels by 0.8%.

For 2011, Suburban Service ridership is forecasted to remain flat. The fixed route component is projected to remain at 2010 levels. The continued economic downturn and rise in unemployment are primary factors for ridership levels remaining static for both fixed route and the vanpool program. Dial-a-ride services reflect a small increase for next year—approximately 15,000 additional riders.

Regional ADA Paratransit ridership is forecasted to grow 2.0% in 2011. This reflects a conservative assumption given the decline projected in 2010 resulting from the fare increase that was implemented for ADA service in November, 2009.

Suburban Service ridership is projected to grow at 1.1% for years 2012 and 2013. The conservative growth rate reflects the assumption of a slow economic recovery. Regional ADA ridership is forecasted to grow at 3.0% and 4.0% respectively. While greater than the growth forecasted for Suburban Service; the ADA growth level is significantly lower than growth levels experienced in recent years.

Pace Fares

There is no fare increase included in the 2011 budget for both Suburban Service and the Regional ADA Program. With regard to the ADA Program, Pace has agreed to keep fares constant for 2010 and 2011 in order to receive additional IDOT state funds. With regard to the Suburban Service Program, ridership/demand remains largely subdued. The continued outlook for a lackluster economy, and the continuing impact from the 2009 fare increase indicates that a fare increase for 2011 would not be a prudent business decision 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 park-n-ride in Burr Ridge offers an excellent alternative to driving.



Service to special events continues to show ridership growth.

Pace 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 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
Pace Campus Connection (College Student Pass) - <i>Valid for One Semester - 5 months</i>		
Purchased in:		
August or January	\$ 175.00	
September or February	\$ 165.00	
October or March	\$ 140.00	
November or April	\$ 105.00	
December or May	\$ 75.00	
Campus Connection - Summer Pass	\$ 140.00	
EXPRESS/OTHER FARES		
Premium Routes (see below)*	\$ 4.00	\$ 2.00
Premium 10 Ride Plus Ticket (855)	\$ 40.00	\$ 20.00
Dial-a-Ride	\$ 2.00	\$ 1.00
ADA PARATRANSIT		
ADA Paratransit	\$ 3.00	\$ N/A
Mobility Direct (Chicago Only)	\$ 3.00	\$ N/A
TAP (Chicago Only)	\$ 5.00	\$ N/A

*Premium routes included: 237, 282, 284, 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

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



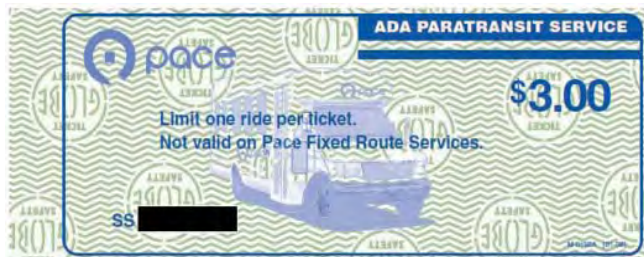
Pace has many fare instruments riders can use - 10 Ride Pass.

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 2011

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



ADA Paratransit One Ride Fare.

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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.



New and comfortable buses are very important to Pace riders.



Convenient transferring is also a top concern for Pace riders.

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

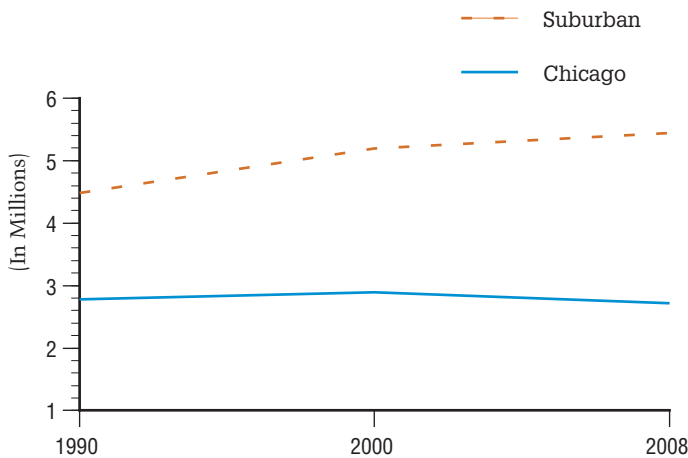
User: 2007 CSI/User Survey, regional sample size = 4,919

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 5.7 million in 2008. 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% and has remained unchanged since then. Chicago has fewer people in 2008 than in 1990 (or any time since 1920). The following graphs depict the recent population trends in the metropolitan Chicago region from 1990 through 2008.

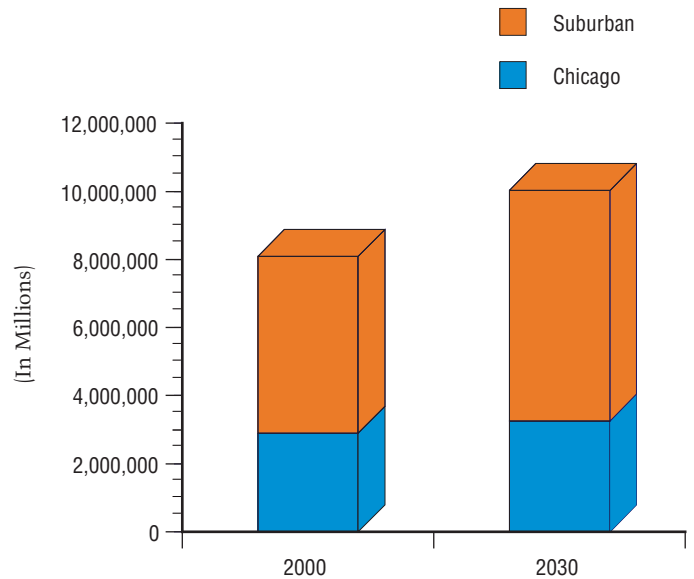
Chart M. 1990 to 2008 Regional Population



Regional Population Change 2000 to 2030

The Chicago Metropolitan Agency for Planning (CMAP) provides official 30 year population forecasts for the region. These forecasts project population growth rates and patterns. According to CMAP, the regional population is expected to increase by 2.0 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 N. 2000 to 2030 Regional Population Projection

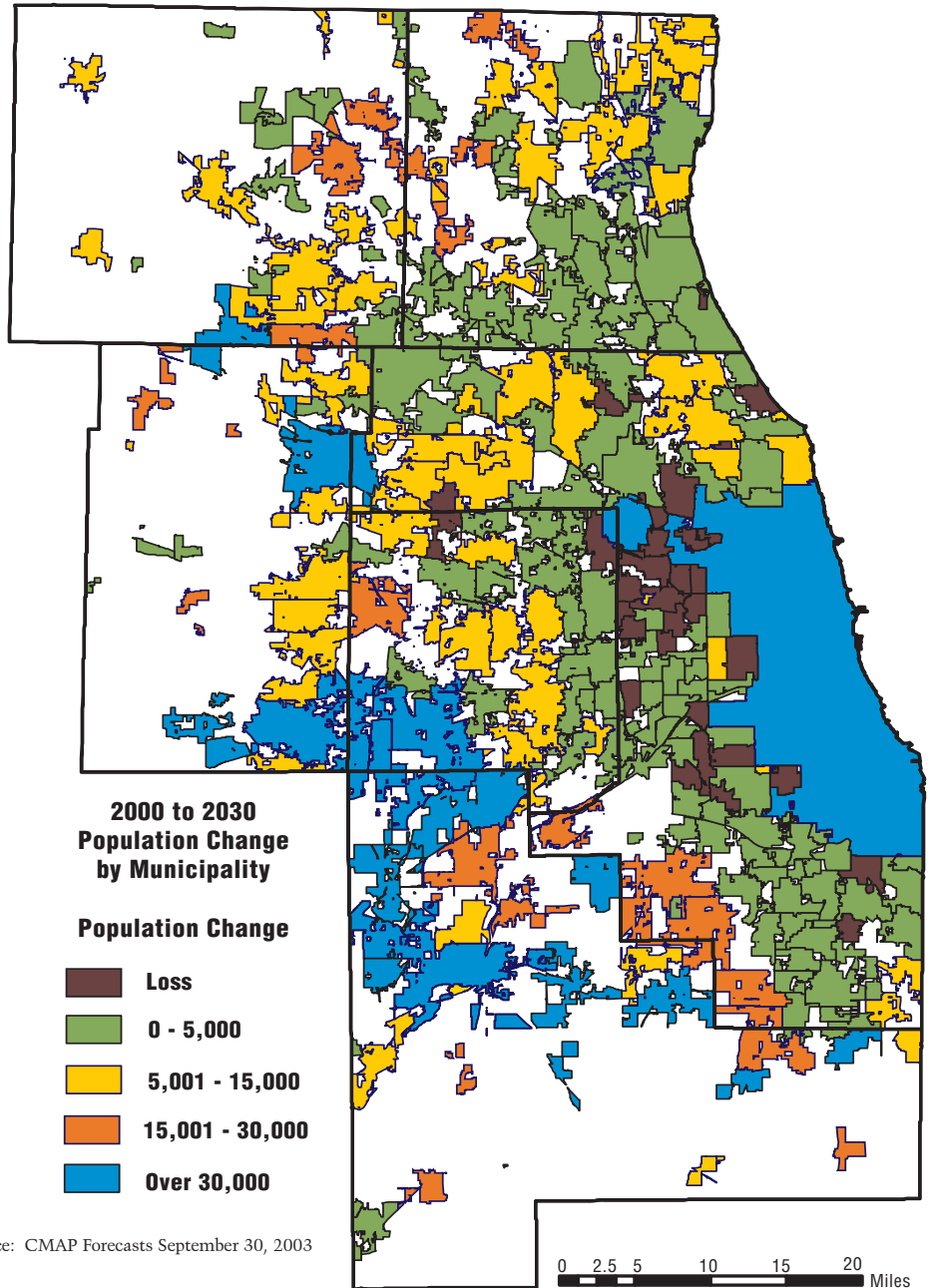


Regional Population Change 2000 to 2030

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, CMAP 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: CMAP Forecasts September 30, 2003

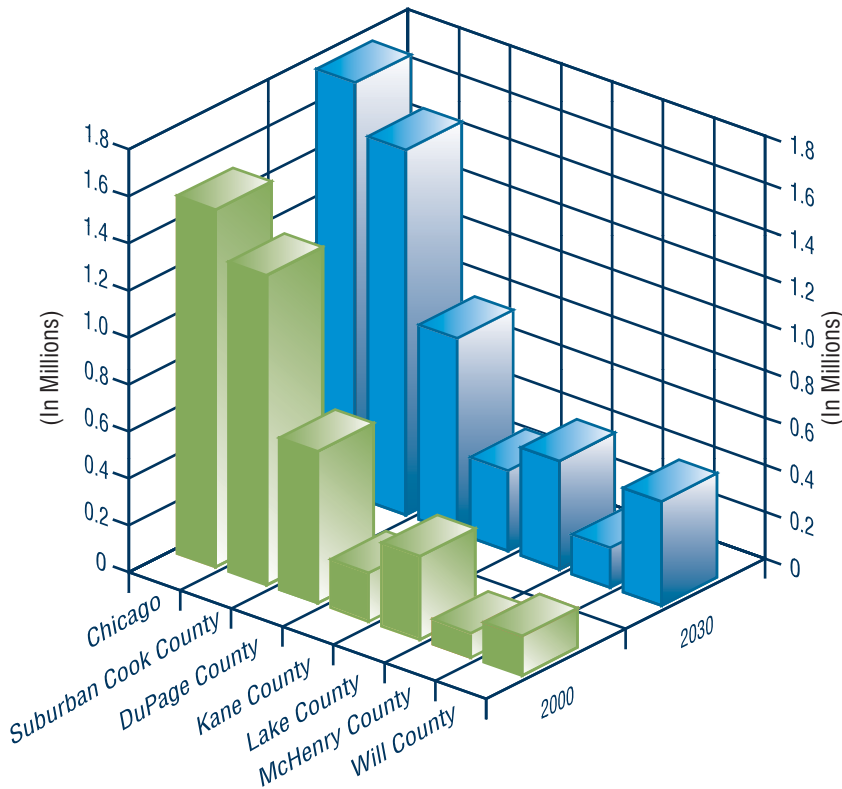
Regional Employment

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.

CMAP'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).

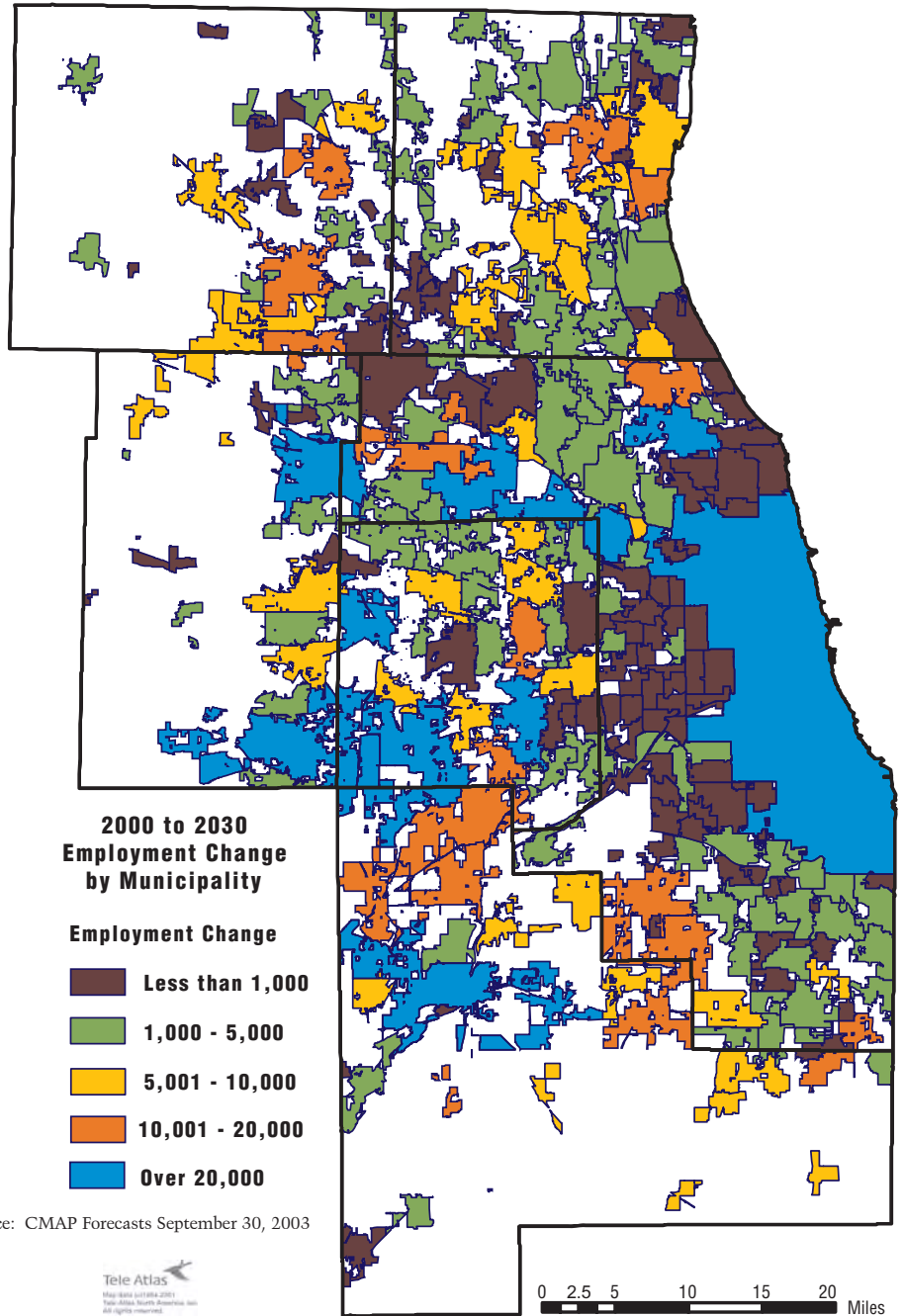
Chart O. 2000 to 2030 Employment Projection



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

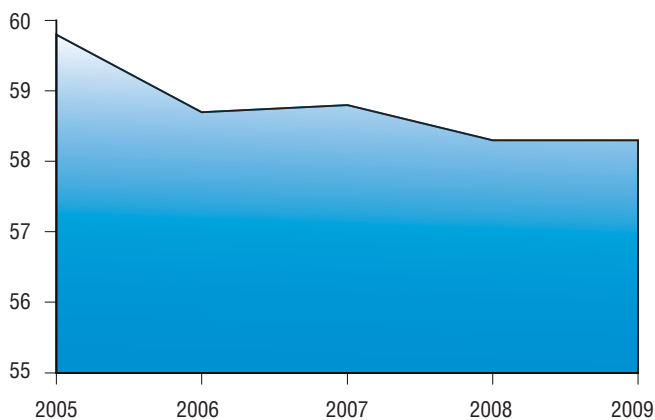
According to the Texas Transportation Institute's 2009 Urban Mobility Report, the Chicagoland area remains second only to Los Angeles in peak period travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 129 million gallons of fuel annually just sitting in traffic.

The regional cost of traffic congestion reaches \$4.21 billion annually when you factor in lost time and wages, increased shipping costs and fuel wasted. Over 189 million hours of travel delay time are lost in the region annually according to the report. This loss takes into account that public transit in the region reduces time lost by 49 million hours annually.

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

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 P. Annual Vehicle Miles—RTA Region—In Billions



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 2009, projected performance for 2010 and 2011 goals are identified. Performance standards marked with an asterisk (*) are in the process of being further evaluated and those shown are preliminary.

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

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



2010 Million Mile drivers. These drivers provide riders with safe, reliable and courteous service.



Plaques commemorating driver achievement.

Table 43. Pace Goals and Performance Measures

		2009 Actual	2010 Estimate	2011 Projected
Safety				
Goal: Provide Safe Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Accidents per 100,000 Revenue Miles	Less than 5	3.27	4.36	4.36
Reliability				
Goal: Provide Reliable Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
On-Time Performance	Greater than 85%	71.50%	72.50%	85.00%
Actual Vehicle Miles per Road Call	Greater than 14,000	12,363	14,275	14,275
Percent Missed Trips per Total Trip Miles	Less than .5%	0.14%	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	2.75	2.33	2.33
Website Hits on Web Watch Site (000's)	Increase over prior period	9,765	15,118	16,000
Efficiency				
Goal: Provide Efficient Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Revenue Miles per Revenue Hour	Greater than 17	16.76	16.81	17.00
Revenue Miles per Total Operator Pay Hours	Greater than 10*	10.17	9.57	10.00
Expense per Revenue Mile	Less than \$6.50*	\$ 6.04	\$ 5.64	\$ 5.64
Expense per Revenue Hour	Less than \$125.00*	\$101.20	\$ 94.93	\$ 94.93
Recovery Ratio	Greater than 18%	25.9%	25.9%	25.9%
Subsidy per Passenger	Less than \$4.00	\$ 2.99	\$ 2.90	\$ 2.90
Effectiveness				
Goal: Provide Effective Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Ridership	Increase from prior period	-11.0%	-1.1%	0.0%
Passenger Miles per Revenue Miles	Greater than 9*	9.94	9.44	9.44
Productivity (Passengers per Revenue Hour)	Greater than 24*	23.9	24.0	24.0
Ridership per Revenue Mile	Greater than 1.5*	1.43	1.42	1.42
Vanpool Units in Service	Increase from prior period	605	601	601

* Performance Standard Under Evaluation

Below performance standard

Within 10% of performance standard

Meets/exceeds performance standard

Peer Performance Comparison

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

The RTA's peer group includes the following systems:



Long Island Bus (MTA) – New York, NY

Orange County Transportation Authority (OCTA) – Orange, CA

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

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

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

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

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

Service Efficiency

Operating Expense per Revenue Hour

Operating Expense per Revenue Mile

Cost Effectiveness

Operating Expense per Passenger

Operating Expense per Passenger Mile

Service Effectiveness

Passengers per Revenue Hour

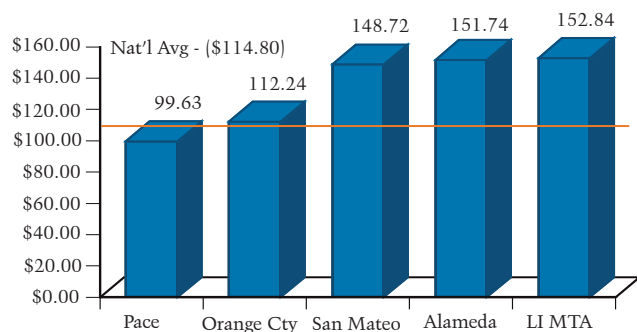
Passengers per Revenue Mile

The following charts are prepared using 2008 National Transit Database (NTD) data for bus only, which is the latest data available at this writing.

Peer Performance Comparison

Service Efficiency

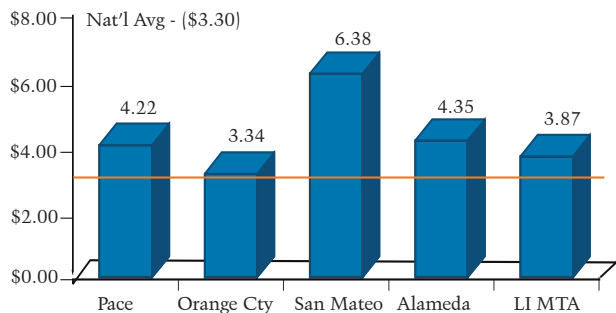
Chart Q. Operating Expense per Revenue Hour



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 \$99.63, Pace's cost per hour is 11.2% less than the nearest peer—Orange County (CA). Pace's costs are also \$15.17 per hour or 13.2% less than the national average for this performance measuring category.

Cost Effectiveness

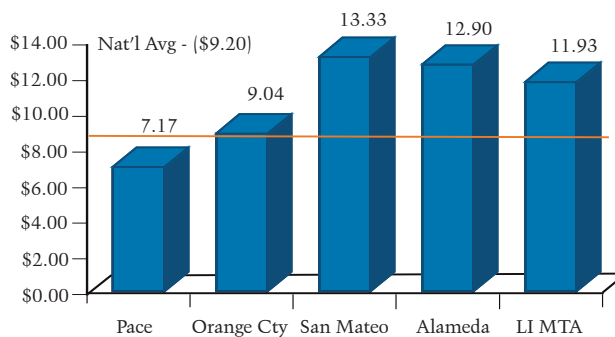
Chart S. Operating Expense per Passenger



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.

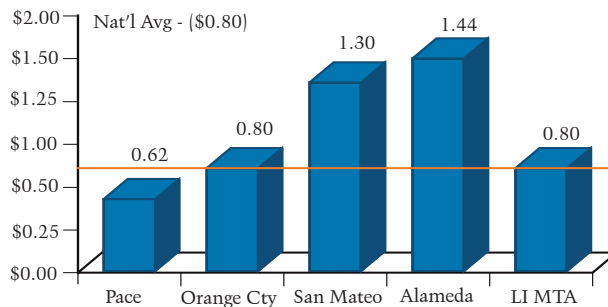
At \$4.22, Pace's operating expense per passenger is the third highest next to Alameda and San Mateo, both

Chart R. Operating Expense per Revenue Mile



Pace's operating expense per mile is also well below everyone in this peer group. At \$7.17 per mile, Pace's cost is \$1.87 per mile or 20.6% below the nearest peer, Orange County (CA), and \$2.03 per mile or 21.9% below the national average.

Chart T. Operating Expense per Passenger Mile

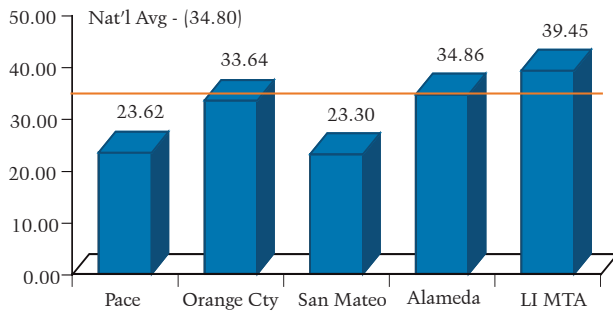


in California. Pace and all suburban bus peers exceeded the 2008 average national expense per passenger of \$3.30.

At \$0.62, Pace's expense per passenger mile is the lowest of all the suburban peers as well as the national transit average of \$0.80.

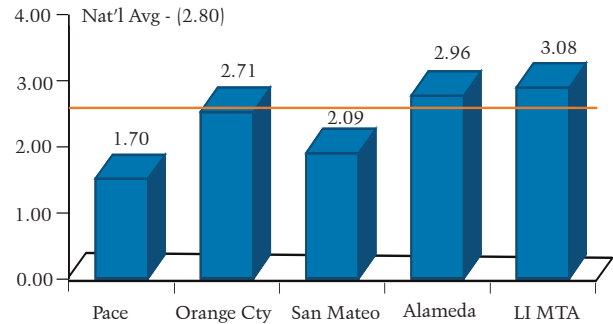
Service Effectiveness

Chart U. Passengers per Revenue Hour



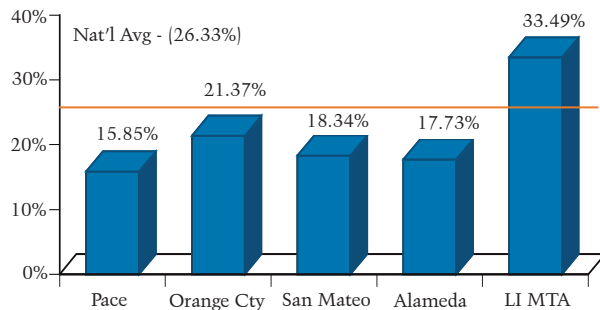
Service effectiveness, as measured by the performance ratios passengers per total revenue hour and passengers per total revenue mile, shows Pace to have the second lowest performance ratio compared to all agencies in this group, and 11.18 below the national average. The size of the service area directly 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 V. 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 W. Farebox Recovery Ratio

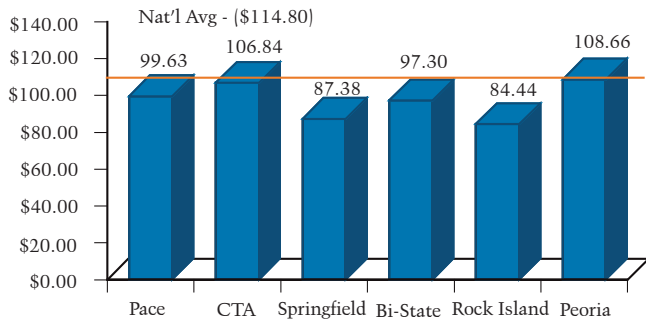


Pace's bus only farebox recovery rate of 15.85% is lower than the national average bus ratio of 26.33%, and the lowest of all the suburban peers. Record high fuel prices in 2008 depressed Pace's recovery ratio.

State/Local Government Performance Comparison

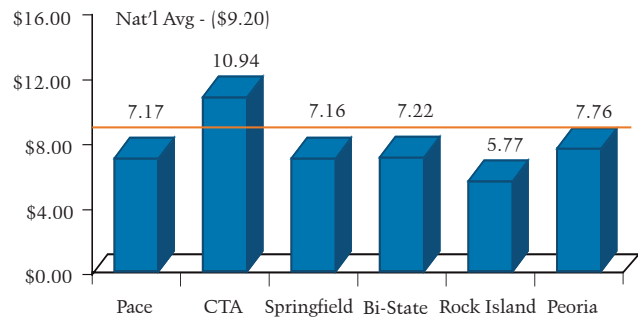
Service Efficiency

Chart X. Operating Expense per Revenue Hour



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

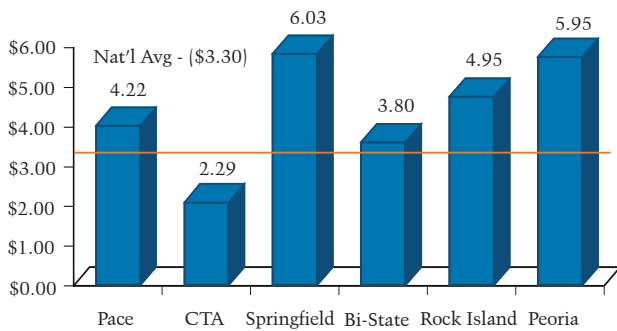
Chart Y. Operating Expense per Revenue Mile



At \$7.17, Pace's expense per revenue mile is \$2.03 below the national average. The CTA's cost per revenue mile exceeds Pace's by \$3.77 per mile.

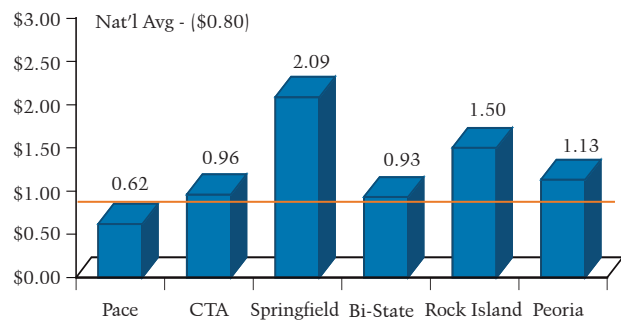
Cost Effectiveness

Chart Z. Operating Expense per Passenger



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

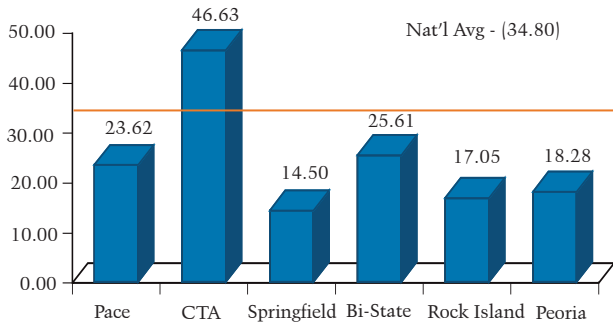
Chart AA. Operating Expense per Passenger Mile



Pace's operating expense per passenger mile is well below everyone in this peer group. In addition, Pace's cost is 22.5% lower than the national bus average.

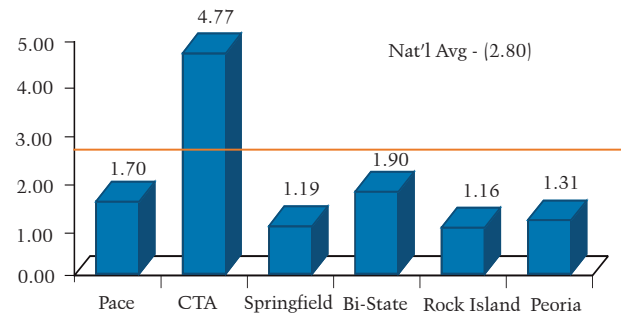
Service Effectiveness

Chart BB. Passengers per Revenue Hour



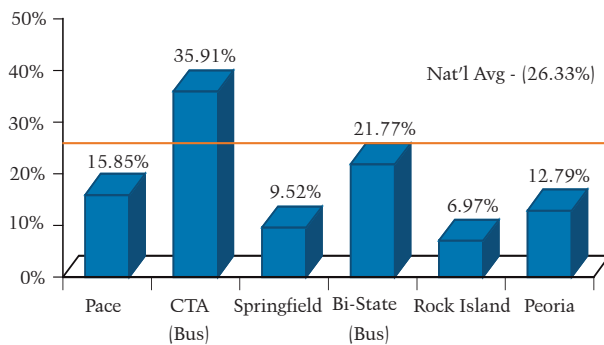
When compared to other Illinois transit operators, Pace’s service effectiveness, as measured by passengers per revenue hour and per revenue mile, is comparable. At approximately 24 passengers per revenue hour, Pace service outperforms Springfield, Rock Island and Peoria. Higher density markets, such as St. Louis (Bi-State) and Chicago (CTA) performed better.

Chart CC. Passengers per Revenue Mile



At 1.70 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 DD. Farebox Recovery Ratio



Both CTA and St. Louis (Bi-State) outperformed Pace in terms of recovery rate among the Illinois operators. It is interesting to note that the CTA’s bus recovery rate is 35.91%—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

Pace begins the second decade of the 21st century with only one decade left in which to achieve the goals outlined in Vision 2020. To accomplish this we have to take the 20th century system which we inherited and improve it while maintaining the critical core elements of the network. Pace must introduce transit options suitable for the 21st century suburban environment.

Pace anticipated the 21st century suburban environment when we created the Vision 2002 Plan, introducing the concept of “core routes” through the ART (Arterial Rapid Transit) and express bus program. These services will provide faster service which will connect suburban employment and residential areas. We will continue to maintain the high quality connections serving the suburb to city market while strengthening the city to suburb market that provides job related transportation.

The suburban network which will emerge during the next decade will use technology to improve the speed and reliability of the service. The ART network will utilize new fare payment technology, new passenger information technologies and transit signal priority along the corridors. The ART network will be supported by a layer of connectors and collectors which will serve the compact older suburban communities and the newer suburban communities which are a mix of low density residential areas and corporate campuses. The latter are not well served by traditional transit and will require us to implement community based services which will rely on call and ride types of service.

In order to achieve this plan we anticipate enhancing our partnerships with the Illinois Tollway, Metra, RTA and CTA. Pace has already worked with the Tollway in developing an express bus service on I-294, which provided an opportunity for Pace staff to work alongside the Tollway staff in identifying service solutions that provide sustainable mobility for suburban residents. We look forward to working with the Tollway on other service as part of their managed lane program.

Pace plans on revisiting the Bus to Rail study which was completed a number of years ago as a way of enhancing the feeder service which we currently provide. The work that we have been doing with Naperville dur-

ing the past few years has provided a model for remote parking lots which can be served best by buses running express to the train stations rather than meandering through the suburban neighborhoods. Keeping the buses on the wider streets improves our speed and expands our coverage.

Our partnership with the RTA at this time has two critical elements. The first is related to the work that RTA is doing with IDOT in the I-55 corridor to demonstrate the value of buses on shoulders as part of a congestion mitigation strategy for the region. We anticipate that the program will enhance the performance of the service which we already operate, and provide us with an opportunity to expand the park-n-ride network which we already have in place. The other element that is critical for us is the work that the RTA has done in its market analysis and systems analysis work.

Pace’s Strategic Services group recognized that the region is no longer best served by using our old performance measurement methodology. That methodology very often resulted in us eliminating entire routes and thereby lessening the service coverage for the suburban markets. Pace also came to realize that the legacy system had overlapping service segments that might appear to be convenient to the customer while costing Pace significant amounts of money. To address these concerns, Strategic Services has developed a more collaborative cross-functional methodology for evaluating service changes. Pace will continue to monitor the performance of the total routes and will identify routes that will appear on a watch and review list but now we will adopt a pruning process for route segments that are performing poorly. This Pruning process will serve as an initial step prior to conducting more extensive restructuring efforts.

Arterial Rapid Transit Network

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-by-pass 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. The ART Feasibility Study has examined and prioritized these corridors. Six of them—95th Street, Dempster Street, Halsted Street, Harlem Avenue, Milwaukee Avenue and Oak Brook/Cermak—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. The ART Implementation Plan project identified the project delivery mechanism and associated implementation plan for the Milwaukee, Dempster and Oak Brook/Cermak ART routes. In 2011, Pace will begin the implementation of its ART Network on Milwaukee Avenue and Dempster Street.

Corridor Development

In addition to the ART network, Pace is studying the concept of corridor development. This will include new and expanded services along I-55, I-355, and I-90 corridors. In addition, Pace is partnering with the Southwest Conference of Mayors to study the south Harlem Avenue corridor between 63rd Street and 183rd Street. In 2011, a similar corridor study is planned for Cicero Avenue.

The goal of the corridor development studies is to understand land use patterns and market conditions to provide congestion relief, improved regional mobility, sustainable employment access, economic development and expanded transit options. In addition, work will continue regarding the evaluation of new park and ride facilities and improved amenities at these facilities.

Service Pruning Methodology

Strategic Services has developed a more collaborative cross-functional methodology for evaluating service changes. This pruning process will serve as an initial step prior to conducting more extensive restructuring efforts.

The methodology would be based on identified demand in existing corridors, by time of day and direction, and would focus on implementing a more efficient and effective service within the parameters of available subsidy.

During 2010, Strategic Services developed a new business model to identify and make service adjustments. The focus is on a more selective series of service changes that would prune away unproductive segments and/or time periods. This strategy would help minimize the undue negative impact caused by the elimination of entire routes. It would also serve to continue our work of restructuring service to align our “legacy” routes more closely with current and future regional travel demand patterns.

In recognition that many factors across the agency can affect service delivery, a fresh approach has been used for the 2011 budget by assembling a cross-functional team early in the budget development process. The team was charged with evaluating potential service changes. In addition, the team has helped to identify which of the potential service changes should be allocated to cost reduction and which should be reinvested in restructured form in order to strengthen Pace’s core service.

As a result of taking a more collaborative approach, the final package of service changes would be better understood and supported throughout the agency. The process would result in a more realistic level of service changes with the smallest possible negative impact on Pace’s passengers and without compromising our ability to achieve Pace’s long-range goals as set forth in the Vision 2020 plan when the economy rebounds.

This pruning approach leverages the expertise and experience of a cross-functional team to create an actionable plan. The approach will effectively and efficiently create a plan for going forward.

Fixed Route Service Restructuring

Service restructuring is an on-going effort 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. Staff is now beginning its analysis of Pace service in West Cook County and Lake County.

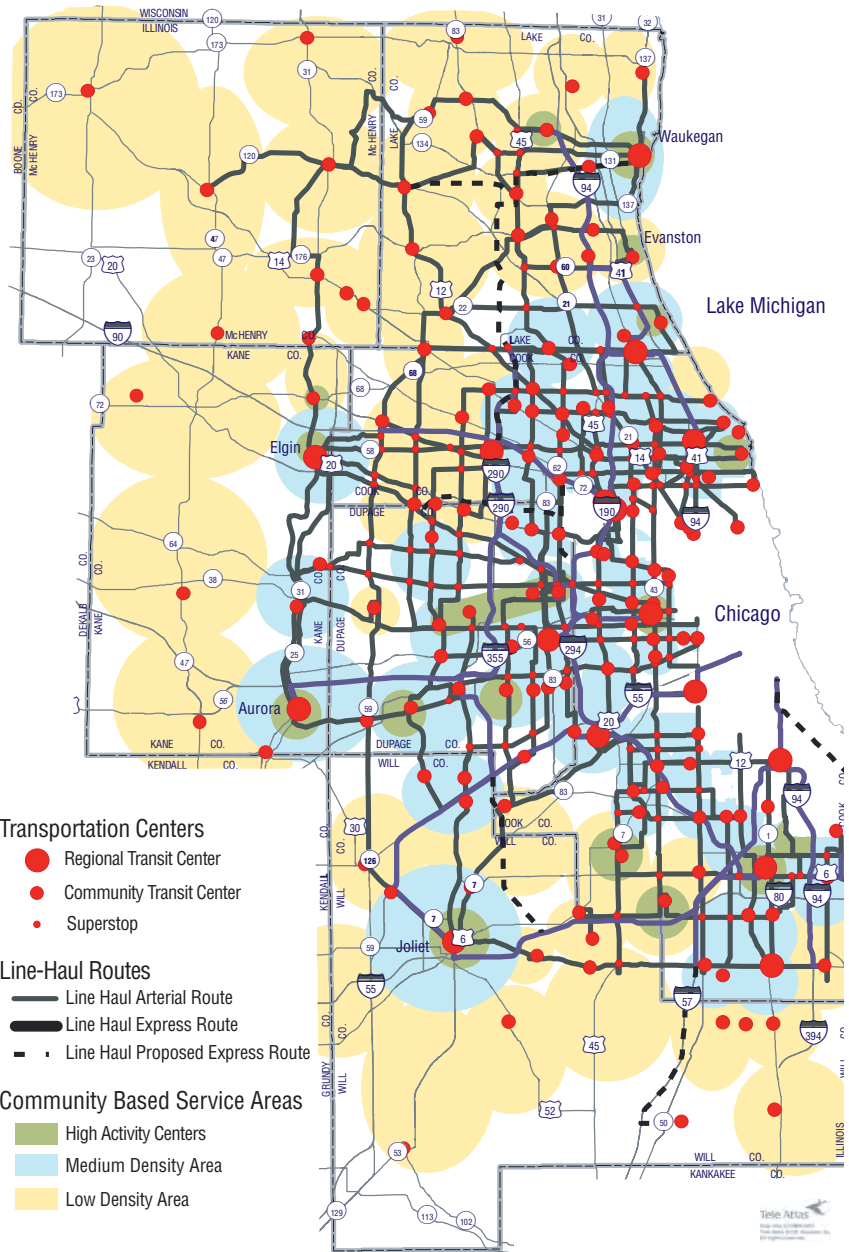
The benefits that have been realized by the service restructuring projects have included improving on-time performance of service, discontinuing unproductive route segments, expanding service in areas with greater ridership demand, increasing service frequencies and spans, improving passenger amenities at bus stops and introducing posted stops on select routes to speed up service. 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.

Map 8. Vision 2020



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 where riders contact the operator directly to book a ride instead of a dispatcher) to flexible routes (combining fixed route with dial a ride), to circulators (connecting 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 paratransit service for the elderly and people with disabilities.

Market Research & Analysis

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.

Pace selected NuStats, a consulting firm specialized in transportation customer research, to conduct the 2010 Customer Satisfaction Index (CSI) Studies for Pace’s Fixed-Route, Vanpool, Rideshare, and Paratransit family of services. The overall goal of the study is to provide continued evaluation of service performance through the eye of Pace customers so transportation needs can be met, loyalty strengthened, and ridership increased. The Fixed-Route survey will include a representative sample of riders of approximately 200 regular, feeder, shuttle, and subscription routes. The Vanpool survey will include participants of approximately 700 traditional, employer, Metra feeder, Advantage, and municipal vanpools. The Paratransit survey will include customers being served by approximately 60 Dial-a-Ride projects and 800 ADA

paratransit vehicles both in the suburbs and City of Chicago. The 2010 CSI study will be completed within a period of two (2) years from the execution of the contract on August 1, 2010, whereby the Fixed-Route and Vanpool survey will be administrated in year one, and the Paratransit survey will be administrated in year two. A major difference between 2010 CSI study and previous CSI studies is that Pace will incorporate an online survey option into the CSI survey process to make the overall process more cost-effective and increase participants response rate.

In 2011, Pace will conduct a market analysis of the Harlem Avenue corridor between Glenview and Tinley Park with one mile on either side of the corridor included in the service area. In addition, Pace will conduct studies in the West Cook and North Cook regions. Pace has also partnered with Lake County to conduct a market analysis of transit markets and appropriate services through out the county. These studies will assist Pace and our regional partners in understanding the demographics, travel patterns, origins and destinations and the characteristics of each study area.

RideShare

Pace’s implementation of the RideShare Program in 2011-2013 will continue through www.PaceRideShare.com, a website that matches users who can share their commute by carpooling, and allows for tracking the region’s carpools. This website 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 include introduction and implementation of RideShare to our region’s employers.

Capital Infrastructure

Transit Signal Priority

The Transit Signal Priority (TSP) Program is geared to providing a more reliable regional transit system with

improved bus travel times, schedule adherence and customer satisfaction. Transit Signal Priority recognizes that most buses operate on the arterial system, where delay is largely related to congestion and traffic signal timings that have not been oriented to bus operations. TSP allows bus transit vehicles to adhere to their published schedule by giving priority green time to buses that are behind schedule. A regional TSP system is a critical component of the Arterial Bus Rapid Transit (ART) Network. This program is coordinated with the implementation of the ART network. Implementation of TSP on designated corridors is a multi-year program. Implementation of corridor segments and locations are determined based on delay analysis, funding and coordination with the ART program. To complement the TSP program, routes serving TSP corridors will be given priority for systematic review of bus stop locations to shift stops to the far side of signalized intersections and to convert those routes from the current flag stop policy into the Posted Stops program. In 2010, Pace buses began taking advantage of TSP with the implementation of the Harvey Transportation Center Transit Signal Priority Project, with the coordination and upgrading of 20 existing traffic signals along Halsted Street, Park Avenue, 159th Street and Sibley Boulevard in the vicinity of the Pace Harvey Transportation Center at 154th and Park in Harvey. The project includes testing the use of WI-FI technology for TSP applications. Also, Pace is currently working with IDOT and CDOT to optimizing traffic signal timings along Milwaukee Avenue followed by design of TSP Strategies and implementation.

In 2011 and beyond, several other corridors will be developed, including Washington Street and Grand Avenue in Lake County, Halsted Street and 159th Streets outside the Harvey Transportation Center project area, 95th Street and Harlem Avenue in South Cook County, and Cermak & Roosevelt Roads in West DuPage County.

Bus-on-Shoulder Operations

Bus-only shoulder riding on highways 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. Pace can utilize shoulder lanes for express routes along certain congested roadways where favorable conditions exist. Experiences of such use have provided widely encouraging results across the nation. Pace continues to partner with RTA, IDOT and ISTHA to study the feasibility and implementation of bus-on-shoulders opera-

tions within this region on heavily congested highway corridors including I-55 and I-90.

Hastus Scheduling Software Upgrade

In late 2010, Pace will have upgraded 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. The fine tuning of rules will improve the creation of driver mealbreaks when using CrewOpt.

Marketing and Communications Plan

In 2010, Pace once again invested heavily into reaching out to persons with disabilities. Pace sought to improve its relationships with those riders, touting the benefits of using fixed route buses and trains. The first half of 2010 saw measurable success with this initiative, with Circuit Permit (a.k.a. “People with Disabilities Ride Free”) ridership on fixed routes up, and ADA paratransit ridership down.

This past year also witnessed two new marketing initiatives: an environmentalist campaign and an airport campaign. Riding the wave of the “Green” movement, Pace promoted the use of public transit as a significant way in which the average person can reduce her carbon footprint and contribute positively to air quality improvement. Pace also touted its own environmentalist credentials, as we purchased our first ten hybrid paratransit vehicles in 2010. Within the airport campaign, Pace made a concerted effort to remind travelers and airport employees how much more affordable it is to take Pace to O’Hare or Midway, compared to parking or taking a taxi.

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.

Grants from the Illinois Environmental Protection Agency will continue to help market Pace’s successful RideShare matching program. With the regional economy still in a recession, many commuters are looking for cheaper alternatives to driving alone. Thus, 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.

The Pace Marketing Department also implemented several projects which aim to enhance Pace’s non-farebox revenue in 2011 and beyond. In 2011, advertisements will be aired over the audio announcement system on fixed route buses, as well as on the Pace website.



A new campaign for 2010 encourages people to take public transportation to the airport.

An additional way in which the Marketing Department expands the agency’s revenue opportunities while providing comfort for Pace’s riders is through installation of ad shelters. In 2010, ten new ad shelters were installed in Wheeling and four in Hazel Crest. Dozens more are in the works. The new ad shelter styles from which municipalities can choose were touted in a brochure distributed in 2010, by which we hope to generate even more interest in ad shelter installations in 2011.

Appendix F: 2009-2011 Operating Budget Detail

2009 Actual Operating Results

2009 Actual Program, Activity and Object Matrix

	(1)	(1)	(1)	(2)
	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
REVENUE				
Farebox	\$ 23,842,083	\$ 1,015,413	\$ 2,492,060	\$ 1,638,063
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,542,128	833,205	315,336	7,483,276
Total Revenue	\$ 26,384,211	\$ 1,848,618	\$ 2,807,396	\$ 9,121,339
OPERATING EXPENSES				
Operations				
Labor/Fringes	\$ 50,093,986	\$ 1,773,597	\$ 0	\$ 0
Parts/Supplies	18,909	0	0	0
Purchased Transportation	0	847,462	9,884,972	15,341,470
Fuel	0	0	0	0
Other	120,251	12,611	0	0
Total Operations	\$ 50,233,146	\$ 2,633,670	\$ 9,884,972	\$15,341,470
Vehicle Maintenance				
Labor/Fringes	\$ 11,473,956	\$ 405,117	\$ 0	\$ 0
Parts/Supplies	3,526,179	77,435	0	0
Other	(325,867)	49,632	0	472,189
Total Vehicle Maintenance	\$ 14,674,268	\$ 532,184	\$ 0	\$ 472,189
Non-Vehicle Maintenance				
Labor/Fringes	\$ 711,913	\$ 0	\$ 0	\$ 0
Parts/Supplies	496,801	0	0	0
Other	932,368	0	0	39,773
Total Non-Vehicle Maintenance	\$ 2,141,082	\$ 0	\$ 0	\$ 39,773
General Administration				
Labor/Fringes	\$ 2,428,690	\$ 297,252	\$ 0	\$ 0
Parts/Supplies	76,497	409	0	0
Utilities	1,661,451	94	0	50,900
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	430,310	2,710	0	740,607
Indirect Overheard Allocation	0	0	0	0
Total Administration	\$ 4,596,948	\$ 300,465	\$ 0	\$ 791,507
Total Expenses	\$ 71,645,644	\$ 3,466,319	\$ 9,884,972	\$16,644,939
Funding Requirement	\$ 45,261,233	\$ 1,617,701	\$ 7,077,576	\$ 7,523,600
Recovery Ratio	36.83%	53.33%	28.40%	54.80%

(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	2009 Actual
\$ 3,845,452	\$ 0	\$ 0	\$ 32,833,071	\$ 7,177,553	\$ 40,010,624
0	2,350,689	0	2,350,689	0	2,350,689
0	2,630,182	0	2,630,182	0	2,630,182
0	214,343	0	214,343	0	214,343
0	1,429,140	0	12,603,085	1,365,139	13,968,224
\$ 3,845,452	\$ 6,624,354	\$ 0	\$ 50,631,370	\$ 8,542,692	\$ 59,174,062
\$ 0	\$ 0	\$ 2,968,189	\$ 54,835,772	\$ 0	\$ 54,835,772
0	0	1,585,307	1,604,216	0	1,604,216
0	0	0	26,073,904	102,821,006	128,894,910
1,613,962	0	10,320,605	11,934,567	1,481,323	13,415,890
1,760,757	0	0	1,893,619	0	1,893,619
\$ 3,374,719	\$ 0	\$ 14,874,101	\$ 96,342,078	\$ 104,302,329	\$ 200,644,407
\$ 0	\$ 0	\$ 2,611,002	\$ 14,490,075	\$ 0	\$ 14,490,075
0	0	230,047	3,833,661	0	3,833,661
0	0	1,432,109	1,628,063	0	1,628,063
\$ 0	\$ 0	\$ 4,273,158	\$ 19,951,799	\$ 0	\$ 19,951,799
\$ 0	\$ 0	\$ 552,792	\$ 1,264,705	\$ 0	\$ 1,264,705
0	0	0	496,801	0	496,801
0	178,116	502,503	1,652,760	0	1,652,760
\$ 0	\$ 178,116	\$ 1,055,295	\$ 3,414,266	\$ 0	\$ 3,414,266
\$ 0	\$ 14,041,903	\$ 0	\$ 16,767,845	\$ 2,492,190	\$ 19,260,035
0	244,046	223	321,175	23,205	344,380
0	270,523	55,330	2,038,298	9,086	2,047,384
0	0	13,595,622	13,595,622	509,886	14,105,508
0	0	13,993,510	13,993,510	458,156	14,451,666
0	6,256,298	4,209,258	11,672,611	3,310,110	14,982,721
0	0	0	(3,649,061)	3,649,061	0
\$ 0	\$ 20,812,770	\$ 31,853,943	\$ 54,706,572	\$ 10,451,694	\$ 65,158,266
\$ 3,374,719	\$ 20,990,886	\$ 52,056,497	\$ 174,414,715	\$ 114,754,023	\$ 289,168,738
\$ (470,733)	\$ 14,366,532	\$ 52,056,497	\$ 123,783,345	\$ 106,211,331	\$ 229,994,676
113.95%	31.56%	0.00%	34.80%	10.00%	

2010 Estimated Operating Results

2010 Estimated Program, Activity and Object Matrix

	(1)		(1)	(2)
	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
REVENUE				
Farebox	\$ 23,171,229	\$ 1,027,574	\$ 2,120,586	\$ 1,642,256
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,538,219	760,000	263,036	7,851,808
Total Revenue	\$ 25,709,448	\$ 1,787,574	\$ 2,383,622	\$ 9,494,064
OPERATING EXPENSES				
Operations				
Labor/Fringes	\$ 50,247,628	\$ 1,743,315	\$ 0	\$ 0
Parts/Supplies	21,263	1,575	0	0
Purchased Transportation	0	857,000	8,694,523	15,037,615
Fuel	0	0	0	0
Other	109,219	22,625	0	0
Total Operations	\$ 50,378,110	\$ 2,624,515	\$ 8,694,523	\$15,037,615
Vehicle Maintenance				
Labor/Fringes	\$ 12,228,787	\$ 408,155	\$ 0	\$ 0
Parts/Supplies	3,391,823	103,185	0	0
Other	(319,140)	60,772	0	473,660
Total Vehicle Maintenance	\$ 15,301,470	\$ 572,112	\$ 0	\$ 473,660
Non-Vehicle Maintenance				
Labor/Fringes	\$ 729,585	\$ 0	\$ 0	\$ 0
Parts/Supplies	492,954	0	0	0
Other	970,266	0	0	35,466
Total Non-Vehicle Maintenance	\$ 2,192,805	\$ 0	\$ 0	\$ 35,466
General Administration				
Labor/Fringes	\$ 2,403,258	\$ 306,002	\$ 0	\$ 0
Parts/Supplies	64,500	1,400	0	0
Utilities	1,662,709	117	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	674,517	2,076	0	1,857,516
ADA Overhead	0	0	0	0
Total Administration	\$ 4,804,984	\$ 309,595	\$ 0	\$ 1,857,516
Total Expenses	\$ 72,677,369	\$ 3,506,222	\$ 8,694,523	\$17,404,257
Funding Requirement	\$ 46,967,921	\$ 1,718,648	\$ 6,310,901	\$ 7,910,193
Recovery Ratio	35.37%	50.98%	27.42%	54.55%

(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 Estimate
\$ 3,826,694	\$ 0	\$ 0	\$ 31,788,339	\$ 8,600,550	\$ 40,388,889
0	1,257,000	0	1,257,000	0	1,257,000
0	2,040,000	0	2,040,000	0	2,040,000
0	61,516	0	61,516	0	61,516
0	1,646,979	0	13,060,042	1,197,236	14,257,278
\$ 3,826,694	\$ 5,005,495	\$ 0	\$ 48,206,897	\$ 9,797,786	\$ 58,004,683
\$ 0	\$ 0	\$ 2,922,906	\$ 54,913,849	\$ 0	\$ 54,913,849
0	0	1,651,097	1,673,935	0	1,673,935
0	0	0	24,589,138	103,037,787	127,626,925
1,902,463	0	13,103,996	15,006,459	1,835,038	16,841,497
1,682,605	0	0	1,814,449	0	1,814,449
\$ 3,585,068	\$ 0	\$ 17,677,999	\$ 97,997,830	\$ 104,872,825	\$ 202,870,655
\$ 0	\$ 0	\$ 2,620,707	\$ 15,257,649	\$ 0	\$ 15,257,649
0	0	310,000	3,805,008	0	3,805,008
0	0	1,185,000	1,400,292	0	1,400,292
\$ 0	\$ 0	\$ 4,115,707	\$ 20,462,949	\$ 0	\$ 20,462,949
\$ 0	\$ 0	\$ 568,200	\$ 1,297,785	\$ 0	\$ 1,297,785
0	0	0	492,954	0	492,954
0	241,510	750,000	1,997,242	0	1,997,242
\$ 0	\$ 241,510	\$ 1,318,200	\$ 3,787,981	\$ 0	\$ 3,787,981
\$ 0	\$ 14,058,833	\$ 0	\$ 16,768,093	\$ 2,486,421	\$ 19,254,514
0	265,000	0	330,900	0	330,900
0	351,184	0	2,014,010	0	2,014,010
0	0	12,559,911	12,559,911	481,900	13,041,811
0	0	15,100,000	15,100,000	406,575	15,506,575
0	6,119,690	3,962,481	12,616,280	3,402,911	16,019,191
0	0	0	(3,872,843)	3,872,843	0
\$ 0	\$ 20,794,707	\$ 31,622,392	\$ 55,516,351	\$ 10,650,650	\$ 66,167,001
\$ 3,585,068	\$ 21,036,217	\$ 54,734,298	\$ 177,765,111	\$ 115,523,475	\$ 293,288,586
\$ (241,626)	\$ 16,030,722	\$ 54,734,298	\$ 129,558,214	\$ 105,725,689	\$ 235,283,903
106.74%	23.79%	0.00%	35.71%	10.00%	

2011 Operating Budget

2011 Program, Activity and Object Matrix

	(1)		(1)	(2)
	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
REVENUE				
Farebox	\$ 23,171,229	\$ 1,034,495	\$ 2,120,586	\$ 1,666,496
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,538,219	785,000	263,036	8,278,343
Total Revenue	\$ 25,709,448	\$ 1,819,495	\$ 2,383,622	\$ 9,944,839
OPERATING EXPENSES				
Operations				
Labor/Fringes	\$ 51,367,672	\$ 1,738,380	\$ 0	\$ 0
Parts/Supplies	23,588	1,602	0	0
Purchased Transportation	0	868,000	8,439,500	15,428,902
Fuel	0	0	0	0
Other	110,412	22,907	0	0
Total Operations	\$ 51,501,672	\$ 2,630,889	\$ 8,439,500	\$15,428,902
Vehicle Maintenance				
Labor/Fringes	\$ 12,770,443	\$ 436,760	\$ 0	\$ 0
Parts/Supplies	3,400,045	109,228	0	0
Other	(296,256)	61,592	0	478,789
Total Vehicle Maintenance	\$ 15,874,232	\$ 607,580	\$ 0	\$ 478,789
Non-Vehicle Maintenance				
Labor/Fringes	\$ 856,889	\$ 0	\$ 0	\$ 0
Parts/Supplies	501,190	0	0	0
Other	956,726	0	0	35,466
Total Non-Vehicle Maintenance	\$ 2,314,805	\$ 0	\$ 0	\$ 35,466
General Administration				
Labor/Fringes	\$ 2,400,052	\$ 322,002	\$ 0	\$ 0
Parts/Supplies	64,349	1,424	0	0
Utilities	1,725,281	119	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	636,099	2,111	0	1,817,182
ADA Overhead	0	0	0	0
Total Administration	\$ 4,825,781	\$ 325,656	\$ 0	\$ 1,817,182
Total Expenses	\$ 74,516,490	\$ 3,564,125	\$ 8,439,500	\$17,760,339
Funding Requirement	\$ 48,807,042	\$ 1,744,630	\$ 6,055,878	\$ 7,815,500
Recovery Ratio	34.50%	51.05%	28.24%	55.99%

(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 2011 Proposed Budget
\$ 3,826,694	\$ 0	\$ 0	\$ 31,819,500	\$ 8,772,560	\$ 40,592,060
0	2,000,000	0	2,000,000	0	2,000,000
0	2,316,000	0	2,316,000	0	2,316,000
0	63,400	0	63,400	0	63,400
0	1,738,710	0	13,603,308	1,221,181	14,824,489
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 3,826,694	\$ 6,118,110	\$ 0	\$ 49,802,208	\$ 9,993,741	\$ 59,795,949
\$ 0	\$ 0	\$ 3,057,296	\$ 56,163,348	\$ 0	\$ 56,163,348
0	0	1,672,562	1,697,752	0	1,697,752
0	0	0	24,736,402	107,512,057	132,248,459
1,902,463	0	13,971,163	15,873,626	1,956,829	17,830,455
1,732,113	0	0	1,865,432	0	1,865,432
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 3,634,576	\$ 0	\$ 18,701,021	\$ 100,336,560	\$ 109,468,886	\$ 209,805,446
\$ 0	\$ 0	\$ 2,741,236	\$ 15,948,439	\$ 0	\$ 15,948,439
0	0	314,778	3,824,051	0	3,824,051
0	0	1,185,122	1,429,247	0	1,429,247
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 0	\$ 4,241,136	\$ 21,201,737	\$ 0	\$ 21,201,737
\$ 0	\$ 0	\$ 594,337	\$ 1,451,226	\$ 0	\$ 1,451,226
0	0	0	501,190	0	501,190
0	246,556	797,800	2,036,548	0	2,036,548
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 246,556	\$ 1,392,137	\$ 3,988,964	\$ 0	\$ 3,988,964
\$ 0	\$ 14,395,636	\$ 0	\$ 17,117,690	\$ 2,522,835	\$ 19,640,525
0	271,690	0	337,463	0	337,463
0	322,823	0	2,048,223	0	2,048,223
0	0	12,613,021	12,613,021	496,150	13,109,171
0	0	16,758,123	16,758,123	454,174	17,212,297
0	6,819,363	3,788,944	13,063,699	3,569,646	16,633,345
0	0	0	(4,145,000)	4,145,000	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 21,809,512	\$ 33,160,088	\$ 57,793,219	\$ 11,187,805	\$ 68,981,024
\$ 3,634,576	\$ 22,056,068	\$ 57,494,382	\$ 183,320,480	\$ 120,656,691	\$ 303,977,171
\$ (192,118)	\$ 15,937,958	\$ 57,494,382	\$ 133,518,272	\$ 110,662,950	\$ 244,181,222
105.29%	27.74%	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 2011 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 EE. 2011 Budget Development Calendar

Date (2010)	Event
May 15	Release budget call to Agency management
June 17	Budget call requests due from management
July	Staff develops a preliminary budget
August 4	Review Preliminary 2011 Budget with Pace Board
August 13	Submit Preliminary 2011 Budget to RTA
September 15	RTA scheduled to set 2011 Funding and Recovery Marks
September 16 - 30	Staff develops Proposed 2011 Budget per Board directives
October 13	Pace Board releases Proposed 2011 Budget for Public Hearing
October 19 - 30	Public Hearings on Pace's Proposed 2011 Budget
November 10	Pace Board adopts Final 2011 Budget
November 15	Submit Final 2011 Budget to RTA
November 16	RTA evaluates Pace budget for compliance
December 16	RTA scheduled to approve/adopt 2011 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 2011, 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 2011 in November 2010.

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, \$14,700,000 of Unrestricted Net Assets are being retained for working cash purposes during 2011.

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 \$250,000 each occurrence. Additionally, Pace may utilize the RTA Loss Financing Plan to finance recovery from General Liability losses that may exceed the \$15 million. Pace purchases other property/casualty excess policies including Workers Compensation, Pollution, Employment Practice Liability, crime, property and Boiler & Machinery.

Pace also has elected to self insure a portion of its Health and Welfare exposures. Pace maintains stop-loss coverage for any individual health claims exceeding \$150,000 with an aggregate stop-loss of \$4.7 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.



Administrative functions are performed from Pace's offices in Arlington Heights.

Appendix I: State Five Year Capital Plan

General

This Appendix contains further detail on the State IDOT Capital Plan which is integrated into the Pace 2011 Capital Budget and Ten Year Capital Business Plan, included in this document.

On April 3, 2009, Governor Pat Quinn signed into law the “Jump Start” capital bill, providing \$900 million to make grants to fund public transportation projects in Northeastern Illinois. It was the intent of the Legislature, that \$45 million of this funding would be allocated to Pace for Regional ADA Paratransit rolling stock and support equipment and would be taken off the top of what was appropriated as part of the \$900 million. The balance of the funding would then be allocated according to the traditional distribution of 58% to CTA, 34% to Metra and 8% to Pace. These funds have not been made available to the RTA by the State but if they are made available, Pace is expected to receive 13% of the regional capital funding to address the suburban capital needs and regional ADA paratransit capital needs. Table 44 shows this allocation to each of the Service Boards.



State Capitol Building - funding from the State Legislature is critical.

Table 44. Jump Start Bill—\$900 Million

	Total	CTA	Metra	Pace
Total Amount	\$900.0	–	–	–
Less: Regional ADA Paratransit	\$ 45.0	–	–	\$ 45.0
Amount Remaining	\$855.0	\$495.9	\$290.7	\$ 68.4
Total Amount Allocated	\$900.0	\$495.9	\$290.7	\$113.4
Percentages without ADA	100%	58%	34%	8%
Percentages with ADA	100%	55%	32%	13%

Additionally, on July 13, 2009, the Governor signed into law the “*Illinois Jobs Now*” capital bill which would provide \$1.8 billion for regional transit projects. This legislation would allocate the funds 50% to CTA, 45% to Metra and 5% to Pace. It is important to note that no funding was included in this bill for Regional ADA paratransit capital needs. Table 45 depicts the allocation of these funds among the Service Boards.

Table 45. Illinois Jobs Now—\$1.8 Billion

Amount (In Millions)	CTA-50%	Metra-45%	Pace-5%
Total Allocation	\$900.0	\$810.0	\$90.0

On July 21, 2010, the Governor announced the State’s intention to award more than \$500 million of the “*Illinois Jobs Now*” Program towards mass transit infrastructure statewide. This funding was made available in 2010 and includes \$442.7 million for northeastern Illinois which is allocated and depicted in Table 46.

Table 46. Illinois Jobs Now—2010 Only—\$442.7 Million

Percent of Actual Allocation*	CTA-57%	Metra-36%	Pace-7%
Total Actual Allocation	\$253.7	\$157.0	\$32.0
Less Regional ADA	—	—	\$14.0
Pace’s Suburban Allocation	—	—	\$18.0

*The 2010 allocation is at variance with the 50-45-5%.

The State is requiring Pace to use \$14.0 million of its \$32.0 million for Regional ADA Paratransit capital. By doing this, Pace’s share of the Region’s funding for suburban needs is reduced to \$18 million, or 4% of the regional capital dollars.

RTA has acknowledged that there is no certainty regarding the availability of the balance of the \$2.7 billion

(or \$2.26 billion) originally appropriated from both programs. A portion of these funds are dependent on bond authorizations that have yet to pass the General Assembly. In addition, sources for debt service on some of the bond funds depend on the new revenues for the State’s General Revenue Fund. If the entire \$2.7 billion would become available, then Pace would truly be allocated a fair share of this capital appropriation to meet the obligation of funding Regional ADA paratransit and its suburban capital needs.

Tables 47 and 48 depict the capital projects which are contained in the State IDOT Five Year (2010-2014) Capital Plan. This list is constrained to the RTA marks.



Pace will construct a Transportation Center at Toyota Park using state funding.

**Table 47. 2010–2014 State Capital Plan
Suburban Services—Constrained and Tied to RTA Marks (000's)**

	2010	2011	2012	2013	2014	Total 2010-2014
ROLLING STOCK QUANTITIES						
Fixed Route Buses	9	60	48	47	48	212
Dial-a-Ride Paratransit Buses	0	0	23	31	23	77
PROJECT DESCRIPTION						
ROLLING STOCK						
Fixed Route Buses - Green Buses 40'	\$ 6,000	\$ 38,850	\$ 31,200	\$ 30,250	\$ 31,200	\$ 137,500
Dial-a-Ride - Green Paratransit Buses	0	0	2,650	3,600	2,650	8,900
Subtotal - Revenue Vehicles	\$ 6,000	\$ 38,850	\$ 33,850	\$ 33,850	\$ 33,850	\$ 146,400
ELECTRIC/SIGNAL AND COMMUNICATION						
Systemwide Radio System Replacement	10,000	0	0	0	0	10,000
Subtotal - Electric/Signal/Communication	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000
STATIONS AND PASSENGER FACILITIES						
Design and Construct Toyota Park Transit Center	2,000	0	0	0	0	2,000
Subtotal - Stations & Passenger Facilities	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000
TOTAL CAPITAL - SUBURBAN SERVICES	\$ 18,000	\$ 38,850	\$ 33,850	\$ 33,850	\$ 33,850	\$ 158,400
RTA MARKS						
State Program - Suburban Services	\$ 18,000	\$ 38,850	\$ 33,850	\$ 33,850	\$ 33,850	\$ 158,400
TOTAL MARKS	\$ 18,000	\$ 38,850	\$ 33,850	\$ 33,850	\$ 33,850	\$ 158,400

**Table 48. 2010–2014 State Capital Plan
Regional ADA Paratransit—Constrained and Tied to RTA Marks (000's)**

	2010	2011	2012	2013	2014	Total 2010-2014
ROLLING STOCK QUANTITIES						
	121	35	78	78	78	390
PROJECT DESCRIPTION						
ROLLING STOCK						
Paratransit Buses - Green Buses	14,000	4,000	9,000	9,000	9,000	45,000
Subtotal - Revenue Vehicles	\$ 14,000	\$ 4,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 45,000
ELECTRIC/SIGNAL AND COMMUNICATION						
Subtotal - Electric/Signal/Communication	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
STATIONS AND PASSENGER FACILITIES						
Subtotal - Stations & Passenger Facilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL CAPITAL	\$ 14,000	\$ 4,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 45,000
RTA MARKS						
State Program - Regional ADA Paratransit	\$ 14,000	\$ 4,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 45,000
TOTAL MARKS	\$ 14,000	\$ 4,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 45,000

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Appendix J: 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) A regional planning organization which merged Chicago Area Transportation Study (CATS) and the Chicago Metropolitan Agency for Planning (CMAP) 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.

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.

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

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

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

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

CMAQ (Congestion Mitigation/Air Quality 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 Part I sales tax and PTF.

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

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

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

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

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

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

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

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

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

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

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

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

Glossary (Continued)

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

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

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

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

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.

Pace Quick Facts

Service Characteristics

Background data on the Pace service is provided below:

Fixed Route Service

Number of Fixed Routes (August, 2010)	194
• Regular Routes	135
• Feeder Routes	38
• Shuttle Routes	16
• Subscription Services	1
• Seasonal Routes	3
Number of Accessible Routes	194
Peak Period Vehicle Requirements	562
Pace-owned Fleet Size	679
Number Accessible	679
Average Vehicle Age	7.5 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	66
Pace-owned Fleet Size (Includes Suburban ADA)	367
Average Vehicle Age	2.9 years
Community Transit Vehicles in Service (August, 2010)	85
Contractor Owned Vehicles in City ADA service	566

Vanpool

Vans in Service (August, 2010)—VIP	276
Vans in Service (August, 2010)—Corporate Shuttle	17
Vans in Service (August, 2010)—Advantage	295
Total Vans in Service	588
Average Vehicle Age	4.0 years

Other

Number of Pace Employees (Includes ADA Staff)	1,452
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Ridership (000's)

	2009 Actual	2010 Estimate	2011 Budget
Fixed Route	29,247	28,966	28,966
DAR/Ride DuPage/Kane	1,230	1,250	1,265
Vanpool	1,810	1,799	1,799
Total Suburban Service	32,287	32,016	32,031
Regional ADA	2,838	2,804	2,860
Total System	35,125	34,820	34,891

Vehicle Miles (000's)

	2009 Actual	2010 Estimate	2011 Budget
Fixed Route	24,893	24,361	24,312
DAR/Ride DuPage/Kane	5,007	5,147	5,214
Vanpool	11,842	11,785	11,785
Total Suburban Service	41,742	41,293	41,311
Regional ADA	23,517	23,089	23,551
Total System	65,259	64,382	64,862

Vehicle Hours (000's)

	2009 Actual	2010 Estimate	2011 Budget
Fixed Route	1,658	1,613	1,611
DAR/Ride DuPage/Kane	274	275	280
Vanpool	N/A	N/A	N/A
Total Suburban Service	1,932	1,888	1,891
Regional ADA	1,651	1,620	1,652
Total System	3,583	3,508	3,543

Ridership

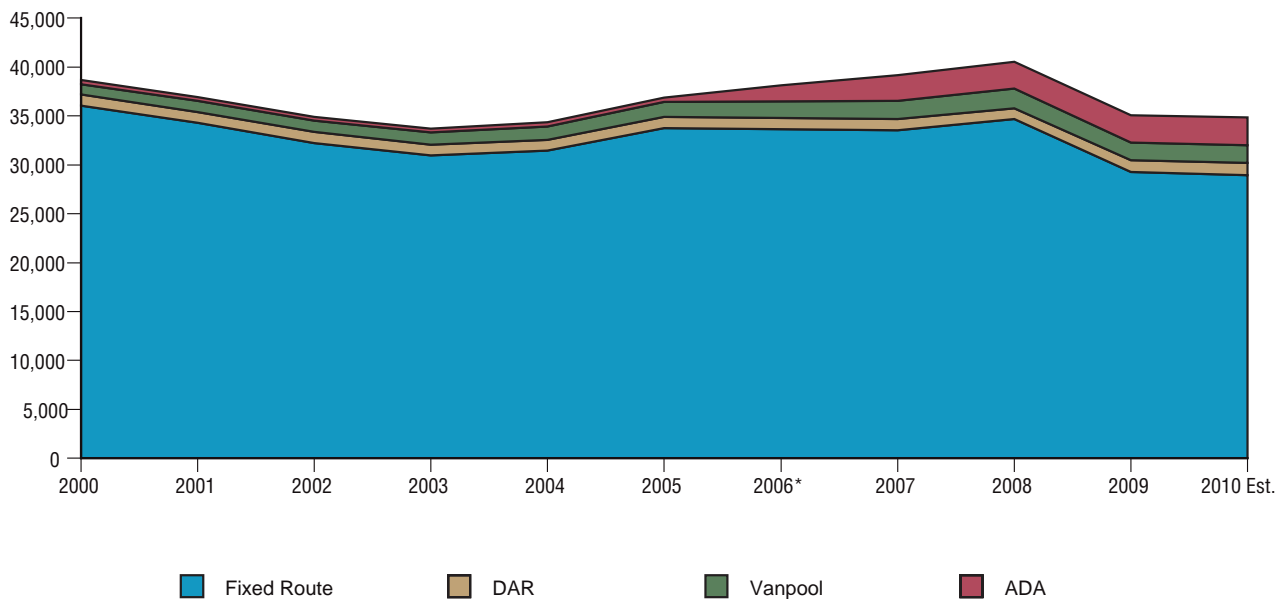
The following table describes the ridership performance of Pace's various services for the last ten years.

Table 49. Pace 2000-2010 Ridership Historical Summary (000's)

	Fixed Route	DAR	Vanpool	Total Suburban Service	ADA	Total System
2000	36,049	1,163	1,047	38,259	385	38,644
2001	34,323	1,094	1,106	36,523	393	36,916
2002	32,245	1,095	1,193	34,533	366	34,899
2003	30,979	1,067	1,281	33,327	381	33,708
2004	31,429	1,094	1,416	33,939	420	34,359
2005	33,770	1,122	1,529	36,421	459	36,880
2006*	33,642	1,145	1,718	36,505	1,598	38,103
2007	33,542	1,126	1,877	36,545	2,624	39,169
2008	34,655	1,103	2,021	37,779	2,727	40,507
2009	29,247	1,230	1,810	32,287	2,838	35,125
2010 Est.	28,966	1,250	1,799	32,016	2,804	34,820

* Assumed City ADA service in July, 2006

Chart FF. Pace 2000-2010 Historical Ridership



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

PACE

Illinois

For the Fiscal Year Beginning

January 1, 2010

A handwritten signature in black ink, appearing to be 'H.H.', written over a horizontal line.

President

A handwritten signature in black ink, appearing to be 'Jeffrey R. Egan', written over a horizontal line.

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, 2010.

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

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



pace

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