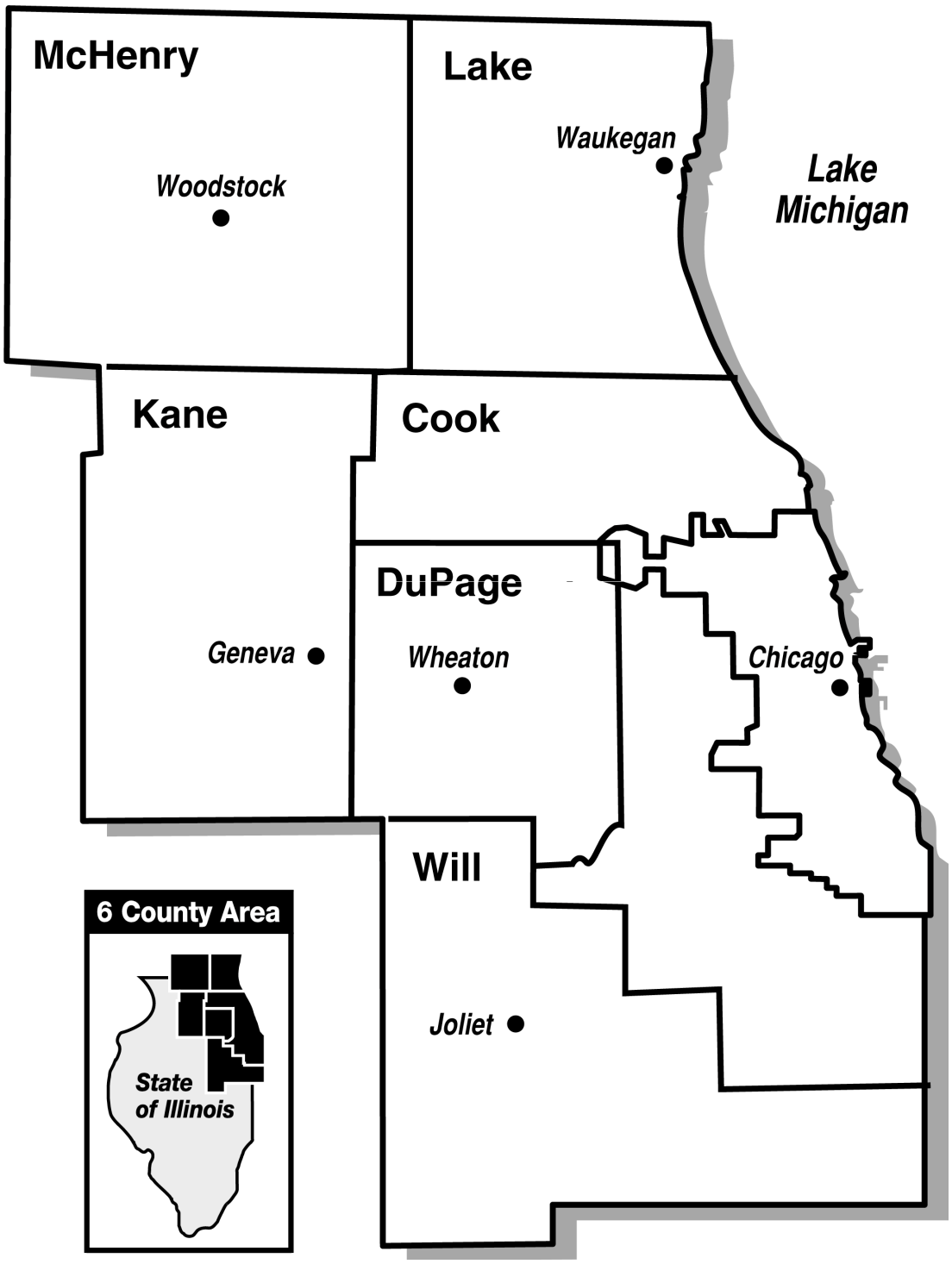
RTA Six County Region

and County Seats



The Regional Transportation Authority Board of Directors

Thomas J. McCracken, Jr., Chairman
Appointing Authority: RTA Board of Directors

Patrick J. Durante
Appointing Authority: DuPage County

Herbert E. Gardner
Appointing Authority: Suburban Board Members of Cook County

Armando Gomez, Sr.
Appointing Authority: City of Chicago

Valerie B. Jarrett
Appointing Authority: Chicago Transit Authority

Dwight Magalis
Appointing Authority: Kane, Lake, McHenry and Will Counties

Mary M. McDonald
Appointing Authority: Suburban Board Members of Cook County

Fred T. L. Norris
Appointing Authority: Kane, Lake, McHenry, and Will Counties

Thomas H. Reece
Appointing Authority: City of Chicago

Michael Rosenberg
Appointing Authority: City of Chicago

Donald L. Totten
Appointing Authority: Suburban Board Members of Cook County

Douglas M. Troiani
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Rev. Addie L. Wyatt
Appointing Authority: City of Chicago

Executive Director
Richard J. Bacigalupo

Regional Transportation Authority

December 15, 2000

To the riders and the taxpayers of the RTA region:

The 2001 budget and five-year program combines the spending plans of the Chicago Transit Authority, Metra and Pace along with that of the Regional Transportation Authority. Our regional strategy supports a customer first attitude in all the services that the RTA, CTA, Metra and Pace provide. This reflects our belief that to successfully retain and increase ridership, we must provide high-quality services and implement new services that are supported by a financially sound and efficient organization.

The outlook for the RTA transit system continues to be very positive. We are in our fourth year of ridership gains as the economy continues its strong performance. The passage of the *Illinois FIRST* program and the RTA system s good fortune in securing additional federal funding in FY2000 are also major factors in our system s positive outlook. Our success in Washington, D.C. is a prime example of the spirit of cooperation that can exist between the RTA, CTA, Metra and Pace as well as local, state and federal officials. It is also a direct result of the sound financial commitment to our region s infrastructure that *Illinois FIRST* represents.

In 2000, the RTA issued the first $260 million in bonds authorized by *Illinois FIRST*. This is the first of five installments of the $1.3 billion in bonding provided by the Illinois FIRST program. The RTA will issue the second $260 million after the first of the year, thereby allowing the CTA, Metra and Pace to continue to make much needed capital improvements. Both the CTA and Metra will be using *Illinois FIRST* bonds to begin work on major service expansions and improvements that will allow transit to serve more of our region s residents than ever before. The CTA and Metra will also use these funds to continue aggressive purchase and rehabilitation programs for their rail and bus fleets. And Pace will be working to replace aging buses and garage facilities and expand the number of vehicles in its vanpool program.

However, the 2001 RTA budget goes beyond our capital improvement program. As part of our commitment to the northeastern Illinois region, the RTA, with the assistance of the Service Boards, has undertaken several studies and programs. The Regional Transit Coordination Plan, the Northwest Corridor Transit Feasibility Study and the Regional Technical Assistance Program are major efforts to improve coordination between transit services and coordination with local communities working to address the mobility needs of their residents and workforce.

We have ambitious plans for the region, but working on a bipartisan basis, both in the region, Springfield and Washington, D.C. we can accomplish a lot. The 2001 RTA budget and five-year program is intended to show our commitment, leadership and coordination efforts to strengthen transit s impact in our region.

Sincerely,

Thomas J. McCracken, Jr.
Chairman

Table of Contents

Budget in Brief

Overview

The Regional Transportation Authority (RTA/Agency) provides funding, planning and fiscal oversight for regional bus and rail operations in northeastern Illinois as set forth by the *RTA Act*. The RTA Board of Directors governs the agency. Three independent Service Boards, the Chicago Transit Authority (CTA), Metra commuter rail and Pace suburban bus, have operational responsibility for transportation services within the six-county region and are governed by their own boards of directors.

The RTA Board, on a yearly basis, must adopt an annual budget, two-year financial plan and a five-year capital program for each Service Board. The principal features of this process are outlined in the following paragraphs.

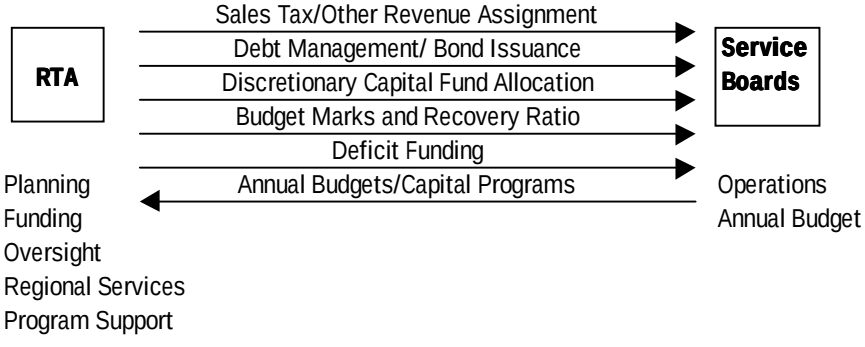
In September, the RTA Board approves the "marks" for each Service Board. The "marks" include the recovery ratio for the annual budget, operations funding for the annual budget and two-year financial plan and the five-year capital program.

The "marks" are the guide for the Service Boards' budgetary process. Each Service Board then prepares and publishes, for public hearing and comment, a comprehensive budget document that conforms to the RTA "marks." After considering public comment, the CTA, Metra and Pace board members adopt their respective budgets.

In November, those budgets are forwarded to the RTA, which consolidates the agency and the Service Board budgets into a proposed RTA

Exhibit 1-1

RTA/Service Boards Financial Relationship/Responsibility



budget document. The RTA Board also puts out this document for public hearing and comment before adoption in December.

Exhibit 1-1 on page 1-1 illustrates the principal responsibilities and interactions between the agency and Service Boards for the annual budget and capital program process.

Strategic Focus

The CTA, Metra and Pace are each responsible for determining levels of service, fares and operational policies. The RTA's mission is to act as an oversight agency ensuring a financially sound, comprehensive and coordinated public transportation system for northeastern Illinois.

Northeastern Illinois is evolving and growing as development reshapes both urban and suburban landscape. One-time bedroom communities are now home to corporate campuses and manufacturing facilities, while former inner-city industrial complexes are being transformed into loft condominiums, or making way for new developments.

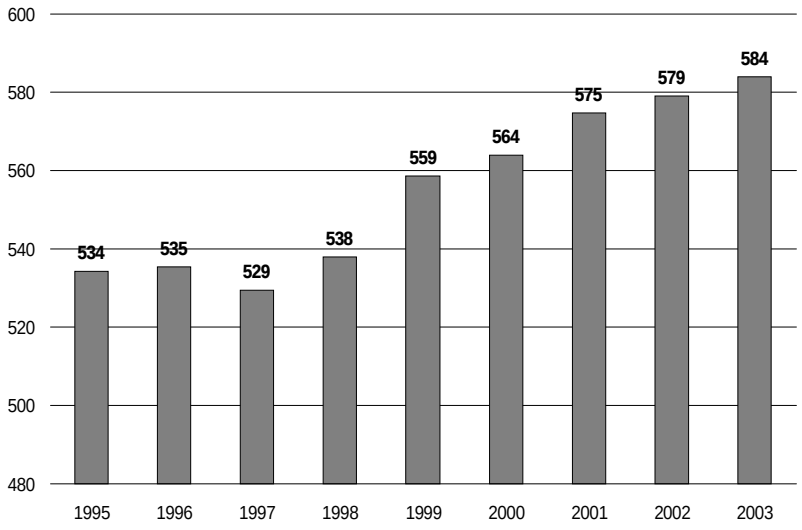
The RTA system is in the midst of its own evolution. With more and more Northeastern Illinois residents choosing public transit, the RTA and its Service Boards are pursuing the changes, innovations, and new technologies that will enable the transit system in this region to meet the future needs of its customers. More detailed information regarding the strategic focus efforts of each organization is provided in their respective sections.

Ridership

As shown in Exhibit 1-2, regional ridership has increased annually since 1997. In 1999, the entire RTA system posted its largest gains in a decade providing nearly 559 million rides, an increase of almost 21 million or 3.9 percent over the previous year. Through August of this year, ridership is up by 9.4 million riders or 2.5 percent from 1999. One reason for this increase in ridership is a strong economy. The Service Boards and the RTA have also initiated several programs and marketing campaigns to attract ridership.

Exhibit 1-2

RTA System Ridership (in millions)



Service Quality

To retain customer loyalty, and attract new riders, each Service Board and the RTA are developing initiatives designed to: 1) understand the needs of their customers, 2) improve customer communications, and 3) improve the quality of service. One way to measure the success of service quality is by the trends in ridership.

New Services

Each Service Board pursues new rider initiatives in their respective markets. Based on customer needs they may increase service areas or change routes to improve service. Vehicle miles are a good indicator of service levels or activities. Vehicle miles for the region are estimated to increase by 1.5 percent and 0.9 percent in 2000 and 2001, respectively. Each Service Board is showing vehicle mile increases for those two years.

Capital Investments

In 1998 and 1999, two pieces of landmark legislation were approved which dramatically improved the region's capital funding prospects.

First, in May of 1998, Congress approved the *Transportation Equity Act for the 21st Century*, commonly known as *TEA-21*. This legislation increased basic funding levels for public transit renewal. The increased funding levels under *TEA-21* also required increases in local matching funds. Therefore, the RTA region needed a state-sponsored program to fund the federal

government's match requirement that is generally 20 percent.

In May of 1999, the Illinois General Assembly approved a group of bills collectively known as *Illinois FIRST* (Fund for Infrastructure, Roads, Schools and Transit). *Illinois FIRST,* a five-year program, included $1.6 billion in bonding ($1.3 billion Strategic Capital Improvement Program (SCIP II) and $300 million in RTA Bond II) authority for the RTA to use for capital needs on behalf of its three Service Boards. This money will be used for a variety of upgrades including new buses, rail cars, station improvements and intelligent transportation systems.

However, despite the funding gains made through *TEA-21* and *Illinois FIRST,* the RTA system still faces a shortfall in funds necessary to bring its system up to a state of good repair. The RTA's total capital needs are estimated to be $7 billion. *TEA-21* and *Illinois FIRST* are expected to provide a total of $5 billion in capital funding from 2000 to 2004 leaving the region with a $2 billion shortfall.

Partnerships

Mobility is a necessity in the Chicago region. The RTA and its Service Boards are working together on several key programs that will make the transit system easier to understand and use for all riders. Some projects include planning for transit-oriented development near Metra and CTA stations. Intelligent transportation systems (ITS) will make use of the latest technologies to improve system coordination. The RTA and its Service Boards are also evaluating coordination of services, fares, and information sharing. The result of these efforts will be the development of a plan targeting specific improvement in these areas.

Over the last several years, the RTA and the three Service Boards have all worked on joint initiatives and on organization-specific programs aimed at building and improving strategic partnerships with customers and stakeholders. This includes efforts to establish good relationships with federal and state legislators to develop appropriate levels of financial support, and to establish strong working relationships with the region's communities and planning agencies.

Operating Plan

The RTA Board approved the budget and financial plan figures presented in this document on December 15, 2000. The only change from the proposed document issued for public review in November 2000 is the amount of money budgeted for the joint self-insurance fund (JSIF). The November document proposed a contribution to the fund of $20 million by year-end, yielding an estimated closing fund balance in 2000 of $51.2 million. The adopted budget and financial plan eliminated the $20 million contribution in 2000 and now provides disbursements in 2001 through 2003 totaling $11 million ($3 million, $4 million and $4 million respectively). This changed the fund balance figure in 2000 to $71.2 million and raised the estimated balance to $106.1 million in 2003 (region section, Exhibit 2-2).

Exhibit 1-3

2000-2001 RTA Revenues & Expenditures (dollars in millions)

	Estimate 2000	Budget 2001
Revenues		
Sales Tax & Public Transportation Funds (PTF)	$804.0	$837.0
State Financial Assistance (SFA)	40.4	47.4
State Reduced Fare Reimbursements (SRF)	40.0	40.0
Other	9.2	11.9
Total Revenues	**$893.6**	**$936.3**
Expenditures		
Operations Funding to Service Boards	$658.5	$690.2
Reduced Fare Reimbursements to Service Boards	40.0	40.0
Joint Self-Insurance Fund (JSIF) (See Note)	0.0	3.0
Agency Operations	17.7	19.2
Principal & Interest Payments	82.7	85.1
Capital Projects and Technology	70.0	79.4
Other	1.4	1.4
Total Expenditures	**$870.3**	**$918.3**
Surplus/(Deficit)	$23.3	18.0
Ending Fund Balance	**$71.2**	**$89.2**
Fund Balance as % of Expenditures	8.2%	9.7%
Recovery Ratio %	**51.7%**	**51.7%**

Note: The 2000 budget, adopted in December 1999, designated $20 million for a JSIF expenditure. This amount is expensed on the 1999 RTA Statement of Revenues and Expenditures to reflect the 1999 year-end unreserved/ undesignated fund balance (Exhibit 2-2).

This modification to the JSIF also affected the system-wide recovery ratio from 2000 through 2003. The proposed document projected a ratio of 51.0 percent in 2000 followed by 51.8 percent in 2001 and 51.7 percent in 2002 and 2003. The adopted budget projects a ratio of 51.7 percent in 2000 and 2001 and 51.6 percent for 2002 and 2003 (Region, Exhibit 2-22).

An abbreviated statement of revenues and expenditures for the 2000 estimate and the 2001 budget is presented in Exhibit 1-3. A detailed statement of RTA revenues and expenditures from 1999 to 2003 is presented in Exhibit 2-2, page 2-4, of the region section.

Exhibit 1-4

2001 RTA Revenue Sources
Total = $936.3 million

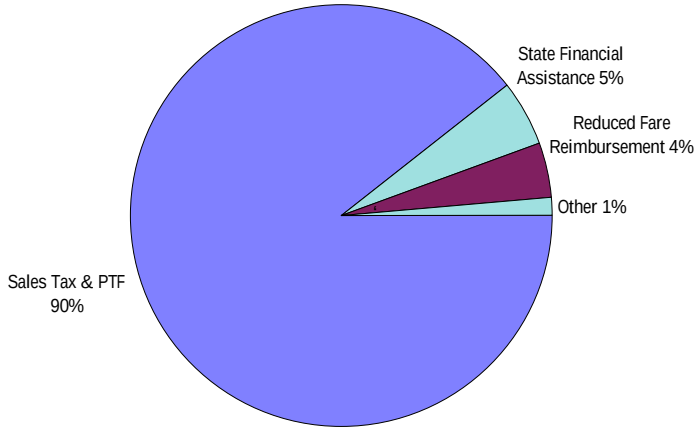
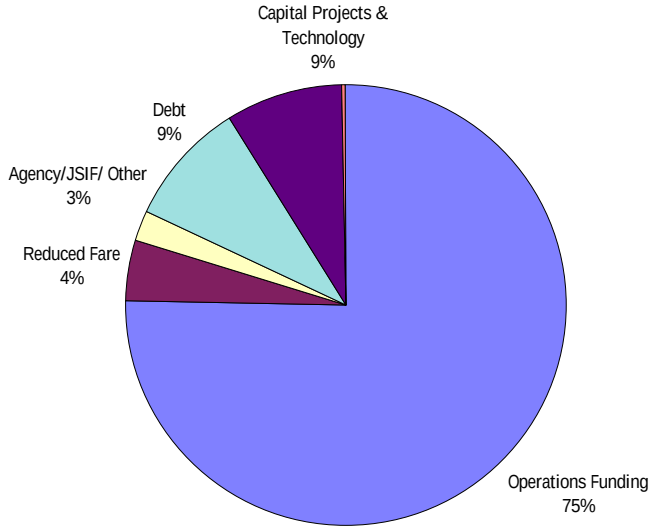


Exhibit 1-5

2001 RTA Expenditure Uses
Total = $918.3 million



Revenues

In 2001, total RTA revenues are projected at $936.3 million. This represents an increase of $42.7 million or 4.8 percent over the 2000 estimate of $893.6 million. Ninety percent, or $837 million, of these receipts will be generated from RTA Sales Tax and Public Transportation Fund (PTF) receipts. State financial assistance (SFA) of $47.4 million provides 5 percent of revenues. State reduced fare reimbursement (SRF) programs equal 4 percent of total revenues, or $40 million. Other investment income and miscellaneous grants account for the remaining balance of $11.9 million, or 1 percent. Exhibit 1-4, page 1-4, illustrates this distribution.

The RTA Sales Tax is the primary source of revenue for the system. The tax is authorized by Illinois statute, imposed by the RTA in the six-county region and collected by the state. Eighty-five percent of RTA Sales Tax receipts are apportioned to the Service Boards by statutory formula. Details of this distribution formula can be found in the region section of this document.

In 2001, RTA Sales Tax receipts are projected at $669 million, an increase of 4 percent over the 2000 estimate of $643 million. These receipts represent about 71 percent of the RTA's total revenue. State Public Transportation Fund

(PTF) revenue is annually appropriated by the state based on a formula equal to 25 percent of sales tax receipts. In 2001, PTF receipts are projected to be $168 million.

Expenditures

Total RTA expenditures for 2001 are budgeted at $918.3 million. This includes expenses for Service Board operations funding, reduced fare reimbursements, debt service, agency operations, capital/technology funding and other expenditures. Exhibit 1-5 illustrates this distribution.

Operations Funding to Service Boards
The RTA's primary operating expenditure is the funding of Service Boards' operating deficits, which are calculated by subtracting each Service Boards' operating expenditures from their system-generated revenues.

In 2001, $690.2 million will be distributed to the Service Boards. RTA Sales Tax and PTF receipts cover these expenditures.

Reduced Fare Reimbursements to Service Boards
These expenses are budgeted at $40 million in 2001. The reduced fare reimbursement flows from the state, through the RTA, into Service Board operations.

Joint Self Insurance Fund (JSIF)
The JSIF finances claims incurred by the Service Boards and the RTA. The 2001 budget is $3.0 million.

Agency Operations
Total Agency operating expenses for 2001 are $19.2 million. The 2001 budget includes two new staff positions to provide improved response to requests for paratransit service, as well as to further advance regional transit market development and technology efforts.

Principal and Interest Payments
Principal and interest payments reflect the RTA's expenses and projected expenditures. These payments include RTA General Obligation Bonds, SCIP I, and SCIP II Bonds. The RTA expects principal and interest payments of $85.1 million in 2001.

Capital Projects and Technology
Capital projects and technology is budgeted at $79.4 million in 2001. Included in this category is $34.1 million in sales tax receipts for Service Board capital (Transfer Capital - Statutory) that Metra receives and is not available for RTA use. The remaining $45.3 million is allocated as follows: CTA Transfer Capital Program ($20.4 million); RTA technology and capital ($9.6 million), and RTA discretionary funds; ($15.3 million). The discretionary capital funds are designated for CTA, Metra and Pace capital programs.

Exhibit 1-6

Use of RTA Funds in 2001
(dollars in millions)

	CTA	Metra	Pace	Agency	Total
(1) Receipts Allocated by Formula	300.6	199.5	75.8	0.0	575.9
(2) RTA Discretionary for Operating Deficit	152.9	0.0	2.8	0.0	155.7
(2) RTA Discretionary for Capital	30.0	5.7	0.0	0.0	35.7
(3) Transfer Capital - Statutory	0.0	34.1	0.0	0.0	34.1
(4) RTA Funds for Administration (CAP)	0.0	0.0	0.0	5.0	5.0
(4) RTA funds for Regional Programs & Technology	0.0	0.0	0.0	26.8	26.8
(5) Principal & Interest payments (debt service)	42.6	38.3	4.2	0	85.1
Total Used	**526.1**	**277.6**	**82.8**	**31.8**	**918.3**
Fund Bal Change - increase/(decrease)	**0.0**	**0.0**	**0.0**	**18.0**	**18.0**
Grand Total	**526.1**	**277.6**	**82.8**	**49.8**	**936.3**

Notes:
(1) Receipts allocated by formula to the Service Boards to cover operating deficits. Includes sales tax, sales tax interest and reduced fare reimbursements
(2) RTA formula revenue and other receipts used to fund service board deficits or discretionary programs
(3) Metra formula sales tax receipts used for capital
(4) RTA formula revenue/other receipts used to fund the agency budget, technology/capital program and JSIF
(5) Debt service for bonds applied by formula (CTA 50%, Metra 45%, Pace 5%)

Other Expenses

The RTA receives interest on sales tax, collected by the State but not yet distributed, and then disburses 85 percent of these funds back to the Service Boards using the same formula as the sales tax distribution. The sales tax interest distributed by the RTA has been fairly consistent at approximately $1.4 million annually.

Surplus/(Deficit) and Fund Balance

The surplus/(deficit) is figured by subracting total expenditures from total revenues. The remainder is then added to the previous years ending fund balance to determine the current years estimated unreserved and undesignated ending fund balance.

In 1998, the RTA Board adopted an ordinance establishing a minimum level for the unreserved and undesignated fund balance. The purpose of this ordinance was to establish a level of financial resources available for funding during unfavorable economic periods. The minimum set for this balance was an amount equal to 5 percent of the RTA's annual expenditure plan.

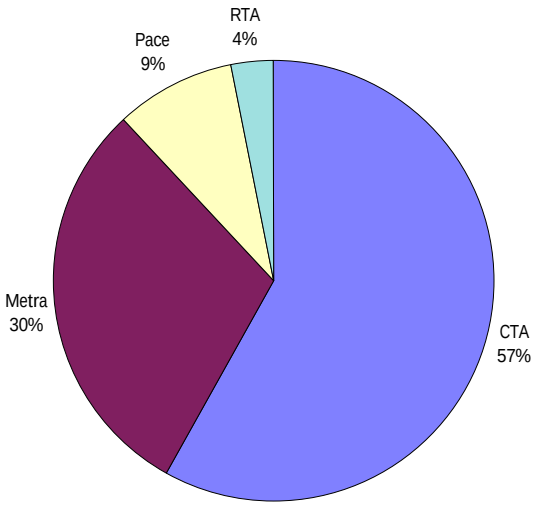
The operating marks set by the RTA Board for the 2001 budget and two-year financial plan conform to this ordinance. The RTA plans for a non-obligated fund balance of $89.2 million in 2001, which is 9.7 percent of its expense budget of $918.3 million.

Recovery Ratio

The *RTA Act* requires that the annual system-wide recovery ratio be at least 50 percent (i.e. system revenues must be at least one-half of system expenditures). In 2001, the budgetary recovery ratio is 51.7 percent. A detailed analysis of recovery ratio calculations is presented in the region section, Exhibit 2-22, page 2-28.

Exhibit 1-7

2001 Total Fund Use by Organization
Total = $918.3 million



Statutory Compliance

The *RTA Act* requires that the CTA, Metra and Pace each have a balanced budget; the region's recovery ratio is at least 50 percent; and the RTA's (agency's) administrative expenses do not exceed an established statutory cap, which on an annually adjusted basis is now $10.9 million. The agency's administrative expenses fall 54.2 percent below the cap. *The Act* also requires that prudent fiscal practice be followed such as proper cash management, use of reasonable assumptions, and sound accounting and financial practices. Each Service Board, the agency and the region as a whole have submitted budgets, which comply with these stipulations.

Operations Funding

CTA

The CTA's 2001 operations funding of $419.0 million, represents a $16.9 million increase or 4.2 percent increase from the prior year. In 2001, the CTA revenues are projected at $450.1 million. Total funded expenditures are projected at $869.2 million. Expenses of $869.2 million less revenue of $450.1 million equals operations funding of $419.0 million. The recovery ratio for the CTA is 52.1 percent.

Metra

Metra's 2001 operations funding of $196.2 million is an increase of $11.7 million, or 6.3 percent, over 2000. Metra revenues are estimated at $233.4 million with expenditures of $429.6 million. The recovery ratio for Metra is 55 percent.

Pace

Pace's 2001 operations funding of $75.0 million from the RTA represents at $3.2 million increase or a 4.3 percent growth over 2000. Expenses of $125.1 million less revenue of $50.0 million equal an operating deficit of $75.1 million. The RTA will fund $75.0 million and Pace will receive $132,000 from Congestion Mitigation Air Quality (CMAQ) grants. The recovery ratio for Pace is 40 percent.

Service Board Summary

The CTA, Metra and Pace have each presented a budget for 2001 which conform to the "marks" set by the RTA Board on September 15, 2000. The service boards total 2001 operations funding is $690.2 million. The budgetary recovery ratio for the region is 51.7 percent.

Specific information about this funding and the recovery ratio can be found in the individual Service Board sections.

Public Funding

Each section of the 2001 Program and Budget Book presents the source and use of funds through the RTA for the respective operation. The subsequent paragraphs and exhibits summarize the use of these funds for the 2001 budget.

In 2001, the RTA will receive $936.3 million in total revenue from sales tax, state assistance, investment income, agency program revenues and other sources (Exhibit 1-3, page 1-3).

Ninety-eight percent or $918.3 million will be used to cover Service Board deficits, agency expenditures, the JSIF contribution, capital and technology programs and debt service. The remaining $18 million, or 2 percent will increase the fund balance to a projected level of $89.2 million (Exhibit 1-3, page 1-3).

The use of the $918.3 million (Exhibit 1-6, page 1-5) by organization is as follows: the CTA will use $526.1 million or 57 percent, Metra $277.6 mil-

Exhibit 1-8

2001 RTA Discretionary Funds for Service Boards Operations
Total = $155.7 million

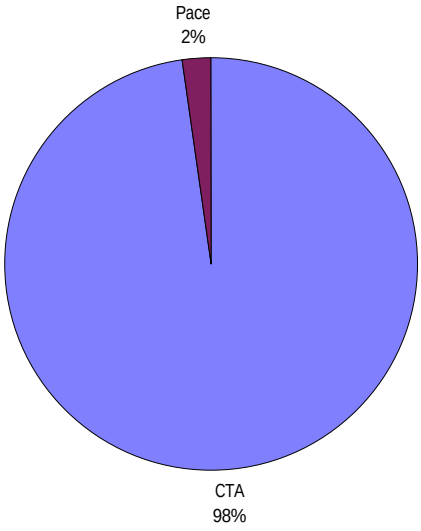
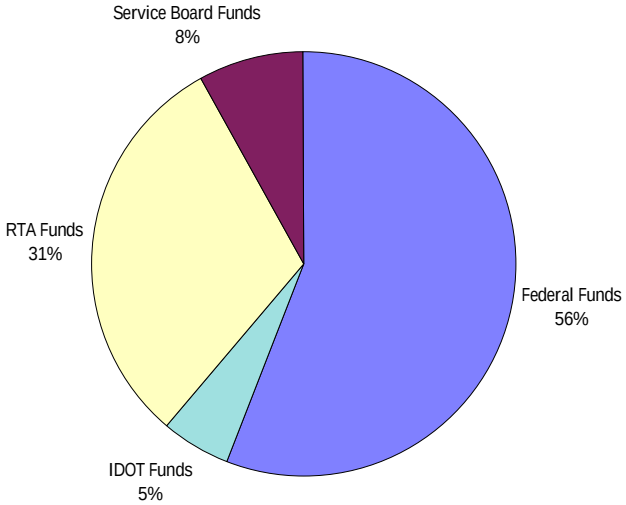


Exhibit 1-9

2001 New Capital Funding Sources
Total = $891.5 Million



lion or 30 percent, and Pace $82.8 million or 9 percent. The RTA will use $31.1 million or 4 percent. However, 77 percent or $23.8 million is budgeted for regional services, new technology initiatives and capital programs aimed at improving service quality across the region (Exhibit 1-7).

Included in the use of RTA funds (Exhibit 1-6) is a discretionary amount of $155.7 million that is budgeted to fund the operating deficits of the CTA and Pace. The 2001 budget distributes $152.9 million or 98 percent to the CTA and $2.8 million or 2 percent to Pace (Exhibit 1-8).

Capital Programs

Each year, after public hearing, the RTA must adopt a five-year capital program that describes, by year, the nature, location and cost of all capital projects. The total estimated capital funds available for 2001 are projected at $891.5 million. However, the final federal appropriation figures have not been determined. Once this amount has been established, the capital program will be adjusted to utilize the available funding.

Of the estimated $891.5 million of new funding sources for 2001, federal funding accounts for $498 million or 56 percent. RTA funds account for $276.6 million or 31 percent, IDOT funds account for $46.3 million or 5 percent and service board funds account for $70.6 million, or 8 percent of the total funds (Exhibits 1-9 and 1-10, pages 1-7 and 1-8). These exhibits reflect the September 15, 2000 capital marks for 2001. By ordinance, the RTA transferred Pace's $1.3 million of RTA Discretionary funding to their 2000 program on December 7, 2000. Pace's 2001 RTA Discretionary mark will be adjusted early in 2001 to reflect this transfer. The financial schedules in the 2001 budget reflect this change.

Current 2001 service board capital program requests total approximately $787.9 million (Schedule II, page 7-7).

Exhibit 1-10

Service Boards and RTA Capital Funding in 2001
(dollars in thousands)

Service Board Capital Funding	**CTA**	**Metra**	**Pace**	**Total**
FTA Capital Grants	251,820	213,813	32,402	498,035
IDOT Grants	12,654	27,200	6,400	46,254
Service Board/ Other Funds	5,000	10,160	982	16,142
RTA SCIP Bonds II	130,000	110,232	19,768	260,000
RTA Discretionary (1)	9,657	5,661	1,332	16,650
Transfer Capital & Sales Tax Capital	20,353	34,105	-	54,458
Total Service Board Capital Funding	**$429,484**	**$401,171**	**$60,884**	**$891,539**

Note:
(1) The $1.3 million for Pace was transferred to their 2000 program in December 2000. The Financial Schedules/Statements of Revenues and Expenditures reflect this change. These schedules will show a figure of $15,318 for 2001.

Operating Plan

Overview

The region section presents a consolidated view of the three Service Boards (CTA, Metra, and Pace) along with the RTA (the agency). It includes a summary of strategic goals, objectives and measures addressed by the Service Boards and the agency, a consolidated budget and financial plan, and a consolidated capital program.

Strategic Focus

Each Service Board develops goals, objectives, and business strategies. The CTA, Metra, Pace, and the RTA all work toward common strategic themes and similar objectives that focus on the customer. These themes and objectives are summarized in Exhibit 2-1, page 2-3. As shown in Exhibit 2-1, the regional strategy is constructed to support our "customer first" attitude. It reflects the belief that to successfully retain and increase ridership, high quality service and new services must be supported by a financially sound and efficient organization that relies on its people and benefits from strategic partnerships.

The key measures of our success are ridership and customer satisfaction. To improve these measures, we must provide on-time, reliable, safe, clean, and friendly service and reliable customer communications. A wide range of marketing techniques are used to learn more about customer needs and increase transit usage. New technologies are also explored and implemented with the goal of increasing the effectiveness of our service. Service is added or restructured to respond to customer needs.

From a financial perspective, the organizations work to maintain financial stability and increase efficiency. Our strategy includes building partnerships with customers and stakeholders (i.e. communities, private businesses, and legislators), to develop appropriate levels of financial support.

Increased outside funding levels are necessary to cover capital funding needs, invest to maintain our valuable assets, and establish a system-wide state of good repair. These capital investments support operating efficiency, and financial performance, and are essential to maintain and improve our customer service.

The Service Boards and the RTA have developed more specific objectives and initiatives that support this general strategy. Specific activities that address issues and the initiatives pursued by each organization are outlined in the Agency, CTA, Metra, and Pace sections of this document.

Major issues for the entire region are discussed below.

The Service Boards are responsible for all operating issues, and so establish and use their own performance measurement systems. The system's key customer and financial indicators are summarized in Exhibit 2-1. The RTA monitors the Service Boards' performance on a monthly basis using a subset of these indicators.

Ridership

During the 1980s and early 1990s, the RTA region experienced declining ridership. However, regional ridership has increased annually since 1997, and is expected to increase through 2003 for all modes of public transportation. Through August of this year, ridership has increased by 9.4 million riders or 2.5 percent over 1999.

One reason for the increase in ridership over the last few years is a strong economy. Work related trips represent a majority of our ridership, therefore higher employment levels increase passenger volume. The Service Boards and the RTA have also initiated several programs and marketing campaigns aimed at increasing ridership. More detailed information about these initiatives are outlined in the individual organizational sections of the book.

Service Quality

To retain a high level of customer loyalty, and attract new riders, each Service Board has developed initiatives designed: 1) to understand the needs of their customers, 2) improve customer communications, and 3) improve the quality of service. For example, in 2001 the CTA will launch its "bus bunching" reduction initiative aimed at keeping buses on schedule and will implement a vehicle accident reduction program. Metra will continue testing a satellite-based vehicle location and communication system. Pace will work to provide bus priority at traffic signals to improve the service reliability and operating speeds of its buses. The RTA is also working on several new technology initiatives such as signal priority, active transit station signs, transfer connection protection, and parking management systems that will have a positive impact on service quality. Detailed information about these initiatives may be reviewed in the Agency section beginning on page 3-16.

New Services

Each Service Board pursues new rider initiatives in their respective markets. Based on customer needs they may increase service areas or change routes to improve service. For example, the CTA has introduced a program for college students. Metra has pursued the reverse commute market, and has begun selling tickets on the Internet. Pace has expanded customized services such as their vanpool program, and all three Service Boards have pursued the special events market. (Further details may be reviewed in the Service Board Sections.)

Capital Investments/Funding

Smart and sufficient capital investments are crucial to maintaining and improving the region's existing transit assets, thereby supporting our goals of safe, reliable, and cost efficient service.

In 1998, the RTA region was facing a major shortfall in capital funding. Federal funding levels were far below the region's needs, and funds from the bonding authority approved by the State of Illinois in 1989 were fully committed. However, in 1998 and 1999, two pieces of landmark legislation were approved which dramatically improved the region's capital funding prospects.

First, in May of 1998, Congress approved the *Transportation Equity Act for the 21st Century*, commonly known as *TEA-21*. This legislation increased basic funding levels for public transit renewal.

The increased funding levels under *TEA-21* also required increases in local matching funds. Therefore, the RTA region also needed a state-sponsored program to fund the federal government's 20 percent match requirement. This, and much more, was accomplished in May 1999, when the Illinois General Assembly approved a group of bills collectively known as *Illinois FIRST* (Fund for Infrastructure, Roads, Schools and Transit). *Illinois FIRST*, a five-year program, included $1.6 billion in bonding ($1.3 billion SCIP II and $300 million in RTA Bond II) authority for the RTA to use for capital needs on behalf of its three Service Boards. This money will be used for a variety of upgrades from new buses, rail cars and track to station improvements and more intelligent transportation systems.

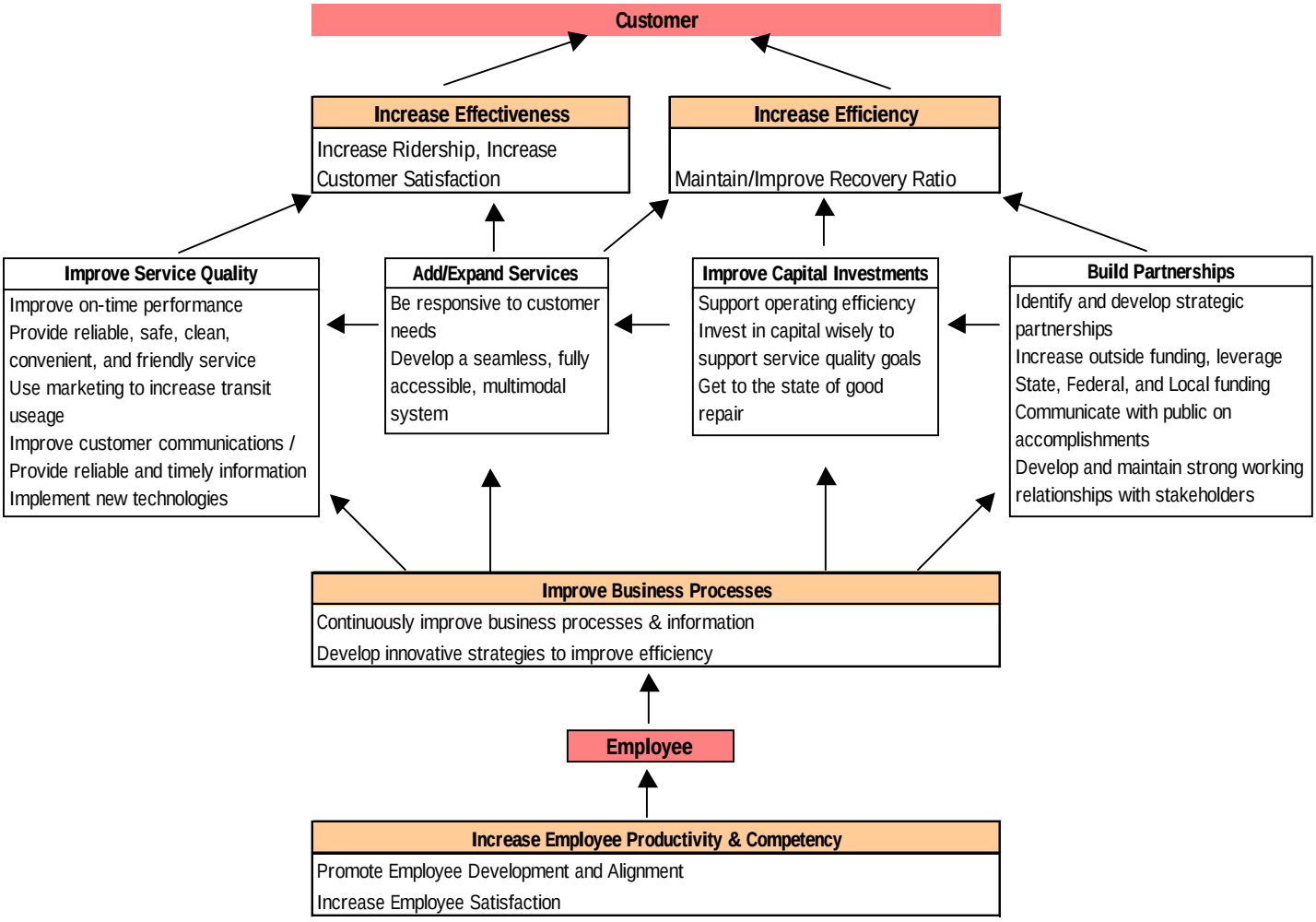
However, despite the funding gains made through *TEA-21* and *Illinois FIRST,* the RTA system still faces a shortfall in funds necessary to bring its system up to a state of good repair. The RTA's total capital needs are estimated to be $7 billion. *TEA-21* and *Illinois FIRST* are expected to provide at total of $5 billion in capital funding from 2000 to 2004 leaving the region with a $2 billion shortfall.

Partnerships

Over the last several years, the agency and the three Service Boards have all worked on joint initiatives and on the organization of specific programs

Exhibit 2-1

Regional Strategy Map



Key Performance Indicators:

Customer Indicators
Ridership
Customer Satisfaction
Passenger/mile
Passenger/revenue vehicle hour
Accidents/100,000 miles
On-time performance
Capacity Utilization

Financial (Efficiency) Indicators
Recovery Ratio
Net subsidy
Cost/ vehicle mile
Cost/vehicle hour
Cost/passenger
Revenue/passenger (average fare)
Deadhead ratio
Funding Increase
Stakeholder Satisfaction

Note: Not every Service Board uses all of the above measures.

aimed at building and improving strategic partnerships with customers and stakeholders. This includes efforts to establish good relationships with federal and state legislators to develop appropriate levels of financial support, and to establish strong working relationships with the region's communities.

An example of the RTA and the Service Boards' efforts to establish beneficial working relationships was a recent bipartisan effort in Washington D.C. where the region's transit officials worked with state, local and federal officials to secure funding for local transit projects.

Budget and Financial Plan

The RTA must prepare and publish a document every year that includes a one-year operating budget, a two-year financial plan, and a five-year capital program that meets specific statutory requirements. This document identifies the source, distribution, and use of operating and capital funds.

Exhibit 2-2, provides a summary of the RTA's statement of revenues and expenses for 1999-2003. Throughout this document, 1999 is actual data, 2000 is the estimate of year-end results, 2001 is the operating budget, and 2002-2003 is the two-year financial plan.

Revenue

As identified in Exhibit 2-2, total revenues are projected to grow from $834 million in 1999 to $1,053 million in 2003. This is an increase of $219 million over the four-year period, or a 6 percent compound annual growth rate. The

Exhibit 2-2

RTA Statement of Revenues and Expenditures (dollars in thousands)

Revenues	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
Sales Tax	$613,514	$643,000	$669,000	$705,109	$738,237
Public Transportation Funds (PTF)	153,343	161,000	168,000	177,000	185,300
State Financial Assistance (SFA)	39,446	40,416	47,422	59,703	76,917
State Reduced Fare Reimbursements (RFR)	19,386	40,000	40,000	40,000	40,000
Investment Income and Other	8,436	9,175	11,902	12,072	12,370
Total Revenues	**$834,125**	**$893,591**	**$936,324**	**$993,884**	**$1,052,824**
Expenses					
Operations Funding	$633,076	$658,457	$690,245	$712,038	$738,166
Sales Tax Interest to Service Boards/Grants	1,252	1,400	1,400	1,400	1,400
Reduced Fare Reimbursement to Service Boards	19,386	40,000	40,000	40,000	40,000
JSIF (See Note)	20,000	0	3,000	4,000	4,000
Agency Operations	15,788	17,741	19,171	19,811	20,543
Total Operating Expenditures	**$689,502**	**$717,598**	**$753,816**	**$777,249**	**$804,109**
Funds Available before Debt Service, Technology and Capital Expenditures	**$144,623**	**$175,993**	**$182,508**	**$216,635**	**$248,715**
Principal and Interest Payments	$73,819	$82,679	$85,132	$97,441	$133,969
RTA Technology and Capital	7,237	7,237	9,610	14,892	15,258
Metra Transfer Capital (Statutory)	32,894	36,659	34,105	38,459	41,488
CTA Transfer Capital	19,163	20,353	20,353	33,403	40,203
RTA Discretionary Capital	9,441	5,804	15,318	16,650	16,650
Other	276	0	0	0	0
Debt Service, Technology, & Capital	**$142,830**	**$152,732**	**$164,518**	**$200,845**	**$247,568**
Revenues less Expenditures/(Deficit)	$1,793	$23,261	$17,990	$15,790	$1,147
Ending Fund Balance (see note)	**$47,952**	**$71,213**	**$89,203**	**$104,993**	**$106,140**
% RTA expenditures	5.8%	8.2%	9.7%	10.7%	10.1%

Note: The 1999 JSIF figure was designated funding from the 2000 budget and lowered the year-end 1999 unreserved and undesignated fund balance by $20 million. However, the 2000 budget comparison (Exhibit 2-15) and the 2000 recovery ratio (Exhibit 2-22) must include the $20 million.

RTA Sales Tax is the primary source of revenue for the RTA. In 1999, RTA sales tax receipts of $614 million comprised 74 percent of the RTA's total revenue. Public transportation funds (PTF), state financial assistance (SFA), state reduced fare reimbursements (SRF), investment income/agency/ other revenue provided the balance of RTA revenues and totaled $220 million or 26 percent of total revenue (Exhibit 2-3).

RTA Sales Tax

The RTA Sales Tax is authorized by Illinois statute and imposed by the RTA in the six-county northeastern Illinois region. The RTA Sales Tax is collected by the Illinois Department of Revenue and paid to the Treasurer of the State of Illinois to be held in trust for the RTA outside the state treasury. Proceeds from the RTA Sales Tax are paid monthly directly to the RTA, without appropriation, by the State Treasury on the order of the State Comptroller.

The sales tax is the equivalent of 1 percent on sales in Cook County and 0.25 percent on sales in the collar counties of DuPage, Kane, Lake, McHenry and Will. The 1 percent sales tax in Cook County is comprised of 1 percent on food and drugs and 0.75 percent from all other sales, with the state then providing a "replacement" amount to the RTA equivalent to 0.25 percent of all other sales. The RTA retains 15 percent of the total sales tax and passes the remaining 85 percent to the Service Boards according to the formula specified in the *RTA Act* (Exhibit 2-4).

Exhibit 2-5, page 2-6, breaks out the 1999 sales tax distribution by Service Board.

Current budget year sales tax projections are based on estimates issued by the Illinois Bureau of the Budget. Future year sales tax revenues are from WEFA (Wharton Economic Forecasting Association) analyses. Based on information provided by these sources, the sales tax is projected to increase from $614 million in 1999 to $738 million in 2003, a compound growth rate of 4.7 percent (Exhibit 2-6, page 2-6). The City of Chicago accounted for 31 percent of the sales tax collected in 1999, suburban Cook 54 percent, and the collar counties 15 percent (Exhibit 2-7, page 2-7).

The state provides a very detailed sales tax breakdown by component that RTA staff then combines into logical categories, shown in Exhibit 2-8, page 2-7. This breakdown includes RTA base and replacement sales tax only — the state does not break out use tax by component. Food and liquor represents the largest component at 25 percent. Included in this category are grocery stores, restaurants, liquor stores, and bars. Department and similar retail stores constitute 23 percent of the total. Auto dealers follows at 17 percent. Home improvements represents another 7 percent. These four categories make up 72 percent of the RTA Sales Tax.

Year-on-year growth in the various categories reflected the robust

Exhibit 2-3

1999 RTA Sources of Revenue
RTA 1999 Revenues = $834 million

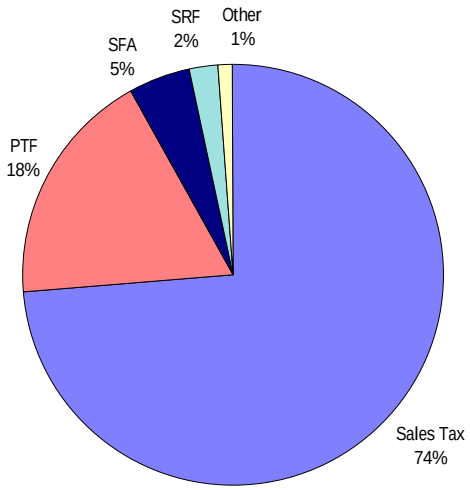


Exhibit 2-4

RTA Sales Tax Distribution Collected Within:

	Chicago	Suburban Cook	Collar Counties
CTA	100%	30%	0%
Metra	0%	55%	70%
Pace	0%	15%	30%
	100%	**100%**	**100%**

economy. Higher fuel prices resulted in an increase in the fuel portion of the sales tax by 18.6 percent. The next three highest growth categories were home improvement, automobile, and retail. Strong consumer spending helped fuel the growth in these categories. Drug store sales showed healthy growth trends as well. Within the food/liquor category, tobacco outlets collected more sales tax dollars due to higher prices of its product. PC/electronics sales grew by only 4.7 percent. Internet sales may have affected the growth of this category. Included in the "other category" are such disparate items as furniture/appliances, mail order, and hotels.

Public Transportation Funds (PTF)

Revenue from this special fund, called the "Public Transportation Fund," may be paid to the RTA only upon state appropriation. In accordance with the *RTA Act*, the State Treasurer is authorized and required to transfer from the State's General Revenue Fund an amount equal to 25 percent of net revenues realized from sales taxes. These receipts are based on a formula tied to sales tax results and are, therefore, projected to increase at the sales tax growth rate.

None of the PTF revenues are payable to the RTA unless and until it certifies to the Governor, State Comptroller and Mayor of the City of Chicago that it has adopted a budget and financial plan as called for by the *RTA Act*. The amounts each of the service boards receive through the RTA from the PTF are allocated at the discretion of the RTA Board upon the review and approval of each Service Board's annual or revised budgets.

State Financial Assistance

This revenue source is state-authorized assistance to help offset the debt service expenses for the RTA's Strategic Capital Improvement Program (SCIP I) and (SCIP II) bonds. Subject to the appropriation of funds by the state, the RTA will continue to be eligible to receive State Financial Assistance (SFA) payments. The RTA received

Exhibit 2-5

1999 RTA Sales Tax Distribution by Service Board 1999 Total = $614 million

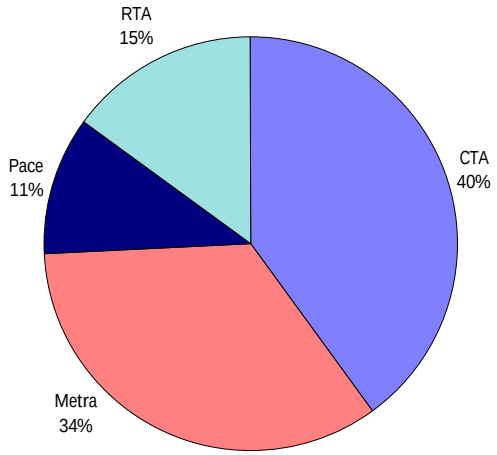
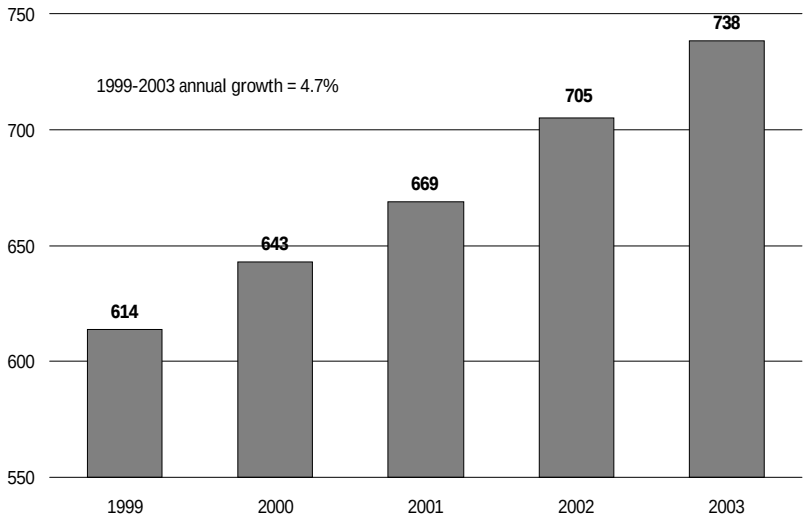


Exhibit 2-6

RTA Sales Tax (dollars in millions)



$39.5 million in 1999 and estimates $40.4 million in 2000, $47.4 million in 2001, $59.7 million in 2002, and $76.9 million in 2003. The State Financial Assistance levels should increase in the next few years as more SCIP II bonds are issued.

Exhibit 2-7

1999 RTA Sales Tax Collection by Area
1999 Total = $614 million

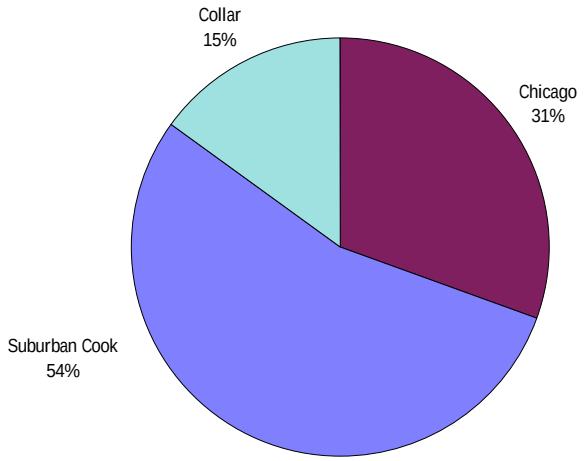
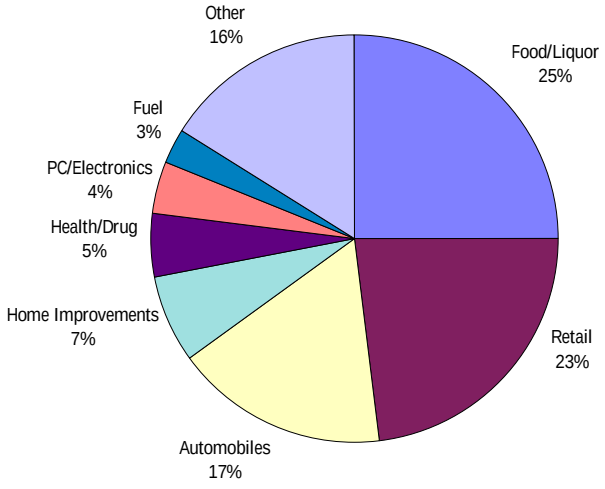


Exhibit 2-8

1999 RTA Sales Tax Components



State Reduced Fare (SRF)

This operating assistance is partial reimbursement from the state to the Service Boards for discounts (mandated by law) provided to students, elderly and disabled riders. The funds are distributed by the state through the RTA and then, to the Service Boards.

The Illinois General Assembly passed legislation in 1989 that provided funds to reimburse the Service Boards for the cost of providing reduced fares for the above mentioned categories. The fare reimbursement is included in revenues and became available in July 1989. In the state's 2000 fiscal year budget, the reimbursement level was increased from $20 million to $40 million for the RTA region, which should be sufficient to reimburse the Service Boards for most of their lost revenue.

Investment Income and Other

The investment income and other revenue category consists of sales tax interest, investment income, and other agency revenue. Total receipts in 2001 are budgeted at $11.9 million.

The state pays interest on sales tax receipts to the RTA from the time of collection until it is disbursed to the RTA. The RTA then disburses this interest to the Service Boards based on the RTA Sales Tax formula. In 2001, sales tax interest is budgeted at $1.6 million.

RTA investment income is dependent upon available cash balances and prevailing market rates. The RTA's cash balance is primarily composed of funds reserved in prior years for various Service Board capital projects. This revenue source is budgeted at $5 million for the year 2001.

Other agency revenues of $5.3 million for 2001 include the fees charged to employers for transit checks, which offset the costs of administering this program, as well as matching funds obtained under federal programs for regional planning, development and new technology efforts.

Operating Expenditures

Exhibit 2-2, page 2-4, provides a summary of the RTA's operating expenditures from 1999 through 2003. Total operating expenditures are projected to grow from $690 million in 1999 to $804 million in 2003. This is an increase of $114 million over the four-year period, or a 3.9 percent annual growth rate.

Operations Funding

The RTA's principal expenditure is the funding of the Service Boards' operating deficits. An operating deficit is the difference between a Service Board's system-generated revenues (farebox and other revenues) and system operating expenses. The RTA provides operating funds to each Service Board equivalent to their budgeted deficit for the year as opposed to funding the actual deficit. This policy encourages cost efficiencies by the Service Boards and allows them to retain any budgeted funds that are not expended. Such funds are generally referred to as positive budget variance, or PBV.

Exhibit 2-9, presents the proposed funding levels for the three Service Boards. The RTA funding for Service Board operations grows at a higher rate than demonstrated in the past few years. From 1996-1999, Service Board funding from the RTA increased at a compound annual growth rate of 2 percent. However, from 1999-2003, the proposed funding for the Service Boards increases at a 3.9 percent annual compound growth rate. Combined funds of $690 million to the Service Boards in 2001 represents a 4.8 percent increase over 2000.

The RTA's proposed budget marks for the CTA in 2001 show a funding level of $419 million – an amount 4.2 percent higher than the 2000 estimate. This reflects operating costs increases, particularly in the areas of labor, health insurance, and fuel.

Metra's operating funding level for the year 2001 is $196.2 million or 6.3 percent higher than the prior year. The funding increase will be mainly used to support higher fuel costs and an increase in costs due to inflation.

Exhibit 2-9

RTA Operations Funding (dollars in millions)

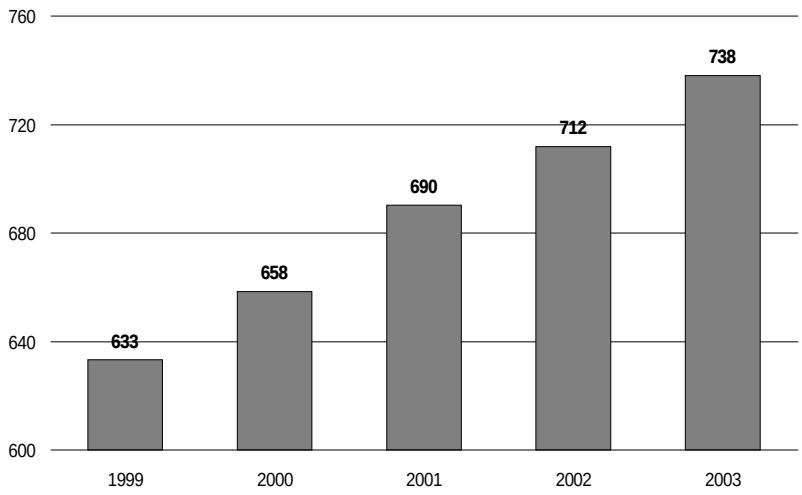


Exhibit 2-10

RTA Operations Funding by Service Board (dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
Operations Funding					
CTA	$384,810	$402,126	$419,005	$428,581	$442,538
Metra	177,784	184,559	196,238	204,405	212,881
Pace	70,482	71,772	75,002	79,052	82,747
Total Operations Funding	**$633,076**	**$658,457**	**$690,245**	**$712,038**	**$738,166**

Pace has committed to achieving and maintaining a recovery ratio of 40 percent over the upcoming planning period. To achieve this goal, Pace's operations funding for 2001 is $75 million or 4.5 percent higher than in 2000.

Exhibit 2-10, provides a more detailed analysis of total operations funding by Service Board from 1999 through 2003.

Operating Grants and Sales Tax Interest

The operating grant funding for 1999 was solely for a specially earmarked People Mobilizer program for Pace. This grant began in 1992. Funding for this program was $8 thousand in 1999.

There is a lag in time between when the state collects the RTA Sales Tax and distributes it. The RTA receives interest on this sales tax, and then disburses 85 percent of these funds back to the Service Boards using the same formula as the sales tax distribution. The sales tax interest distributed by the RTA has been fairly consistent at approximately $1.4 million annually.

State Reduced Fare Reimbursements (SRF)

State reduced fare reimbursements are received as revenue by the RTA (Exhibit 2-2, page 2-4) and flow directly to the Service Boards. Most of the operating costs for reduced fare programs are now offset by this reimbursement.

Joint Self-Insurance Fund (JSIF)

The Joint Self-Insurance Fund (JSIF) is used to finance claims incurred by the Service Boards and the RTA on a cost-reimbursement basis. The fund essentially provides a source from which to borrow to pay for a portion of catastrophic losses and other claims incurred by the Service Boards and the RTA arising out of personal injuries, property damage and certain other losses.

The 2000 budget, adopted in December 1999, approved a $20 million contribution to the JSIF. This designated amount on the balance sheet was included in the 1999 year-end undesignated, unreserved fund balance figure of $48 million. For reporting the $20 million is shown as an expenditure in 1999. However, the contribution from the General Fund to the JSIF was made in 2000 and this expenditure must be used in the 2000 recovery ratio calculation and to compare the 2000 budget with the 2000 estimate (Exhibit 2-15 and 2-22).

During the three-year planning period (2001-2003) the RTA intends to contribute $11 million to this fund.

Agency Operating Expenses

Total Agency operating expenses for 2001 are proposed at $19.2 million, which is 3.1 percent higher than the prior year estimate. The 2001 budget accommodates two new staff positions to provide improved response to requests for paratransit service, as well as to further advance regional transit market development and technology efforts.

Debt, Technology, and Capital

Exhibit 2-2, page 2-4, provides a summary of the RTA's debt service, technology and capital expenditures from 1999-2003. Total expenditures in this category are projected to grow from $143 million in 1999 to $248 million in 2003. This is an increase of $105 million over the four-year period, or a 14.7 percent compound annual growth rate.

Principal and Interest Payments

Principal and interest payments reflect the RTA's expenses and projected expenditures from 1999 through 2003. Payments increase from $73.8 million in 1999 to $134 million in 2003. These payments include RTA General Obligation Bonds, SCIP I, and SCIP II Bonds. The RTA expects to issue $260 million in SCIP II bonds each year from 2000 through 2004. Also, the RTA expects to issue $300 million in general obligation bonds in 2003.

RTA Technology and Capital

The proposed 2001 budget continues the RTA commitment for future technology. The budget maintains a funding level of $6.6 million, equal to that budgeted for 1999 and prior years. The RTA expects that some of the funding in 2001 ($0.9 million) will underwrite projects of a research and development nature, requiring the accounting of the costs as expense rather than a capital asset. The remainder of these funds ($5.7 million) is reserved for new technology capital assets in the region.

The amount reserved for new technology capital programs through 2000 is $23.8 million. The five-year capital program (2001 - 2005) budgets an additional $32.1 million. These combined figures total $55.9 million through the capital program planning period (appendices page 7-16; Agency Capital/ Technology).

The scope and number of technology-oriented projects is expected to expand as the RTA system looks to increase productivity and improve efficiency. The years 2002 and 2003 reflect these expectations and expenses of $5 million per year for such development projects has been budgeted. In addition, a continued commitment of $6.6 million per year has been budgeted for

technology capital investment. The development projects include the demonstration phases of the active station signs project, the parking management project, and the regional transit signal priority plan project. Other expected development projects include the implementation of the regional transit hub project and the completion of the transit management system project for the suburbs.

The agency capital expenditures are also included as part of the technology and capital category. Projected capital needs for the agency are approximately $600,000 per year from 2001-2003.

Transfer Capital Program - Metra Statutory

The statutory apportionment of sales tax to a Service Board can exceed their operating marks. When this occurs, the Service Boards can transfer the funds to its capital projects. Metra is the only Service Board to achieve this source of capital funds. In 1999, the actual distribution to Metra was approximately $32.9 million. In 2000, it is estimated that Metra will receive approximately $37 million while 2001 through 2003 estimates are roughly $34, $38 and $41 million, respectively.

Transfer Capital Program - CTA

Since 1995, the RTA has transferred a portion of its discretionary funds, available for operations, to the CTA for capital investment. The program was originally funded at an annual level of $11 million from 1995-1997. In 1998, CTA's funding for this program was increased to $16.5 million. The CTA transfer capital program was funded at $19.2 million in 1999. The funding for this program is at $20.4 million in 2000 and 2001. Funding increases in 2002 and 2003 to $33.4 million and $40.2 million, respectively.

RTA Discretionary & Other Capital

The RTA has played a major role in financing capital improvements through its discretionary capital program. This program includes providing the "local match" requirement of 20 percent of the project cost for federally funded capital projects and funding selected capital projects for 100 percent of their

Exhibit 2-11

RTA Ending Unobligated Unreserved Fund Balance (dollars in millions)

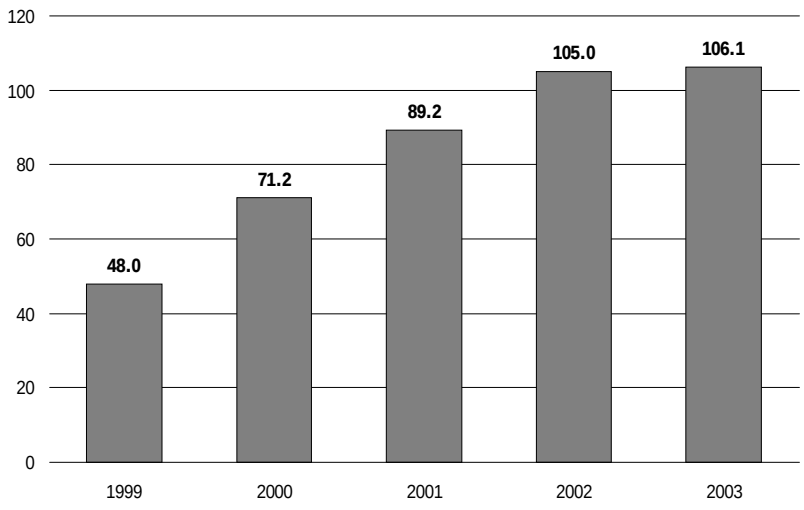
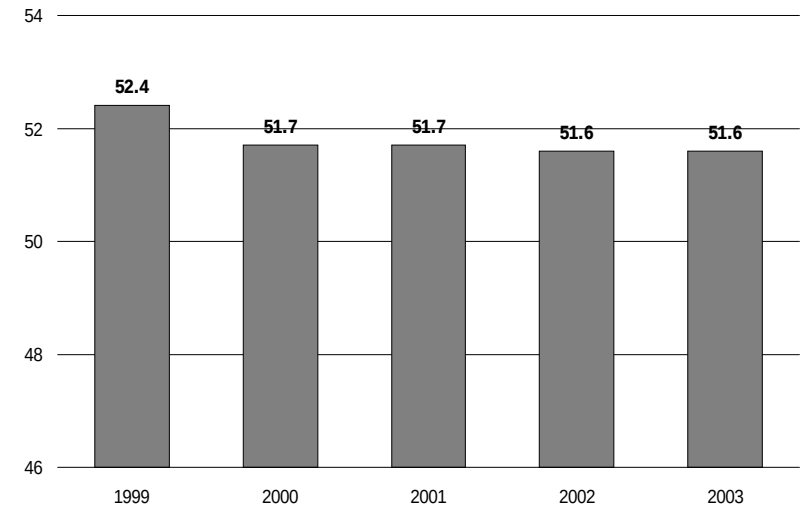


Exhibit 2-12

RTA Recovery Ratio (percent)



cost. Both aspects of this program require RTA Board approval.

The "local match" funds are appropriated annually by the RTA Board from the general fund balance. The capital projects that are funded 100 percent by the RTA are exclusively RTA funds.

In 1999, this amount was approximately $9 million. In 2000, about $6 million was budgeted for discretionary capital spending. Projected discretionary disbursements over the next three years are approximately $15 million in 2001, and then $17 million in 2002 and 2003.

Surplus/(Deficit)

Total RTA revenues less total operating expenditures, less debt service, technology, and capital expenditures equals the annual change (surplus/deficit) in the RTA fund balance.

Fund Balance

In 1998, the RTA Board adopted an ordinance establishing a 5 percent minimum level in the unreserved and undesignated fund balance as a percentage of expenditures. The purpose of the ordinance was to formalize a practice of maintaining a level of financial resources available for funding during unfavorable economic periods.

The RTA Board manages the use of funds to arrive at a planned balance for unreserved and undesignated funds. The 1999 balance was almost $48 million. The estimated balance for 2000 is $71.2 million. The balance for the 2001 budget and two-year financial plan (2002 to 2003) are $89.2 million, $105.0 million, and $106.1 million, respectively (Exhibit 2-11, page 2-10). These balances exceed the ordinance minimum standard.

Recovery Ratio

The *RTA Act* requires the RTA Board to set a recovery ratio for the next fiscal year for each Service Board. The *RTA Act* further requires that the combined revenues from RTA operations cover at least 50 percent of the system operating cost (Exhibit 2-12, page 2-10). The RTA's budgeted recovery ratio for 2001 is 51.7 percent. The ratio is at 51.6 percent in 2002 and 2003. A detailed breakout of this calculation is provided in Exhibit 2-22, page 2-28.

In meeting the 50 percent regional requirement, the *RTA Act* requires that the revenue figures include all revenues consistent with generally accepted accounting principles with certain specified exceptions. Therefore, the revenue figure used to determine whether the RTA system meets this 50 percent requirement includes not only all of the items contained in the recovery ratio for the Service Board budgets, but also the net gain on lease/leaseback transactions, and the 1989 Metra fare increase – even though these items are restricted for capital investment. This statutory calculation therefore computes to 52.6 percent for year 2001, 2.6 points above the mandated 50 percent.

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Capital Program

Overview

The *RTA Act* requires that the capital expenditures of the CTA, Metra and Pace be subjected to continuing review so that the RTA may budget and expend funds available to the region with maximum efficiency. The RTA's five-year capital program describes the nature, location, and budget by project and by fiscal year of all anticipated Service Board capital improvements. The RTA Board must adopt a five-year capital program every year. Public hearings are held in each county in the northeastern Illinois region to inform the public and government officials of the Authority's capital development plans.

The RTA Strategic Plan, adopted by the RTA Board, emphasizes the need to preserve and enhance the RTA system's valuable infrastructure. This includes bringing the system's $23.7 billion in assets (as measured in terms of replacement value) to good condition and extending or expanding service when demand is justified and funding available.

With funding needs for capital improvements and rehabilitation greatly exceeding expected resources, the RTA and the Service Boards actively pursue additional funding opportunities to preserve and enhance the economic viability of the RTA system. In addition, the RTA Strategic Plan identifies the need to wisely allocate our available capital resources consistent with long-range plans and short-range needs.

Capital Program Issues

Continued financial support for public transportation is vital to the region's economic health. However, the region's current transit needs, which are based upon bringing the entire system to a state of good repair, continue to outpace projected funding levels.

The Transportation Equity Act for the 21st Century (*TEA-21*) was signed into law on June 9, 1998. *TEA-21* provided for a six-year (1998-2003) reauthorization of the federal transit program. This reauthorization retained Section 5307 and Section 5309 transit capital funding programs. The Section 5307 funding includes the Formula program, while the Section 5309 funding includes Fixed Guideway, New Start, and Bus programs. Flexible funding is also available to transit through the Congestion Mitigation and Air Quality (CMAQ) program, the Surface Transportation Program (STP), the Clean Fuels Formula Program and the Job Access and Reverse Commute Program.

In 2001, 56 percent of the region's available transit capital funding comes from federal sources. *TEA-21* provided guarantees that authorized levels of

funding will be appropriated for the formula-based funding programs (Section 5309 Fixed Guideway and Section 5307 Formula). The RTA annual capital marks for these formula-based programs are based on estimates of the guaranteed and non-guaranteed funding authorized under *TEA-21.*

Because the Federal Register including federal government's executed 2001 appropriation bill has not yet been published, the marks are based on preliminary estimates. The RTA anticipates that the *TEA-21* formula-based funding programs for transit capital projects will increase moderately over the next two years. The FTA Section 5309 Fixed Guideway program is projected to increase from estimated $135.7 million in 2001 to $153.9 million in 2003. Likewise, the Section 5307 Formula program funds are projected to increase from estimated $200.9 million in 2001 to $229.5 million in 2003. For planning purposes, the fiscal years 2004 and 2005 federal marks are an extension of the fiscal year 2003 mark. Funding beyond federal fiscal year 2003 will require a reauthorization of *TEA-21.*

These federal funds must be matched by local funding sources. The RTA Bond program is a significant component of this local funding match.

Transit in northeastern Illinois began a new era in 1999 with the substantial capital funding commitment provided by the $12 billion *Illinois FIRST* program. *Illinois FIRST*, a Fund for Infrastructure, Roads, Schools and Transit, was designed to meet the state's most pressing infrastructure needs. The transit component of this program, which was signed into law on June 15, 1999, includes more than $4 billion in transit investments.

Under *Illinois FIRST*, the RTA and its Service Boards, the CTA, Metra and Pace, can borrow $1.6 billion for improvement projects, allowing the RTA to leverage more than $2 billion in federal funds. In FY2000, work began on badly needed rail transit projects for the suburbs and on aging infrastructure for city and suburban lines.

Illinois FIRST is supported by $573 million from new revenues generated by increases in vehicle registration fees, title transfer fees and alcohol taxes. An additional $48 million in new revenues will be generated by reducing the annual diversion of Road Funds money for non-highway purposes.

The *Illinois First* program augments the 1989 highly successful $1 billion bond program. The entire $1 billion in 1989 bond funds has been committed with expenditure of $954.3 million to complete transit capital projects. *Illinois First* provided $2 billion in bonding authority, for distribution by both the RTA and IDOT, for capital improvement purposes.

Bonding authority in the amount of $1.6 billion is administered by the RTA under two programs, the Strategic Capital Improvement Program (RTA SCIP II) at $1.3 billion over five years and the RTA Bond Program (RTA Bond II) at $300 million over five years. In 2001, a total of $260 million of RTA SCIP II funding is available to the Service Boards for programming. Allocation of RTA Bond II funds is planned for 2003 and 2004 based on Service Board projected needs.

RTA SCIP II funding maintains the 1989 bond allocation formula of 50 percent to CTA, 45 percent to Metra, and 5 percent to Pace. The $1.6 billion RTA Bond program will increase the region's ability to address the backlog of capital projects to repair, replace or upgrade rolling stock and existing infrastructure and provide significant levels of funding for CTA and Metra expansions and extensions.

The other RTA source of local funding is the RTA Discretionary program. These funds can be used either for federal match or discretionary purposes. In the past, the RTA has used these discretionary funds to address the backlog of unfunded capital needs.

The State of Illinois Series "B" Bond program is another local funding source used in addition to RTA sources to provide the required 20 percent local match to federal funds. In 1999, the Illinois State legislature authorized $380 million for the Series "B" Bond program to be administered by the Illinois Department of Transportation (IDOT). While the 2001-2005 capital program assumes availability of the Series "B" Bond funds and General Reserve Funds, these sources are subject to annual legislative appropriation. In 2001, IDOT has allocated $46.3 million for capital improvement purposes.

Finally, the Service Boards have contributed to their capital investment programs through alternative financing mechanisms, such as the transfer capital program. Service Board operating funds have also been capitalized through cost savings and used by the Service Boards as positive budget variance funds for capital purposes.

With the state-provided funding from *Illinois FIRST*, the RTA's primary challenge over the next five years will be to expend these funds efficiently and effectively to rebuild and expand the system.

Source of Funds

The funding sources for the RTA capital program include the United States Department of Transportation's Federal Transit Administration (FTA), the RTA, the Illinois Department of Transportation (IDOT), and the Service Boards. The RTA estimated 2001 capital program, totaling $891.5 million, includes $498 million from federal funding sources. (Currently, $787.9 million has been programmed, Schedule II, page 7-7.) Federal funds require a local share match. The remaining funds will come from the RTA, IDOT, and the Service Boards (Exhibit 2-13).

Federal

The RTA receives federal funds under Section 5307 (formerly Section 9) and Section 5309 (formerly Section 3) of the *Federal Transit Act*, as amended, by TEA-21. Section 5307 Formula and Section 5309 Fixed Guideway funds are allocated nationally on a formula basis. Section 5309 New Start and Bus funds are allocated on a discretionary basis. The federal government provides 80 percent of the cost of capital projects funded with Section 5307 and 5309 funds. Local funding sources provide the remaining 20 percent match.

The pending 2001 federal appropriation bill includes New Start funding, $25.8 million for CTA's Douglas and Ravenswood Lines' capital projects and $75.5 million for Metra's commuter rail extensions and upgrades. The estimated combined federal funding for 2001 totals $498 million.

As mentioned previously, *TEA-21* retained CMAQ and STP as flexible funding programs. Funds from these two programs can be used for either highway or transit projects, depending on local priorities. *TEA-21* included two additional discretionary transit grant programs, the Clean Fuels Formula Program and the Job Access and Reverse Commute Program. The Clean Fuels Formula Program finances the purchase or lease of clean fuel buses and facilities, as well as the improvement of existing facilities to accommodate clean fuel buses. The Job Access Program is designed to transport welfare recipients and eligible low-income individuals to and from jobs. The Reverse Commute Program is designed to assist in the development of transportation services to suburban employment opportunities for urban and non-urban residents. The Service Boards' proposed capital programs include projects that could be funded by these flexible programs.

Exhibit 2-13

Capital Program Sources
2001 Total = $892 million

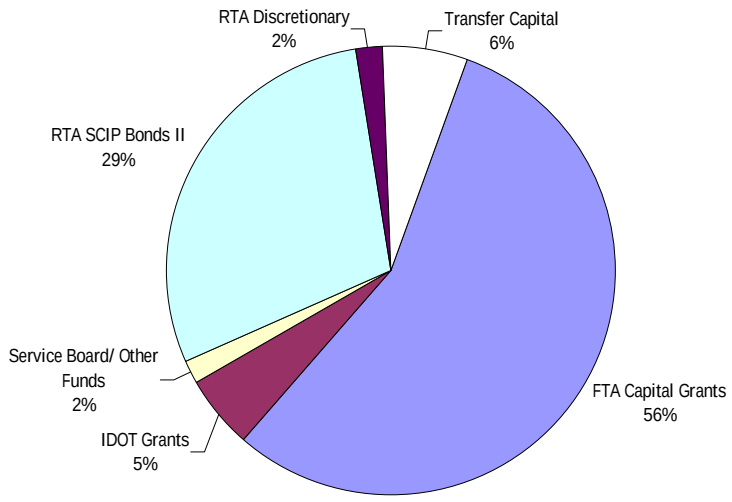

Exhibit 2-14

2001-2005 Capital Program Uses (dollars in millions)

Asset Category	CTA	Metra	Pace	Total
Rolling Stock	821	659	162	1,642
Track & Structure	295	384	0	679
Electric, Signal, & Communications	141	137	7	285
Support Facilities & Equipment	173	145	100	418
Stations & Passenger Facilities	295	155	15	465
Miscellaneous	58	16	1	75
Acquisitions & Extensions	674	404	0	1,078
Contingencies & Administration	229	8	5	242
Total:	**2,686**	**1,908**	**290**	**4,884**

RTA

Illinois FIRST provided the RTA with bonding authority in the amount of $1.6 billion. The RTA Bond program will be administered by the RTA under two programs, the Strategic Capital Improvement Program (SCIP II) at $1.3 billion over five years and the RTA Bond Program (RTA Bond II) at $300 million. A total of $260 million of SCIP II funding is available for programming in 2001. The RTA Bond II funds are allocated in 2003 and 2004, pending the projected needs of the Service Boards.

All bond funds have been obligated from the 1989 $1 billion in bonding authority granted to the RTA by the state legislature. Any adjustments to the 1989 Bond program are simply reallocations of the currently available funds.

RTA Discretionary funds are yet another source of capital funding. Discretionary funds, which remain after funding CTA operations, can be used to match federal funds or to fully fund service board projects. Discretionary funds totaling $83.3 million are projected for the 2001-2005 capital plan. In December, an ordinance will be presented to the RTA Board that requests advancement of Pace's 2001 discretionary funds before year-end. If approved, this amount of $1.3 million will be deducted from the RTA discretionary figure of $16.7 million in 2001 which reduces the five-year figure of $83.3 million to $82.0 million. The RTA statement of revenues and expenditures in this document reflect this change.

State

Other sources of local funding for the 2001-2005 capital plan are the State of Illinois Series "B" Bond program and the General Revenue Funds (GRF) program. The General Revenue Funds program provides funds for the region's transit projects and is administered by the Illinois Department of Transportation (IDOT) through the Division of Public Transportation. The capital plan assumes $46.3 million for 2001, and $80 million annually for 2002-2005, based upon the 2002 reauthorization. The GRF funds total $21.6 million over five years, with $4.3 million programmed for 2001. Both, the Series "B" Bond and GRF programs are subject to annual legislative appropriation.

Service Boards

In addition to the above funding sources, the 2001-2005 capital programs submitted by the CTA, Metra and Pace include funding for capital needs from their own fund balances and other external sources.

Transfer Capital funds are funds that can be used to fund operations but have, at the Service Board's request, been reallocated for use on capital improvement projects. A total of $54.5 million has been allocated to Transfer Capital funds for 2001. In 2001, the CTA has allocated $20.4 million, which originates from RTA discretionary funding, and Metra has allocated $34.1 million, which originates from Metra's statutorily allocated percentage of the RTA Sales Tax. Also, the Service Boards will capitalize $15.1 million of their operating funds for capital projects for their five-year capital programs.

Use of Funds

The 2001-2005 capital programs for the CTA, Metra, and Pace are presented by major asset categories in Exhibit 2-14, page 2-15. Some of the more significant projects included in the proposed 2001-2005 capital program are:

$273.3 million for the rehabilitation of CTA rapid transit cars,

$208.4 million for the purchase of CTA rail cars,

$257.2 million for the purchase of CTA buses,

$378.2 million for the reconstruction of the CTA Douglas Branch of the Blue Line,

$300 million for the expansion of the CTA Ravenswood Brown Line,

$405.2 million for the purchase of bi-level Metra rail cars,

$100.2 million for the rehabilitation of Metra commuter rail cars,

$38.9 million for the rehabilitation of Metra locomotives,

$145.8 million for the extension of the Metra SouthWest Service,

$154.3 million for the expansion of the Metra North Central Service,

$96.1 million for the extension of the Metra Union Pacific West Line,

$121.5 million for the purchase of Pace buses,

$8.6 million for the purchase of Pace paratransit vehicles,

$14.8 million for the purchase of Pace vanpool equipment, and

$50.5 million for the construction and expansion of five Pace's garages.

Additional detail on the 2001-2005 capital plans of the CTA, Metra and Pace are presented in their respective sections of this document and in the Appendix.

Capital Program Oversight

Under its authorizing legislation, the RTA is mandated to "subject operating and capital... expenditures of the Service Boards...to continuing review so that the Authority may budget and expend its funds with maximum effec-

tiveness and efficiency." The RTA ensures that the Service Boards use their capital funds effectively and efficiently by overseeing the Service Boards' capital programs on two levels:

First, on an aggregate capital program level the RTA tracks total actual obligation and expenditures against goals; and

Second, on a project-specific level through the RTA's Project Management Oversight (PMO) reviews.

Oversight of Aggregate Capital Programs

The Service Boards undertake capital projects to repair, replace, and enhance their capital assets. Each year, the Service Boards establish implementation goals for their capital projects that are stated in terms of the dollar value of commitments and expenditures made each quarter. The RTA tracks the Service Boards actual obligation and expenditure performance relative to their goals to ensure that the Service Boards budget and expend its funds with maximum effectiveness and efficiency. The results of this oversight function are published monthly in the Capital Financial Report and quarterly in the RTA's Capital Program Overview (CPO) Report. The CPO Report also presents the RTA's current accomplishments, plans, and issues.

Project Management Oversight (PMO)

PMO reviews are another means by which RTA ensures that the Service Boards are managing their capital projects, and thus capital funds, effectively and efficiently. A typical RTA PMO review is a meeting between one of the RTA's PMO consultants and the Service Board's project manager to discuss the management and status of a specific Service Board capital project or contract. For some of the subsequent reviews of a project, the PMO reviewer may be able to adequately review the project by reviewing the relevant documents instead of meeting with the project manager.

The purpose of the PMO reviews is twofold:

First, to determine whether the project or contract is being managed according to Federal Transit Administration (FTA) and Service Board guidelines.

Second, to determine whether the project is within scope, on schedule and within budget.

Besides fulfilling its statutory responsibilities, the RTA believes that PMO reviews:

- Enable the RTA to speak to the State Legislature and other funding agencies with additional confidence and credibility about the Service Boards' ability to effectively and efficiently use all current and future funds.

- Improve the RTA's ability to review and promote the projects by increasing the RTA staff's knowledge of Service Board projects.

- Provide data that may reveal important trends in the Service Boards' project management processes.

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Reference

2000 Budget vs. 2000 Estimate

Total RTA revenues of $893.6 million are projected to be $12.2 million higher than a budget of $881.4 million in 2000. Favorable variances in sales tax of $14.0 million and Public Transportation Fund (PTF) of $3.1 million contribute to this gain.

Total operations expenditures of $737.6 million are projected to be favorable by almost $0.9 million due to lower agency expenditures.

Total debt service, technology, and capital of $152.7 million is expected to be unfavorable to budget by $1.6 million. The proposed overage is Metra's transfer capital, which is directly related to higher sales tax estimates. By formula, a set percentage of sales tax receipts go directly to each Service Board. Based on current estimates, Metra will receive additional funds of $3.5 million.

RTA discretionary funding of $5.8 million reflects budgetary changes adopted by ordinance in 2000 to the capital program. The figure posted in last December's program and budget book was $6.7 million.

The surplus is projected at $3.3 million, which would be $11.4 million favorable to budget. This favorable variance increases the undesignated/unreserved fund balance to $71.2 million (Exhibit 2-15, page 2-20).

Authority and Responsibility

The RTA was established in 1974 upon approval of a referendum in its six-county northeastern Illinois region. The operating responsibilities of the RTA are set forth in the *RTA Act*. The RTA is a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois. As initially established, the RTA was an operating entity responsible for providing day-to-day bus and rail transportation services as well as a planning and funding agency. However, in 1983, the Illinois General Assembly reorganized the structure and funding of the RTA. The reorganization placed all operating responsibilities with three Service Boards: the Chicago Transit Authority (CTA) and two operating divisions of the RTA: a Commuter Rail Division (Metra) and a Suburban Bus Division (Pace), each having its own independent board. These divisions conduct operations and deal with subsidized carriers. The RTA became exclusively responsible for financial oversight and regional planning issues.

The Service Boards operate within the RTA's region, but are separate legal entities. The Board of Directors of each Service Board are completely independent of the RTA Board. The RTA Board has control neither in the selection nor the appointment of any Service Board

director nor of any of its management. Further, directors of the CTA, Metra and Pace are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board, who is also a RTA Board member.

The *Act* sets forth detailed provisions for the allocation of receipts by the RTA to the various Service Boards, and imposes a requirement that the RTA's system as a whole achieves annually a "system-generated revenue recovery ratio" (i.e., aggregate income for transportation services provided) of at least 50 percent of the cost of transportation services. The Service Boards achieve their required recovery ratio by establishing fares and related revenue to cover the required proportion of their proposed expenses. The RTA has the responsibility to supervise the budgets and financial performance of the CTA, Metra, and Pace.

The Service Boards maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters including: ownership of assets, relations with federal and state transportation funding agencies and the preparation of their operating budgets. They are also responsible for the purchase of services and approval of contracts relating to their operations.

The Service Boards are considered fiscally independent of the RTA. Although the RTA reviews the budgets of the CTA, Metra and Pace, approval of the budgets is mandated by state statute if such budgets meet specified farebox recovery ratios.

The CTA, Metra and Pace provide services to different geographic areas within the six-county region. The CTA provides rail and bus service to the City of Chicago and 38 neighboring suburbs within Cook County. Metra provides transit service to the six-county area, with the majority of the transit riders residing in the suburban metropolitan area and commuting into the City of Chicago. Pace's primary bus service area is the suburban communities, with limited service to areas within the City of Chicago.

The *RTA Act* establishes the RTA as the primary public body with authority to apply for and receive grants, loans and other funds from the state or the federal government for public transportation programs in Cook, DuPage, Kane, Lake, McHenry and Will counties ("northeastern Illinois"). The RTA is responsible for the allocation of certain federal, state and local funds to finance both the operating and capital needs of public mass transportation in the six-county region.

The Act confers upon the RTA Board powers to prescribe regulations requiring that the Service Boards submit to the RTA such information as the RTA may require. The Board has statutory authority to establish by rule or regulation financial, budgetary, or fiscal requirements for the system.

Exhibit 2-15

RTA Statement of Revenues and Expenditures
2000 Budget vs. 2000 Estimate (dollars in thousands)

Revenues	2000 Budget	2000 Estimate	Variance
Sales Tax	$629,000	$643,000	$14,000
Public Transportation Funds (PTF)	157,879	161,000	3,121
State Financial Assistance (SFA)	44,500	40,416	(4,084)
State Reduced Fare Reimbursements (SRF)	40,000	40,000	0
Investment Income and Other	10,032	9,175	(857)
Total Revenues	**$881,411**	**$893,591**	**$12,180**
Operating Expenditures			
Operations Funding	$658,457	$658,457	$0
Sales Tax Interest to Service Boards/Grants	1,400	1,400	0
State Reduced Fare Reimbursements to Service Boards	40,000	40,000	0
JSIF	20,000	20,000	0
Agency Operations	18,599	17,741	858
Total Operating Expenditures	**$738,456**	**$737,598**	**858**
Funds Available before Debt Service, Technology & Capital	**$142,955**	**$155,993**	**$13,038**
Debt Service, Technology & Capital			
Principal and Interest Payments	$84,600	$82,679	$1,921
RTA Technology and Capital	7,237	7,237	$0
Metra Transfer Capital (Statutory)	33,127	36,659	($3,532)
CTA Transfer Capital	20,353	20,353	$0
RTA Discretionary	5,804	5,804	$0
Debt Service, Technology & Capital	**$151,121**	**$152,732**	**($1,611)**
Revenues less Expenditures/(Deficit)	**($8,166)**	**$3,261**	**$11,427**
Ending Fund Balance (See Note)	**$59,786**	**$71,213**	**$11,427**

Note: The general fund expenditure of $20 million to the JSIF was recorded in 2000. The ending 1999 unreserved and undesignated fund balance was increased by this amount to establish the year-end 2000 unreserved and undesignated figures of $59.8 million and $71.2 million on this schedule.

In addition to its annual budget and financial plan responsibilities, the RTA each year is required to prepare and adopt a five-year capital program. The Service Boards are prohibited from undertaking any capital project in excess of $250,000, unless the project has been approved by the RTA Board and incorporated into the RTA capital program.

The RTA also conducts market research and coordinates planning for public transportation in northeastern Illinois. The RTA funds the development of new types of service, both in the suburbs and the City of Chicago on a demonstration basis.

Budget Process

The Act requires the Board of Directors to approve an annual budget, a two-year financial plan, and a five-year capital program. The budget calendar, and statutory oversight and amendment requirements govern this process. Specific highlights of the budget calendar are outlined below. A detailed calendar is provided in the appendix (Exhibit 7-10, page 7-6).

Budget Calendar

By July 1 of each year, the Illinois Bureau of the Budget submits to the RTA an estimate of revenues to be collected from taxes for the next fiscal year.

Based upon the estimate of tax receipts and revenues from other sources, "the Board shall, not later than ... September 15 prior to the beginning of the Authority's next fiscal year" advise each Service Board of the amounts estimated to be available during the upcoming fiscal year and next two following years, the times when the amounts will be available, and the cost recovery ratio for the next year.

The recovery ratio for the region must meet a minimum standard of 50 percent.

Between September 15 and November 15, each Service Board must prepare and publish a comprehensive annual budget, program document and a financial plan for the two following years. "The proposed budget and financial plan shall be based on the RTA's estimate of funds to be available to the Service Boards by or through the Authority, and shall conform in all respects to the requirements established by the Authority."

Before submitting the budget to the RTA, the Service Boards must hold at least one public hearing in each of the counties in which it provides service. Each Service Board must hold at least one meeting with the affiliated county boards. After considering the comments from these meetings, it must formally adopt the budget prior to submitting it to the RTA on November 15.

"Not later than... November 15 prior to the commencement of such fiscal year, each Service Board shall submit to the Authority its proposed budget for the fiscal year and its proposed financial plan for the two following years." This budget and plan "shall not project or assume receipt of revenues greater than those set in the estimates provided by the Authority."

The RTA Board must then hold at least one public hearing in the metropolitan region and one meeting with each county board on the proposed budget. Twenty days prior notice is required for the public hearing.

After conducting these hearings and taking into consideration the comments, the RTA Board must adopt a budget, which meets the statutory criteria.

Unless the Board can pass (by nine votes) a budget and financial plan for a Service Board which meets these criteria, "the Board shall not release to that Service Board any funds for the periods covered by such budget and financial plan" except for the 85 percent of sales tax proceeds which are directly allocated to the Service Board.

Also, if the RTA has not found that a Service Board budget meets the criteria, the Board shall, five working days after the start of the Service Board's fiscal year, adopt a budget and financial plan meeting the criteria for that Service Board.

The RTA, CTA, Metra, and Pace all report on a calendar-year basis.

Statutory Requirements

The *RTA Act* sets forth six statutory criteria for Board approval of the budget and financial plan of each Service Board. These six criteria are:

Balanced Budget

Such budget and plan shall 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.

Cash Flow

Such budget and plan shall show cash balances, including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses as incurred.

Recovery Ratio

Such budget and plan shall provide for a level of fares or charges and operat-

ing or administrative costs for the public transportation provided by or subject to the jurisdiction of such Service Board to allow the Service Board to meet its required system-generated revenue recovery ratio.

Assumptions
Such budget and plan are based upon and use assumptions and projections which are reasonable and prudent.

Financial practices
Such budget and plan shall be prepared in accordance with sound financial practices as determined by the RTA Board.

Other Requirements
Such budget and plan shall meet such other financial, budgetary, or fiscal requirements that the RTA Board may by rule or regulation establish.

Operating Budget Oversight

After adoption of the operating budget, the RTA Board has continuing oversight powers concerning the budget and the financial condition of each Service Board and region as a whole. On a monthly basis, the RTA monitors the budgetary and operations performance of the Service Boards to ensure compliance with their budget and recovery ratio. On a quarterly basis, the following oversight is conducted:

- After the end of each fiscal quarter, each Service Board must report to the RTA "its financial condition and results of operations and the financial condition and results of operations of the public transportation services subject to its jurisdiction" for such quarter. If in compliance, the RTA Board so states and approves each service board's compliance by adopted resolution.

- If "in the judgment of the Board" these results are not substantially in accordance with the Service Board's budget for such period, "the Board shall so advise the Service Board" and it "shall, within the period specified by the Board, submit a revised budget incorporating such results."

- Once a Service Board submits the revised budget plan, the RTA must determine if it meets the six statutory budget criteria necessary to pass an annual budget. If not, the RTA does not release any monies to the Service Board(s) except for the statutory allocation of taxes.

- If a Service Board submits a revised budget and plan which shows that the statutory budget criteria will be met "within a four quarter period," the RTA "shall continue to release funds to the Service Board." The RTA may require the Service Board to submit a revised budget and plan which shows that the budget criteria "will be met in a time period less than four quarters."

Amendment

When prudent, the operating budget is amended due to shifts in the economic climate, governmental funding programs or new projects. Depending on the type of request, the proposed amendment may be presented to one or more of the RTA Board Committees for approval. However, the Board's Finance Committee must approve all proposed amendments before they are recommended to the RTA Board. The RTA Board ultimately approves or disapproves all proposals. If approved, the RTA and Service Board budgets are amended to include all changes and actual results and are then monitored against the amended budget.

RTA Bonds

The bonds issued by the RTA carry a rating of "AAA" from Standard & Poor's and Fitch IBCA and "Aaa" from Moody's Investors Service, Inc., based on the RTA having the principal and interest guaranteed by an insurance policy. These rating agencies have indicated that they would have rated the bonds "AA", "AA", and "A1", respectively, without such insurance. These represent strong investment grade ratings. The RTA has the distinction of being one of the highest rated public transportation agencies in the United States.

All bonds are general obligations of the RTA to which the full faith and credit of the RTA are pledged. These general obligation bonds, with a balance of $958.5 million as of December 31, 1999, are divided into two types: $486.8 million in SCIP bonds and $471.7 million in RTA bonds (Exhibit 2-16, page 2-23).

The bonds are payable from all revenues and all other funds received or held by the RTA that lawfully may be used for retiring the debt. Exceptions to this are amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations. The bonds are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State of Illinois. If, for any reason, the RTA has not made the required monthly debt service payment, the trustee is to deduct it from the receipts. If all payments have been made, the funds are made available to the RTA for regular use. Under *the Act,* the CTA, Metra and Pace farebox re-

ceipts and funds on hand are not available for payment of debt service.

On June 21, 1993, the RTA issued an advance refunding of a portion of its 1990A Series general obligation bonds. The RTA issued $23,265,000 of general obligation refunding bonds (1993C Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. As of December 31, 1999, $20,350,000 of outstanding 1990A Series general obligation bonds were considered defeased.

On January 30, 1996, the RTA also issued an advance refunding of a portion of its 1994B and 1994D Series general obligation bond issues. The RTA issued $151,235,000 of general obligation refunding bonds (1996 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. As of December 31, 1999, $60,300,000 of outstanding general obligation bonds (1994B Series) and $75,605,000 of outstanding general obligation bonds (1994D Series) are considered defeased. This advance refunding was undertaken to reduce total debt service payments over the next 22 years by $7 million. The refunding was also undertaken to obtain an economic gain of $4.4 million, which was a 3.2 percent savings on the previous debt service expense.

On September 18, 1997, the RTA issued an advance refunding of a portion of its 1990A, 1991A, 1992B and 1993B Series general obligation bond issues. The RTA issued $98,385,000 of general obligation refunding bonds (1997 Series). Proceeds from the issuance amounted to $105,570,935, including a premium of $7,185,935. The proceeds are to fund an irrevocable trust for generating resources for all future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. As of December 31, 1999, $4,230,000 of outstanding general obligation bonds (1990A Series), $29,265,000 of outstanding general obligation bonds (1991A Series), $18,170,000 of outstanding general obligation bonds (1992B Series) and $47,465,000 of outstanding general obligation bonds (1993B Series) are considered defeased. This advance refunding was undertaken to reduce total debt service payments over the next 26 years by $11.7 million and to obtain an economic gain of $4.2 million, a 3.9 percent savings on the previous debt service expense.

On August 10, 1999, the RTA made an advance refunding of a portion of its 1992A, 1993A, 1994A, and 1994C

Exhibit 2-16

RTA General Obligation Bonds Payable (dollars in thousands)

General Obligation	December 31, 1998	New Issues	Retirements	December 31, 1999
1990A	$64,500	-	$1,790	$62,710
1991A	61,570	-	1,830	59,740
1992A and 1992B	196,410	-	117,505	78,905
1993A and 1993B	58,720	-	11,760	46,960
1993C Refunding	22,510	-	175	22,335
1994A and 1994B	200,585	-	146,860	53,725
1994C and 1994D	112,050	-	24,295	87,755
1996 Refunding	150,275	-	515	149,760
1997 Refunding	98,145	-	250	97,895
1999 Refunding	-	298,725	-	298,725
Total	**$964,765**	**$298,725**	**$304,980**	**$958,510**

Exhibit 2-17

1990-1999 Debt Service Requirement Test (dollars in thousands)

	Sales Tax Revenue	Debt Serv. Req.	2.5 x Debt Serv. Req.
1990	444,110	8,900	22,250
1991	425,173	13,540	33,850
1992	445,891	27,917	69,793
1993	462,393	39,909	99,773
1994	497,698	51,978	129,945
1995	513,301	76,550	191,375
1996	532,304	76,301	190,753
1997	555,496	78,359	195,898
1998	576,704	77,883	194,708
1999	613,514	77,866	194,665

Series general obligation bond issues. The RTA issued $298,725,000 of general obligation (1999) bonds to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. The refunded bonds are as follows: $113,895 of the 1992A Series, $9,720,000 1993A, $142,615,000 1994A, and $21,955,000 1994C. The refunding was undertaken to reduce debt service over the next 26 years by $22 million, an economic gain of $11.4 million, which is a 3.9 percent savings on the previous debt service.

Effective January 1, 2000, the *RTA Act* was amended to authorize the issuance of an additional $260 million of SCIP II Bonds in each year for the period of 2000 through 2004 and to issue and have outstanding from time to time an additional $300 million of non-SCIP II Bonds. In mid-June 2000, the RTA issued $260 million in SCIP II Bonds.

An updated general obligation bond schedule through September 30, 2000, has a balance of $1,218.5 million, and is divided into three types: $486.4 million in SCIP I bonds, $260 million in SCIP II bonds, and $472.1 million in RTA bonds.

RTA Sales Tax must be 2.5 times greater than the debt service requirement. As shown over the last ten years (Exhibit 2-17, page 2-23), the RTA meets this test. Any differences between debt service amounts presented and amounts shown in general purpose financial statements represent timing differences between payments made to trustees and payments made to bondholders. Also, investment income earned in the debt service accounts may lower actual cash transfers from the General Fund.

Fund Accounting

The accounts of the RTA are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are separated in its own set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. RTA resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be utilized and the means by which spending activities are controlled. In the financial statements, the various funds are grouped into three broad fund types and six generic fund categories, which are discussed in the ensuing paragraphs.

Exhibit 2-18

RTA 1999 Combined Fund Statement of Revenues and Expenditures by Fund
(dollars in millions)

	General	Agency	Debt	Capital	JSIF	Pension	Combined
Revenues							
Sales Tax	$92.0	$521.5	$0.0	$0.0	$0.0	$0.0	$613.5
Public Transportation Funds (PTF)	153.3	0.0	0.0	0.0	0.0	0.0	153.3
State Financial Assistance (SFA)	39.4	0.0	0.0	0.0	0.0	0.0	39.4
Reduced Fare Reimbursements	0.0	19.4	0.0	0.0	0.0	0.0	19.4
Investment Income and Other	7.3	1.2	1.3	5.1	1.5	7.3	23.7
Total Revenues	**$292.0**	**$542.1**	**$1.3**	**$5.1**	**$1.5**	**$7.3**	**$849.3**
Expenditures							
Operations Funding	$144.5	$488.6	$0.0	$0.0	$0.0	$0.0	$633.1
Sales Tax Int to Service Boards	0.0	1.2	0.0	0.0	0.0	0.0	1.2
Reduced Fare Reimbursements	0.0	19.4	0.0	0.0	0.0	0.0	19.4
Agency	15.8	0.0	0.0	0.0	3.0	2.4	21.2
Capital Grants	32.6	0.0	0.0	37.1	0.0	0.0	69.7
Sales Tax-Metra Capital	0.0	32.9	0.0	0.0	0.0	0.0	32.9
Debt Service Operating Transfer	73.8	0.0	(73.8)	0.0	0.0	0.0	0.0
P&I Bondholder Payment	0.0	0.0	73.2	0.0	0.0	0.0	73.2
Capital Outlay	7.2	0.0	0.0	0.0	0.0	0.0	7.2
Total Expenditures	**$273.9**	**$542.1**	**($0.6)**	**$37.1**	**$3.0**	**$2.4**	**$857.9**
Revenues less Expenses	**$18.1**	**$0.0**	**$1.9**	**($32.0)**	**($1.5)**	**$4.9**	**($8.6)**

Governmental Fund Types

The RTA's governmental fund types consist of the General Fund, Debt Service Funds and Capital Projects Funds. Revenues and expenditures by fund type are detailed in Exhibit 2-18.

General Fund

The General Fund is the general operating fund of the RTA. It is used to account for all financial transactions that are not specifically required to be accounted for in another fund such as the Agency Fund. Exhibit 2-19 highlights the 2001 budget by fund type. The General and the Agency Funds are the only two funds that have annual budgets.

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The interest earned is generated from the funds being held for payment to the bondholders. The expenditure difference between the transfer and payment reflects the year-over-year timing variance.

Capital Projects Funds

In 1989, the Illinois General Assembly authorized the RTA to issue a maximum of $500 million of Strategic Capital Improvement Program (SCIP) bonds, and to have a maximum of $500 million RTA bonds outstanding. Capital Projects Funds are utilized for the receipt and disbursement of the proceeds of the bond issues. The first Capital Projects Fund was established in 1990 with the issue of $100 million of RTA bonds to fund capital projects at the service boards. The RTA allo-

Exhibit 2-19

RTA Statement of Revenues and Expenditures
2001 Budget by Fund (dollars in thousands)

	General Fund	Agency Fund	Total Budget
Sales Tax	$100,350	$568,650	$669,000
PTF	168,000	0	168,000
SFA	47,422	0	47,422
Reduced Fare Reimbursement	0	40,000	40,000
Other Income	10,502	$1,400	11,902
Revenues	**$326,274**	**$610,050**	**$936,324**
Operations Funding	$155,700	$534,545	$690,245
Sales Tax Interest	0	1,400	1,400
Reduced Fare	0	40,000	40,000
Agency & JSIF (see note)	22,171	0	22,171
Expenditures	**$177,871**	**$575,945**	**$753,816**
Debt	$85,132	$0	$85,132
Sales Tax for Capital	0	34,105	34,105
Other Capital & Technology	45,281	0	45,281
Debt Service, Capital, & Tech	**$130,413**	**$34,105**	**$164,518**
Revenues less Expenses	**$17,990**	**$0**	**$17,990**
Ending Fund Balance	**$89,203**	**$0**	**$89,203**

Note: The JSIF expenditure is $3 million.

Exhibit 2-20

1999 Reconciliation of Budgetary Basis to GAAP Basis of Accounting
(dollars in thousands)

	General Fund
Excess of revenues over expenditures and other financing use-budgetary basis	**18,069**
Adjustments:	
Capital grant expenditures incurred in current year but considered in prior years' budgets	(12,109)
Capital grant expenditures expected to be incurred in future years but considered in current year budget	23,829
RTA capital expenditures expected to be incurred in future years but considered in current year operating budget	6,600
Total Adjustments	**18,320**
Excess of revenues over expenditures and adjustments - GAAP basis	**36,389**
Net Changes in Reserves	**(34,596)**
Net Change in Fund Balance	**1,793**

cated the proceeds from the bonds issued under the General Assembly's authorization as follows: 50 percent for CTA capital projects; 45 percent for Metra capital projects; and 5 percent for Pace capital projects. Projects included in approved five-year capital programs will be eligible for reimbursements from these proceeds by the RTA without further review or action by the RTA Board of Directors.

Effective January 1, 2000, the RTA Act was amended to authorize the issuance of an additional $260 million of SCIP II Bonds in each year for the period of 2000 through 2004 and to issue and have outstanding from time to time an additional $300 million of non-SCIP Bonds.

Proprietary Fund

Proprietary Funds are used for activities that are similar to those found in the private sector and to account for the financing of goods or services provided by a department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis. The RTA has one Proprietary (Enterprise) Fund, which relates to the Joint Self-Insurance Fund.

Joint Self-Insurance Fund

The Joint Self-Insurance Fund is used to finance claims incurred by the service boards and the RTA on a cost-reimbursement basis. This fund is reported as an enterprise fund since the predominant participants are outside of the RTA.

Fiduciary Fund Types

Fiduciary Funds account for assets held by a governmental entity in a trustee capacity or as an agent for others. The RTA's Fiduciary Funds consist of one Agency Fund and a Pension Trust Fund.

Agency Fund

The Agency Fund records the receipt and disbursement of amounts due to the CTA, Metra and Pace, including Retailers' Occupation and Use Tax (sales tax), interest on this tax, reduced fare reimbursement grants and federal operating assistance grants. Sales tax revenues are recorded in the fund and are equally offset by expenditures recording the pass through to the service boards.

Pension Trust Fund

The Pension Trust Fund is used to account for all accumulation of resources for, and payments of, retirement benefits to employees participating in the RTA Pension Plan and Trust.

Fund Balance

In 1998, the RTA Board adopted an ordinance establishing a minimum level on the unreserved and undesignated fund balance. The RTA has established this objective to maintain financial stability in order to carry out the RTA's legislative mandates to plan, fund and oversee public transportation in this region. The purpose of the ordinance was to formalize a practice of maintaining a level of financial resources available for funding during unfavorable economic periods. The ordinance states:

- The Annual Budget adopted by the RTA each year will reflect a year-end unreserved and undesignated fund balance of its general fund equal to or greater than 5 percent of the RTA's total operating expenditures for that year. In 2001, the year-end unreserved and undesignated fund balance has been budgeted at $89.2 million or 9.7 percent of the sum of the operating expenditures, debt, technology, and capital service expenditures.

- If actual sales tax receipts or other RTA revenues fall short of the amounts reflected in the annual budget, then the succeeding year's annual budget and two-year financial plan will provide for the replacement of any shortfall in the unreserved and undesignated balance of the RTA general fund, by no later than the end of the three-year planning period.

- This policy shall be in effect beginning with the adoption of the 1999 budget and each annual budget and two-year financial plan thereafter.

- The Executive Director is authorized to take such further steps as deemed necessary or appropriate to implement, administer and enforce this ordinance.

Basis of Budgeting

The basis of budgeting refers to the conventions for the recognition of costs and revenues in budget development and in establishing and reporting appropriations. RTA's annual budget and related appropriations are prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles except for capital grants/expenditures and debt service payments. Capital grants/expenditures are budgeted for on a project basis, which normally exceed one year. Debt service payments are budgeted as transfers from the General Fund.

Although appropriations are adopted for individual line items, the legal level of control is restricted to total appropriations/expenditures and to-

tal administration (statutory cap) appropriations/expenditures. Management has the authority to exceed any line appropriation without Board approval, provided it does not exceed the legal levels of control. It is the policy of the RTA to fund the budgets of the Service Boards up to the amount appropriated in the Budget Ordinance.

Budgetary reporting is balanced with accounting records on a monthly basis and is fully reconciled to the accounting system on an annual basis in the Comprehensive Annual Financial Report and for the annual Municipal Bond Disclosure Reports required by the Securities and Exchange Commission (Exhibit 2-20, page 2-25 and Exhibit 2-21).

Exhibit 2-21

RTA 1999 Statement of Revenues and Expenditures
General and Agency Fund (dollars in thousands)

	1999 Actual	1999 Budget	Change
RTA Revenue:			
Sales Tax	613,514	599,000	14,514
Public Transportation Funds (PTF)	153,343	150,000	3,343
State Financial Assistance (SFA)	39,446	39,500	(54)
State Reduced Fare Reimbursements (SRF)	19,386	20,000	(614)
Interest & Other Grants	8,436	8,118	318
Total Operating Revenue	**834,125**	**816,618**	**17,507**
Operations Funding:			
Service Board Baseline Funding	633,076	633,076	0
Sales Tax Interest to Service Boards/Grants	1,252	1,202	(50)
Reduced Fare Reimbursements to Service Boards	19,386	20,000	614
JSIF (See Note)	20,000	0	(20,000)
Agency Operations	15,788	17,776	1,988
Total Operations Funding	**689,502**	**672,054**	**(17,448)**
Available After Funding	**144,623**	**144,564**	**59**
Debt Service, Technology, & Capital			
Principal and Interest Payments	73,819	76,300	2,481
RTA Technology and Capital	7,237	7,237	0
Metra Transfer Capital (Statutory)	32,894	30,666	(2,228)
CTA Transfer Capital	19,163	19,163	0
RTA Discretionary Capital	9,441	9,441	0
Other	276	0	(276)
Total Capital & Debt Service	**142,830**	**142,807**	**(23)**
Net Fund Balance Change	**1,793**	**1,757**	**36**
Beginning Fund Balance	**46,159**	**46,159**	**0**
Ending Fund Balance (see note)	**47,952**	**47,916**	**36**

Note: The 2000 budget, adopted in December 1999, approved a $20 million JSIF contribution. This designated money reduced the year-end 1999 undesignated/unreserved fund balance to $48 million. The $20 million is not used in the 1999 recovery rate calculation (Exhibit 2-22).

Exhibit 2–22

RTA 1999-2003 Recovery Ratio Calculation

Budgetary Basis (dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
CTA	$420,550	$441,005	$450,146	$461,927	$477,143
Metra	224,091	228,555	233,355	243,250	253,523
Pace	42,136	47,987	50,019	51,466	52,954
RTA	7,184	7,775	10,502	10,672	10,970
System Generated Revenues	**$693,961**	**$725,322**	**$744,022**	**$767,315**	**$794,590**
CTA	$804,953	$843,131	$869,151	$890,508	$919,681
Less Security Exemption	(2,610)	(5,079)	(5,082)	(5,082)	(5,082)
CTA Net Expenses	**$802,343**	**$838,052**	**$864,069**	**$885,426**	**$914,599**
Metra	$397,332	$413,114	$429,593	$447,655	$466,404
Less Depreciation Expense	(2,847)	(2,834)	(2,872)	(2,872)	(2,872)
Less Lease Transportation Facility	(2,414)	(2,351)	(2,442)	(2,511)	(2,581)
Metra Net Expenses	**$392,071**	**$407,929**	**$424,279**	**$442,272**	**$460,951**
Pace Expenses	**$113,569**	**$119,771**	**$125,052**	**$128,568**	**$132,385**
RTA/JSIF Expenses (note 2)	**$15,788**	**$37,741**	**$25,533**	**$31,503**	**$32,601**
System Expenses	**$1,323,771**	**$1,403,493**	**$1,438,933**	**$1,487,769**	**$1,540,536**
Recovery Ratios:					
CTA	52.4%	52.6%	52.1%	52.2%	52.2%
Metra	57.2%	56.0%	55.0%	55.0%	55.0%
Pace	37.1%	40.1%	40.0%	40.0%	40.0%
Systemwide	52.4%	51.7%	51.7%	51.6%	51.6%

Note (1): The recovery ratios for 2001, 2002, and 2003 represent those established by the RTA Board as part of the budget approval process. The service boards endeavor to achieve or exceed these ratios to comply with their approved budgets, as approved by the RTA Act. By policy, the revenue figures for the CTA and Metra exclude the gain form leasing transactions restricted by ordinance for capital. In 1999, the RTA directed the CTA to include the gain in revenues. (Metra had no such gain in 1999). (Effective for fiscal year 2000 onward, the RTA returned to its initial policy of excluding the gain). Also by policy, the Metra revenue figures excludes the proceeds from a fare increase restricted by ordinance for capital. The amounts deducted from expenses represent exclusions listed by the RTA Act.

Note (2): The general fund expenditure to the JSIF of $20 million occurs in 2000.

Operating Plan

Overview

The Regional Transportation Authority (RTA) is a unit of local government within the State of Illinois that serves as the financial oversight and regional planning agency for the public transportation operators in the six-county northeastern Illinois region. Three entities, the Chicago Transit Authority (CTA), Metra and Pace, which are referred to as Service Boards, operate the rail and bus systems overseen by the RTA.

The corporate authority and governing body of the RTA is the 13-member RTA Board of Directors. Twelve directors are appointed from within the six-county region: four directors by the Mayor of the City of Chicago, and a fifth director who is the chairman of the CTA; four directors by the suburban members of the Cook County Board; two directors by the Chairmen of the County Boards of Kane, Lake, McHenry, and Will counties; and one director by the Chairman of the DuPage County Board. The Chairman of the Board, its 13th member, is elected by at least nine of the 12 appointed members. The Board's committee structure is described in detail in Exhibit 3-17, page 3-24.

To administer the agency's statutory requirements, the Board hires officers and staff. One of its officers, who must be approved by the Board, is the Executive Director. The Executive Director executes the Board's policy decisions and staffs the agency to carry out its mission and goals.

One of the RTA Board's primary responsibilities is to adopt an annual budget, a two-year financial plan, and a five-year capital program. The region section describes the budget and five-year capital program from a regional perspective. This section is a summary of the RTA's (agency's) budget and programs.

Strategic Focus

The RTA Board of Directors has developed the following mission statement to reflect the responsibilities of the RTA as set forth in the *RTA Act.*
Our **mission** is: to ensure a financially sound, comprehensive, and coordinated public transportation system for the northeastern Illinois region.

In 2000, the RTA's staff began a process to ensure a close alignment of this mission with the agency's goals, objectives and initiatives. This process identified the agency's "business" as transit resource management, which defines the essence of what we do based on our core activities (such as plan, fund, oversee) and key processes. This led to the development of a vision statement to more specifically describe our goals.

The RTA's **vision** is: to create a more efficient and effective public transportation system, valued by all people in the Region, and used as their preferred means of mobility. The RTA will lead the Region to use the best transit business practices, products, and technologies available in the public and private sectors worldwide.

The *Federal Government Performance and Results Act* has mandated that federal agencies employ results-based budgeting which is linked to strategic plan objectives and performance measures. While not a requirement for the RTA, these goals represent good business practices, and match budgeting concepts promoted by the Government Finance Officers Association (GFOA). The RTA has, therefore, initiated a performance budgeting process to more closely align its mission, goals and objectives for achieving and measuring results, and budgeting its resources. Performance budgeting, which was initially explored in the third quarter of 1999, seeks to link strategic planning with performance measures and budgeting. As part of this process, the RTA is developing a balanced scorecard (BSC) at the agency and department levels. The BSC will help design a set of measurable strategic objectives and performance measures. The RTA's goal in this process is to formulate measurable objectives and better link key departmental processes with regional strategic goals.

The RTA is implementing the BSC project in multiple phases. During the first phase, the RTA developed the agency BSC. The executive team identified RTA customers and developed service expectations; identified products and key processes; and developed a draft of the agency's BSC with measurable objectives and performance measures.

In the second phase, the RTA brought the BSC process down to the agency's department/division level. All the agency's staff participated in departmental and division meetings to identify missions and vision statements at the divisional level. Managers then identified strategic objectives, measures, and initiatives to achieve their performance targets. The RTA staff will now begin to refine the scorecards and the key performance indicators. The process will ensure that all the departmental objectives support a general strategy and will use departmental feedback to revise agency objectives and measures.

Throughout the organizational alignment process (Phase II), the BSC will help to communicate and to translate strategic objectives into initiatives and actions at the department and division levels. Some of the agency's performance measures can be found in the Reference section by program. Other measures are currently under development.

The third phase of the BSC process will focus on designing performance measurement systems, testing, and implementing data collection standards and reports.

Exhibit 3-1 describes our general strategy using a map to highlight the strategic linkages (cause-and-effect relationships) between the major strategic themes and objectives.

The RTA's strategy is constructed to support its mission, vision, and the region as a whole. It aims to create synergies among the Service Boards and target the value-added activities of transit resource management. This strategy reflects the RTA's balanced view between customer, financial, internal, and learning and growth perspectives. To meet/exceed the expectations of our customers, the RTA will maintain the transit system's financial stability, which is measured by the regional recovery ratio, bond ratings, and outside funding. The RTA will also address customer expectations by working toward a more effective public transportation system, which the RTA measures through ridership, the percentage of "choice riders", and customer satisfaction. To get there, the RTA will improve the quality of its services, improve efficiency, and build strategic partnerships with the support of improved business processes and competent employees.

Service Quality

Our service quality theme is built around two questions. The first is what can the RTA do to help the Service Boards improve the quality of transit to better serve the riders. The second is what are the core products and services of the RTA, and how can we improve their quality.

The RTA will work to improve regional coordination (measured by the number of joint projects implemented, and the number of multi-agency transit riders) by implementing several initiatives. These include but are not limited to the following: the Regional Transit Coordination Plan, Regional Technical Assistance Program, Transit Signal Priority Integration Plan, Intelligent Transportation System projects, and the Regional Transit Asset Management System project. For more information about these initiatives please see the New Technology section (page 3-16) and the Major Programs section (page 3-21).

The RTA will continue to improve transit awareness and usage through

several initiatives. For example, by continuing the marketing of transit services using advertisements, videos, publications, and the RTA/CTA Transit Benefit Program; providing wide distribution of RTA maps, regional outreach programs; improving the RTA's website including trip planning functions; and providing timely and reliable transit information through the RTA Travel Information Center (TIC).

The RTA will develop and improve regional transit level-of-service and quality-of-service measures to help establish the optimal distribution of services and improve service quality.

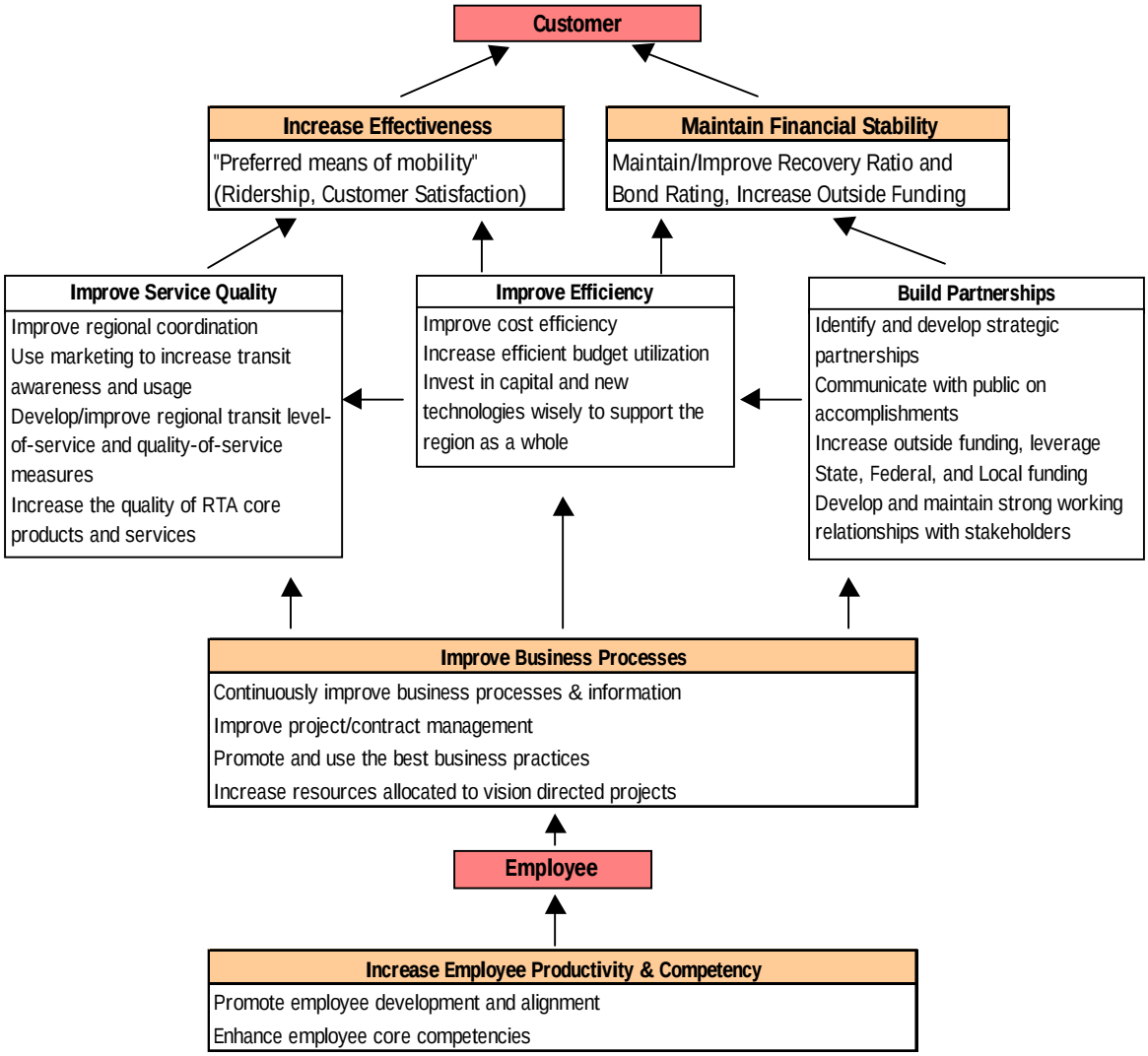
The RTA will continue to increase the quality of its core products and services including timeliness and accuracy. Our core products and services include: Regional Services (see page 3-20), financial services, audits, legal advice, planning services/studies.

Efficiency

The RTA will continue to develop initiatives that improve cost efficiency

Exhibit 3-1

RTA Strategy Map



and increase efficient budget utilization. Improved business processes directly support this objective.

The RTA will invest in new technologies and capital projects wisely to ensure a more effective and efficient public transportation system in the region. In the 2001 budget, we continue setting aside $6.6 million for technology projects. From this, $0.9 million will fund non-capital RTA studies and demonstration projects that support the use of new technologies, improve operating efficiency, service quality and regional coordination. For more information on programs such as, Intelligent Transportation System (ITS) projects and Signal Priority, see page 3-16. The remaining balance of $5.7 million is reserved for new technology assets in the region.

Partnerships

To be successful in our transit resource management business, we must rely on strong strategic partnerships with other entities in the region. These include the Service Boards, communities and other planning agencies such as the Northeastern Illinois Planning Commission, the Illinois Department of Transportation, and the Chicago Area Transportation Study. To increase outside funding and successfully leverage state, local, and federal resources, we also work closely with legislators in Springfield and Washington. Our Governmental Affairs department works on initiatives that address industry and regional concerns.

Business Processes

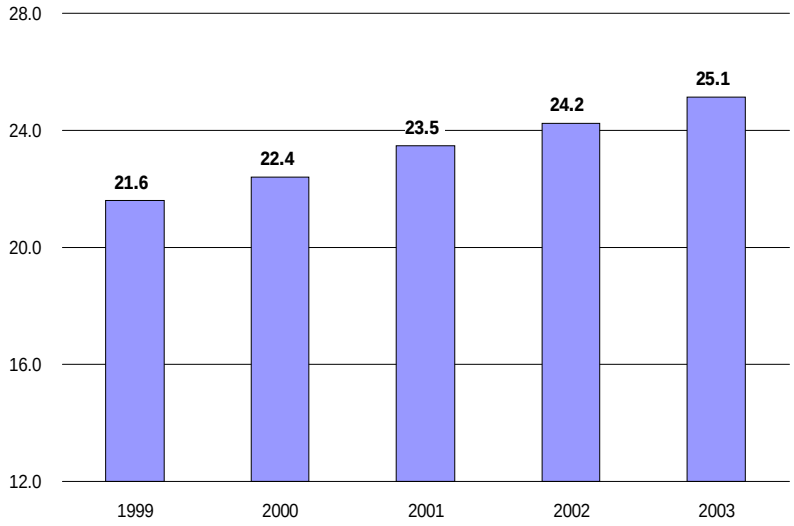
To support higher level goals and objectives, the RTA must excel in its key business processes. The RTA is committed to continuous improvement of its business processes and information by using best business practices. More efficient processes will allow the RTA to dedicate more resources (time and funding) to vision-directed projects. Since contract and project management is one of the agency's key processes, the RTA will focus on improving these processes. Some of the RTA's process improvement initiatives are: paperless procurement, accounting system upgrades, project accounting development, performance budgeting, streamlined payroll processing, and electronic records management.

Employees

The RTA believes that its success depends on its people. Only well trained and competent employees are able to execute the RTA's strategy. Therefore, the RTA promotes employee development and alignment and will work to enhance employee core competencies. The RTA will implement a competency model that will define employee core competencies. One of the benefits of this approach is that it will help to determine the necessary training programs needed to fill "skill gaps" and succeed in the job.

Exhibit 3-2

Agency Funding 1999-2003 (dollars in millions)



Budget and Financial Plan

Total funding for 2001 of $23.5 million represents $16.3 million for agency operations funding and $7.2 million for capital and technology funding. This funding mark represents a 4.8 percent increase over the 2000 budget and estimate. Funding for the two-year financial plan is projected at $24.2 million in 2002 and $25.1 million by 2003, an increase of 3.2 percent and 3.7 percent, respectively (Exhibit 3-2). Agency operations funding is discussed below. Please see page 3-15 for discussion on capital and technology funding.

Of the $16.3 million in operations funding required by the agency in 2001, $5 million will be used to cover administrative activities. This expense

classification is capped by state statute and is 54.2 percent under the adjusted statutory ceiling (see page 3-23). The remaining balance supports extensive regional programs and services.

The financial schedule presented in Exhibit 3-5, page 3-6, summarizes funding results and plans of the agency from 1999 through 2003. This schedule breaks down agency operations by expense type and by organizational unit. The ensuing discussions identify the revenue and expense components.

Revenue

Total RTA revenues include several sources as described in the region section. This section addresses the non-technology grant programs and other revenue sources the agency pursues to mitigate operating costs.

These agency revenues in 2000 are projected to be about $2.6 million increasing to $3.1 million in 2003 (Exhibit 3-3). The majority of this growth is attributable to grant programs, which comprise 70 percent of planned revenue for 2001 (Exhibit 3-4).

During the planning period, revenues are expected to grow 4.4 percent in 2002 and 5.3 percent in 2003.

Grant Programs

Grant programs are federal planning grants administered through the Illinois Department of Transportation. From 1999 to 2001, grant revenue is expected to grow from $0.6 million to $2 million, primarily due to new programs. Grant revenues include reimbursements for the Regional Technical Assistance Program (RTAP), and for the Regional Transit Coordination Plan (RTCP). For additional information see the reference section, page 3-21.

The grant funds partially offset RTA regional program costs undertaken on behalf of the Service Boards. From 1999 to 2003, total grant program revenue is expected to grow from $0.6 million to $2.2 million.

Exhibit 3-3

Agency Revenue 1999-2003 (dollars in millions)

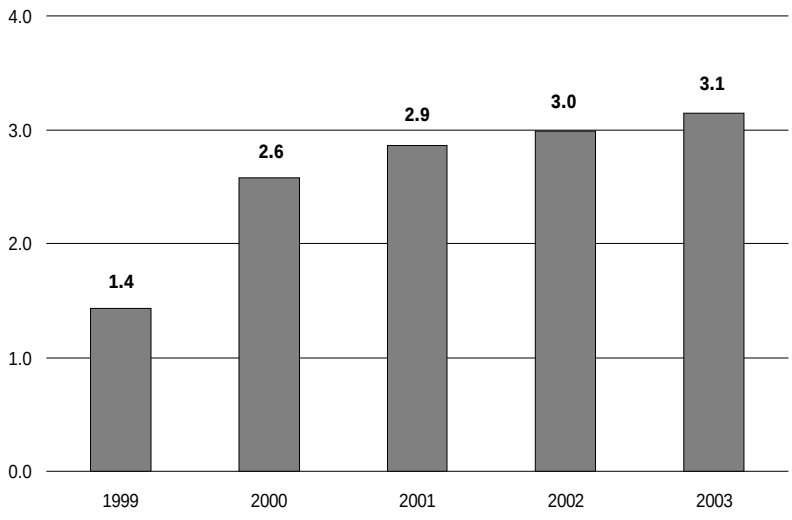


Exhibit 3-4

2001 Agency Revenues
Total = $2.9 million

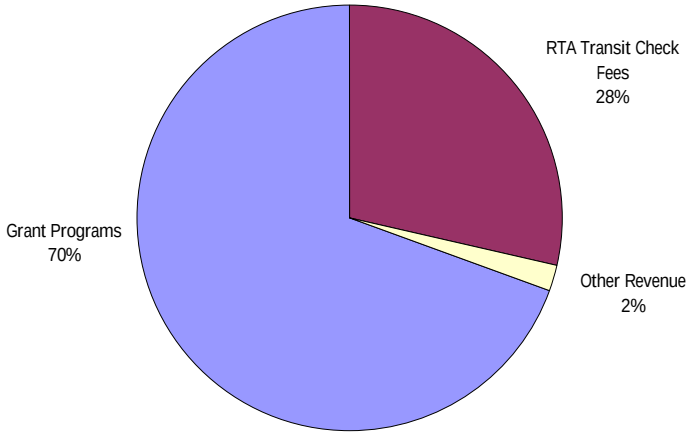


Exhibit 3–5

Agency 2001 Budget and 2002-2003 Financial Plan Funding
(dollars in thousands)

Total Funding	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
Agency Operations	14,360	15,166	16,312	17,031	17,928
Capital and Technology	7,237	7,237	7,168	7,200	7,200
Total Funding (A)	**21,597**	**22,403**	**23,480**	**24,231**	**25,128**
% Change (year-to-year)		3.7%	4.8%	3.2%	3.7%

Agency Operations Revenues	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
Grant Programs	$590	$1,705	$1,990	2,078	2,187
RTA Transit Check Fees	775	815	815	851	896
Other Revenue	63	55	55	57	60
Total Revenues	**$1,428**	**$2,575**	**$2,860**	**$2,986**	**$3,143**
Expenses					
Wages	$4,500	$4,760	$5,117	5,342	5,623
Benefits	1,219	1,250	1,326	1,384	1,457
Other Personnel	255	265	274	286	301
Professional Services	772	675	741	774	814
Management Fees	3,883	4,250	4,375	4,568	4,808
Office Services	2,333	2,170	2,233	2,331	2,454
Programs	2,826	4,371	5,106	5,332	5,613
Total Expenses	**$15,788**	**$17,741**	**$19,172**	**$20,017**	**$21,071**
Total Operations Funding	**$14,360**	**$15,166**	**$16,312**	**$17,031**	**$17,928**

Operations Funding by Organization	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
Managing Services	2,078	2,025	2,225	2,323	2,445
Regional & Governmental Affairs (B)	819	1,039	853	891	937
Communications	1,191	860	1,011	1,055	1,111
Finance	2,589	2,448	2,503	2,613	2,751
Planning	1,638	2,208	2,700	2,820	2,969
Regional Services					
Travel Information Center	3,627	3,715	3,937	4,110	4,327
ADA Certification	1,669	2,381	2,557	2,670	2,810
Reduced Fare	603	351	339	354	373
Customer Service Center	146	139	187	195	206
Total Regional Services	**6,045**	**6,586**	**7,020**	**7,329**	**7,715**
Total Operations Funding	**14,360**	**15,166**	**16,312**	**17,031**	**17,928**

Capital and Technology Funding	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
Capital for Technology Projects	6,600	6,600	5,679	6,600	6,600
New Technology Funding (C)	-	-	921	(D)	(D)
Total Technology Funding	6,600	6,600	6,600	6,600	6,600
Agency Capital	637	637	568	600	600
Total Capital and Technology	**7,237**	**7,237**	**7,168**	**7,200**	**7,200**

(A) Represents operating funding and capital investments, and includes funds for future technologies.
(B) Excludes Regional Services.
(C) Revenue for new technology in 2001 is projected at $2,441,400 offset by expenditures of $3,362,000 yielding a net funding requirement of $920,600.
(D) For planning purposes only, the RTA has earmarked $5 million for non-capital technology projects in 2002 and 2003; in addition to the above amounts.

RTA Transit Check Fees

The transit checks, distributed by employers through the RTA/CTA Transit Benefit program, promote ridership and are tax-free up to $65 per month per person. The agency collects a handling charge and per-check fee to defray costs. Revenues from this program are projected to grow from $0.8 million in 1999 to $0.9 million by 2003. More information about this program is found on page 3-22.

Other Revenues

The other revenue category includes revenues from card replacement and miscellaneous revenues. Card replacement revenues from lost cards are collected from reduced fare card applicants to offset the cost of replacement. In the 2001 budget and two-year financial plan, card replacement revenues represent the entire category.

Expenses

The agency's operating expense components include: wages, benefits, other personnel, professional services, management fees, office services, and regional programs. A general description of the elements within each component is illustrated in Exhibit 3-6. Of the total expenses budgeted in 2001, human resource costs (wages, benefits, other) represents 34 percent, professional services and management fees are 27 percent, office services are 12 percent, with the balance of 27 percent targeted for programs (Exhibit 3-7, page 3-8).

From 2001 to 2002, expenses are expected to grow 4.4 percent. From 2002 to 2003, the growth rate is 5.3 percent. A summary of each expense category follows.

Wages

Estimated 2000 expenditures of $4.8 million are $0.3 million higher than 1999 actual results of $4.5 million. The variance is primarily attributable to the filling of vacant positions. During the second half of 1999, the RTA averaged about nine vacancies which reduced the final wage figure. These positions were filled during the first half of 2000. The 2001 budget proposal adds temporary assistance and an additional person in Regional Services. The plan also proposes one person in Planning to administer the growth in programs and new technology. These plans explain the change in expenditures from $4.5 million in 1999 to $5.6 million in 2003. A detailed staffing discussion is provided on page 3-23 and 3-24.

Benefits

From 1999 to 2003, benefits are expected to increase from $1.2 million to $1.5 million. This represents a compound annual growth rate of 4.6 percent. The major reason for this increase is the projected escalation of health insurance costs.

Other Personnel

These expenses represent about one percent of the agency's overall needs and average roughly $0.3 million each year. Business travel and training are the primary components of this expenditure category.

Professional Services

From 1999 to 2003, professional services (consulting expenses and legal fees) are expected to remain relatively stable around $0.8 million. The 2001 budget includes money for Information Technology consulting to design and implement an agency Intranet.

Management Fees

From 1999 to 2003, management fees are expected to increase from $3.9 million to $4.8 million. This represents a compound annual growth rate of 5.5 percent. The agency contracts with outside management companies to help provide ADA certification, to is-

Exhibit 3–6

2001 Agency Expense Descriptions

Expense	General Description
Wages	Salaries, overtime and temporary help
Benefits	FICA, health insurance, pension, unemployment compensation and workers compensation
Other Personnel	Business travel, training, and memberships
Professional Services	Consulting, project oversight and legal fees
Management Fees	Outsourced operational fees for Reduced Fare Registration and the Travel Information Center
Office Services	Printing, photography, equipment maintenance, office supplies, office rental, utilities, telephone, and publications
Regional Programs	Grant Programs, ADA Programs, RTA Transit Check, TV production, advertising, legislative consulting, RTA Map, community outreach and other regional projects

sue reduced fare cards and to operate the Travel Information Center. An automated voice response system has been installed in TIC and now handles roughly 15 percent of all calls. Savings from this system will help offset the increase in the new management contract that goes into effect in 2001. The cost per call will increase by two cents, which will have a total impact of about $100,000 in 2001.

Exhibit 3-7

2001 Agency Expenses
Total = $19.2 million

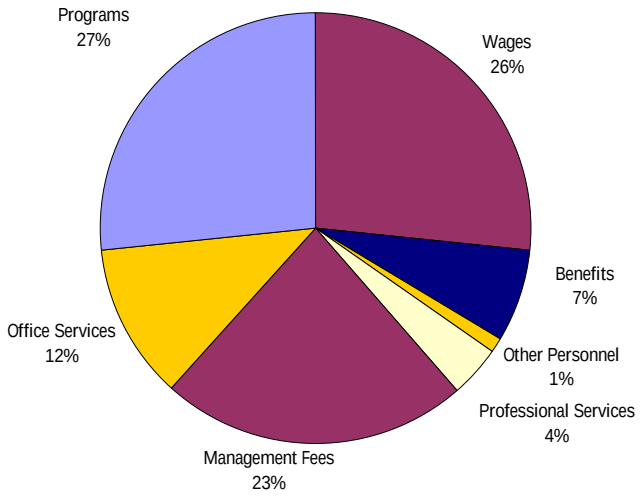
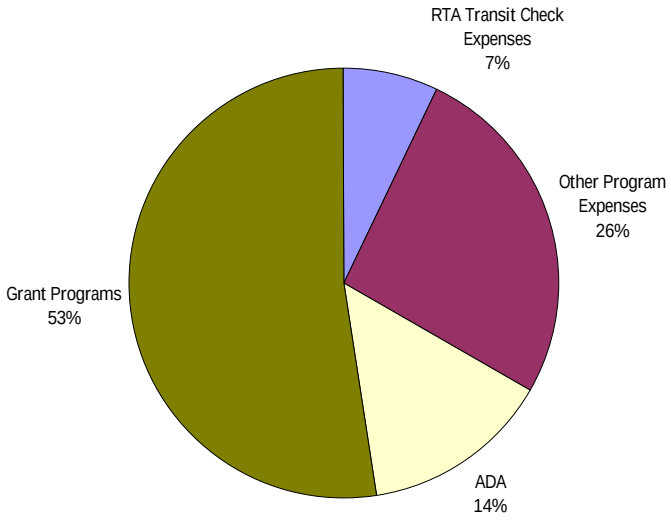


Exhibit 3-8

Agency 2001 Program Expenses
Total = $5.1 million



Office Services

From 1999 to 2003, office services are expected to increase from $2.3 million to $2.5 million. This represents a compound annual growth rate of only 1.3 percent. 1999 expenses were higher than usual due to an office build out. Reasons for the increase in the 2001 budget are higher telephone expenses due to the addition of Polish and Russian language capability for the TIC (Spanish translation has been available for several years), and higher costs for graphic services which will be outsourced in lieu of filling an existing vacant position. This change reduces overall agency expenses.

Regional Programs

From 1999 to 2003, program expenses are expected to increase from $2.8 million to $5.6 million. Compared to 2000, program expenses are projected to be $0.7 million higher in 2001 with increased emphasis on regional projects and grant programs that directly support our strategic objectives. The majority of the regional programs are Grant Programs that represents 53 percent of total program expenses in 2001 (Exhibit 3-8).

Grant Programs

In 2001, grant programs include: the Northwest Corridor Study (Phase II), RTAP, RTCP, Chicago Central Business District Market Analysis, RTAMS, and market surveys (see page 3-21 for more information).

Grant revenues of $2 million partially offset the grant program expenses of $2.7 million. Based on the net funding requirement of $0.7 million, total grant programs represent 4.2 percent of the total agency operations funding.

ADA Programs
In 1999 and 2000, the RTA opened five satellite offices for the ADA Certification Program. The new sites will improve the certification process for special services through personal interviews with applicants. The 2000 forecast shows funding for the first full year of operation for the five sites. The addition of the five sites increases the budget for this area by $0.9 million over 1999. The 2001 budget includes $0.7 million for ADA programs. Most of this budget item relates to paratransit trips to and from the five satellite offices. With the new certification offices, the RTA will no longer provide ADA in-depth reviews.

Transit Check
The 2001 budget includes $365,000 for transit check program expenses. When combined with transit check revenues of $815,000, the net budgetary impact of this program for 2001 is projected to be a $450,000 gain, which is a 29 percent increase when compared to the 2000 budget.

Other
The other program category includes: advertising, TV production, marketing programs, the RTA map, community outreach, legislative consulting, and rail safety oversight. The 2001 budget includes $1.3 million to fund these programs.

Organizational Units

The agency's organizational structure and staff directly supports the RTA's mission, goals and objectives. The following units manage programs that plan, fund and oversee the region-wide transit system. The organizational units are managing services, regional and governmental affairs, communications, finance, and planning. The divisions within these units are illustrated in Exhibit 3-9. Staffing levels are presented in Exhibit 3-16, page 3-23. The RTA's organizational chart is presented on page 3-25 as Exhibit 3-18.

The funding levels for each unit are identified in Exhibit 3-5, page 3-6. The 2001 distribution of $16.3 million is presented by unit and illustrated in Exhibit 3-10.

Managing Services

This unit directly supports the RTA Chairman and Board of Directors, manages the day-to-day activities of the agency, provides legal counsel, human resources and information technology services. The responsibilities and ini-

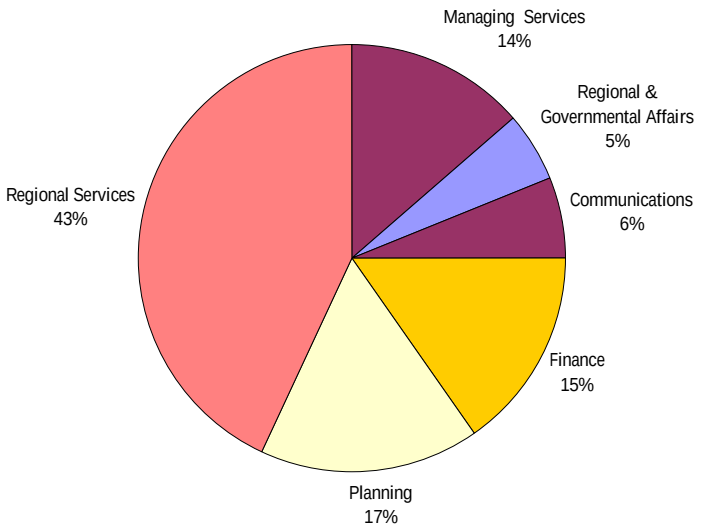
Exhibit 3–9

2001 Agency Organizational Structure

Organizational Units	Organizational Divisions
Managing Services	Board of Directors, Executive Director, Secretary to the Authority, General Counsel, Human Resources, Information Technology
Regional and Governmental Affairs	Government Affairs, External Affairs and Regional Services
Communications	Communications
Finance	Controller, Budget and Finance, Oversight, Treasury and Procurement
Planning	Systems Planning, Capital and Programming, Market Development, Engineering and Technology and Program Support

Exhibit 3-10

2001 Agency Funding by Organization Unit
Total = $16.3 million



tiatives of these departments/divisions are outlined as follows:

Board of Directors
The RTA Board of Directors consists of 12 members and a chairman. The RTA Board has the statutory authority to establish by rule or regulation, financial, budgetary, or fiscal requirements for the region's transit system. The RTA Board and its committees set policy, consider matters relating to the RTA operations and compliance with the *ADA Act*, supervise audits, and consider planning studies, and capital program investment. The Board has six standing committees which review and recommend policy to the entire Board (Exhibit 3-17, page 3-24).

Executive Director
The Executive Director executes the policy decisions of the RTA Board, and staffs the agency to carry out its statutory mission and implement Board policy. The Executive Director also informs and assists the RTA Chairman and the Board in the development of policy, and is the primary contact with the staffs of the CTA, Metra, and Pace to ensure effective administration of the RTA's regional planning and oversight responsibilities. The Executive Director provides day-to-day direction to the RTA staff as it works to fulfill the agency's goals and objectives.

Secretary to the Authority
The Secretary to the Authority provides Board support functions by servicing the information, documentary and logistical needs of the RTA Board. The Secretary works with staff to ensure that Board members are supplied with the information and documentary materials needed to fulfill their statutory role and that quorums are obtained for meetings of the Board and its six standing committees. The Secretary maintains the official records of the RTA Board and attests to the Executive Director's authority to sign contracts. With guidance from the general counsel, the Secretary ensures RTA compliance with the *Freedom of Information Act* and the *Open Meetings Act*.

General Counsel
The General Counsel provides legal advice to the RTA Board, the Executive Director and senior staff and is the chief legal officer of the Authority. The General Counsel ensures statutory and regulatory compliance, manages litigation, oversees the Affirmative Action program, the Disadvantaged Business Enterprise program (DBE), and the RTA's compliance with Title VI and Title VII of the *Civil Rights Act* of 1964.

The General Counsel manages the Joint Self-Insurance Fund, reviews all legal documents to be executed by the RTA and manages and monitors litigation that is assigned to outside counsel. Duties also include briefing the Executive Director and the Board regarding the status of all cases involving the agency, and working with the CTA, Metra and Pace to coordinate civil rights programs and litigation.

Achievements in 2000 include working with the Service Boards to organize the Fourth Annual "Transit Symposium and Exchange." The event, targeted to all vendors including DBE-qualified entrepreneurs, attracted more than 500 firms seeking to do business with the region's transit agencies. Other achievements included design and procurement of a new electronic records management system.

Human Resources
The Human Resources department is comprised of two divisions that provide agency-wide services: Human Resources (HR) and Information Technology (IT).

The Human Resources department works to fulfill its mission to deliver high-quality, responsive services to ensure the agency has the necessary talent and information resources to achieve its strategic goals. In 2001, the HR division will continue to promote a high-performing, diverse organization in which employees are valued, developed and rewarded. The IT division will collaborate, coordinate, and educate to effectively implement and manage information resources and technology.

Achievements in 2000 include the installation of an imaging-based records management system; the reorganization of the agency's information structure to facilitate information sharing; reviewing and streamlining HR processes; and reviewing health insurance to obtain more competitive rates.

Initiatives for 2001 include: the design of a new compensation program aligned with the Balanced Scorecard process; design and implementation of a job competency model and development of core competencies for all jobs in the RTA; continued training and development programs for employees focused on core competencies; implementation of a standard desktop hardware/software and management model for RTA technology; implementation of paperless processing; design and implementation of an agency Intranet; providing technical assistance in implementing other departments' IT-related projects.

Regional and Governmental Affairs
The regional and governmental affairs department's functions are divided into three major categories: govern-

ment affairs, external affairs, and regional services. The responsibilities and initiatives of each of these divisions are outlined below.

Government Affairs

The government affairs division works with Federal, State, and Local governments. The RTA works with the American Public Transit Association (APTA), the Illinois Public Transit Association (IPTA), and its own legislative consultants to address industry and regional concerns.

Achievements in 2000 include, forging close partnerships with the service boards to present the region's needs and successfully gain funding for key projects in the annual federal appropriations process.

Initiatives for 2001 include continued participation with APTA in the annual federal appropriations process. The RTA will take a leadership role in the preparation of APTA's strategic plan for the next federal transportation reauthorization. Work will also continue on program adjustments in the *Illinois FIRST* program that will enhance the operating environment for the RTA and Service Boards.

External Affairs

External Affairs develops and implements the agency's outreach programs and services, which promote the use of transit.

Achievements in 2000 include the development of a companion video for the RTA's SMART Rider coloring book. The video will increase the number of elementary school students in the region exposed to the program, which teaches transit system safety. The video is currently being distributed to the region's school districts.

In 2001, External Affairs plans to initiate a tour program with the Service Boards. A new outreach effort to promote transit occupations to high school students will also be initiated.

Regional Services

The regional services division provides the agency-operated services and programs that are the most visible to the customer.

The four major programs provided by regional services are:

The RTA **Travel Information Center** (TIC) answers about 10,000 calls per day for information regarding transit services. It is in operation 365 days a year from 5:00 a.m. until 1:00 a.m. The TIC phone number, 836-7000, is accessible from every area code in the region.

The **ADA Certification Program** conducts interviews and does assessments for applicants requesting a determination for ADA paratransit certification. The interviews and assessments are completed at five sites operated under contract to Community Alternatives Unlimited, a not-for-profit social service agency.

The **Reduced Fare Program** issues identification permits that allow seniors and qualified people with disabilities to use transit at a reduced fare. There are currently some 400,000 reduced fare permits issued in the six-county region.

The **Customer Service Center** provides walk-in customers with rail and bus schedules. The center also sells monthly passes for CTA and Pace. The Customer Service Center has a telephone with a direct connection to the travel information center to provide customers with direct access to this service.

An accessibility specialist who reviews customer issues concerning mainline accessible transit services, paratransit accessible services and accessibility information, also provides support to these programs. The accessibility specialist also represents the agency on advisory committees established by the CTA, Metra, and Pace and chairs the agency's Advisory Committee on Accessible Transportation and Mobility.

For more information about these programs see the Regional Services section starting at page 3-20.

Achievements in 2000 include the development of a web page that will enable customers to access travel information through the RTA website. The production and distribution of 1,200 smart cards for use by reduced fare permit holders. The smart card provides easier access to the fare collection systems of the CTA and Pace for some people with disabilities. Regional Services also completed the revised paratransit eligibility determination program. Applicants for ADA paratransit services are now seen in-person at one of five interview and assessment sites located throughout the region.

Initiatives in 2001 include monitoring and assessing the new ADA Certification Program and completing work on the ADA database. Work will also continue to coordinate training for the travel trainers under RTA contract. Focus groups evaluating the website will be conducted to evaluate and improve the site. Additional smart cards will be issued to reduced fare permit holders.

Communications

Communications assists management in the formulation and execution of agency and communications goals. Its activities include production of documents, speeches, videos and publications that explain and promote the

agency's goals and initiatives. Communications also acts as the agency's liaison to the media and updates the RTA System Map.

Achievements for 2000 include the production of videos to promote the RTA's SMART Rider education program and the RTA/CTA Transit Benefit program. The division also worked with the Planning Department to develop a series of focus groups to gather information for the Regional Transit Coordination Plan (RTCP). In addition, Communications worked with the entire agency to develop and implement specific improvements to the RTA website such as the addition of an itinerary planning function, the inclusion of the RTA system map and enhancements to the Human Resources and Procurement areas of the website.

Initiatives for 2001 include the continuation of the RTCP focus groups, the expansion of RTA map distribution and additional improvements to the RTA's website design and content.

RTA/CTA Transit Benefit Program
The RTA/CTA Transit Benefit Program markets and administers an employee benefit that reduces transit costs for employers and encourages ridership. RTA Transit Checks are vouchers that are used to purchase transit passes for CTA, Metra, Pace, South Shore Railroad or vanpool services. (For more information, see page 3-22.) In 1999, the RTA joined forces with the CTA to market the program and allow participants the option of directly purchasing CTA farecards instead of the RTA Transit Check vouchers.

Achievements in 2000 include doubling the value of the total number of Transit Checks and farecards issued each month and expanding marketing of the program through distribution of the new video.

Objectives and initiatives in 2001 include efforts to once again double the program's size and to include downstate Illinois transit systems as eligible participants in the program.

Finance

The finance department executes the funding and oversight responsibilities of the RTA. It works to maintain financial stability in the region and ensures that the agency, the CTA, Metra and Pace execute their statutory requirements for fiscal responsibility. The finance department's divisions are controller, budget & finance, oversight, treasury, and procurement. The responsibilities and initiatives of these divisions are outlined below.

An overall achievement for this department in 2000 was the issuance of $260 million in bonds. This was the first issue under a five-year program of capital project financing authorized by *Illinois FIRST*. In the process, the bond rating agencies reaffirmed the rating upgrades the RTA received last year.

Controller
The controller division is responsible for all RTA's accounting functions. Controller responsibilities include monthly financial statements, annual reports, audit coordination, and grant administration.

Achievements for 2000 include a certificate of excellence in financial reporting from the Government Finance Officers Association (GFOA) for the 1999 comprehensive annual financial report (CAFR).

Initiatives in 2001 include maintaining high standards in preparation of the Annual Pro Forma Combining and CAFR Reports that have earned this division five successive GFOA awards and starting to establish the framework for financial reporting using the Government Account Standards Board's (GASB no. 34) guidelines for fiscal year 2001 financial reporting.

Budget & Finance
The budget & finance division provides financial and operational performance analysis and reports comparing the budget to actual results. The budget staff directs and coordinates the development of the annual budget and produces the agency's budget and five-year program book. This division provides analytical support to management and the RTA Board.

Achievements in 2000 include the GFOA's distinguished budget presentation award, which is the highest form of recognition for a state or local agency budget. The division also led the agency's BSC development effort.

Initiatives in 2001 include the continuation of the work standards that enabled this division to receive its fourth-consecutive GFOA award. The staff will continue to work on the BSC process with emphasis on a new performance measurement and reporting system linked to agency objectives. The division will also assist other departments/division with process improvement and BSC-related projects.

Oversight
The oversight division reviews agency activities and provides oversight of the CTA, Metra and Pace capital projects. For more information on capital program oversight see page 2-16 and 2-17.

Achievements in 2000 include the creation of a new monthly Capital Financial Report to the RTA Board, which provides the Board with better information to monitor the use of the

region's greatly expanded capital program funds.

Initiatives in 2001 include the continuation of the division's ongoing objective to review all areas of the RTA on a rotating basis in addition to the annual reviews conducted to comply with RTA Board ordinances or to monitor areas of greater risk or sensitivity. The division will also work with consultants to conduct the triennial safety review of the CTA's rail system.

Treasury

This division is responsible for all treasury functions of the RTA. Treasury responsibilities include cash management, short-term and long-term financing, debt service schedules, banking relations, accounts payable, payroll, and the CTA, Metra and Pace funding.

Achievements in 2000 include support of the RTA's bond issue.

Initiatives in 2001 include continued efforts to monitor RTA investments. This division will also continue to adhere to high standards in its performance of cash management, financing, debt service, banking, service board funding and accounts payable functions.

Procurement

Procurement handles the agency's purchasing activities and office support services. A major responsibility of this division is to ensure compliance with legal, financial, and policy requirements for purchasing activities. Procurement also conducts ongoing reviews of all office services as part of agency objectives to lower costs.

Initiatives in 2001 include continued review of office services and procurement procedures to further agency objectives to reduce costs. The division will work with the Information Technology division to automate and improve processes and move toward a paperless procurement environment.

Planning

The planning department works to ensure an integrated regional public transportation system through comprehensive planning and coordination with service providers. The planning department consists of five divisions: capital and programming, systems planning, market development, program support and engineering and technology. The responsibilities and initiatives of these divisions are outlined below.

Capital and Programming

The Capital and Programming division administers the Capital Program and the preparation of amendments and capital grants for the CTA, Metra and Pace. In addition, the division administers the preparation and management of the Planning Department's Consolidated Technical Assistance Program (CTAP).

Achievements in 2000 include the development of the CTAP grant management and reporting database, the preparation of 2000 Capital Program amendments, the execution of the 2000 Capital Program grants and CTAP contracts and the preparation of the 2001-2005 Capital Marks and Program.

Initiatives in 2001 include the administration of the 2001 Capital and CTAP programs, the preparation and administration of the 2001 Capital Program grants and CTAP contracts and the development of the 2002-2006 Capital Marks and Program. The division also plans to aid in the implementation of the BSC initiatives by updating legacy data in support of the Regional Transit Asset Management System (RTAMS) project.

System Planning

System Planning provides technical assistance for subregional transportation studies and provides assistance in the development of the Chicago Area Transportation Study (CATS) regional transportation plan. It is responsible for the investigation of long-term plans, projects and policies, which impact the development of the region's transit system. System Planning also heads up the integration of Geographic Information Systems (GIS) tools within the RTA.

Many of these efforts are partially funded through federal Unified Work Program (UWP) grants.

Achievements in 2000 include completion of the Northwest Corridor Transit Feasibility Study (see page 3-22). The division also received a best practices award from the Institute of Transportation Engineers for its market analysis of the Northwest Corridor.

Initiatives in 2001 include a travel market analysis of Chicago's Central Business District and a RTAMS pilot project. The division will also work on Phase II of the Northwest Corridor Study.

Market Development

Market Development performs market research and gathers information for the agency, CTA, Metra and Pace planning efforts. As part of our Regional Technical Assistance Program (RTAP - see page 3-21) this division also conducts and administers local planning studies. Many of these efforts are partially funded through UWP grants.

Achievements in 2000 include completion of several local planning studies including transit-oriented development studies, an intermodal tran-

sit facility study and studies of alternative services.

Initiatives for 2001 include developing a series of short term surveys and conducting 10-12 local planning studies throughout the region. The division will also work on market identification, service and information coordination initiatives as part of the RTA Regional Transit Coordination Plan (RTCP - see page 3-21).

Program Support

This division was created in 1999 to serve as the RTA's liaison with other regional planning bodies, develop the Regional Technical Assistance Program (RTAP), perform agency research, and provide department-wide review and coordination (see page 3-21).

Achievements in 2000 include the expansion and coordination of the RTAP program including outreach, solicitation and selection of projects. The division also initiated a series of complimentary studies to develop a more coordinated and interconnected transit system in the region. This multi-year effort, called the Regional Transit Coordination Plan (RTCP), will address physical connections, information coordination, fare integration and service coordination.

Initiatives for 2001 include the continuation of the RTAP and RTCP programs, and investigation of ways to measure transit quality and level of service on a geographic basis.

Engineering and Technology

The Engineering and Technology division manages the development and coordination of new transit technology initiatives in the region, and oversees the demonstration and implementation of these initiatives by the CTA, Metra and Pace. The technology initiatives include intelligent transportation systems (ITS), and alternative fuel and propulsion technologies.

Achievements for 2000 include the completion of the first phase of several ITS projects including active transit station signs, transfer connection protection and parking management systems. The division also completed a regional traffic signal inventory as the first step in the development of a transit signal priority system in the region. In addition, the division has initiated research on alternative fuel technologies and the evaluation of Service Board alternative fuel programs.

The division's plans for 2001 include the field demonstration of the ITS projects mentioned above and a computer simulation of the transit signal priority project. The division will also complete a Regional Transit Intelligent Transportation Systems Plan which will be the strategic plan for RTA's initiatives in the study and development of transit ITS in the region. The division will also be overseeing the implementation of the CTA and Pace transit management systems.

For more information about the division's projects, please see pages 3-16 and 3-17.

Capital and Technology Program

Overview

The Agency's capital and technology spending plans during the planning cycle are primarily channeled to new transit technologies. The proposed funding for capital and technology expenditures equals $7.2 million. This maintains the investment in future technology at the same level as budgeted in 2000. The agency continues to commit total technology funds in 2001 in the amount of $6.6 million. (See Exhibit 3-5, page 3-6.) The agency capital funding of $0.6 million includes computer hardware and software, furniture and leasehold improvements. The agency's capital program is shown in the Appendix, on page 7-16.

Interactive Voice Response System

The Interactive Voice Response System for the RTA Travel Information Center (TIC) was activated in 1997 and cost $200,000. The system provides faster response time to customers seeking information on the use of public transit. Data collected in 2000 shows that the automated system responds to 15 percent of the calls, which gives staff more time to respond to calls which require human interaction. Beyond the efficiencies and better service, the new system has a quantifiable impact on the operating budget due to the contract structure. The interactive system reduces the number of calls handled by employees of the contractor, who charges 80 cents per call. As a result, the Interactive Voice Response System, saves approximately $300,000 in operating costs each year.

Itinerary Planning System

In 1999, the agency's capital funding included the development of an Itinerary Planning System (IPS) for the TIC. The $725,000 project was started in 1998 and installed in January 1999. The new computer system automatically determines the best routes and schedules, providing the following benefits:

- agents focus on the customer, instead of solving complex transit problems;
- customers receive consistent answers (making them less likely to call back to check accuracy, increasing customer satisfaction);
- and agents require less training and transit expertise.

Due to the increased efficiency, a new two-year contract was negotiated, reducing the per call fee from 83 cents to 78 cents. The new IPS had a significant impact on the operating budget, saving an estimated $150,000 per year in 1999 and 2000. In 2001, the cost per call will increase by 2 cents to 80 cents, which is still below the 1998 price.

Computer Hardware and Software

The agency's 2001 capital funding also includes $386,000 for computer hardware and software. Three major initiatives will be undertaken.

1.) The replacement of computers for the TIC.

2.) The design and implementation of an agency Intranet.

3.) Regional Transit Asset Management System.

New Technology

In 2001, funding for New Technology includes $0.9 million ($3.3 million expenses partially offset by $2.4 million grant revenues). This will fund several RTA initiatives that explore and promote the use of new technologies in the region. When implemented, these initiatives will improve service quality and efficiency.

Intelligent Transportation Systems (ITS)

The RTA's Balanced Scorecard (BSC) emphasizes the goal of coordinating transit plans and programs to provide an integrated and efficient regional public transportation system. In an effort to reach these goals, the 2001 budget contains $2.1 million of IDOT grant revenue to help offset $2.8 million in expenses for ITS projects. These projects include:

Regional Transit ITS Plan
The RTA is developing a Regional Transit Intelligent Transportation Systems Plan (RTIP), based on the overall concept of the region's Multi-Modal Traveler Management and Information System. RTIP will be the strategic plan for RTA's initiatives in the study and development of transit ITS in northeastern Illinois. The plan, which the RTA began developing in June 2000, will examine ITS technological and management capabilities to improve safety, traveler information, and mobility throughout the region's transportation system. The approach requires a multi-jurisdictional effort and includes key stakeholders and participants from federal, state, and local transit agencies and transportation departments. The plan will be consistent with regional goals for implementation of ITS technology and follows national guidelines for ITS deployment strategies.

Active Transit Station Signs Demonstration and Design
Active Transit Station Signs (ATSS) are variable message signs designed to provide real-time "next train" or "next bus" service information at transit stops throughout the RTA region. In June 2000, the RTA completed the first phase of the project that identified the functional requirements for integration and interoperability, studied available technologies, and identified suitable sites for demonstration and deployment of ATSS. The RTA is currently developing the standard specifications and detailed designs for a demonstration of ATSS at four sites starting in June 2001. The four sites are the CTA-Metra Davis Street station in Evanston, the CTA Cumberland Avenue train station and both the O'Hare and Midway Airports. The demonstration will include procurement of hardware and software, systems integration and construction of ATSS at the four sites.

Electronic Schedule System
The electronic schedule system was completed in June 2000. This project integrated the transit information systems of the RTA's service boards and is providing complete scheduling and service information to RTA customers.

Transfer Connection Protection
Transfer Connection Protection (TCP) seeks to minimize connecting time between transit vehicles by ensuring that pre-scheduled connections are maintained. TCP also has the potential to improve public travel safety by reducing the amount of time people spend waiting at bus and train stops. The first phase of this project, which identified the hardware and software requirements for data exchange between carriers and/or vehicles, was completed in May 2000. Further development of the Service Board's transit management systems is required for the second phase that involves designing and testing a prototype TCP system.

Transit Management Systems (Bus Management Systems, Integrated Payment Services)
Transit management systems incorporate voice/data communication functions, and computer-aided dispatching and automatic vehicle location (CAD/AVL) technologies to improve the transit operating efficiency, increase service reliability, and ensure schedule adherence. The RTA's role in this project is to support the development of advanced and integrated transit management systems for the RTA's Service Boards. The CTA's Bus Service Management System (BSMS) and Pace's Intelligent Bus System (IBS) are currently underway.

Parking Management Systems
Parking Management Systems (PMS) will provide real-time information and guidance regarding the availability of parking spaces at transit and ride-share parking facilities. The objective of this project is to promote transit use and ride sharing with suburban commuters. The first phase of the project

involving a feasibility study to develop functional requirements, standard specifications, design, and a general deployment strategy for parking management system demonstrations was completed in May 2000. The second phase, scheduled to start in January 2001, will design and construct a parking management system prototype in one of the following Metra corridors: Lake-Cook, Route 59, Tinley/80th Avenue, and Schaumburg.

Transit Signal Priority

Transit signal priority either gives or extends a green signal to transit buses under certain circumstances to reduce passenger travel times, improve bus schedule adherence, and reduce bus operating costs. The RTA is leading the development of regional standards and guidelines for design, procurement, testing, installation, operation, and maintenance of a multi-jurisdictional transit signal priority system. The three components of the project are the Regional Signal Inventory, the Location Study, and the Technology Study. The signal inventory that consisted of collecting and mapping data on more than 6,000 traffic signals in the RTA region was completed in May 2000. Phase I of the Location Study will be completed in December 2000. It involved the creation of a universe of transit routes and roadway corridors, and the subsequent categorization of this universe into characteristic segments. The representative segments will be selected for model simulation in Phase II of the Location Study which will begin in January 2001. The Technology Study includes current and future Service Board demonstrations to determine the technical feasibility, operational impacts, and regional standards for signal priority.

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Reference

2000 Budget vs. 2000 Estimate

The total operations funding requirement (expenses less revenues) is expected to be even with budget in 2000. However, both expenses and revenues are expected to be below their actual budgeted levels. Capital programs will be even with budget (Exhibit 3-11).

Agency revenues are expected to be below budget this year by $857,000. Grant revenue is projected to be $971,000 under budget due to delayed implementation of regional programs. RTA Transit Check fees will be higher than budget by $115,000.

Agency expenses are expected to be under budget by $857,000 due to the deferment of regional program start dates.

Exhibit 3-11

Agency 2000 Budget vs. 2000 Estimate (dollars in thousands)

Agency Operations	2000 Budget	2000 Estimate	Variance
Revenues			
Grant Programs	$2,676	$1,705	($971)
RTA Transit Check Fees	700	815	115
Other Revenue	56	55	(1)
Total Revenues	**$3,432**	**$2,575**	**($857)**
Expenses			
Wages	4,683	$4,760	(77)
Benefits	1,217	1,250	(33)
Other Personnel	253	265	(12)
Professional Services	768	675	93
Management Fees	4,150	4,250	(100)
Office Services	2,041	2,170	(129)
Programs	5,486	4,371	1,115
Total Expenses	**$18,598**	**$17,741**	**857**
Total Operations Funding	**$15,166**	**$15,166**	**$0**
Capital and Technology Investments			
Reserved for Future Projects	6,600	6,600	0
Research and Development	-	-	0
Total Technology Funding	**6,600**	**6,600**	**0**
Agency Capital	637	637	0
Total Capital and Technology	**7,237**	**7,237**	**0**

Regional Services

The RTA manages several major programs to benefit the region. The following is a brief description of some of these services.

RTA Travel Information Center

The RTA's Travel Information Center (TIC) is a telephone-based service providing route and scheduling information for the CTA, Metra and Pace. TIC operators, working 20 hours a day from 5 a.m. to 1 a.m., 365 days a year, field an average of 10,000 calls each day.

The performance of the TIC is measured and reported on a daily basis (Exhibit 3-12). The most important measure is the call capture rate (calls answered/calls received) which indicates the efficiency of the service. TIC's contract has established a 94 percent call capture rate as the minimum to be maintained each month without a penalty being assessed against the contractor. Conversely, when the call capture rate is above 96 percent, an incentive payment is paid. In 1999, incentives were earned in five months and a penalty was paid in one month (January's results were negatively affected by the record breaking blizzard). In 2000, incentives were earned in 9 months and no penalties were paid. Through October 2000, the call capture rate averaged 96.9 percent, which is a significant improvement over prior years. Due to the itinerary planning system installed in 1999, a caller's average wait (average response time) is expected to decrease significantly. October year-to-date, the average wait decreased to 26 seconds from 55 seconds in 1999. As part of the downward trend, October's average response time was 17 seconds, which is 13 seconds less than in October 1999.

Travelers can call the TIC at 836-7000 from any area code in the six-county region.

RTA Customer Service Center

The RTA Customer Service Center, located on the ground level of the 181 West Madison Street building in downtown Chicago, provides maps, timetables and schedules for the CTA, Metra and Pace without charge.

Through the first eight months of 2000, approximately 20,000 customers visited the Customer Service Center. The Customer Service area currently has approximately 215 Pace, 124 CTA and 12 Metra schedules on display. In addition, there are miscellaneous brochures detailing various programs and seasonal services. The Customer Service Center distributes about 2,000 CTA and RTA Maps monthly. The center also sells both CTA and Pace 30-day passes, and sold approximately 800 CTA visitors passes this year.

ADA/Special Services Certification and RTA Certification Helpline

The RTA is responsible for the certification of riders who use special services, which are also known as ADA paratransit, or curb-to-curb transportation services, offered by the CTA and Pace. Certification of riders is determined by guidelines established in the *Americans with Disabilities Act (ADA).*

Since November 1993 when the service began, a total of 55,000 certifications have been completed, which is an annual average of 9,167. A revised program was implemented in 1999 and fully operational in 2000. The process has been revised from a mail-in paper application to an interview and assessment. The RTA contracted with Community Alternatives Unlimited (CAU) to open and staff five sites throughout the region. Applicants for *ADA* paratransit services make appointments through the RTA at the site convenient to their residence. Each applicant is provided an in-person interview with a trained professional, when necessary applicants are provided a physical assessment to help determine their functional abilities to use the fixed route buses or trains and/or a cognitive assessment. The revised process helps assure that applicants being certified for *ADA*

Exhibit 3-12

TIC (through October - calls in thousands)

	1997	1998	1999	2000
Calls Accepted	2,383.0	2,472.4	2397.9	2374.7
Call Capture Rate	94.3%	94.8%	93.6%	96.9%
Caller Average Wait (seconds)	57	42	55	26
Average Talk Time (seconds)	130	123	140	139

Exhibit 3-13

Reduced Fare (in thousands)

	1998	1999	2000 Estimate	2001 Forecast
Total number of cards produced	77	153	91	90

paratransit services are truly in need of paratransit.

For information about special services certification, contact the RTA's Certification Helpline at (312) 917-HELP (4357, voice) or (312) 917-1338 (TTY, for the hearing impaired).

RTA Reduced Fare Card

The RTA Reduced Fare Card allows eligible senior citizens and qualified persons with disabilities to ride RTA services at a reduced fare. Call the RTA Travel Information Center at 836-7000 (voice) or 312/836-4949 (TTY) for information on how to apply for a RTA Reduced Fare Card.

The total number of reduced fare cards produced almost doubled from 1998 to 1999 (Exhibit 3-13) due to a timing difference in card expiration. The 2001 budget includes funding for the production of 91,000 cards. Service effectiveness is measured by the turnaround time for producing and distributing reduced fared permits. The benchmarks for turnaround time evaluation have been established by the contract. The contractor processes applications, issues identification cards, and mails them to card recipients within five business days of the receipt of an application. Replacement cards are to be issued and mailed within two business days of receipt. Incomplete or rejected applications are required to be returned to applicants within three business days of receipt. A new contractor was selected and began to produce and distribute identification cards in 2000. They have been able to maintain the required turnaround time.

A new reduced fare smart card has been offered as a pilot program in 2000. Over 1,200 smart cards were issued to reduced fare riders who had access difficulties with the magnetic stripe card that is inserted in the turnstile or fare box. The smart card is a touch and go card that only needs to be placed in close proximity to a large target on the front of the turnstile or fare box. This initiative has been well received by many reduced fare riders.

Major Programs

Regional Technical Assistance Program (RTAP)

The RTA's Balanced Scorecard emphasizes a customer driven approach. In an effort to bring service delivery closer to the local level where many transportation decisions are actually made, the RTA created RTAP.

Through RTAP, the RTA intends to provide technical and/or financial assistance to various levels of local government that support transit services. RTAP's goal is to further enhance service delivery. Reflecting the RTA's emphasis on a balanced, coordinated, and integrated approach to regional transit planning, RTAP is designed to serve as a technical assistance clearinghouse for various levels of local government by:

- collaborating with local decision-makers to share new ideas that increase efficiency, and result in new solutions to current transportation needs;

- focusing regional transit planning resources and expertise to support local transit planning efforts;

- partnering with a consortium of agencies to support and promote increased transit usage;

- bringing together various entities that share common technical problems and concerns;

- influencing the use of effective practices and current research to enhance transit as an attractive alternative to the automobile;

- increasing awareness and knowledge in meeting the unique needs of disabled riders; and

- providing partial financial assistance grants, if necessary.

The RTAP funded 13 planning projects throughout the region in 2000. Ten of these projects funded local municipal planning initiatives. Three projects funded CTA and Metra planning initiatives. All of the RTAP projects reflect the RTA's integrated approach to regional transit planning.

The RTAP is funded by a variety of sources. These sources include the RTA, federal, state, and local matching contributions. The total RTAP budget in 2000 was $1.6 million. RTA resources of $300,000 leveraged $1.3 million in external funding sources.

The 2001 budget contains $700,000 in RTA funding for the continued implementation of the RTAP. Projects related to new technology implementation (for example, Signal Priority, Bus Management System) will be funded from our technology reserve.

Regional Transit Coordination Plan (RTCP)

The RTCP is a multi-year program of complimentary studies aimed at improving interagency transfer opportunities between the CTA, Metra and Pace. This effort complies with RTA's mission to ensure a comprehensive and coordinated public transportation system for northeastern Illinois. Led by the RTA, in cooperation with the Service Boards and other local planning entities, the RTCP serves as the regional framework for a series of evaluations and recommendations in the areas of physical coordination, service

coordination, fare coordination and information coordination.

In addition to extensive public involvement over the past year, several efforts related to the market identification component of the RTCP were initiated in 2000. These efforts include focus groups and a location study, both of which were funded by a UWP grant of $180,000. Individual coordination studies and additional market research to be initiated in 2001 will be funded by an IDOT grant of $400,000 plus an RTA local match of $100,000.

Northwest Corridor Study

The Northwest Corridor Transit Feasibility Study was initiated to examine ways to improve mobility in the Northwest Corridor, an area extending from east of O'Hare International Airport west to the Cook County line, centered on the I-90 NW tollway. This study, led by the RTA, was conducted in partnership with the Illinois State Toll Highway Authority (ISTHA), and the municipalities of Elk Grove Village, Hoffman Estates, Rolling Meadows, Rosemont and Schaumburg.

More than 300,000 people travel into the Northwest Corridor each weekday for work resulting in traffic volumes that exceed current capacity. This situation will worsen in the future as the number of jobs in the corridor is expected to grow by 48 percent over the next 20 years.

The Northwest Corridor Transit Feasibility Study was completed during the year 2000. Working with a consultant, the study participants identified the Northwest Corridor's transportation problems and developed a small set of transportation options that could improve access to jobs and major activity centers in the corridor. These options included bus rapid transit, light rail, heavy rail, commuter rail, express bus, and high occupancy vehicle (HOV) lanes. The study provided substantial detail on each of these alternatives, including conceptual engineering plans and costs, operating plans and capital costs, and ridership forecasts. The alternatives were evaluated against a set of criteria including cost effectiveness, environmental impacts, access to jobs, and mobility improvements.

With the feasibility study complete, plans are underway to begin a second phase aimed at gathering the information necessary for the partners to choose the locally preferred transit alternative from the most promising options generated by the feasibility study. The best solution will be the one which will improve mobility in the corridor, attract riders and be affordable for the region. The data gathered will also help our region's transit agencies compete for the federal transportation dollars necessary to implement the transit service that is eventually chosen.

Exhibit 3-14

Transit Check Program (in thousands)

	1998	1999	2000 Estimate
New Companies	229	428	425
Quantity (new checks sold)	213.5	414.9	585.0
Total Face Value	$8,783.9	$19,677.8	$29,000.0
Average Face Value	$41	$47	$50

RTA Transit Check

RTA Transit Check is an employee benefit that promotes system ridership. RTA Transit Checks are vouchers purchased by employers and distributed as a benefit to employees. RTA Transit Checks are used to purchase transit passes for the CTA, Metra, Pace, South Shore Railroad, or vanpool services. Checks may be purchased by employers in any denomination from $10.

The Transportation Equity Act for the 21st Century (TEA-21), which was signed into law on June 9, 1998, expanded the applicability and acceptance of the RTA Transit Check program.

Under the old program, employers could only provide RTA Transit Checks to their employees if they were willing to provide the benefit in addition to regular wages. With the new law, employers can let employees set aside pre-tax salaries up to $65 a month ($780 a year) to pay for their commuting costs. By exempting their transit costs from federal, state and local payroll taxes, employees who regularly use public transportation can save more than $200 a year in taxes, while employers can reduce their payroll taxes. These changes make the program more attractive for employers and make using the mass transit system more attractive to commuters.

The program, introduced in 1990, nearly doubled from 1995 to 1998 when measured by the total face value and is projected to increase significantly again in 2000 after a full year under the new tax law. (Exhibit 3-14).

In an effort to broaden the program's reach, the RTA joined forces with the CTA in July 1999 to jointly market the program as the RTA/CTA

Transit Benefit Program. The expanded program allows the region's employers to offer both RTA Transit Checks and CTA fare cards to employees. The joint marketing efforts and the expanded options are expected to greatly increase customer volume in 2000.

A federal Executive Order signed by President Clinton in April 2000 mandated that all Federal Agencies provide a "Transit Benefit" to their employees by October 1, 2000. This mandate further pushed the program numbers to new records for participants and dollar volume growth.

Today, as companies look for new benefits to give their employees in a tight and competitive labor market, the Transit Benefit program has tremendous appeal with minimal administration details and direct profit gained through sheltered tax savings. Companies and employees view the program as a win-win situation.

With the changes from TEA-21, more than 1,000 new companies have signed on with the RTA for the program during the last two years. The future looks even brighter as more and more companies realize the value of offering the benefit to their employees. The RTA expects 2001 will show greater program growth in all categories.

For more information about RTA/CTA Transit Benefit Program, call 1-800-531-2828 between 9:30 a.m. and 7:30 p.m.

Agency Statutory Cap

The statutory cap for administrative spending was set at $5 million in 1985, with a growth rate of 5 percent per year. The 2001 cap allowance is $10.9 million. The agency spending of $5 million is 54.2 percent below this cap (Exhibit 3-15).

Organization

Budgeted positions in 2001, including the RTA Board and temporaries, totals 100.2 people (Exhibit 3-16). This is an increase of 2.5 positions over 2000. Compared to the 2000 budget, agency staffing increased from 79 to 81.2, while requirements for temporary services increased from 5.7 Full Time Equivalents (FTE's) to 6 (FTE's). The principal changes between the 2001 budget and the 2000 plan by organizational unit are summarized below.

In 2001, the plan for managing services resources is 26.9 people, an increase of 1.1 over the 2000 plan. This change between budget periods results from a planned add of one person to the Information Technology staff and filling a 2000 vacancy in Human Resources by job sharing. This program added 0.2 equivalent people. Offsetting the increase is lower temporary service needs of 0.1 person.

Regional services and Governmental Affairs increased between budget periods from 25.9 people to 26.3 people, an equivalent change of 0.4 people. The following moves account for this change. Two positions (Transit Check) moved to Communications, a person from Finance moved to Customer Service and ADA has requested

Exhibit 3-15

2001 Statutory Cap (dollars in thousands)

	Admin
Total Revenues	-
Expenses	4,997
Funding	4,997
Statutory Cap	**10,914**
Percent under Cap	**54.2%**

Exhibit 3–16

Agency Budgeted Positions

	1999	2000	2001	2002	2003
By Group					
Board	13.0	13.0	13.0	13.0	13.0
Agency and Regional Services	77.0	79.0	81.2	81.2	81.2
FTE (Temporary Assistants)	6.4	5.7	6.0	6.0	6.0
Total	**96.4**	**97.7**	**100.2**	**100.2**	**100.2**
By Organizational Unit					
Managing Services	27.8	25.8	26.9	26.9	26.9
Regional & Governmental Affairs	24.6	25.9	26.3	26.3	26.3
Communications	7.0	4.0	5.0	5.0	5.0
Finance	23.0	22.0	21.0	21.0	21.0
Planning	14.0	20.0	21.0	21.0	21.0
Total	**96.4**	**97.7**	**100.2**	**100.2**	**100.2**

added temporary services and a new certifier to administer its programs.

As previously discussed, the Transit Check program (2 people) now reports to Communications, however, a graphics position in this department will not be filled explaining the change from 4 to 5 people.

Also discussed was the move from Finance to Customer Service lowering the finance department count from 22 people to 21 people.

Planning has requested an add of one person in 2001 to administer growing program and new technology initiatives which moves their count to 21 people.

The agency organization chart is presented in Exhibit 3-18.

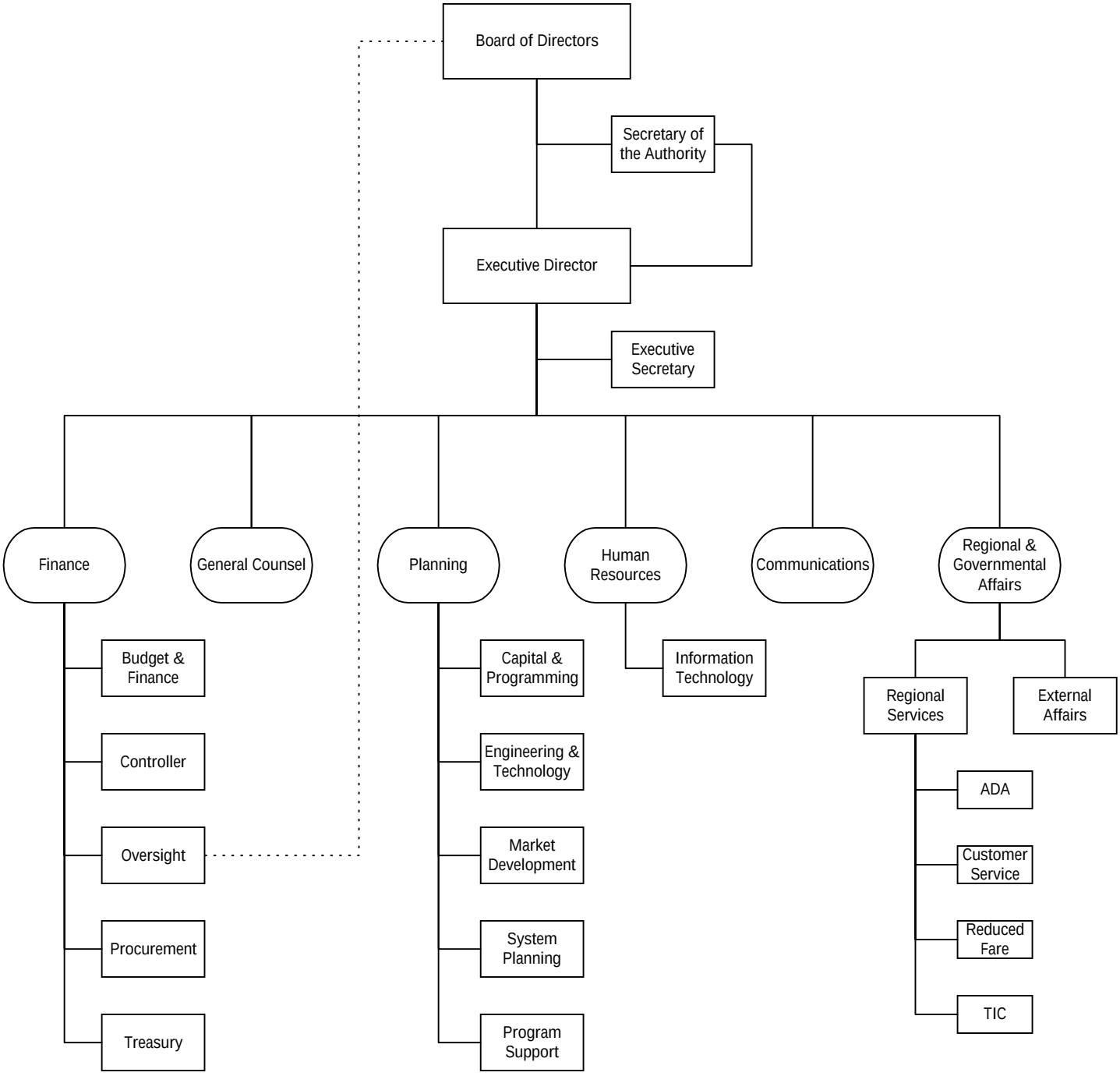
Exhibit 3–17

RTA Board Committees

Committee	Description
Administrative	Considers matters relating to RTA operations.
Audit	Authorizes and supervises all audits or reviews conducted pursuant to law, agreement and practice.
Chairman's Coordinating	Considers matters referred to it by the Chairman of the Board of Directors. This committee is comprised of the Chairman and the Chairmen of the standing committees of the RTA.
Finance	Considers the revenues and expenses of the RTA system specifically the operating budgets and capital programs of the RTA, CTA, Metra and Pace.
Mobility Limited	Considers compliance with the Americans with Disabilities Act (ADA) and ADA paratransit eligibility certification, as well as other issues relating to the provision of public transportation services in northeastern Illinois to elderly individuals and the disabled.
Planning	Considers RTA system planning issues, RTA, CTA, Metra and Pace capital plans, and programs and special planning studies.

Exhibit 3–18

Agency Organization Chart
Summary by Operating Divisions



Operating Plan

Overview

The Chicago Transit Authority (CTA) was created by the Illinois State legislature in 1945 and began operations in 1947. It became the sole operator of Chicago transit in 1952 when it purchased the Chicago Motor Coach System. The CTA is governed by the seven-member Chicago Transit Board.

Strategic Focus

To turn CTA's goal of increased customer satisfaction and ridership into a reality, the CTA must fully use its available personnel, technology, and financial resources.

In 2001, the CTA's strategy will continue to be built around three major areas: improving the product; rebuilding the system; and sustaining momentum by ensuring that their business practices and systems are state-of-the-art.

Ridership

Since 1998, system ridership has grown by more than 5 percent. This growth continues today. Beginning with a 1997 commitment to transform the CTA into a customer-driven organization, ridership gains can be traced to visible improvements in reliability and convenience, safety and security, strategic planning and cost-effective management (Exhibit 4-1, page 4-2).

More customers than ever before are now using the CTA passes that allow unlimited rides within specific time periods. Since ridership began rebounding in 1998, almost 30 million additional trips have been taken on CTA buses and trains, an average of a million more trips each month.

The CTA has held the line on fare increases since 1992. In fact, with the introduction of the farecard bonus system and 1-day and 7-day passes, many CTA fares have actually been reduced. Simpler fare structures, such as 1-day and 7-day passes, have made the CTA more customer-friendly. Innovative purchasing plans like the U-Pass program for college students have also provided new opportunities to attract and retain customers.

Service Quality

The most obvious way to revitalize the CTA, maintain customer loyalty, and attract new riders is to improve the quality of service. The CTA tracks its performance on service quality issues through surveys. An initial survey, conducted by the RTA in 1995, has served as a benchmark to evaluate future performance and improvement. The CTA has conducted subsequent Customer Satisfaction surveys in 1997 and 1999, with the next effort scheduled for late 2001. This survey tool has

become a primary measurement of customer needs.

In 2001, the CTA will continue its ongoing efforts to provide a safe and pleasant environment for its bus and rail customers.

Farebox

Automated fare collection (AFC), first implemented in 1997, gives the CTA riders flexibility in their travel budgets, while providing the CTA with a more cost-efficient fare collection system.

Expanding the number of farecard vending machines throughout the service area is a priority for the CTA. To make purchasing or recharging fare media easier for its customers, the CTA has installed 11 vending machines in more convenient locations, such as hospitals, grocery stores and shopping centers.

In 2000, the CTA's pilot "smart card" program distributed approximately 3,500 rechargeable cards. In addition, seniors and disabled customers are also participating in this pilot program. Over the next year, the CTA will evaluate the use of "smart cards."

Cleanliness

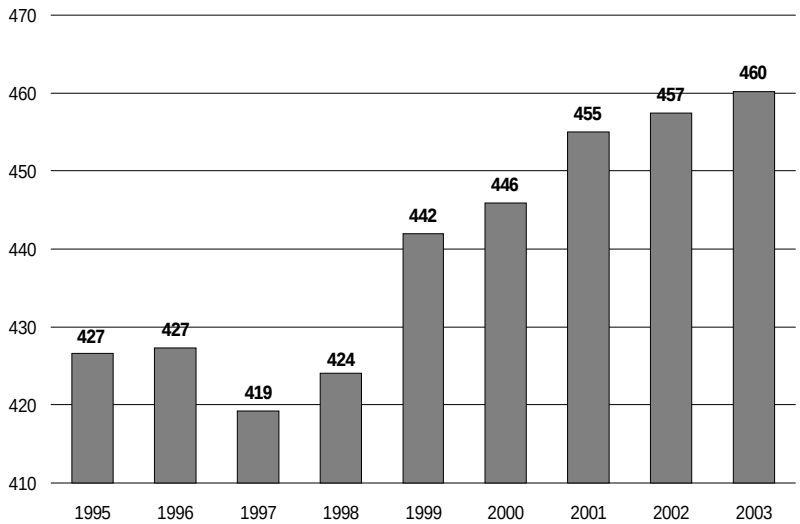
In the CTA's most recent Customer Satisfaction Survey, customers cited cleanliness as a big factor in making trips enjoyable. However, for the CTA, merely picking up the trash and sweeping steps was not enough.

Subway stations and platforms had not undergone a thorough cleaning until 1999. Now, in conjunction with a City of Chicago program to rehabilitate the subway system, subway cleaning has become a priority for the CTA.

Operation Clearview is a program using clear plastic coatings over window glass on buses to minimize the effects of etching and graffiti. This program reflects the CTA's zero-tolerance policy towards the defacing of CTA property and equipment. The CTA is currently studying the effectiveness of this program with an eye towards future implementation on its rail fleet.

Exhibit 4-1

CTA Ridership (riders in millions)



New Services

During the past year, the CTA reopened rail entrances in the Loop area, extended Brown Line service on weekends and holidays, instituted neighborhood express service, and made numerous adjustments to bus lines throughout the city to better serve its customers.

Improvements were made to 74 bus routes and six rail lines through a series of service enhancements. These improvements include adding four routes to serve the University of Chicago campus and the Hyde Park area, adding Route 169 to a United Parcel Service facility in Hodgkins, Ill.,extending routes 82, X21 and 54B, increasing the frequency of the Route 34 owl service, changing Route 6 to express service, and extending rail service on the Brown Line to the Loop on Saturday evenings and Sunday.

Capital Investments

The CTA is moving into the next stage of an aggressive five-year capital program. This fall, the CTA will receive the first installment of 150 new air-conditioned and accessible buses and is just past the midway point on the rehabilitation of 598 2600-series rail cars. In addition, the CTA is nearing completion of a Red, Blue, and Green Line rail station improvement program affecting 21 stations.

The CTA continues to expand capacity on the Brown Line and is looking forward to breaking ground on the Blue Line Douglas Branch reconstruction project next spring. Thanks to an infusion of funding from *Illinois FIRST* and the federal transportation bill, the

CTA's capital budget for the year 2001 will be $427 million.

The CTA's system had long suffered from a lack of capital investment. In order to catch up, the CTA would need to spend $4.6 billion to bring its entire system into a state of good repair.

The current federal funding legislation dramatically increases "formula funding" programs. Two CTA projects also became eligible for federal funding under the "discretionary" New Starts program. Non-state funding has increased dramatically as well, with passage of a 1999 infrastructure program, *Illinois FIRST*. The state program has allowed the CTA to obtain federal funds that would otherwise have been unavailable.

The additional funding has decreased the shortfall in resources for its capital investment from 81 percent to 30 percent. However, a funding gap of $1.8 billion still exists to bring the CTA's infrastructure up to a "state of good repair" (enabling the system to operate effectively).

Partnerships

The CTA works to maintain partnership with many groups. The CTA's efforts to strengthen its relationship with its riders has have been discussed earlier in this section. The CTA also works to create partnerships with its workforce, vendors, the mobility impaired, the city of Chicago, the legislature and security agencies.

Workforce

The CTA's emphasis on customer service requires a skilled, dedicated workforce to succeed. A new century has brought with it a tight labor market. Record low unemployment levels have created competition to attract and retain talent. The CTA has adopted several initiatives designed to attract and retain a diverse and talented workforce and maintain partnerships with its more than 11,000 employees (Exhibit 4-2).

The CTA's presence on the Internet has opened up a new avenue to recruit potential employees, as well as improve customer communications. The CTA's human resource staff has attended numerous job fairs throughout the Chicagoland area showing prospective employees the benefits of a career working for the CTA.

Vendors

The CTA Purchasing Department follows an aggressive Disadvantaged Business Enterprise Program (DBE) that encourages minority participation in CTA contracts. The CTA has set a minimum level of 30 percent for minority participation for projects requiring outside vendors.

Mobility Impaired

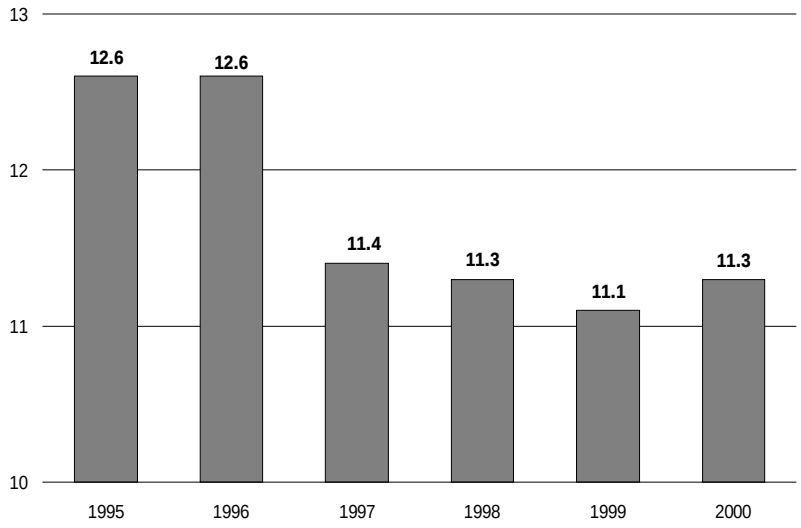
The CTA provides approximately 4,150 trips every day to its mobility-impaired customers. Working with these customers, the CTA is moving forward with a program of improvements designed to expand accessible service capabilities and meet the requirements of the *Americans With Disabilities Act* (*ADA*). Programs include more accessible bus routes, and more escalators and elevators in stations. The CTA will be 96 percent accessible by the end of 2003.

City of Chicago

The CTA maintains a strong working relationship with the City of Chicago and is implementing a joint program to increase the number of benches and shelters at bus stops. The CTA and the city are also working together to provide better audio-visual communication for subway patrons.

Exhibit 4-2

CTA Headcount
(in thousands)



Legislators
The CTA needs to maintain a strong relationship with legislators in Springfield and Washington. Working with the other transit agencies in the Chicago region, the CTA can better develop appropriate levels of financial support for transit.

Security Forces
The CTA's crime rate has gone down over the last several years due to the cooperation of the Chicago Police Department, neighboring community police departments, and private contractors hired by the CTA.

Budget and Financial Plan

The budget and financial plan submitted by the CTA for the current planning period, 2001 through 2003, conforms to the established RTA marks set on September 15, 2000. The CTA's operating funding target was set at $419 million in 2001. The CTA met this target. The CTA's recovery ratio mark was set by the RTA at 51.8 percent. The CTA budget for 2001 exceeds this target setting a recovery ratio of 52.1 percent. The CTA's statement of revenues and expenses (which includes the recovery ratio) is presented below in Exhibit 4-3.

System-Generated Revenues

Total system-generated revenues are expected to increase from $421 million in 1999 to $477 million in 2003. This is an increase of $56 million over the four-year period, which is a 3.2 percent average annual increase.

System-generated revenue includes: passenger revenue, reduced fare reimbursement, and other revenue (Exhibit 4-4, page 4-5).

Passenger revenue comprises 85 percent of the CTA's total operating revenues. The reduced fare subsidy and other revenue equally account for the remaining 15 percent (Exhibit 4-5, page 4-5).

Exhibit 4-3

CTA 2001 Budget and 2002-2003 Financial Plan (dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
System-Generated Revenues:					
Passenger Revenue	$365,952	$363,679	$371,102	$372,770	$376,887
Reduced Fare Subsidy	16,840	33,858	33,880	33,880	33,880
Other Revenue	37,757	43,468	45,164	55,277	66,376
Total Revenues	**$420,549**	**$441,005**	**$450,146**	**$461,927**	**$477,143**
Operating Expenses:					
Labor	$583,052	$610,876	$627,446	$643,965	$667,853
Material	73,424	68,667	64,802	66,422	68,083
Fuel	12,481	20,687	21,600	21,600	21,600
Power	16,570	20,470	20,492	20,500	20,500
Insurance & Claims	31,000	30,000	30,000	30,000	30,000
Purchase of Security Services	20,299	20,140	22,864	24,007	25,208
Purchase of Paratransit Services	27,214	27,402	29,825	30,720	31,949
All Other	40,915	44,889	52,122	53,294	54,488
Total Operating Expenses	**$804,955**	**$843,131**	**$869,151**	**$890,508**	**$919,681**
Operating Deficit	**$384,406**	**$402,126**	**$419,005**	**$428,581**	**$442,538**
Recovery Ratio % (A)	**52.4%**	**52.6%**	**52.1%**	**52.2%**	**52.2%**

(A) By policy, the revenue figure for the CTA excludes the gain from leasing transactions restricted by ordinance for capital. In 1999, the RTA directed the CTA to include the gain in revenues. Effective for fiscal year 2000 onward, the RTA returned to its initial policy of excluding the gain. The amounts deducted from expenses represent exclusions listed by the RTA Act.

Passenger Revenue

Passenger revenue is expected to increase from $366 million in 1999 to $377 million by 2003, an $11 million increase or 0.7 percent annual growth rate.

In 2000, passenger revenue is projected to be $2 million lower than 1999 due to a lower average fare. The average fare is forecast at 81.6¢, which compares unfavorably to 82.8¢ in 1999. The lower fare revenues are a result of increased customer use of the value-priced passes rather than cash or single ride products. Pass usage tends to reduce the average revenue CTA realizes per trip.

In 2001, passenger revenue is projected to increase by approximately $7 million when measured against the 2000 estimate. Ridership is expected to increase by approximately 9.1 million (2 percent) while the average fare remains the same.

Passenger revenue is projected to increase in 2002 and 2003 due to ridership growth. The financial plan assumes fare revenue to grow by 0.4 percent in 2002 and by 1.1 percent in 2003. The total fare revenues are estimated at $372.8 million for 2002 and $376.9 million for 2003. Ridership growth is expected to increase by 0.5 percent and 0.6 percent in 2002 and 2003, respectively. Exhibit 4-6, page 4-6, details the CTA's fare structure.

Reduced Fare Subsidy

The Illinois General Assembly passed legislation in 1989 that provided funds to reimburse the CTA for the cost of providing reduced fares for the elderly, students, and the disabled. The fare reimbursement is included as revenue and became available in July 1989. In the state's 2000 fiscal year budget, the appropriation for reduced fare was increased by $20 million to $40 million for the RTA region. These funds are split between the three Service Boards based on their reduced fare revenues. The CTA estimates its share at $33.9 million per year from 2000-2003. This

Exhibit 4-4

CTA System-Generated Revenues
(dollars in millions)

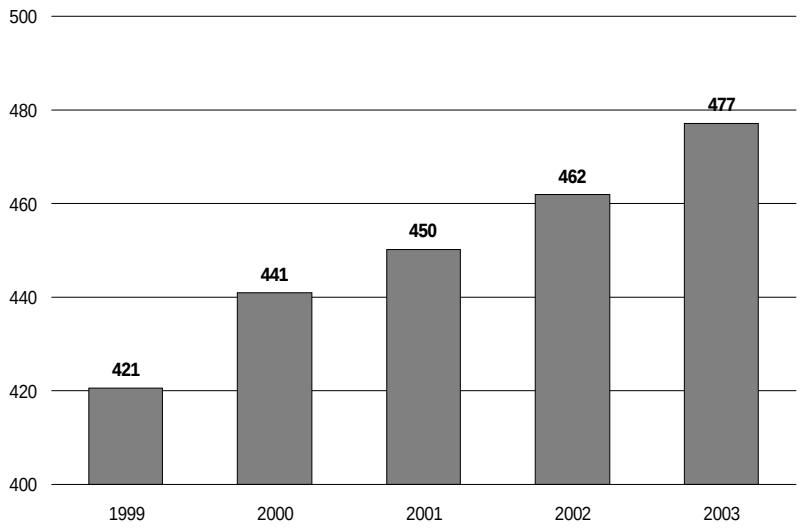
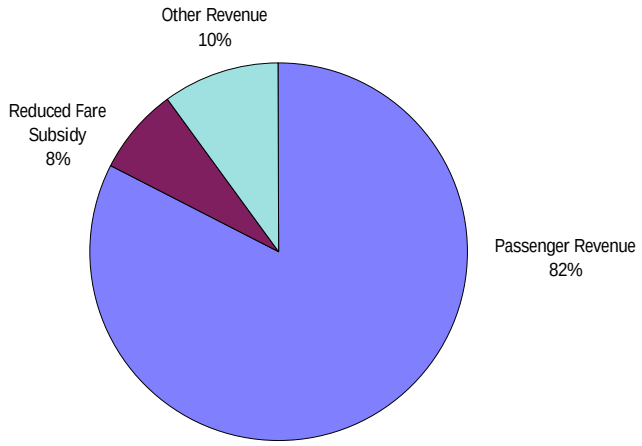


Exhibit 4-5

2001 CTA Revenues
Total = $450 Million



represents a more than $17 million increase from 1999 levels.

Other Revenue and Investment Income
This category includes: advertising, charters, concessions, contributions from local governments (Chicago-$3 million and Cook County-$2 million), investment income and scrap sales

Exhibit 4-6

CTA Fare Structure

	Full	Reduced	Comments
Basic Cash Fare and Transit Cards	$1.50	$0.75	
Paratransit			
Special Services	$1.50	None	
Chicago Taxi Access Program Voucher	$1.50	None	
First Transfer W/Fare Card	$0.30	$0.30	second transfer within two hours is free
Transit Card with $11.00 Value (pre-valued	$10.00	None	sold at Jewel, Dominick's,
Transit Card with $22.00 Value (pre-valued	$20.00	None	Currency Exchanges, and the Internet
Transit Card Packs			
Ten-Pack	$15.00	None	
Twenty-Pack	None	$13.50	
Passes			
1-day	$5.00	None	
7-day	$20.00	None	
30-day	$75.00	$35.00	
Visitor Passes			
1-day	$5.00	None	
2-day	$9.00	None	
3-day	$12.00	None	
5-day	$18.00	None	
Link-up Pass	$36.00	None	Sold by Metra; use with Metra monthly ticket.
Express Surcharge	$0.25	$0.25	Downtown on bus routes 2, 6, 14, and 147.
Rush Shuttle Fares	$1.00	None	To/from downtown Metra stations.
128 Soldier Field Express	$1.00	$0.50	
154 Wrigley Field Express	$5.00	Per carload.	

Exhibit 4-7

CTA All Other Revenue (dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
All Other Revenues:					
Advertising	$16,820	$21,989	$22,055	$22,827	$23,626
Investment Income	8,887	9,910	8,887	8,900	8,900
Contribution from Local Govt. Units	5,000	5,000	5,000	5,000	5,000
All Other Revenue	7,050	6,569	9,222	18,550	28,850
Total All Other Revenues	**$37,757**	**$43,468**	**$45,164**	**$55,277**	**$66,376**

(Exhibit 4-7). Revenue for this category was approximately $38 million in 1999, and is expected at $43 million in 2000. Reasons for this increase include growth in advertising, charter and concessions. Investment income is up due to a higher investment rate on increased cash balances from prepaid fares. Other revenues are also forecast higher than budget due to sales of surplus property.

Current projections indicate that additional revenue may be required to achieve a 52.2 recovery ratio in 2002 and 2003. The CTA has placed $13.1 million and $19.9 million in other revenue for 2002 and 2003 to help achieve its recovery ratio target. The CTA will make an exhaustive effort to avoid any fare increase or service reductions to meet this recovery ratio target and they do not anticipate a passenger fare increase in 2002 and 2003.

Operating Expenses

Total operating expenses are forecast to increase from $805 million in 1999 to $920 million in 2003. This $115 million increase equals a 3.4 percent annual compound growth rate (Exhibit 4-8).

In 2000, expenses increased by $38 million from the prior year. Higher Labor and fuels costs were a major reason for this increase. In 2001, expenses increase by $26 million ($843 to $869 million) due to higher labor and contractual services expenses. Labor is a primary factor in the 2002 and 2003 total cost increase of $22 million and $29 million, respectively.

Expense Elements

Operating expense components include labor, material, fuel, power, insurance/claims, purchase of security, paratransit services, and other. Labor, including fringes, represents 73 percent of the CTA's total expenses. Base wages represent about 2/3rds of that total, while fringe benefits, which are primarily medical insurance and pension costs, represent the remaining 1/3rd. Materials, used primarily for maintenance, are 7 percent of total expenses. Fuel and power represent 5 percent of the CTA's expenditures. Insurance and claims represent 4 percent of total spending. Paratransit services, security, and other expenses comprise the remaining 12 percent. The other expense category includes items such as lease, utility, and contractual services (Exhibit 4-9, page 4-8).

Labor Costs

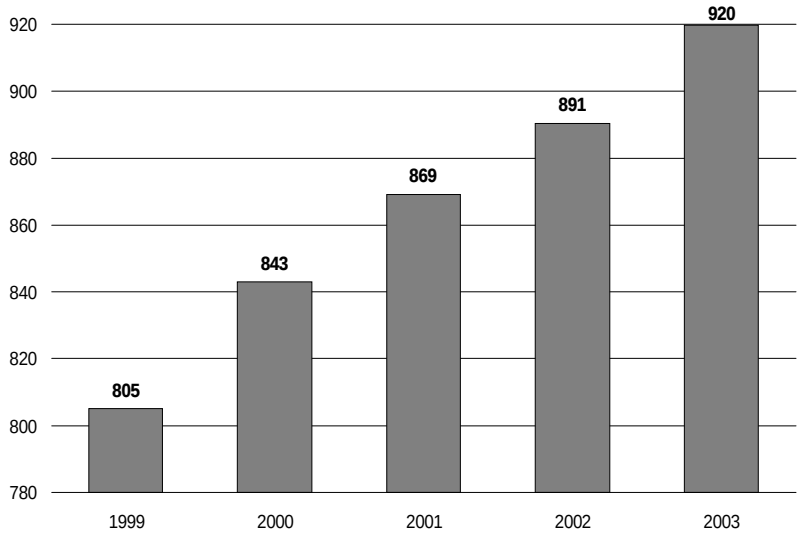
Labor expenses are expected to increase from $583 million in 1999 to $668 million in 2003. This is an $85 million increase or a 3.5 percent compound annual growth rate. Wage and health insurance increases contribute to the higher expense.

Labor expense is estimated at $611 million in 2000, which is $28 million or 4.8 percent higher than the prior year. Health insurance costs, especially prescription drug costs, have increased significantly. The current labor contract that covers approximately 90 percent of the CTA's employees expired at the end of 1999. Negotiations are still under way between management and the unions for a new collective bargaining agreement. A settlement with the various unions for more than what has been assumed in this plan would adversely affect CTA's financial projection

Labor expense is budgeted at $627 million in 2001, which is $16 million or 2.7 percent higher than the prior year. The increase is primarily due to higher health insurance and workers compensation costs, and wage rate increases.

Exhibit 4-8

CTA Total Operating Expenses (dollars in millions)



Labor costs for the 2002 and 2003 financial projections are expected to rise by 2.6 percent and 3.7 percent, respectively. Projected labor rate increases and higher health insurance expenses are the primary drivers of the increase.

Material

The material category covers all repair parts for buses, trains, track, structure and signals in the system. The 2000 forecast is lower than prior year actual by $5 million. The higher costs in 1999 were due to the CTA charging replacement glass, vandal shields, video cameras and recorders to the material category rather than security.

Material expenses stay in a relatively tight cost range (averaging $67 million) between 2000 and 2003. Material cost inflation is somewhat negated by the implementation of bus and rail vehicle rehabilitation programs that have helped control and defray future operating expenses.

Exhibit 4-9

2001 CTA Operating Expenditures
Total = $869 million

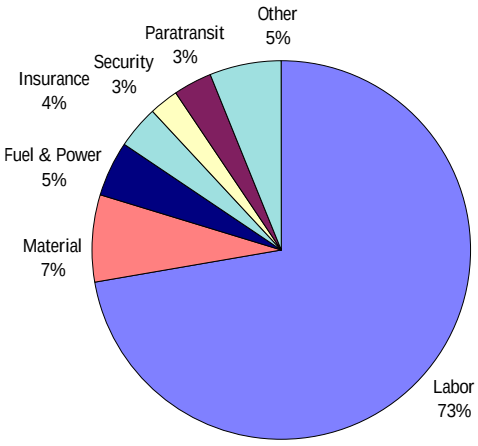
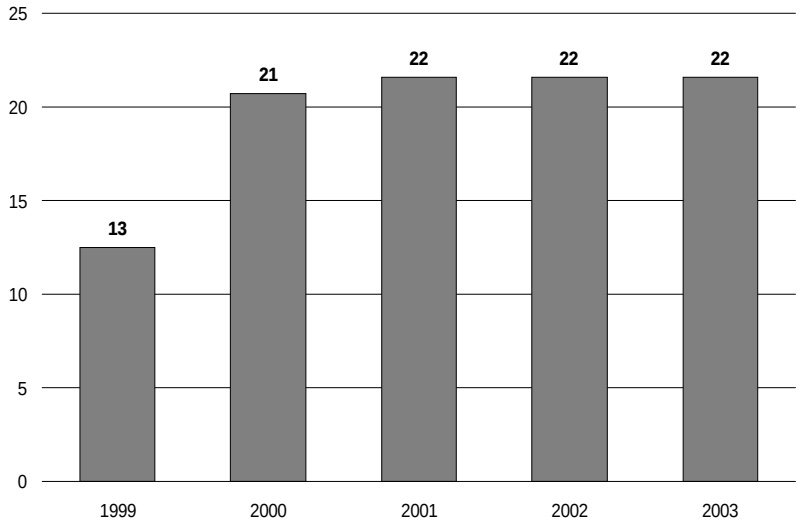


Exhibit 4-10

CTA Fuel Expenses
(dollars in millions)



Fuel

Fuel expenses are projected at $20.7 million in 2000. This is $8.2 million or 65.7 percent more than 1999 actual. The CTA 2000 fuel cost per gallon estimate is $1.01 per gallon versus the prior year actual of 61¢.

Fuel costs are expected at $21.6 million in 2001. While the cost per gallon is expected to remain near $1.00, gallon consumption increases slightly from 2000 levels due to additional service. Fuel costs remain constant at $21.6 million in 2002 and 2003 (Exhibit 4-10).

Power

Electric power costs are projected to average $20.5 million from 2000 to 2003. The stable electric rate is a result of the CTA's participation in the Municipal Power Alliance, which negotiated lower rates for member organizations as part of the utility deregulation legislation.

Insurance and Claims

Insurance and claims stay constant at $30 million in 2000-2003. By setting aside $30 million per year, the CTA is

expected to stay within the actuarial range.

Purchase of Security Services

Security coverage is strategically deployed throughout the system to provide 24-hour coverage, seven days a week. This service is provided by the Chicago, Evanston and Oak Park Police departments, the Wells Fargo Guard Service and National K-9 Security service.

The 2000 forecast is $159,000 below the prior year actual cost of $20.3 million due to credits received. The 2001 budget maintains the existing coverage and also provides matching funds for the Oak Park and Evanston Police Departments to increase service. The 2001 budget is equal to $22.9 million, $1.7 million, or 13.5 percent more than the 2000 estimate. Due to market consolidation in the security services industry, the CTA expects to incur a 5 percent increase in security costs in the 2002 and 2003.

Purchase of Paratransit Services

The CTA provides door-to-door paratransit service for certified passengers who are unable to use mainline transit service. This service is provided by three private carriers and various taxi companies. To use this service, a customer must be certified by the RTA. The CTA currently provides riders with disabilities two types of service: special services and the Taxi Access Program (TAP).

2001 Funding for paratransit services is increased by $2.4 million, or 8.8 percent from the prior year as the CTA works to increase service for these customers. The 2001 budget provides for 1,129,949 trips at an estimated cost of $25.00 per trip. The average trip cost is estimated to increase by $1.21 due partially to an annual cost of living adjustment based on the Chicago consumer price index.

TAP trips are provided by taxi companies as an alternative for customers with disabilities. In the 2001 budget, the CTA has projected that the number of TAP trips will increase by more than 25 percent over 2000 levels. The CTA proposes increased spending for Paratransit in the 2002 and 2003 financial projections of $0.9 million and $1.2 million, respectively.

All Other Expenses

The categories of all other expenses are shown in Exhibit 4-11. With a budget of $52.1 million, this category includes the cost for utilities, leases, advertising, contracted services, passenger security provisions (mandated by law), travel, and training. These costs represent a $7.2 million or 16 percent increase over the 2000 estimate. Higher outsourcing charges for the technology department and higher natural gas prices account for the increase.

CTA Capital Impact on Operations

The CTA measures capital investments by asking: How can this investment help achieve our objective to provide on-time, clean, safe, and friendly service? The impact of these investments is summarized below.

In 2001 the CTA will continue its effort to make the mainline system more accessible to the disabled customers. As part of this effort, the CTA will continue its accessible stations improvements and elevator repairs. By the end of 2001, 62 CTA rail stations will be accessible to the disabled customers.

Exhibit 4-11

CTA All Other Expenses
(dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
All Other Expenses:					
Utilities	$15,501	$16,886	$17,279	$17,668	$18,063
Maintenance and Repair	11,105	11,406	11,636	11,898	12,164
Advertising and Promotion	1,009	2,581	1,981	2,026	2,071
Contractual Services	13,584	13,912	21,642	22,129	22,624
Provision for Passenger Security	2,610	5,079	5,082	5,196	5,313
Leases and Rentals	8,512	8,406	8,309	8,496	8,686
Travel, Training, Seminars, and Dues	550	622	709	725	741
Warranty and Other Credits	(13,948)	(16,884)	(16,728)	(17,104)	(17,487)
General Expenses	1,992	2,881	2,212	2,260	2,313
Total All Other Expenses	**$40,915**	**$44,889**	**$52,122**	**$53,294**	**$54,488**

More bus routes will become fully accessible, as new buses equipped with lifts are added to the CTA fleet. The CTA will be 96 percent accessible by the end of 2003.

As the CTA expands accessibility and more people use mainline service, paratransit costs will be reduced because fewer customers will need the special service. Total paratransit cost decreased by 6 percent during the first half of 2000 compared to the same time period in 1999.

Due to the CTA's continuing efforts to make its mainline service accessible, 29,097 lift trips were provided during the first six months of 2000, a 31 percent increase over the same period in 1999. At the same time, total paratransit trips provided by contractors increased by 3 percent over 1999 levels. In 2000, paratransit expense is forecast to finish the year at $27.4 million providing an estimated 1.2 million trips.

Bus System

The 1999 capital program contained funds for the continuation of the bus service management system (BSMS) which is designed to improve on-time performance and eliminate "bus bunching". The BSMS system is also expected to reduce labor costs for street supervision, maintenance costs for the existing signpost system, and costs for the leased radio communication system.

The capital program continues to fund the replacement of 159 buses, and a purchase of approximately 200 articulated buses. The buses to be replaced will have exceeded their 12-year retirement age in 1998-2001. Continued operation of these buses imposes unnecessarily high maintenance and operating costs and reduces service reliability. The articulated buses are larger vehicles, capable of carrying more passengers. For the customers, this means a quicker trip; for the CTA, this means providing better service at a lower cost.

As an impact on the operating budget, in general, the CTA will reduce maintenance cost increases by replacing older buses and equipment. This investment will make the system more convenient and provide a tool for the CTA to achieve its business goals.

Beyond replacing overage vehicles, the CTA will further improve the quality of its fleet and service by changing its maintenance practices from fixing problems after they occur, to a preventive maintenance program that will replace failure-prone items at regular intervals. By investing in a preventive maintenance program that includes timely overhauls, life-extending rehab programs, and the replacement of buses, the CTA will significantly improve the comfort, quality and reliability of its service, while reducing operating expenses. In addition, the proportion of its fleet available for service will rise.

Rail System

The CTA completed the Green Line reconstruction and rehabilitation in 1998. This nearly $400 million project began in 1994. After two years of work, the line was reopened in 1996. As a result of the reconstruction, the trains on the Green Line operate at higher speeds, and fewer trains and operators are used to provide the same amount of service. After reconstruction, the Green Line's average weekday loading increased by 25.8 percent from November 1993 to August 2000. The line's average Sunday passenger loads increased by 53.5 percent during the same time period (Exhibit 4-12).

The capital program continues providing funding for rail rolling stock replacement and rehabilitation. As rail cars are overhauled, rehabilitated, or replaced, the number of substandard cars will decline. This will improve service quality and reliability, while reducing the cost of unscheduled maintenance.

The capital program also includes funding to upgrade or build car washers at several shops. The existing system at those locations is inefficient, labor intensive and at some locations

Exhibit 4-12

Green Line
Average Daily Passenger Loads

	Aug 2000 Weekday	Nov 1993 Weekday	% of Nov 1993	Aug 2000 Sunday	Nov 1993 Sunday	% of Nov 1993
Green Line Total	30,390	26,800	113.4%	11,204	8,300	135.0%
Closed Stations		2,650			1,000	
Total without closed stations	**30,390**	**24,150**	**125.8%**	**11,204**	**7,300**	**153.5%**

only permits four-car train sets to be washed, which is lower than the average car train set. New and upgraded systems will provide additional capacity with corresponding increases in efficiency and decreases in labor costs.

The supervisory control and data acquisition (SCADA) system provides visual display at the CTA Control Center, which supports real-time rail power operations control and computer monitoring of power equipment. The SCADA system allows efficient identification and isolation of malfunctioning equipment. This project is expected to reduce man-hours required for rail inspections. By investing in rail communications and operational control systems, the CTA will significantly improve the safety, quality and reliability of its service.

Acquisitions/Extensions

Funding for the CTA's entire five-year new start program is more than $760 million. This category includes the rehabilitation of the Douglas branch of the CTA's Blue Line and the expansion of the Brown Line to increase capacity.

The Douglas project will renew this branch of the Blue Line by replacing or rehabilitating the entire elevated structure, the terminal complex at the 54th Avenue in Cicero, and most of the stations. The Brown Line project will extend station platforms and make other improvements so that the CTA can run eight-car trains on this line versus the current limit of six cars. This project should provide sufficient capacity for all the customers who wish to ride.

Deficit and Funding

System-generated revenues (fares and other revenue) generally total slightly more than one-half of the CTA's operating budget, with the remainder covered by public funding from the RTA.

The RTA funds the budgeted operating deficits of the Service Boards and also makes intermittent funding agreements with the Service Boards in the form of loans and reserve programs. The operating deficits are derived from total system-generated revenues minus total operating expenses. The addition of any RTA-approved intermittent agreements then establishes total funding.

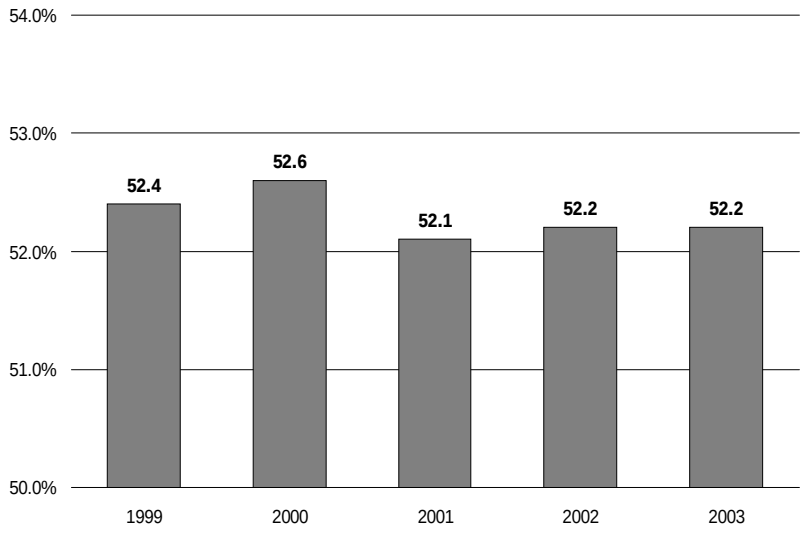
RTA Sales Tax and RTA discretionary funding represent the two major sources of public funds to the CTA and are usually slightly less than one-half of the CTA's operating budget.

Recovery Ratio

The CTA's recovery ratio equals system-generated revenues divided by system operating expenses less the provision for passenger security expenses, which are required by law. The CTA uses 15 percent of the funding from the state's reduced fare reimbursement to cover these costs. From 2000 to 2003, the CTA recovery ratio is expected to remain near 52 percent (Exhibit 4-13).

Exhibit 4-13

CTA 1999-2003 Recovery Ratio (Percent)



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Capital Program

Overview

The proposed projects in the CTA's 2001-2005 capital program total $2.7 billion. The CTA's program continues the rehabilitation and replacement of their capital assets. The general categories of capital improvements and the percentage of the total capital program are: rolling stock at 31 percent, track and structure at 36 percent, electric, signal and communications at 5 percent, support facilities and equipment at 6 percent, stations and passenger facilities at 11 percent and contingencies, administration and miscellaneous at 11 percent. The general categories of capital improvements comprising the CTA's Capital Program are illustrated in Exhibit 4-14, page 4-14.

See Appendices, Five-Year Capital Program, for a complete listing of projects in the program. Highlights of the CTA's 2001-2005 capital program are as follows:

Rolling Stock

The 2001-2005 capital program includes $353.2 million in the bus rolling stock category. The CTA's bus fleet consists of approximately 1,900 vehicles. The 2001-2005 capital program contains $257.2 million for up to 837 bus purchases. The primary focus of the CTA's bus rolling stock investment is $126.7 million for the replacement of up to 467 buses, manufactured by Flxible in 1991. These buses will have reached the industry standard retirement age of 12 years by the end of the five-year program. All new buses will be air conditioned and accessible to the disabled. In 2001, bus purchases, totaling $29.9 million, are planned depending on funding availability to replace up to of 75 M.A.N. articulated buses and to purchase additional buses for expansion. The five-year plan includes the expansion of the articulated bus fleet by approximately 125 buses. The total cost of articulated bus fleet replacement/expansion over the five-year program is programmed at $63.9 million.

In addition, $51.5 million is budgeted for capital-eligible bus maintenance activities over the five-year program with $15 million planned in 2001. Other five-year program improvements include the replacement of bus fareboxes for $39 million and the installation of bicycle racks on buses for a cost of $2.5 million. The bus rolling stock category also includes the purchase of up to 7 Hybrid Electric low emission buses at a cost of $3 million for evaluation purposes.

The rail rolling stock category includes $492.3 million in 2001-2005 to rehabilitate or purchase CTA rail cars.

The CTA's rail fleet consists of approximately 1,190 CTA cars. The 2001-2005 capital program contains $273.3 million to rehabilitate rapid transit rolling stock. Of this total, $157.3 million will be used to rehabilitate up to 314 rail cars in the 2600 series. This mid-life rehabilitation will enable the cars to reach original useful life estimates of 25 years. The five-year program includes $208.4 million for the replacement of 142 Series 2200 rail cars. In addition, the CTA's five-year plan includes $10.6 million for the testing of new technology on rail cars.

Track and Structure

The track and structure category includes $969.1 million in 2001-2005 to rehabilitate and expand existing rail lines. The CTA rail system contains 286.6 total track miles. Of these, 63.2 miles are at grade, with exclusive right-of-way; 32.1 miles are at grade with cross traffic; 109.9 miles are on elevated structure; 55.2 miles elevated are on fill; 2.9 are open cut miles; and 23.3 are subway miles.

The highlights of CTA's five-year track and structure program are:

1.) The reconstruction of the Douglas Branch of the Blue Line from 54th and Cermak in Cicero through the incline connection to the Congress Branch, at a cost of $378.2 million over the next five years, with $76.4 million programmed in 2001;

2.) The capacity expansion of the Ravenswood Brown Line by extending platforms to accommodate eight-car trains and making selected yard improvements, at a cost of $300 million over the next five years, with $11 million programmed in 2001;

3.) The $9.9 million renewal of the Logan Square connector structure on the O'Hare branch of the Blue Line, with $4.4 million programmed in 2001;

4.) Track and structure improvements at a cost of $162.3 million on both the North Main Line and the Ravenswood Line, with $17.7 million planned in 2001;

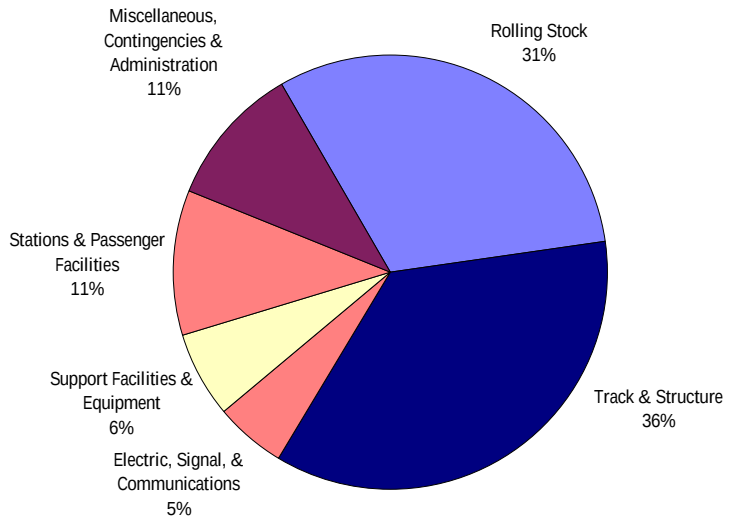
5.) The rehabilitation of bus bridges at 69th and 95th Streets on the Red Line, at a cost of $4.6 million in 2001;

6.) The rehabilitation of viaducts and retaining walls on the Evanston Line, at a cost of $33.1 million; and

7.) The renewal of track work on the Blue Line from Addison to O'Hare, at a cost of $28.9 million.

Exhibit 4-14

CTA's Capital Program 2001-2005
Total = $2,686 million



Electric, Signal, and Communications

The electric, signal, and communications category totals $141.2 million for the proposed five year program, with $8.5 million programmed in 2001. The CTA's five-year plan includes the replacement of the signal system at the Dearborn subway station and on the Congress Line, at a cost of $70.1 million. Other improvements in this category include system-wide substation and associated cable upgrades at a cost of $29.1 million over the five-year plan. In addition, the catenary support structures and power cabling on the Yellow Line from Crawford to Dempster will be replaced for $5.8 million in 2002. Other investments in 2003 include $16.4 million for the installation of a public address system. Control Center improvements are planned at a cost of $11.1 million over the five-year program, with $3.2 million programmed in 2001.

Support Facilities and Equipment

The 2001-2005 capital program includes $173.1 million in the support facilities and equipment category. The CTA's 2001-2005 capital program includes $56 million for the reconstruction of a new bus garage. In addition,

the bus washer at the Forest Glen bus garage will be upgraded at a cost of $5.8 million in 2002.

The CTA's five-year program also includes upgrades to rail shops and yards. The Des Plaines shop and car washer will be upgraded for $9 million. The CTA has also programmed $1.1 million in 2003 to expand the 98th Street shop. In 2001, car washers will be upgraded at Rosemont and Ashland yards for $5.3 million.

Over the five years of the CTA's capital program, the purchase of computer hardware and software is planned, at a cost of $30.3 million, to implement new and upgraded data processing systems. The CTA is programming $12.1 million in 2001, which includes $5.6 million for a new Enterprise Resource Planning financial management system, $3.6 million for a new Maintenance Management Information system, and $2.1 million for a new Centralized Paratransit Information system. In addition, upgrades to the Automatic Fare Control system are planned at a cost of $5.7 million in the CTA's 2001-2005 Capital Program. The purchase of non-revenue vehicles is planned at a cost of $21.5 million over five years, with $3.7 million programmed in 2001.

Stations and Passenger Facilities

The stations and passenger facilities category totals $294.8 million for the proposed five year program with $7.9 million programmed in 2001. The CTA operates 142 rapid transit stations serving seven routes. Fifty-one of these stations are wheel chair accessible via elevator or ramp.

The CTA's five-year program of station projects are planned as follows:

1.) The reconstruction of four Howard Line stations is planned at a cost of $74.9 million. The stations to be reconstructed are located at Sheridan Road, Wilson Avenue, Lawrence Avenue, and Howard Street;

2.) The reconstruction of seven Dan Ryan stations is planned at a cost of $70.9 million. The stations are located at 22nd Street/Cermak, 47th Street, Garfield, 63rd Street, 69th Street, 87th Street, and 95th Street;

3.) The reconstruction of the Main Street and Dempster Street stations on the Evanston Line is scheduled at a cost of $33.6 million;

4.) The reconstruction of four Congress Line stations at Racine, Pulaski, Oak Park and Des Plaines is programmed at a cost of $39.6 million;

5.) The replacement of subway escalators for $14.4 million; and

6.) The construction of two new park-and-ride facilities at 79th Street and 94th Street near the Red Line, at a cost of $810,000, is also planned.

Miscellaneous, Contingencies and Administration

The miscellaneous, contingencies and administration categories total $ 286.6 million over the five years of the program. The CTA has programmed $2.3 million for unanticipated capital needs and $17.9 million for contingencies and administration in 2001.

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Reference

2000 Budget vs. 2000 Estimate

The CTA expects a balanced budget for 2000. System-generated revenues are forecast at $441 million — $2 million higher than budget. Total operating expenses for the year are forecast at $843.1 million; $2 million higher than budget primarily due to increased fuel costs (Exhibit 4-15, page 4-18).

Passenger revenues are forecast at $363.7 million and compare unfavorably to budget by $4.7 million. The lower fare revenues are the result of an increasing number of the CTA customers are using a pass rather than cash or single ride products. Pass usage tends to reduce the average revenue the CTA realizes per trip.

The reduced fare subsidy is a state reimbursement to the CTA for providing a discounted fare to the disabled, elderly and students. The reduced fare reimbursement of $33.9 million is below the budget by $362 thousand due to the CTA providing a lower percentage of the region's total rides.

All other revenues of $43.5 million are projected to be $7.1 million higher than budget. Contributions from local governments are on par with budget at $5 million. Revenues from advertising, charter and concessions exceeded budget by $5 million due to increased wrapping of train and bus exteriors, and more advertisements at platforms and rail stations. Investment income is forecast at $9.9 million, $0.9 million higher than budget. This is due to in part to a higher investment rate and a higher cash balance from prepaid fares. Other revenues are also forecast higher than budget due to sales of surplus property.

Labor expense is estimated at $610.9 million. This is below budget by $2.2 million and is primarily due to vacancies resulting from attrition and the inability to recruit replacements due to the tight labor market. Health insurance costs, especially prescription drugs, increased significantly. This is offset by the lower labor cost.

Material expense is forecast at $3.9 million more than budget due to parts and components necessary to repair an aging bus and rail fleet, as well as track and structures. The rehabilitation and preventive maintenance program started this year on the bus and rail fleet will help to control operating expenses in the future.

Soaring fuel prices added $5.3 million to the total expense line. The 2000 budget assumed an average price per gallon of $0.67. The CTA 2000 fuel cost per gallon estimate is $1.01 per gallon

Power expense for the rail system is forecast at $0.4 million more than the budget level of $20.1 million due to a higher demand rate. However, this expense is still 13 percent lower than

historical cost as a result of the 1999 electricity deregulation.

Security coverage is strategically deployed throughout the system to provide 24-hour coverage, seven days a week. This service is provided by the Chicago, Evanston and Oak Park Police departments, the Wells Fargo Guard Service and National K-9 Security Service. The forecast is $867 thousand below the budget of $21 million. This lower expense is due to credits received from 1999.

The purchase of paratransit service of $27.4 million approximates budget. This expense is for door-to-door services provided by three carriers and by taxicab companies. Total trips forecast for the current year approximate the budget trips of 1.2 million. Average weekday ridership is running at 3,950 trips. The CTA is working to improve this service and to make the mainline service more accessible.

Other Services includes utilities, rents, maintenance and repair, advertising, commissions, consulting, insurance, overhead allocated to capital jobs and other general expense. The current forecast equals $44.9 million and is below budget by $4.5 million. Lower Y2K conversion expense and higher than budgeted allocation of overhead to capital jobs were the primary reasons for the lower forecast.

The recovery ratio, which measures the amount of operating expenses that the CTA funds from the revenues it generates, is forecast at 52.6 percent - exceeding budget by 0.1 percentage point.

RTA Public Operating Funds

The RTA sales tax is a primary source of the CTA's operating funding. The RTA retains 15 percent of the sales tax funds, and passes on the remaining 85 percent to the service boards. The CTA receives 100 percent of the RTA sales tax dollars collected in Chicago and 30 percent of the sales tax dollars collected in suburban Cook County. The CTA's sales tax proceeds are projected to grow at an annual rate of 4.6 percent between 1999 and 2003.

RTA discretionary funds for the CTA are expected to range between $140 million and $153 million from 1999 to 2003. Apportionments from the RTA's 15 percent share of the sales tax revenue and the state's public transportation fund (PTF) are the sources of the RTA's discretionary funds (Exhibit 4-16, page 4-19).

Exhibit 4-15

CTA 2000 Budget vs 2000 Estimate (dollars in thousands)

	2000 Budget	2000 Estimate	Variance
System-Generated Revenues:			
Passenger Revenues	$368,389	$363,679	($4,710)
Reduced Fare Subsidy	34,220	33,858	(362)
Other Revenue	36,347	43,468	7,121
Total Revenues	**$438,956**	**$441,005**	**$2,049**
Operating Expenses:			
Labor	$613,122	$610,876	$2,246
Material	64,745	68,667	(3,922)
Fuel	15,382	20,687	(5,305)
Power	20,066	20,470	(404)
Insurance & Claims	30,000	30,000	0
Purchase of Security Services	21,007	20,140	867
Purchase of Paratransit Services	27,360	27,402	(42)
All Other	49,400	44,889	4,511
Total Operating Expenses	**$841,082**	**$843,131**	**($2,049)**
Operating Deficit	**$402,126**	**$402,126**	**$0**
Recovery Ratio %	**52.5%**	**52.6%**	**0.1 pt.**

Historical Perspective

The Chicago Transit Authority (CTA) is an independent government agency formed by Illinois General Assembly's passage of the Metropolitan Transit Authority Act in 1945. In the same year, the City of Chicago passed an ordinance granting the CTA the exclusive right to own and operate a unified local transportation system. The act and ordinance were passed in a voter referendum on June 4, 1945.

The governing arm of the CTA is the seven-member Chicago Transit Board. The Mayor of Chicago appoints four members of the Board, subject to approval by the City Council. The Governor, subject to the approval of the State Senate, appoints three members.

The CTA began transit operations in 1947, issuing $105 million in revenue bonds to purchase the Chicago Surface Lines and the Chicago Rapid Transit Company. Through additional bond issues, the Chicago Motor Coach Company and a portion of the Chicago Milwaukee St. Paul and Pacific Railroad right-of-way were added to the CTA in 1952 and 1953, respectively.

Throughout the 1950s, the CTA improved transit equipment, facilities, and operations. This era featured the purchase of thousands of new vehicles, faster "L" service, and the elimination of duplicate bus and train services. 1958 marked the end of streetcar service in Chicago and the opening of the world's first rapid transit line along an expressway median.

The law required the CTA to fund all operating costs from the farebox, but this became increasingly difficult by the 1960s. Financial stability was maintained by delaying the replacement of rolling stock.

Despite these measures, the CTA as well as the region's commuter railroads and bus services began to lose money by the early 1970s. The state, city and county stepped in with a succession of short-term subsidies. However, political leaders realized that a coordinated framework was needed for managing and financing transit in northeastern Illinois. The result was the creation of the Regional Transportation Authority by act of the Illinois General Assembly in December 1973. The *RTA Act* was approved by voters in the six-county region in March 1974.

RTA subsidies and capital grants helped stabilize the CTA and the region's other transit operators throughout the 1970s. However, a weakness in the structure of the original RTA in regard to financial oversight brought on more financial problems for the region's transit systems in the 1980s. Growing financial difficulties forced the CTA to raise fares by 50 percent in 1982. The state legislature again stepped in and reorganized the RTA in 1983 to protect the system from future financial crises.

The 1983 decentralization of the RTA once again gave all responsibility for the operation of Chicago's bus and rapid transit systems to the CTA. The amended *RTA Act* also established the formula for allocating RTA Sales Tax receipts and established the recovery ratio requirements.

Despite continued cost pressures and capital funding shortfalls, the CTA has continued to build infrastructure and alter service to serve an expanding market. For example, the Blue Line extension from Jefferson Park to O'Hare was completed in 1984, the Orange Line to Midway Airport opened in 1993 and the Green Line to Oak Park was reconstructed in 1996.

System Description

The CTA operates the second largest public transportation system in the United States. Average weekday ridership is 1.4 million. In 1999, 441.9 million trips were taken on the CTA.

The CTA's service area is composed of the 220 square miles of the City of Chicago, plus 38 suburbs, with a total population of 3.7 million people. The CTA employed 11,143 people in 1999.

The CTA has 1,878 buses operating over 131 routes totaling more than 1,935 route miles and 12,200 posted bus stops. On the rail system, the CTA has a fleet of 1,190 rapid transit cars operating over seven routes with a total of 142 stations. The CTA contracts with three carriers and 19 taxicab companies to provide door-to-door service for riders with disabilities. In 1999, about 1.2 million paratransit and taxi trips were taken.

Operating Data

As shown in Exhibit 4-1, page 4-2, ridership has shown good increases since 1997. In 1999, ridership growth began to accelerate. The CTA expects its ridership levels to increase by a compound growth rate of 1.9 percent from 1999 through 2003. Ridership increases by 0.9 percent in 2000 as a result of the fare initiatives, and then increases by approximately 2 percent in 2001.

Total vehicle miles in 2000 are estimated to increase by 2 percent and then by 0.4 percent in 2001 (Exhibit 4-17, page 4-20). As previously mentioned, the CTA has increased service causing an increase in vehicle miles.

Exhibit 4-16

CTA Sources of Public Funding (dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
85% Sales Tax	$244,817	$256,013	$266,079	$280,262	$293,240
RTA Discretionary Funds	139,993	146,113	152,926	148,319	149,298
Total Funding	**$384,810**	**$402,126**	**$419,005**	**$428,581**	**$442,538**

Statutory Compliance

The *RTA Act* requires that each Service Board must meet the six criteria, which are detailed on page 2-21, for Board approval of its budget. The CTA budget, as submitted, is intended to meet each of the criteria.

Organization Structure

The CTA organization consists of the following divisions (Exhibit 4-18, page 4-21).

President

The CTA President is the agency's chief executive who executes the policy decisions of the CTA Board of Directors and provides direction to CTA staff as it works to fulfill its goals and mission.

General Counsel

The General Counsel handles appellate matters, claims/tort litigation, and workers compensation.

Office of Audit

The Office of Audit reviews and analyzes the integrity of financial, operating, and computer system activities and any other organizational activity that management requires.

Management and Performance

Communications is responsible for marketing, media relations, reprographics, and publications. Finance is responsible for grant, property, treasury, budget, and general accounting. Capital investment support, program development, control, and funding are also Finance responsibilities. Intergovernmental Affairs monitors transit legislation that affects the CTA on both regional and national levels. The Human Resources and Employee Services department includes human resources, industrial relations, benefit services, medical services, and program compliance. The Technology Development department includes management information systems. The Purchasing/Warehousing department includes inventory management. The DBE/EEO/Contract Compliance department ensures that discriminatory practices are not used in regard to contracting, employment, or service delivery.

Transit Operations

Transit Operations is responsible for the operation of buses and trains, paratransit services, safety, security, and environmental affairs. Transit Operations represents the largest percentage of CTA employees. The Safety, Security and Training department monitors passenger security and facility security. This department also maintains accident statistics and monitors environmental affairs. The Customer Service department provides customer information, researches ways to increase customer satisfaction, and forges business relationships.

Construction, Engineering & Facilities

The Engineering, Construction, and Maintenance departments include system maintenance support, power and way maintenance, rail station appearance, and facility maintenance. Real estate and community development services are also part of this group.

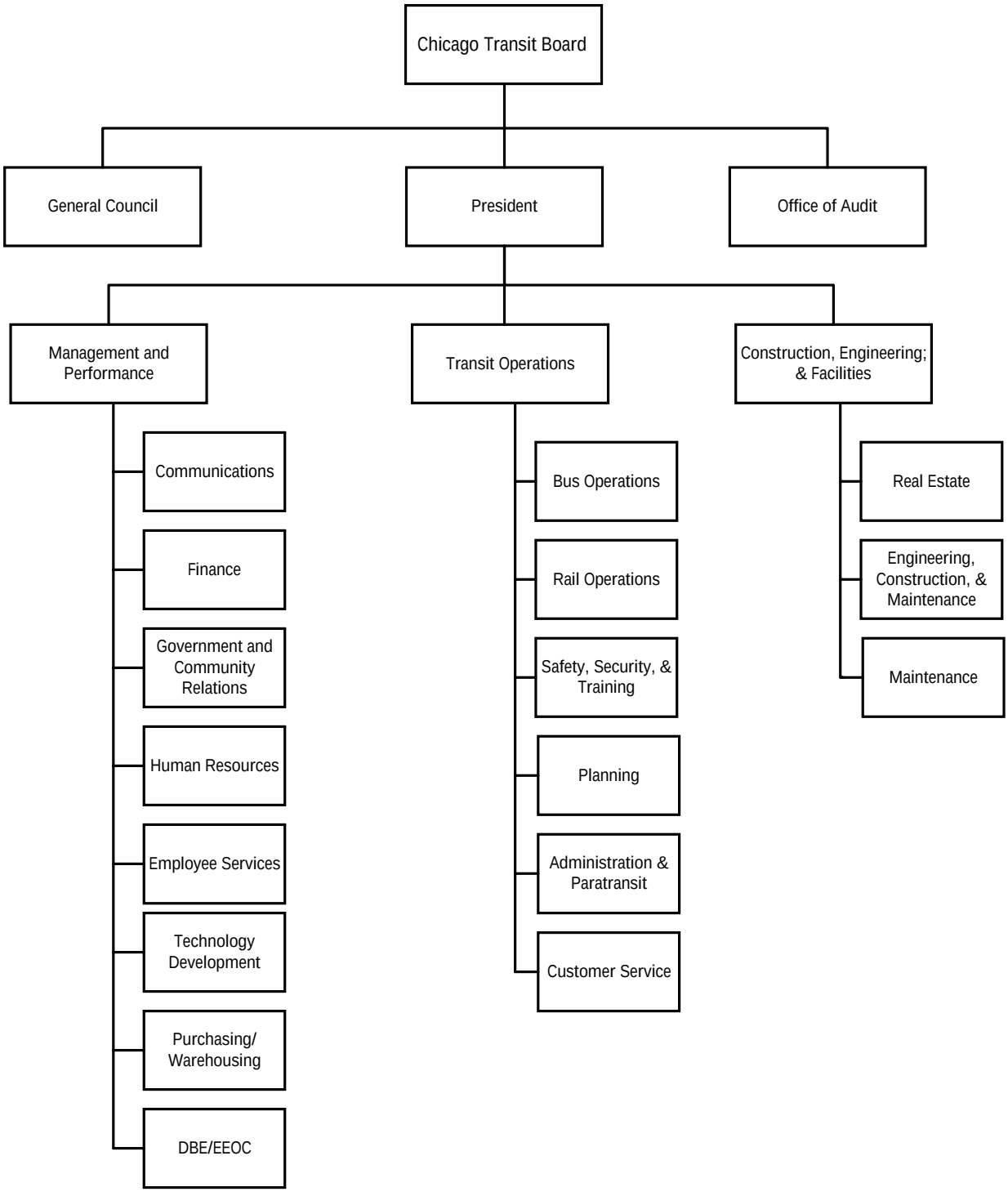
Exhibit 4-17

CTA Ridership vs Miles (in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
Ridership	441,940	445,916	454,992	457,387	460,230
Vehicle Miles	120,566	123,000	123,500	123,500	123,500
Passengers Per Mile	3.7	3.6	3.7	3.7	3.7

Exhibit 4-18

CTA Organization Structure



Operating Plan

Overview

Metra was formed in November 1983 as part of the reorganization of the RTA by the State of Illinois. Metra (the commuter rail division) is responsible for the day-to-day operations of the region's commuter rail system including fare and service levels, capital improvements, finances, passenger services, safety, and systems planning. Service is operated by private carriers under contract to Metra and by Metra directly.

Metra is governed by a seven-member board of directors. Three directors are appointed by the suburban members of the Cook County Board. The County Board Chairmen of Kane, Lake, McHenry, and Will Counties appoint two directors and the County Board Chairman of DuPage County appoints one director. The Mayor of the City of Chicago, subject to City Council approval, also appoints one director. The Chairman of Metra's board of directors must be one of the seven directors, and is appointed by the concurrence of five directors.

Strategic Focus

Metra's business is moving people. To be successful, Metra works to achieve certain goals, which are: to provide safe, reliable, clean, on-time service; to maintain and improve the region's existing commuter rail assets; to know their customers and market their service; and to promote the commuter rail component of the region's transportation network.

To achieve its goals, Metra's business strategy is built on four key components: customer service, capital funding, freight carrier cooperation and labor partnership. These strategies reflect the principle that improved service quality and new services must be supported by a financially solid and efficient organization that relies on its people and benefits from strategic partnerships. (See Exhibit 2-1, page 2-3 in the Region). The financial side of this exhibit is briefly discussed under Capital Investments. For more financial information please read the Budget and Financial Plan section starting on page 5-5, and the Capital Program chapter beginning on page 5-13.

The customer perspective is analyzed in the following subsections.

Ridership

Metra's ridership set another record in 1999 with 76.6 million passenger trips. This was 2.8 percent higher than 1998's ridership of 74.5 million, and marked the fifth straight year of record ridership (Exhibit 5-1, page 5-2). Metra is headed for another ridership record in 2000. Through August, Metra has posted a 2.8 percent increase over the same period in 1999. By year-end, Me-

tra projects that it will reach 81.5 million trips (including South Shore), and break the all-time regional commuter rail record of 81.4 million established in 1980. Future ridership projections and service provided are summarized in Exhibit 5-2.

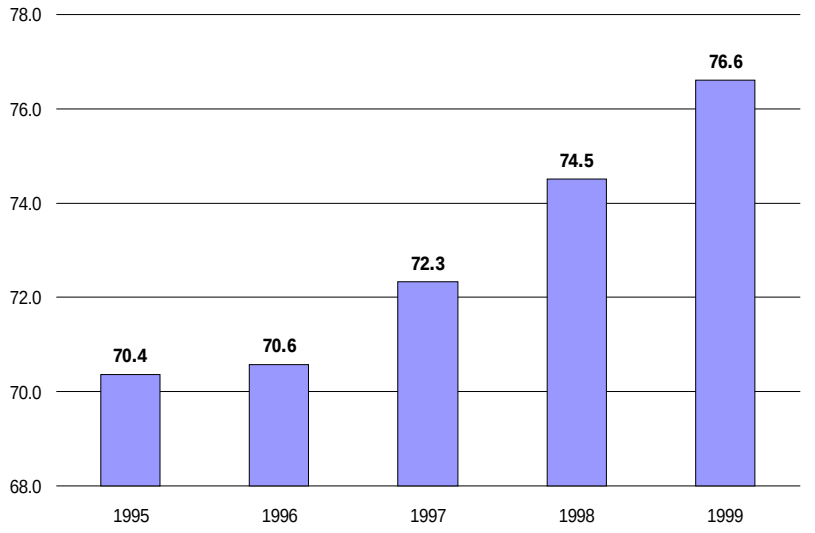
Metra has had success in marketing off-peak and reverse commute trips. However, Metra's customer base is primarily work trips serving the Chicago downtown market. Surveys have indicated that although an increased number of riders are using Metra for non-work related purposes, work trips still account for more than 90 percent of all trips.

Exhibit 5-3 compares 1995 and 2000 average daily load counts by service period. Trains operating in the reverse peak direction, during evening, and weekend periods have realized the greatest percentage gains. These gains are attributed to efforts taken to broaden Metra's ridership base, including the weekend ticket, enhanced off-peak service, targeted promotion of service to suburban employers, and marketing Metra for travel to cultural and entertainment attractions. Passenger loads on peak period and peak direction trains have realized a 4.4 percent gain, which is attributed to increased employment levels in downtown Chicago.

In general, Metra's ridership gain reflects the success of its customer driven business strategies supported by the strong regional economy, the steady growth of downtown Chicago, and worsening traffic congestion. The regional economic and employment trends and their effect on ridership are analyzed in the Appendix (page 7-3).

Exhibit 5-1

Metra Ridership (in millions)



Service Quality

To deliver on its business strategy to be customer-driven, flexible and personalized, an understanding of customer needs and interests is critical. Metra has remained responsive to its riders by conducting on-board surveys periodically which measure various attributes of service. Metra not only measures general rider satisfaction, but also collects information on what service attributes are considered the most valuable to attract and retain riders. Survey data provides direction and affects planning, scheduling and mar-

Exhibit 5-2

Riders and Miles (in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
Total Riders	79,539	81,503	82,318	83,553	84,806
South Shore Elimination (1)	(2,969)	(3,030)	(3,060)	(3,106)	(3,153)
Total Metra Riders	**76,569**	**78,473**	**79,258**	**80,447**	**81,653**
Total Revenue Car Miles	30,328	30,551	31,018	31,173	31,234
South Shore Elimination (1)	(2,290)	(2,279)	(2,311)	(2,322)	(2,329)
Total Metra Miles	**28,038**	**28,272**	**28,708**	**28,851**	**28,905**

(1) Operations outside the Illinois service area are eliminated (79%) from the South Shore operating statistics.

keting activities. For example, the major service quality goal of providing safe, reliable, clean and on-time service is directly derived from the most important service characteristics identified through customer surveys.

Metra measures service reliability by on-time performance. A train delay is recorded if the train is more than five minutes late compared to the schedule at the final destination. Exhibit 5-4 presents system wide annual on-time performance since 1995. As shown, on-time performance in 1999 was lower than the prior four years; however, 29 percent of the delays were reported during the first two weeks of January, when the Chicago area was hit with its most severe winter storm since 1967. Factoring-out this period results in an on-time rate that is 1.2 percentage points higher for 1999, or 96.4 percent. Through August 2000, reliability averaged 97.2 percent.

To support the objective of improved customer communications, Metra developed and deployed several initiatives. For example, to improve on-board communication, Metra has placed particular emphasis on conductor training. Metra is also testing a satellite based vehicle location and communication system that will significantly improve on-board communications and on-time performance. Metra communicates with customers and potential customers through its website, mass media, direct marketing, and promotions targeting market development opportunities.

Exhibit 5-4

On-time Performance

Year	Delays	% On-Time
1995	5,776	96.9%
1996	5,078	97.3%
1997	5,247	97.2%
1998	7,961	95.8%
1999	9,257	95.2%

New Services

To be responsive to changing customer needs, Metra continuously looks for ways to expand and improve its service, within its financial constraints, through service changes and expansions.

Matching the supply of service to the demand is one means of maintaining system effectiveness. Metra measures capacity utilization train-by-train, which allows them to track average daily passenger loadings by service period (see Exhibit 5-3), by line and to analyze trends. In addition, they monitor and report trains with occupancy rates over 95 percent. This information is valuable support for service change decisions. Another, more general, measurement of systemwide effectiveness is made by relating the number of passengers to the number of miles of service, thereby calculating passengers-per-mile. Metra's passen-

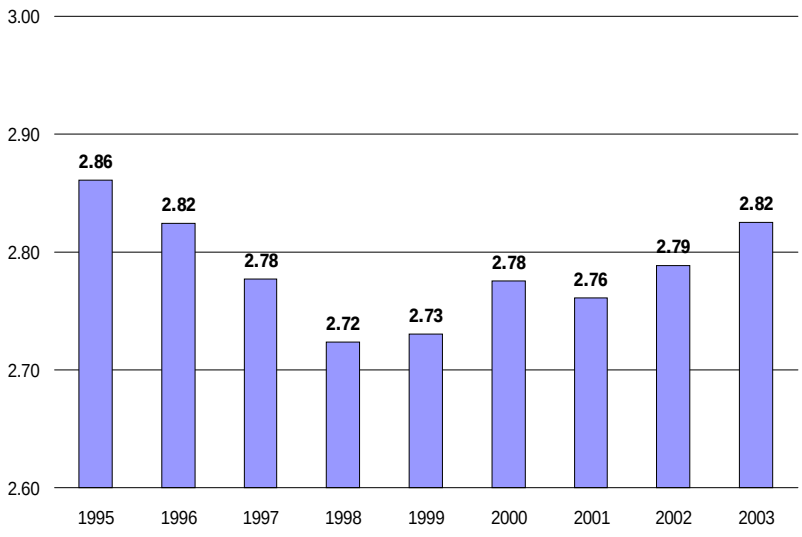
Exhibit 5-3

Average Daily Passenger Loads by Service Period (January - May) (in thousands)

Service Period	1995	2000	Change	%Change
Peak Direction	230	240	10	4.4%
Reverse Peak	9	12	3	27.8%
Midday	23	28	5	22.3%
Evening	13	16	3	24.8%
Total Weekday	**276**	**297**	**21**	**7.7%**
Saturday	39	48	9	22.1%
Sunday	20	25	6	27.6%

Exhibit 5-5

Passengers Per Revenue Car Mile



gers-per-revenue-car-mile ratio decreased from 2.86 in 1995 to 2.72 in 1998. The decrease from 1995 figures is attributable, in part, to the North Central Service, which began in August 1996. (In case of a new service, the number of miles increases faster than ridership, which decreases the passenger per mile ratio). Metra strives to balance between increased miles from service expansions and passenger growth. 1999 shows a slight increase to 2.73, while the 2000 estimate shows a significant improvement to 2.78. According to their 2001 budget, Metra estimates a ratio of 2.76, which is expected to increase to 2.82 by 2003 (Exhibit 5-5, page 5-3).

Service Changes

In August 2000, a Burlington Northern Santa Fe (BNSF) schedule change provided more capacity for the rapidly expanding Route 59/Naperville area. BNSF added one additional express train in each rush hour period by recycling trains for second trips during the peak hours.

A minor service schedule change was also planned on the Milwaukee North Line to accommodate the new North Glenview station.

For 2001, a restructuring of UP North Line service is being evaluated to accommodate capacity restrictions resulting from a major bridge reconstruction project.

Until new locomotives are received in the next few years, more extensive expansion of commuter service cannot be made. In the meantime, Metra will continue exploring refinements of existing service.

Service Expansion

In 1998, Metra completed three major investment studies (MIS) on alternatives for improving transportation to downtown Chicago from the Central Kane, North Central, and Southwest transportation corridors. A MIS is a federal requirement for potential improvements of substantial cost that are expected to have a significant effect on transportation in a particular corridor. The recommendations ("preferred alternative" for service expansion) from each study has been incorporated in the Regional Transportation Plan.

Metra is currently engaged in preliminary engineering and environmental assessment for the three expansion projects. Federal funding for 1999 has been appropriated and will be used for final design. Metra is confident that sufficient federal funding will be appropriated for 2000 (a "full funding grant agreement" is waiting to be signed) so that construction can begin.

The following three extension projects are designed to meet the transportation challenges in each corridor.

Central Kane Corridor:

Commuter service on the Union Pacific West Line (UP-W) will be extended in Kane County from its present terminus in Geneva, Ill., to Elburn, Ill. Capital improvements include adding a third main-line track from Randall Road west to Elburn, two new stations, and a new rail yard in Elburn.

North Central Corridor:

Commuter service will be upgraded on the North Central Service (NCS) to Antioch, Ill. Twenty-two trains (compared to ten at present) will operate on weekdays, providing more frequent peak and off-peak service. Capital improvements include a second main-line track between the O'Hare Transfer Station and Mundelein, track and signal upgrades on the Milwaukee West Line (MD-W), five new stations, increased parking capacity at existing stations, rail yard expansion and new rolling stock.

Southwest Corridor:

Metra's South West Service (SWS) will be upgraded and extended from its present terminus at 179th Street in Orland Park, Ill., to Manhattan, Ill. Thirty trains (compared to 16 at present) will be operated on weekdays between Orland Park and downtown, and four trains from Orland Park to Manhattan. A broad range of track and signal improvements are needed to implement these service levels and to address operational bottlenecks which currently affect the reliability of SWS service. Other improvements include additional rolling stock, expanded rail yards at Orland Park and 47th Street, increased parking capacity at existing stations, two new stations, and changing the downtown terminus of Southwest service trains from capacity-constrained Union Station to LaSalle Street Station.

Capital Investments

Wise capital investments are crucial to maintain and improve the existing rail assets, which support the customer goal of providing safe, reliable and cost effective service. Metra believes that the better they capitalize, the less they have to subsidize. In other words, the better the available capital funds are deployed, the more likely trains will run safely, more reliably and at a lower operating cost.

Metra prioritizes its capital projects according to how well they reduce operating costs (with a preventive maintenance approach) and how they contribute to the customer objectives.

Since 1984, Metra has invested about $2.5 billion in strategic capital improvements. They have basically re-

built Chicago's regional commuter rail lines and transformed them into a well-maintained system. Metra continues to reclaim and modernize infrastructure that ranks among the oldest in the United States. For more information on capital investments see the Capital Program (page 5-13 to 5-15).

In the past, wise capital investments have helped Metra to remain cost efficient and effective. One measure of cost containment and efficiency, expense-per-revenue-car-mile, recognizes that expenses tend to vary with the amount of service provided. As seen in Exhibit 5-6, this measurement shows that Metra has efficiently held expenses in-line with cost increases essentially tracking the Consumer Price Index (CPI) from 1992 to 1999. The cost-per-passenger ratio, which measures cost effectiveness is designed to examine how well vehicles are deployed to serve riders. In addition to a favorable cost structure, Metra increases cost effectiveness through the use of high capacity bi-level cars. Since 1992, the cost-per-passenger ratio has shown a slight increase.

In its peer group, which includes New York, Philadelphia, and Newark, Metra ranks as the most cost effective commuter rail operation. (For more information, contact the RTA for a copy of the latest Peer Review Report).

Partnerships

To support its overall business strategy, Metra builds and maintains strategic partnerships with its customers and stakeholders. This includes: good relationships with state and federal legislators to develop appropriate levels of financial support; strong working relationships with communities; and partnerships with other railroads.

Commuter trains share and/or cross freight lines on all but one Metra route. In recent years, partnerships with other railroads have gained significant importance due to a booming railroad freight industry. The enormous flow of through and interchange freight traffic slows the commuter trains, negatively affecting on-time performance, which could have a negative impact on ridership.

To overcome these obstacles, Metra is working with other railroads to identify improvements such as route crossing separation, more trackage, and signal improvements. These enhancements will ease congestion, reduce interference and improve train flow. However, these are costly, long-term investments.

Metra is also pursuing these goals through better communication. Metra is a key member of the Chicago Planning Group, established in late 1999. The group's Transportation Coordination Office, with full-time representatives of other railroads, is based in Metra's Consolidated Control Facility along with Metra dispatchers. This coordination effort has improved communication and significantly reduced Metra train delays caused by freight interference.

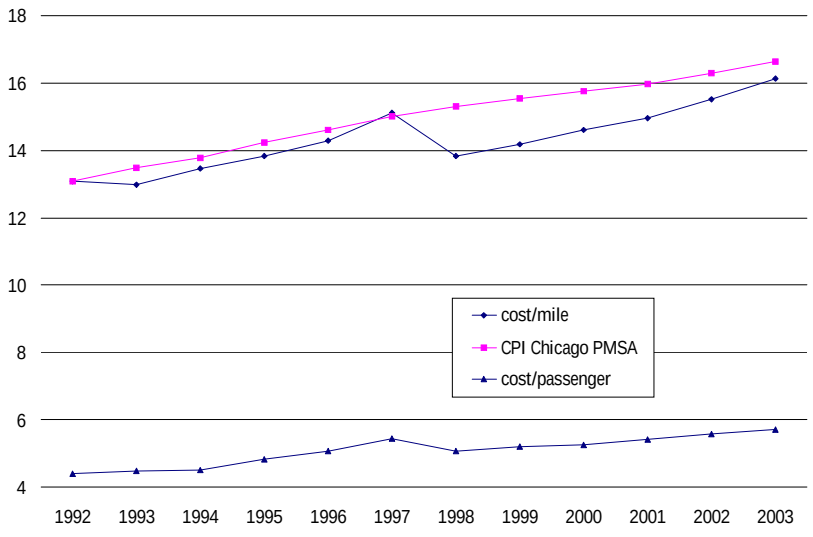
Budget and Financial Plan

The 2001 Metra budget is the product of efforts to accomplish the twin goals of providing safe, reliable service while holding operating cost increases to a minimum.

The 2001 budget is a complex combination of savings and cost containment resulting from prudent management decisions that help to offset increased costs from national railroad programs and agreements, higher fuel prices, and new, unfunded government mandates. Despite all of these challenges, Metra's proposed 2001 operating budget achieves a 55 percent recovery ratio with no increase in passenger fares.

Exhibit 5-6

Cost Efficiency & Effectiveness



The RTA has set total operations funding levels at $196.2 million, $204.4 million, and $212.9 million, with recovery ratios of 55 percent for 2001, 2002, and 2003, respectively. The budget is in compliance with the budget marks set for Metra by the RTA Board on September 15, 2000. Total operations funding and recovery ratios are presented in Exhibit 5-7.

As has been the case in prior years, initial projections of revenue for the financial plan years, 2002 and 2003, do not meet the 55 percent recovery ratio targets. These shortfalls have been identified with the label "Required Additional Revenue." At this time, Metra does not foresee the need for a fare increase in 2002. Before recommending a fare adjustment, Metra will evaluate expense plans and make reductions where possible. Fare structures and ticket pricing formulas are discussed beginning on page 5-18.

System-Generated Revenues

Metra's system-generated revenue is derived primarily from passenger operating receipts, which comprise 79 percent of the total revenue planned for 2001 (Exhibit 5-8). Total system-generated revenue and passenger revenue are projected to increase each year through 2003, primarily due to increased ridership. For 2001, Metra is anticipating a one percent increase in ridership and revenue. Factors contributing to this projected increase are: additional trains; increased monthly and ten-ride ticket sales; and increased discretionary trips, which are indicated by a rise in conductor ticket sales of 6.7 percent from prior-year-levels (4.7 million vs. 4.4 million). See Ticket Sales by Ticket Type (Exhibit 5-9).

Total system-generated revenues are expected to increase from $224.1 million in 1999 to $253.5 million in 2003. This represents an increase of $29.4 million or an annual compound growth of 3.1 percent (Exhibit 5-7).

Passenger Revenue

Passenger revenue, or farebox revenue, is estimated to increase from $177.3 million in 1999 to $189.4 million

Exhibit 5-7

Metra 2001 Budget and 2002-2003 Financial Plan (dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
System-Generated Revenues					
Passenger Revenue (Note 1)	$177,320	$181,714	$183,813	$186,570	$189,369
Reduced Fare Subsidy	1,534	2,720	2,720	2,720	2,720
Other Revenue	45,237	44,121	46,822	48,639	50,536
Required Additional Revenue (Note 2)	0	0	0	5,321	10,898
Total Revenues	**$224,091**	**$228,555**	**$233,355**	**$243,250**	**$253,523**
Expenses					
Operations (Note 3)	$142,550	$149,009	$154,102	$160,288	$168,029
Maintenance	166,810	168,923	175,681	183,954	191,287
Administration	33,816	37,068	38,681	40,422	42,031
Fuel/Power	19,391	25,809	26,413	27,132	27,871
Insurance & Claims	18,871	16,089	18,162	18,705	19,406
Regional Services	15,894	16,216	16,554	17,154	17,780
Total Expenses	**$397,332**	**$413,114**	**$429,593**	**$447,655**	**$466,404**
Net Results	**$173,241**	**$184,559**	**$196,238**	**$204,405**	**$212,881**
Recovery Ratio % (Note 4)	**57.2%**	**56.0%**	**55.0%**	**55.0%**	**55.0%**

Note 1: Also referred to as fare or farebox revenue. Excludes Metra's 5% Capital Farebox Financing Program.
Note 2: Current projections indicate that additional revenue may be required to achieve a 55% Recovery Ratio.
Before recommending a fare adjustment, Metra would evaluate expense plans and make necessary reductions as appropriate.
Note 3: Operations include the following expenses: Transportation, and Downtown Stations. In 2002 and 2003, include Service Enhancements.
Note 4: Includes allowable deductions (funded depreciation and lease) in 2001 of $5.3 million.

by 2003, an increase of $12.1 million which is a 1.7 percent annual growth rate. Metra expects its average fare to remain the same through 2002. Passenger revenue increases can be traced to changing rider and ticket trends previously discussed. Also, additional trains on the Burlington Northern Santa Fe and the Heritage Corridor, as well as schedule adjustments on other lines, have added to passenger revenue growth.

Passenger revenues do not include proceeds from the Capital Farebox Financing Program, which constitute 5 percent of gross passenger revenues collected in the Metra system. Revenues generated under this program are used to fund part of the Metra Capital Program. From its inception in February 1989 through December 2000, this program will have generated approximately $94.1 million to help finance Metra's capital needs. Metra projects that the Capital Farebox Financing Program will generate $9.2 million in 2001.

Reduced Fare Subsidy

The Illinois General Assembly passed legislation in 1989 providing funds to reimburse Metra for the cost of providing reduced fares for the elderly, students, and persons with disabilities. The fare reimbursement is included in revenues and is contingent upon annual approval by the state. In 1999, the Assembly passed new reduced fare legislation, which doubled the reimbursement level of previous years. This aid, which totals approximately $2.7 million, is expected to remain constant during this planning cycle.

Other Revenue

The other revenue category represents 20 percent of Metra's total revenue in 2000. Components of this category include: investment income, joint facility and lease revenue, advertising income, capital grant project reimbursements and miscellaneous non fare-generated income. Other revenues are expected to grow from $45.2 million in 1999 to $50.5 million in 2003, which represents a 2.8 percent annual growth rate.

Operating Expenses

Total operating expenses are forecast to increase from $397.3 million in 1999 to $466.4 million in 2003. This $69.1 million increase represents a 4.1 percent annual compound growth rate and reflects the expansion and improvement of services in addition to external cost pressures.

Two positive factors benefiting Metra are long-term local labor agreements, and the revitalized Risk Management program. As a result of new policies and practices implemented under Risk Management, Metra forecasts to save $6 million

Exhibit 5-8

2001 Metra Revenues
Total System-Generated Revenues = $233.4 million

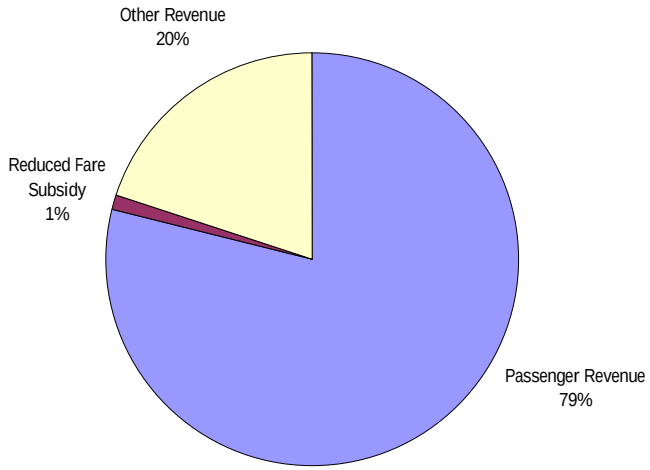


Exhibit 5-9

Ticket Sales by Ticket Type (in thousands)

	July 1998-June 1999	July 1999-June 2000	Change	% Change
Monthly	1,107	1,129	22	2.0%
25-Ride*	12	13	1	6.2%
Ten-Ride	1,820	1,857	36	2.0%
Regular One-Way	5,914	6,130	216	3.7%
Conductor	4,360	4,650	291	6.7%
Weekend	908	923	14	1.6%
Link-Up	54	45	(9)	(16.4%)
PlusBus	10	9	(2)	(16.7%)

*Note: South Shore only.

compared to the 2000 budget. This program is expected to lower Metra's claims expenses by similar amounts for 2001 and beyond.

Several external factors put cost pressure on Metra's budget. These include: higher diesel fuel prices, rail industry health insurance premiums, freight railroad cost issues (higher wages), and unfunded federal mandates (ex. FRA inspection mandate).

Metra's proposed 2001 operating budget of $429.6 million is projected to grow by 4 percent from the 2000 estimate. Growth in operating expenses has been constrained by efficiencies in the capital program and by constant review of ongoing programs for savings and reductions.

In 2002 and 2003, expenses will increase by 4.2 percent compared to the previous year. (Exhibit 5-7, page 5-6). Inflation is the major cost factor. A provision is included in the Financial Plan for funding service enhancements which will be specified later.

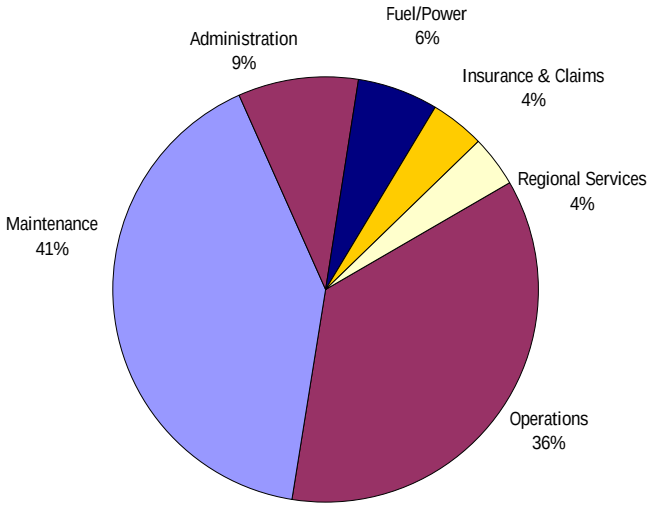
Expense Elements

Operating expense components include operations, maintenance, administration, fuel and power, insurance and claims, and regional services expenses. Metra's 2001 total expenditures breakdown as follows: operations 36 percent, maintenance 41 percent, administration 9 percent, fuel and power 6 percent, insurance and claims 4 percent and regional services expenditures 4 percent (Exhibit 5-10).

Metra has concluded new wage agreements with labor unions representing 85 percent of contract employees, and negotiations continue with the remaining unions. The agreements reached with some of Metra's unions are in effect for seven years. The purchase of service carrier wage agreements expired at the end of 1999 and negotiations commenced in 2000. The 2001 budget includes estimated expense growth consistent with the pattern of prior agreements.

Exhibit 5-10

2001 Metra Expense Elements
Operating Expenses = $429.6 million



Operations

Operating expenses are expected to increase from $142.6 million in 1999 to $168 million in 2003. The growth in this cost category of $25.5 million represents a 4.2 percent compound annual growth rate (Exhibit 5-7, page 5-6).

Transportation expense growth of $4.9 million from 2000 forecast includes new programs and service enhancements.

Maintenance

Maintenance expenses are expected to increase from $166.8 million in 1999 to $191.3 million in 2003. This $24.5 million increase represents an annual compound growth of 3.5 percent.

Maintenance programs are being expanded to meet the needs of the expanding rail car fleet, as well as to satisfy increased federal safety requirements.

Administration

Administration expenses are expected to increase from $33.8 million in 1999 to $42 million in 2003. This $8.2 million increase represents a compound annual growth of 5.6 percent.

Fuel and Power

Fuel expenses are estimated to increase from $12.5 million in 1999 to $20.7 million in 2003. The major driving factor of this growth is the fuel price increase. Diesel fuel is currently estimated at an average of 80 cents per gallon (also used in the 2001 budget) versus a budget of 60 cents per gallon in 2000. Due to increased world demand and recent decreases in U.S. refining capacity, the price of diesel fuel

is projected to grow by 33 percent over the 2000 budget estimate. This adds more than $4.9 million to 2001 budget expenses versus last year's financial plan for 2001.

Electric power costs in 2001 are expected to remain the same as in 1999 ($6.8 million) and projected to grow to $7.2 million by 2003.

As illustrated in Exhibit 5-7, page 5-6, the combined fuel and power costs of $19.4 million in 1999 are projected to increase by 33 percent or $6.4 million in 2000. The 2001 budget and two-year financial plan project a compound growth of 2.6 percent for a total cost of $27.9 million in 2003.

Insurance and Claims

Expenses for insurance and claims are expected to increase from $18.9 million in 1999 to $19.4 million by 2003. This $500,000 increase represents an annual compound growth of 0.7 percent and reflects the positive impact of the Risk Management program.

Regional Services

Regional services expenses are expected to increase from $15.9 million in 1999 to $17.8 million by 2003. This $1.9 million increase represents an annual compound growth rate of 2.8 percent. Inflationary pressure is the primary reason behind this projected increase.

Capital Impact on Operations

In Metra's 2001 capital program, the largest general categories of capital improvements are rolling stock at $141.3 million, acquisitions and extensions at $53.7 million, track and structure at $51.0 million, stations and parking at $48.3 million, support facilities at $25.6 million, and signal/electrical at $20.3 million.

In general, capital investments have improved the overall reliability and efficiency of Metra's operations. The majority of projects included in the capital program sustain the existing infrastructure in order to maintain and/or improve performance levels, service and customer satisfaction. Highlights of the major investments' impact on operations are as follows.

Rolling Stock

The *Americans with Disabilities Act* (ADA) of 1990, mandates accessibility at key commuter stations and on at least one car per train. Metra has completed accessibility work at 62 of their 73 key stations. Work on the remaining 11 key stations is planned for completion in 2000 (8) and 2001 (3).

To be considered accessible, Metra diesel-powered routes require one lift-equipped car on every train. In 1998, Metra completed its multi-year purchase of accessible cars. As a result, all lines on the Metra system became accessible in April 1998. Outlined below are a couple of areas where this capital expenditure has impacted operations.

First, there has been steady growth in the trips using the accessible equipment. Metra reported a total of 4,082 lift trips for the first six months of 2000. This figure reflects a 52 percent increase in lift use from the same time period in 1999.

Second, the use of accessible cars has affected Metra's on-time performance. One reason for this impact on on-time performance is that the door closing procedure is slower, adding an average of 8 seconds per stop.

The capital program contains funding for the purchase of 26 locomotives. Fifteen of the locomotives will replace locomotives that are more than 25 years old, thereby reducing maintenance costs. Four locomotives will be used for the expansion of service. Metra will also purchase 250 new commuter cars during this five-year capital program. The locomotives and cars are necessary to ensure continued service reliability and also include rolling stock needed for Metra's three New Start projects.

Acquisitions and Extensions

The North Central Service (NCS) began operations on August 19, 1996. The total capital expenditure for this project, which started in 1993, was approximately $90 million. The following examples illustrate the increases in ridership and revenue resulting from this new service.

- The line's ridership more than doubled from 2,125 average daily boardings in September 1996 to 4,395 by June 2000. Average daily revenue increased by approximately $6,600.

- During the first eight months of 2000, ridership increased by 8 percent, versus the same time period in 1999. Compared to 1998, ridership increased by 15 percent or 100,000 trips, resulting in an additional $300,000 in passenger revenue.

- The average fare for the NCS is $2.93, which is the highest in the system (excluding the South Shore). This is due to longer average trip lengths for NCS riders.

Track and Structure

The majority of the projects in this category are basic requirements to maintain Metra's high customer service levels and do not have a significant impact on operating costs.

Metra will continue to work on the rehabilitation or replacement of bridges identified in Metra's 1989

Bridge Assessment Study as most critically in need of renovation. This project will be somewhat accelerated due to the infusion of Illinois FIRST funds; however, a sizable backlog of bridges needing work still exists.

Track improvements and rail crossing replacements will be made at key locations across the entire Metra system with the goal of minimizing delays caused by the presence of commuter traffic on high volume freight lines. Metra expects to minimize future maintenance expenses for its track projects by using continuous welded rail. Track improvements contribute to improved service quality by enabling higher operating speeds (and on-time performance), and creating smoother ride for customers.

Stations and Parking

Metra will continue to add new parking spaces at its stations. Exhibit 5-11, illustrates that from 1987 to 1999 average weekday boardings increased 17 percent at stations with added parking while only 6 percent at stations without additional parking. Fifty-two percent of the total weekday boardings increase occurred at stations with added parking, while 36 percent of this increase occurred at new stations, and 11 percent occurred at stations with no parking improvements.
The additional 13,300 weekday boardings at the stations with expanded parking have increased daily revenue by approximately $32,850. Metra has gained $22,720 in additional daily receipts from the 9,200 riders using Metra's new stations.

Most of the station program consists of the rehabilitation or expansion of existing stations to serve Metra's increasing ridership. The five-year program also includes funding for new station developments.

Facilities and Equipment

The capital program contains funds for the reconstruction of Weldon Yard and Shops. The old shop buildings will be demolished and replaced with new, larger facilities for the daily servicing and storage of the Electric District commuter car fleet. The tracks used for storage and servicing of trains will be relocated and rebuilt. The project will require track, electrical, signal, station, and construction work at a cost of about $135 million. The new facilities will provide greater efficiency and productivity.

Signal, Electrical and Communication

In the signal and communication category, the interlocker projects and the Supervisory Control And Data Acquisition system (SCADA) are expected to improve on-time performance, which could increase ridership. These improvements are also expected to slow the future growth of operating and maintenance expenses.

In 2001, the largest project in this category is for the Lake Street Interlocker improvements. The current interlocker is time-consuming to maintain and the repair costs are high. Once the upgrade is completed, elimination of all double slip switches will reduce maintenance costs. Microprocessor interlocking equipment will also eliminate the use of relays, and reduce maintenance testing.

Deficit and Funding

System-generated revenues (fares and other revenue) total 55 percent of Metra's operating budget, with the remainder covered by public funding from the RTA.

The RTA Sales Tax is the major source of public funds from the RTA to Metra. RTA funding represents slightly less than one-half of Metra's operating budget, or 45 percent.

The RTA funds the budgeted operating deficits of the Service Boards plus intermittent funding agreements such as loans and reserve programs. The operating deficits are derived from total system-generated revenues minus total operating expenses. The addition of any RTA-approved intermittent agreements establishes total funding.

Detailed information regarding RTA public funding revenue may be reviewed in the Region section page 2-4.

Recovery Ratio

Metra's recovery ratio equals system-generated revenues, excluding the proceeds from Metra's capital farebox financing program, divided by system-operating expenses, less an allowable deduction for funded depreciation and leases. In 2001, Metra's recovery ratio target is 55 percent. In 2002 and 2003,

Exhibit 5-11

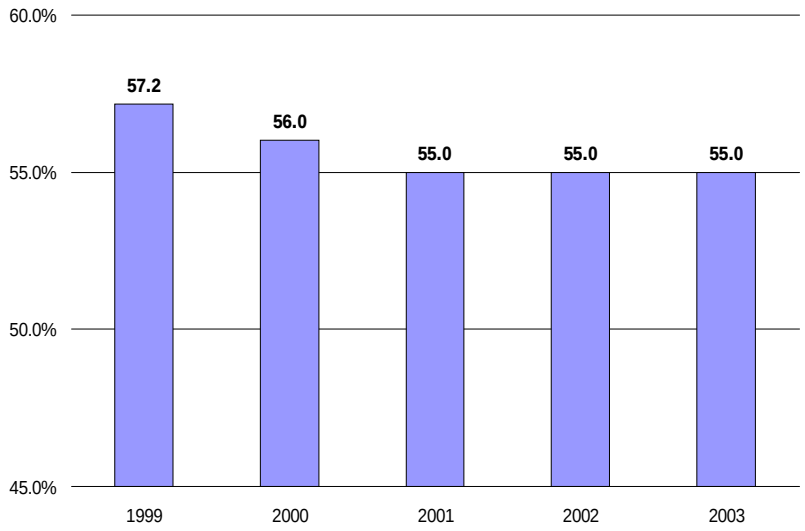
Weekday Boardings Change at Stations with & without New Parking (1987 vs. 1999)

Stations	1999 Boardings	Change from '87	% Change from '87
With Added Parking	92,400	13,300	16.8%
Without Added Parking	50,600	2,800	5.9%
New Stations (+7,400 in '97)	9,200	9,200	-
Total	**152,200**	**25,300**	**19.9%**

Metra's recovery ratio is also expected to achieve an annual ratio of 55 percent (Exhibit 5-12).

Exhibit 5-12

Metra 1999-2003 Recovery Ratio



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Capital Program

Overview

Metra's proposed 2001-2005 capital program totals $1.9 billion. During this five-year period, Metra's program will continue the process of renewing its extensive commuter rail infrastructure, while preparing to expand its system. The general categories of capital improvements and their percentage of the total capital program are: rolling stock at 35 percent; track and structure at 20 percent; electric, signal, and communications at 7 percent; support facilities and equipment at 8 percent; stations and parking at 8 percent; acquisitions, extensions and expansions at 21 percent; and contingencies, administration and miscellaneous at 1 percent (Exhibit 5-13).

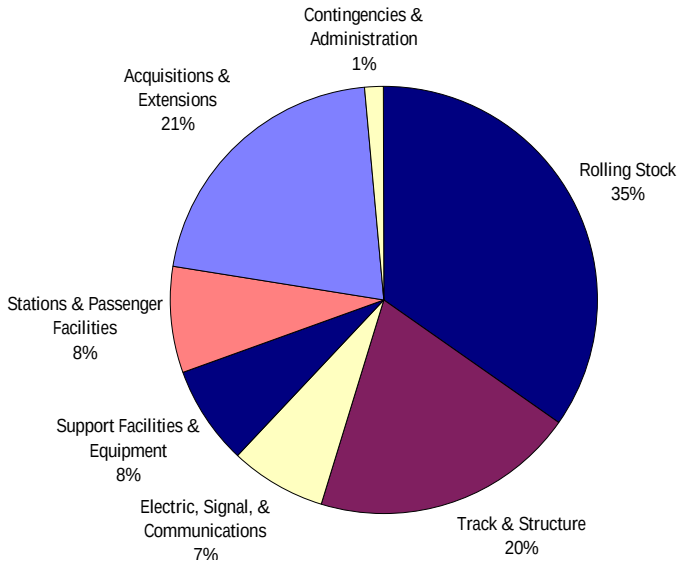
See Appendices, Five-Year Capital Program, for a complete listing of projects in the program. Highlights of Metra's 2001-2005 Capital Program are as follows:

Rolling Stock

The five-year rolling stock program totals $659.3 million, with $135.8 million planned for the first year. Metra's fleet includes 130 locomotives, 781 non-

Exhibit 5-13

Metra's Capital Program 2001-2005
Total = $1,908 million



electric cars and 223 self-propelled electric cars. The 2001-2005 capital program includes $59.3 million for the purchase of up to 26 new diesel locomotives. Some of the new locomotives will be used to replace locomotives ready for retirement, while others will be used for spares. The five-year program includes $38.9 million for the rehabilitation of up to approximately 60 locomotives. This includes $2.0 million for the rehabilitation of up to 15 locomotives planned in 2001. Also, Metra's five-year capital program includes $405.2 million for the purchase of up to 300 ADA-compliant bi-level commuter rail cars, including $90.1 million programmed in 2001. Some of the new bi-level cars will be used to replace older cars and others will be used as spares. In addition, over the five-year program, $100.2 million is allocated for the rehabilitation of up to 321 commuter rail cars, with $14.5 million programmed in 2001.

Track and Structure

The track and structure category totals $383.9 million over the five years of the program, with $51.0 million planned for 2001.

The Metra system operates on 546 route miles with 1,189 miles of track and 833 bridges. Metra is continuing a program of system-wide rehabilitation and preventive maintenance, that includes bridge rehabilitation, grade separation, retaining wall rehabilitation, continuous-welded rail installation, ties and ballast replacement, rail grinding, fence installation, grade crossing replacement, and track undercutting.

Bridge rehabilitation and replacement projects, totaling $249.9 million, are planned over the five-year program. The 2001-2005 bridge rehabilitation and replacement program includes $90.7 million for the Union Pacific North Line, $76.8 million on the Rock Island Line, $30 million for the Union Pacific Northwest Line, $17.8 million on the Milwaukee District-West Line, $19.9 million on the Metra Electric Line, and $13.6 million on the Milwaukee District-North Line.

Grade separation work at Belmont Road on the Burlington Northern Line is planned in 2003 at a cost of $4 million.

Electrical, Signal and Communications

A total of $137.2 million is planned for the five-year program for electric, signal and communications projects that include upgrades and improvements to existing facilities such as interlockers, switches, signal systems, electrical substations and electrical power control facilities. The 2001 program provides $20.3 million for numerous projects throughout the system.

The $42.2 million upgrade of the Lake Street interlocker, located at the north end of Union Station's tracks, is planned to continue at a cost of $8.5 million in 2001. Additional funding for this project, totaling $33.7 million, is planned in the out years.

Improvements to the Clinton Street interlocking plant are planned, at a cost of $4 million, in 2001. As part of this project, new interlocker controls will be purchased and installed at the Lake Street Tower, and track and signal layouts will be modified.

Metra is also programming $1.8 million in 2001 for the installation of fiber optic cable on the Burlingon Northern-Santa Fe Line to increase the effectiveness and reliability of signal and control system communications at interlockers and crossings. In addition, Metra is proposing $600,000 for the preliminary design of a Train Information Management System, which will use Global Positioning System (GPS) technology to provide passengers with real-time train information.

Metra's out-year capital program also includes the installation of underground cable totaling $18.9 million.

Support Facilities and Equipment

The support facility and equipment totals $144.7 million for the 2001-2005 period, with $25.6 million in the 2001 capital program.

Support facilities and equipment include rail car and locomotive maintenance buildings, storage yards, work-crew headquarters, maintenance vehicles and equipment, office buildings, and computer hardware and software.

The five-year program includes $55.9 million for improvements to the 47th Street yard, on the Rock Island District Line, with construction funding planned from 2002 to 2004. Metra's 2001 program also includes $1.4 million for upgrades to the maintenance and train crew facility at Aurora Hill yard on the Burlington Northern-Santa Fe Line.

In addition, Metra's 2001 program includes $6.6 million for the replacement of non-revenue vehicles and various support equipment. Over the life of the five-year program, Metra plans to spend $28.6 million in this category.

In 2001, $3.8 million of improvements to Metra's administrative headquarters are planned. Also, in 2001, Metra's request includes $4.6 million for computer hardware and software purchase. In 2002, an additional $1.0 million is requested for the purchase of an Enterprise Resource Planning financial management system.

Stations and Parking

There are 240 stations in the Metra system, including four major terminals in downtown Chicago. In Metra's five year capital program, a total of $154.9 million is programmed for stations and parking. In 2001, $48.1 million is programmed for these projects.

The 2001 program contains eight major station projects:

1.) The $5 million construction of the new station and parking at Pingree Road in Crystal Lake;

2.) The $3 million rehabilitation of the Randolph Street Station in downtown Chicago;

3.) The design and engineering for the reconstruction of up to six South Chicago Branch stations for $3 million;

4.) Improvements to the Jefferson Station on the Union Pacific Northwest Line for $1.9 million;

5.) Improvements to the Glenview Station and parking on the Milwaukee District North Line for $2.3 million;

6.) The construction of a new station at Palos Heights for $1.2 million; and

7.) Various improvements to the Schaumburg Station for $1.5 million.

Out-year funding of $11 million is programmed for the construction of the Burlington Northern Tollway station. Numerous accessibility improvements, costing $8.1 million, at stations throughout the system are planned in the five-year program with $4.1 million planned for these improvements in 2001. Metra also proposes programming $5.9 million in 2001 for upgrades to parking at numerous stations.

Acquisitions, Extensions & Expansions

Over the five years of the program, Metra is programming $404.4 million for extension and expansion on three lines. In 2001, Metra's proposed program contains $53.7 million for these extension and expansion of services. The North Central Service, between Antioch and Chicago will be expanded and upgraded to enable the operation of 22-daily-trains. Route extensions are planned for the Union Pacific West Line between Geneva, and Elburn and the Southwest Service Line between Orland Park and Manhattan.

Miscellaneous, Contingencies and Administration

Metra's 2001-2005 capital program includes $24.2 million for miscellaneous items, and contingencies and administration, with $9.8 million programmed in 2001.

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Reference

2000 Budget versus 2000 Estimate

Total revenue is expected to finish $5.1 million, or 2.2 percent favorable to budget for 2000. This is due mainly to higher than expected fare receipts and other income. Ridership is projected to be favorable to budget by 0.3 million, or 0.3 percent. Other revenues are expected to beat budget by $4 million, mostly due to a $1.6 million increase in investment income and the growth of capital grant reimbursements.

Expenses are forecast to finish $5.1 million or 1.2 percent higher than budget for 2000 primarily due to higher fuel costs and operations. Exhibit 5-14 details the variance between the 2000 budget and 2000 estimate.

RTA Public Operating Funds

The RTA Sales Tax is the primary source of funding for Metra. The RTA retains 15 percent of the sales tax receipts and passes the remainder to the

Exhibit 5-14

Metra 2000 Budget vs. 2000 Estimate (dollars in thousands)

	2000 Budget	2000 Estimate	Variance
Revenues			
Passenger Revenue	$180,959	$181,714	$755
Reduced Fare Subsidy	2,404	2,720	316
Investment Income	8,020	9,635	1,615
Other Revenue	32,115	34,486	2,371
Total Revenues	**$223,498**	**$228,555**	**$5,057**
Expenses			
Operations	$144,593	$149,009	($4,416)
Maintenance	168,996	168,923	73
Administration	35,372	37,068	(1,696)
Fuel	14,192	19,122	(4,930)
Power	6,608	6,687	(79)
Insurance & Claims	22,417	16,089	6,328
Regional Services	15,879	16,216	(337)
Total Expenses	**$408,057**	**$413,114**	**($5,057)**
Operating Deficit	**$184,559**	**$184,559**	**$0**
Recovery Ratio %	**55.5%**	**56.0%**	**0.5 pts**

service boards. Of this remaining amount, Metra receives 55 percent of the sales tax dollars from suburban Cook County, and 70 percent from the collar counties. Metra's sales tax funding is projected to grow at an annual rate of 4.8 percent between 1999-2003.

Federal operating assistance grants were provided to the RTA under Section 5307 of the FTA. This assistance was eliminated in 1999.

Public funds not required for operating expenses are used for capital projects. The sales tax variances and operating budget variances, if positive, are funneled to capital projects. An adjustment is made each year in accordance with the RTA's funding policy to offset variances between actual and budgeted sales tax revenues. These variances, labeled Capital Funding Variance, on Exhibit 5-15 are deducted from the RTA's discretionary capital funds to Metra in the following year. Savings from the operating budget, called positive budget variances (PBV), are retained by each service board under RTA policy and are used for capital projects.

System Description

The Metra system is comprised of 12 separate lines, which run north, west, and south of the Chicago central business district. The system extends 546 route-miles to the limits of the six-county area and serves 240 local rail stations. Metra's average weekday ridership is 299,609 trips. Peak period ridership represents 80.2 percent of the total average weekday trips.

Metra operates 59.5 percent of its trains on weekdays, 25.6 percent on Saturdays and 14.9 percent on Sundays and holidays. The trains' operating speeds are 17 percent higher during a weekday peak period than during off-peak hours.

Fare Structure

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

A uniform base fare is charged for travel within a zone and increments are added to the base fare as additional fare zone boundaries are crossed. The present base fare is $1.75 for a one-way trip, and the incremental charge is $.20 for the first zone, and $.35 or $.40 for each zone thereafter (Exhibit 5-16).

Statutory Compliance

The *RTA Act* requires that each service board meet six criteria, which are detailed on page 2-21, for Board approval of its budget. The Metra budget, as submitted, meets each of these criteria.

Organization Chart

Metra's administrative organization chart is presented on the following page (Exhibit 5-17).

Exhibit 5-15

Metra Sources of Public Funding (dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
85% Sales Tax	210,678	221,218	230,343	242,864	254,369
Other Funding	835	0	0	0	0
Total Funding	**$211,513**	**$221,218**	**$230,343**	**$242,864**	**$254,369**
Operating Deficit	173,242	184,559	196,238	204,405	212,881
Positive Budget Variance	4,542	0	0	0	0
Other Funding	835	0	0	0	0
Sales Tax for Capital Projects	30,666	33,127	34,105	38,459	41,488
Capital Funding Variance	2,228	3,532	0	0	0
Total Funding	**$211,513**	**$221,218**	**$230,343**	**$242,864**	**$254,369**

Exhibit 5-16

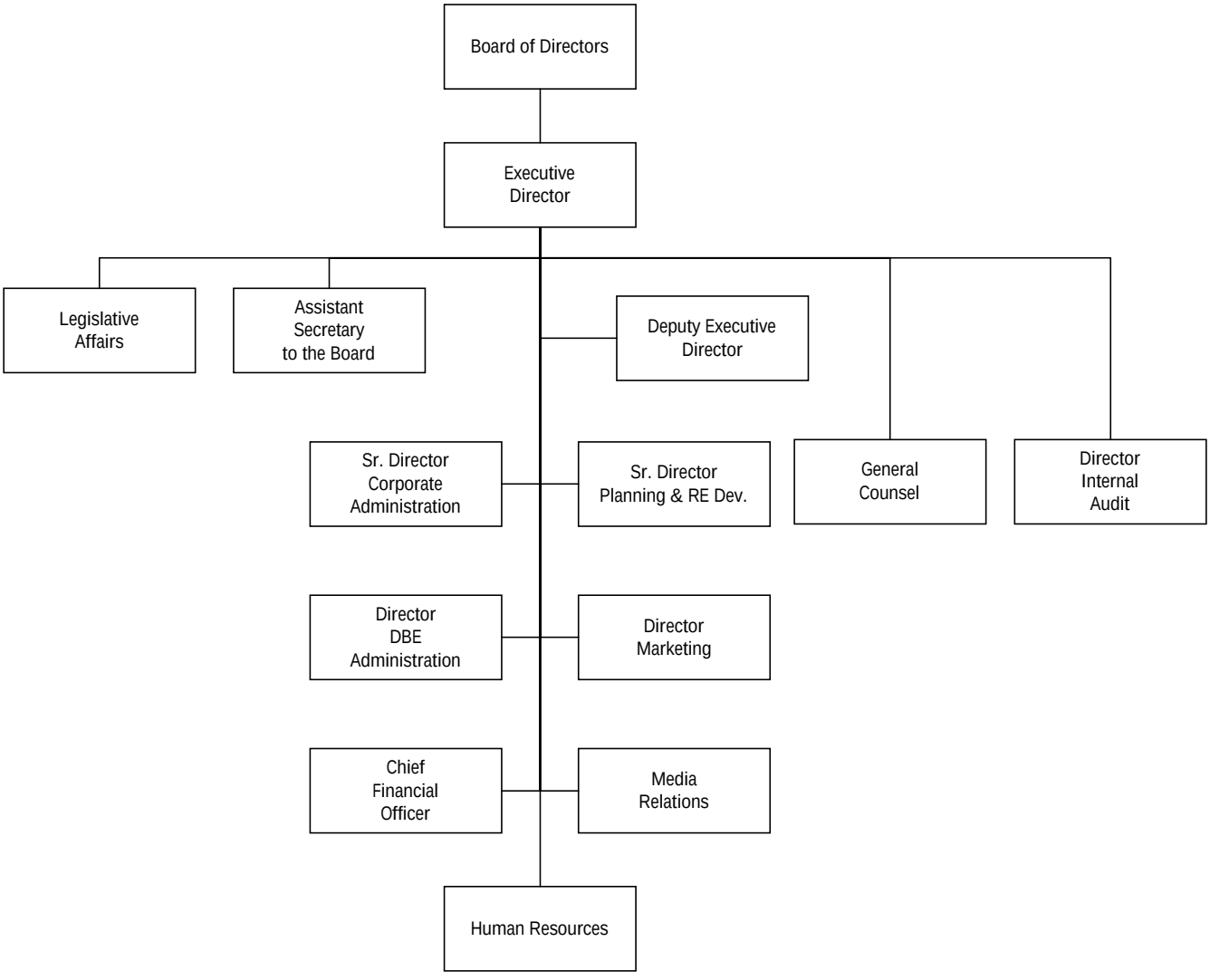
Metra Ticket Pricing Formula

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

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

Exhibit 5-17

Metra Organization Chart



Operating Plan

Overview

Pace was formed in 1983 as part of the reorganization of the Regional Transportation Authority (RTA), and began service in 1984. A 12-member board of directors made up of current and former village presidents and mayors governs Pace.

Strategic Focus

Pace's mission is to provide transportation services in the suburban Chicago area while remaining fiscally responsible.

In 2000, Pace created an Office of Strategic Services and ushered in an era of comprehensive planning that is complemented by a new commitment to customer service. The Office of Strategic Services includes three departments; Planning Services,External Relations and Marketing and Communications.

Under the new organizational structure, the planning functions have all been consolidated into the Planning Services Department. The department performs long range planning, capital planning, and service planning functions. In addition, Planning Services also provides planning support functions such as scheduling and service analysis.

In 2000, Pace began the process of creating a new long range Comprehensive Operating Plan (COP) called Vision 2020 which outlines the goals and overall direction for Pace for the 21st century. The development of Vision 2020 is scheduled for completion in 2001 and will include specific items needed for the development of a comprehensive suburban public transportation system.

The new planning effort will outline actions for Pace to take that increase ridership through service quality, new services, capital investments, and partnerships.

Ridership

Pace's ridership has grown steadily from 1996 to 1999 and topped 40 million riders for the first time since 1991. However, ridership is expected to decline by 700,000 riders in 2000 due to a fare increase, implemented January 1, 2000, and the discontinuance of accepting the CTA 7-day pass. Ridership is expected to increase again from 39.5 million in 2000 to 42 million by 2003. This is a 2.5 million increase in ridership and represents a 2.1 percent annual compound growth rate (Exhibit 6-1, page 6-2). Reverse express routes, vanpool, and subscription bus services are expected to be major contributors to this increase.

For 2001, Pace is planning to achieve a 1.9 percent increase in base system ridership, with continued rider-

ship growth in the vanpool and ADA paratransit segments. Service segments are explained in the expense elements section beginning on page 6-6.

Pace's 2000 Marketing Plan represents a comprehensive plan to achieve the agency's goals. Pace provides services to three major markets which are defined as the suburb-to-city, suburb-to-suburb and city-to- suburb (or reverse) commute markets. The marketing plan focuses on work commute trips which comprise 80 percent of Pace's customer base. The following summarizes each major chapter contained in the plan:

The Market

Eighty percent of Pace's customers use the service to get to work. During the 1990s, the City of Chicago lost 0.3 percent of its population, but added 0.8 percent to its employment base; meanwhile, the suburbs grew 7.5 percent in population and suburban employment increased 14.3 percent.

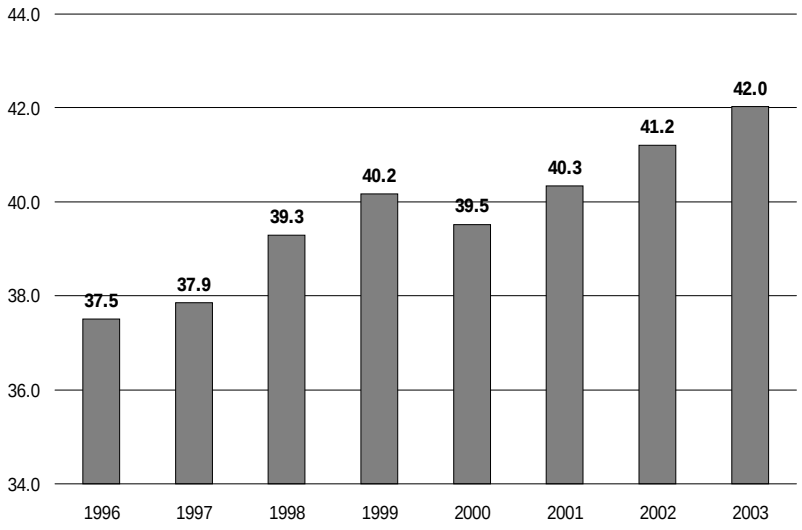
Pace's largest market is the suburb-to-suburb marketplace. Market strategies for each market: suburb-to-city, suburb-to-suburb, and city-to-suburb are discussed in subsequent paragraphs.

The Customer

Recent market research reveals marketable differences between Pace customers in each major commute market. Customers in the suburb-to-city market are less transit dependent, earn higher incomes, are more likely to own a home, be married, and have been a Pace customer longer than customers in the suburb-to-suburb or city-to-suburb markets. A large proportion of Pace's customers also use the CTA (48 percent) and Metra (13 percent) on a regular basis. A significant number (6 percent) also use autos or vans in addition to using Pace. The main reasons customers cite for leaving Pace are related to the purchase of a car, moving or switching jobs.

Exhibit 6–1

Pace Ridership (in millions)



The Competition

Automobiles command 80 percent of the journey- to-work commute market. The lowest share, 71 percent, is in the suburb-to-city market, and the highest, 95 percent, is in the suburb-to-suburb market. Autos have actually gained market share from transit in the suburb-to- city market.

Marketing Strategies

An assessment of Pace's position in each market reveals that its strongest competitive position is in the suburb-to-city market. While the suburb-to-suburb and city-to-suburb markets exhibit greater growth potential, they are more difficult to serve cost-effectively. Pace's strategy for each market is identified as follows:

Suburb-to-City:

Increase focus on efficient elements, eliminate low productivity elements, and reinvest in high-potential services.

Suburb-to-Suburb:

Extend and develop suburb-to-suburb commute options where productivity is good, lower service costs via capital investment or direct operation rather than outsource operations, and heavily promote low-cost, higher revenue services such as vanpool.

City-to-Suburb:

Build reverse commute elements for CTA connectors and multiple market routes. Market fixed route (reverse connections) to CTA. Identify more efficient service opportunities that originate in Chicago such as express bus, subscription bus and vanpools.

These strategies are further developed via an advertising plan that focuses on increasing ridership and the farebox recovery rate. The Strategic Plan and Comprehensive Operating Plan and Vision 2020 Plan are used to

identify programs for promotional efforts. Pace has numerous strategies for increasing ridership and recovery rates in each market that generally center around increasing customer retention and attracting new customers.

Service Quality

As part of redefining its services, Pace is evaluating ways to improve service provision in suburban areas closer to Chicago ("inner suburbs"). Re-farming (defined below), is a term borrowed from the communications industry. This program is planned for implementation in the southern suburbs in 2001. After the initial service is in place, Pace plans to expand this effort systemwide.

In the communications industry, re-farming is defined as pulling in all of the channels serving a certain bandwidth and reallocating them to improve efficiencies. At Pace, re-farming defines the process of reallocating resources used to provide service within a corridor. The result is a streamlined route, improved efficiencies, and fewer passenger transfers. Pace is currently conducting a demonstration project of its re-farming technique along the 159th Street corridor.

Pace is also looking to provide express trips within its busiest corridors during 2001. Express links originating at the end of the rapid transit lines are planned to serve as extensions of rail service. These demonstration programs are aimed at strengthening Pace's strongest routes and the core service area, and increasing ridership.

Improving the ridership within the inner suburbs will be key for Pace to make ridership gains and achieve its farebox recovery ratio. It is essential that services be redefined to better utilize resources.

Strategic plan initiatives that support service quality include:

- providing bus priority at traffic signals to improve fixed route bus service reliability and operating speeds;
- enhancing passenger information;
- enhancing service quality through programs such as re-farming and bikes on buses; and
- monitoring on-time performance and cost efficiency.

Cost Efficiency

Matching the supply to the demand for service is one means of maintaining system effectiveness. One way to measure supply and demand is to relate the number of passengers to the number of miles serviced, which produces the statistic of passengers per mile. Pace's passengers per mile ratio decreased from 1.09 in 1995 to 1.03 for 1999, indicating that system productivity has decreased (Exhibit 6-2).

In the same time period, costs per mile have remained essentially the same, but costs per passenger have increased. The cost per mile ratio recognizes that expenses tend to vary with the amount of service provided. As shown in Exhibit 6-3, page 6-4. Pace has successfully held expense growth down when measured against service miles.

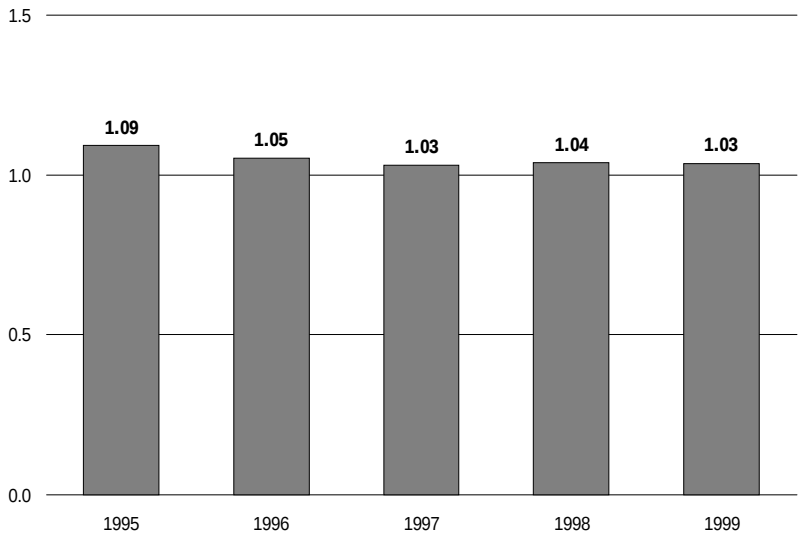
As measured by passenger volume, Pace's cost efficiency shows a slight decline. However, the growth in vanpool programs, which yield a high revenue to cost ratio, carries fewer passengers per vehicle mile, and puts downward pressure on this ratio.

New Services

The Pace Comprehensive Operating Plan (COP) is currently being revised and updated. Upon its completion, the COP will become the template for future service development and design. Bus rapid transit is an example of new service development. The Intelligent Bus System (IBS) will make current services more efficient through the im-

Exhibit 6–2

Passengers Per Mile



proved use of technology. This allows Pace the ability to explore the development of new services.

Initiatives from the strategic plan that support new services include:
• allocating service to expand Pace's express bus network; this includes the possible development of routes serving as extensions of CTA rail lines (e.g., Blue Line Extension);
• utilizing vanpool and subscription bus service, particularly in low density areas, and identifying other transit options; and
• developing appropriate levels of financial support (both public and private);
• continuing to expand the availability of sheltered waiting areas throughout the Pace service area;
• implementing new technologies as they develop (including signal priority and the Intelligent Bus System); and
• pursuing additional capital improvements.

Capital Investments

Capital Investment initiatives from the strategic plan that improve customer service include:
• constructing park-n-rides and transit centers to facilitate access to, and transferring within, the Pace bus system;

Partnerships

An External Relations Department has been created to emphasize the importance of maintaining strong relationships with Pace customers and stakeholders (riders, businesses, and community, state and federal officials). Through these relationships, Pace can form partnerships for new and improved services and initiatives.

Pace has worked with the business community to establish a myriad of services throughout the suburban area. Simply stated, businesses need employees and Pace provides an important transportation option to get people to work.

Over the past few years, Pace has established working partnerships with large employment centers to increase ridership. For example, the United Parcel Service facility in southwest suburban Hodgkins is served by bus routes that connect with the Orange, Red and Blue CTA rapid transit lines, as well as other areas. Funding is provided, in part, by UPS.

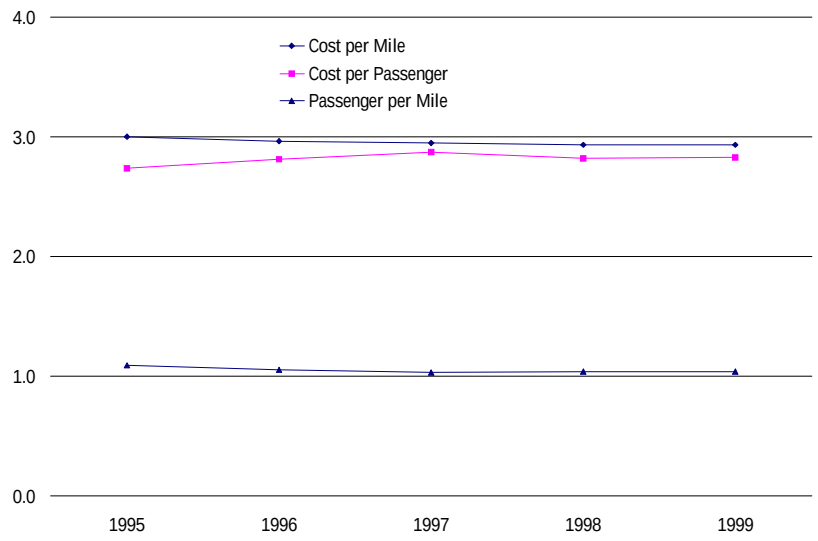
In late 1999, Pace completed a stakeholder satisfaction survey of state legislators and community leaders. The objective was to determine the perceived importance of public transportation in general and Pace in particular. The results indicate that Pace has the opportunity to capitalize on the willingness of legislators and community leaders to provide support. Pace is currently in the process of developing a survey of the business community.

Pace plans to continue to expand its services by utilizing express routes, traditional routes, and vanpool service options. Services funded through a Job-Access- Reverse Commute (JARC) grant from the FTA also provide opportunities to increase ridership.

Initiatives from the strategic plan that support partnerships include:
• evaluating feeder bus services with Metra; and
• assessing the recovery rate impact from mandated programs, including the actions necessary to meet both the recovery ratio and program requirements.

Exhibit 6–3

Cost Efficiency



Budget and Financial Plan

The Pace budget and financial plan presented in this document corresponds with marks set by the RTA on September 15, 2000. The "marks" set total RTA funding levels at $75.1 million, $79.2 million, and $82.9 million for

2001, 2002 and 2003, respectively. The RTA has set Pace's recovery ratio for 2001 at 40 percent, the same level as 2000. See Exhibit 2-22, page 2-28 in the region section for additional details. Pace's budget and financial plan is presented in Exhibit 6.4.

System-Generated Revenues

Total system-generated revenues (Exhibit 6-5, page 6-6) are expected to increase from $42.1 million in 1999 to $53.0 million in 2003. This represents an increase of $10.9 million over the four-year period, or a 5.9 percent average annual increase. These revenues include: passenger revenue, reduced fare subsidy, reimbursement/investment/other, advertising, and government subsidy/fare adjustment. Passenger revenue totals 79 percent of total revenue in 2001, reduced fare subsidy 7 percent, reimbursement/investment/other revenue 7 percent, advertising revenue 5 percent, and the government subsidy/fare adjustment 2 percent (Exhibit 6-6, page 6-6).

Passenger Revenue

Farebox revenues are expected to increase from $35.3 million in 1999 to $41.6 million by 2003, a $6.3 million increase and a 4.1 percent annual growth rate (Exhibit 6-7, page 6-7). Fare and pass revenues include passenger, vanpool, Congestion Mitigation Air Quality (CMAQ) receipts, and shuttle service. In 2001, passenger or farebox revenue is projected to increase $2.6 million over the 2000 estimate due mostly to the addition of shuttle service in Schaumburg and Downers Grove. Continued expansion of the vanpool program will also contribute to revenue growth.

Reduced Fare Subsidy

The reduced fare subsidy is expected to remain constant during the plan-

Exhibit 6-4

Pace 2001 Budget and 2002-2003 Financial Plan (dollars in thousands)

	1999 Actual	2000 Estimate	2001 Proposed	2002 Plan	2003 Plan
Revenues					
Farebox Revenue	$35,337	$37,200	$39,826	$40,704	$41,568
Reduced Fare Subsidy	1,646	3,655	3,655	3,655	3,655
Reimbursement/Investment/Other	3,150	4,982	3,278	3,307	3,336
Advertising	2,004	2,150	2,300	2,400	2,400
Government Subsidies/Fare Increase	0	0	960	1,400	1,995
Total Revenues	**$42,137**	**$47,987**	**$50,019**	**$51,466**	**$52,954**
Expenses					
Labor/Fringes	$65,211	$66,946	$69,511	$71,912	$74,456
Parts/Supplies	3,144	3,249	3,134	3,172	3,232
Other	7,209	7,626	7,753	7,932	8,122
Private Contract	8,501	8,390	8,211	8,400	8,601
Dial A Ride	9,483	9,959	10,438	10,678	10,935
ADA Paratransit	8,107	8,678	9,702	10,148	10,635
Vanpool	1,659	1,884	2,070	2,390	2,623
CMAQ	2,041	1,632	1,661	1,699	1,740
Shuttle	0	0	1,400	1,432	1,467
Insurance	3,765	5,100	5,258	5,379	5,508
Fuel	3,097	4,883	4,511	4,021	3,658
Utilities	1,353	1,424	1,403	1,405	1,408
Total Expenses	**$113,570**	**$119,771**	**$125,052**	**$128,568**	**$132,385**
Operating Deficit	**$71,433**	**$71,784**	**$75,033**	**$77,102**	**$79,431**
Recovery Ratio %	**37.1%**	**40.1%**	**40.0%**	**40.0%**	**40.0%**
Deficit Funding Summary					
RTA Operating	70,482	71,799	75,002	79,052	82,747
CMAQ/Other	1,860	431	132	135	142
Total Deficit Funding	**$72,342**	**$72,230**	**$75,134**	**$79,187**	**$82,889**
Surplus/Deficit	**909**	**446**	**101**	**2,085**	**3,458**

ning period. Last year, the subsidy essentially doubled due to the implementation of the Illinois FIRST Program.

Exhibit 6-5

Pace System-Generated Revenues
(dollars in millions)

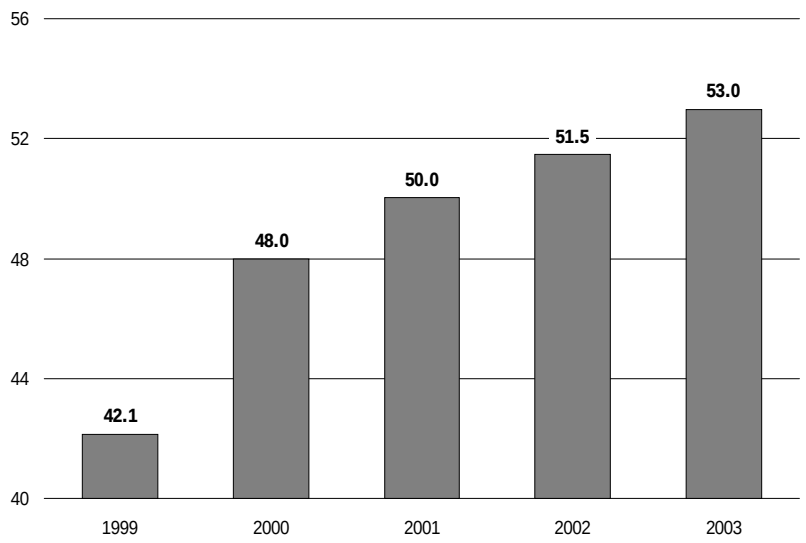
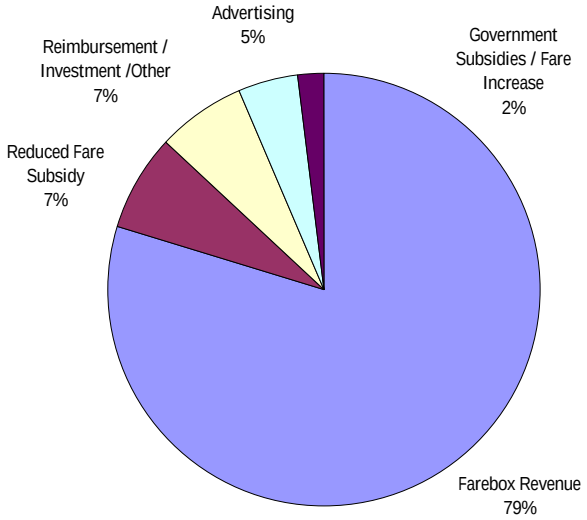


Exhibit 6-6

2001 Pace Revenues
Total = $50.0 million



Reimbursement/Investment/Other
This category includes CTA reimbursement, investment income and miscellaneous receipts.

Advertising
Advertising revenue is expected to increase from $2 million in 1999 to $2.4 million by 2003, which is a 4.6 percent annual growth rate.

Government Subsidy/Fare Adjustment
Pace expects to expand its program to garner local government financial support for services by $1 million. If not successful, a systemwide fare increase would be implemented during 2001 (see page 6-15 for additional information).

Operating Expenses

Total operating expenses are forecast to increase from $113.6 million in 1999 to $132.4 million in 2003. This $18.8 million increase equals a 3.9 percent annual compound growth rate (Exhibit 6-8, page 6-7). In 2000, expenses are estimated to increase by approximately $6.2 million ($113.6 to $119.8 million) or 5.2 percent from 1999. This is mainly due to higher fuel prices and continued expansion of the vanpool and ADA Paratransit program.

Expenses in 2001 are expected to increase by $5.3 million ($119.8 to $125.1 million) or 4.2 percent over 2000. Growth in vanpool and ADA Paratransit services as well as new shuttle service in Schaumburg and Downers Grove are the primary factors behind this increase. In 2002 and 2003, planned expenses increase by $3.5 million ($125.1 to $128.6 million) and $3.8 million ($128.6 to $132.4 million) respectively. These increases are due to inflationary cost factors.

Expense Elements

Operating expense elements include labor and fringes, parts and supplies, other, private contract, dial-a-ride, ADA

paratransit, vanpool, CMAQ, Shuttle, insurance and claims, fuel, and utilities (Exhibit 6-4, page 6-5).

Labor and Fringe Costs

Labor expenses are expected to increase from $65.2 million in 1999 to $74.5 million by 2003. This is a $9.2 million increase and represents a 3.4 percent annual compound growth rate.

Parts and Supplies

Parts and supplies expenses are projected to increase slightly from $3.1 million in 1999 to $3.2 million by 2003.

Other

Other expenses, including miscellaneous and other administrative costs, are expected to increase from $7.2 million in 1999 to $8.1 million by 2003. This $900,000 decrease represents a 3 percent annual compound growth rate.

Private Contract

Pace provides service to 51 different communities by directly contracting with five private transit companies. These contract expenses are planned to increase slightly from $8.5 million in 1999 to $8.6 million by 2003. This increase of $100,000 represents an annual growth rate of 0.3 percent. Pace has taken over the operations of many of these routes due to significant price increases from private contractors.

Dial-a-Ride

Pace subsidizes 50 dial-a-ride (DAR) service projects throughout the six-county region. Generally, townships or local municipalities under contract with Pace operate these services. 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 contracts with several private operators to provide service in the region. These expenses are expected to increase from $9.5 million in 1999 to $10.9 million in 2003. This is an increase of $1.5 million, or a 3.6 percent annual growth rate, and is attributed to costs associ-

Exhibit 6-7

Pace Farebox Revenue
(dollars in millions)

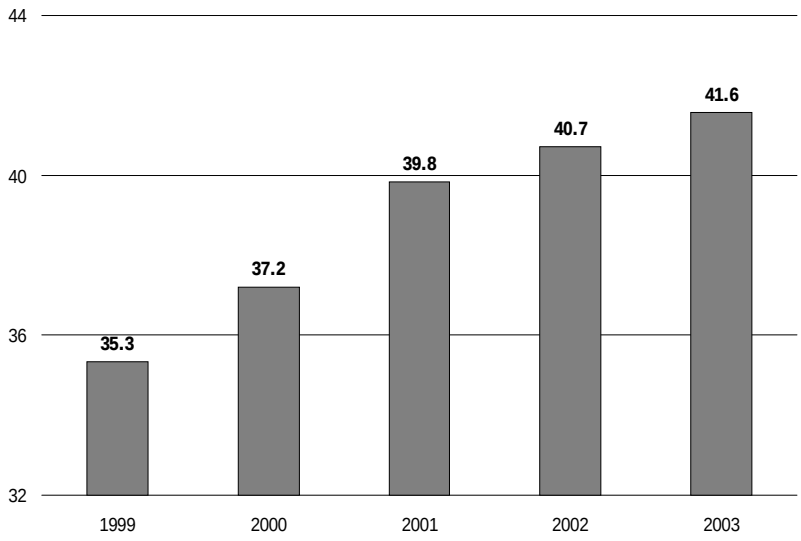
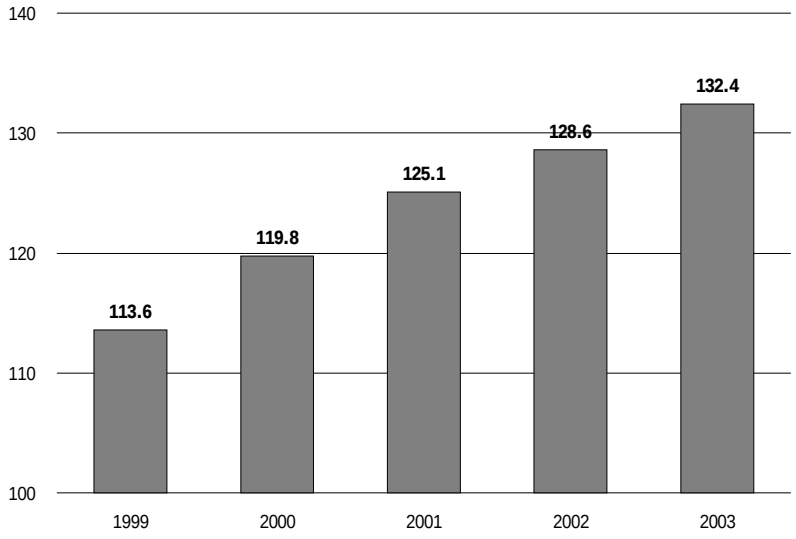


Exhibit 6-8

Pace Total Operating Expenses
(dollars in millions)



ated with the renewal for several private contracts.

ADA Paratransit

Pace provides curb-to-curb service to approximately 33,200 riders each month. Individuals, who are certified by the RTA and are not able to use Pace's fixed route services, can register to utilize Pace's ADA paratransit service. Demand for the program continues to grow and expenses are expected to rise from $8.1 million in 1999 to $10.6 million by 2003. This $2.5 million increase represents an annual growth rate of 7 percent.

Vanpool

The vanpool program is a commuting option that provides passenger vans to small groups, from five to 15 people, allowing them to commute to and from work together. Pace expects further expansion of this program from 335 vans in 2000 to 359 vans by the end of 2001. Expenses are projected to increase from $1.7 million in 1999 to $2.6 million by 2003. This $1 million increase represents a 12.1 percent annual growth rate as the programs are expected to expand each year during the planning period.

CMAQ

In June 1996, Pace received a Federal Congestion Mitigation/Air Quality (CMAQ) program award to cover the costs associated with the start-up and implementation of several new services. Funds available from this grant have been declining since 1999 and will continue to drop into the outlying years of the plan. This program is comprised of both fixed-route and express bus new initiatives titled the Fast Plus Bus Service and the Express Bus Demonstration, respectively. CMAQ expenses are projected to decrease from $2 million in 1999 to $1.7 million by 2003.

Shuttle

Beginning in January 2001, Pace expects to enter into agreements with the municipalities of Schaumburg and Downers Grove to provide local transportation or shuttle service. Expenses for these services are expected to increase from $1.4 million in 2001 to $1.5 million by 2003.

Insurance and Claims

Insurance and claims expenses are expected to increase from $3.8 million in 1999 to $5.5 million by 2003. This $1.7 million increase represents a 10 percent annual growth rate.

Fuel

Fuel expenses are projected to increase from $3.1 million in 1999 to $3.7 million by 2003. This $600,000 increase represents an annual growth rate of 4.2 percent.

Utilities

Utility expenses are projected to remain relatively flat at approximately $1.4 million for 1999 through 2003.

Capital Impact on Operations

Rolling Stock

In Pace's 2001 Capital Program, rolling stock represents 86 percent of the total. The program contains funds for the replacement of 146 fixed route buses, 38 replacement paratransit buses, 600 bike racks, extended warranties, associated capital, bus overhaul/maintenance expenses, 90 wheelchair securement upgrades, and the capital costs of contracting for vanpool services. As an impact on the operating budget, Pace will generally avoid cost increases by replacing outdated equipment.

Due to planned expansion, Pace's 2001 goals for the vanpool program include carrying 1.4 million passengers, which is a ridership increase of 6.3 percent over the 2000 budget estimate. From 2002 through 2005, Pace will con-

Exhibit 6-9

Vanpool - Capital Impact on Operations (dollars in millions)

Years	Capital	Operating Revenues	Operating Expenses	Surplus/ (Deficit)
1993	0	537	454	83
1994	1,092	804	788	16
1995	1,802	1,024	1,179	(155)
1996	571	1,240	1,174	66
1997	2,050	1,458	1,730	(272)
1998	2,052	1,670	1,703	(33)
1999	6,090	1,747	1,659	88
2000	3,411	1,837	1,884	(47)
2001	0	1,986	2,070	(84)
2002*	14,840	2,170	2,390	(220)
2003		2,323	2,623	(300)

*Note: Planned for the years 2002-2005

tinue its capital investment in the vanpool program. The vanpools are also expected to maintain a 95.9 percent recovery ratio through this period. Pace estimates that it will have 335 vans in service by the end of 2000 and plans to increase the number of vans to 359 by the end of 2001. Exhibit 6-9, page 6-8, summarizes the impact of the capital program.

Support Facilities/Equipment

Support Facilities funds are for the purchase of miscellaneous maintenance equipment, vans and trucks for the operating garages.

The 2001 equipment budget contains funds for computer databases and equipment. A new Employee Time Tracking System is planned to automate time keeping for employees. An Enterprise Resource Planning System (ERP System) is also budgeted in 2001. A consultant will be hired to determine the scope for the system and provide cost estimates for the purchase of a complete system.

These improvements will generally minimize operating cost growth by replacing equipment before it becomes obsolete and requires increased maintenance.

Stations and Passenger Facilities

The 2001 capital program contains funds for the installation of free standing glass display cases (typically at shopping malls) and solar powered bus stop poles. No significant impacts are anticipated due to the purchase of this equipment.

Miscellaneous

Part of Pace's long-range plan calls for the implementation of restricted use facilities (such as exclusive toll bypass lanes and bus only exit/entrance ramps) along major highways in the region to increase the speed of certain express services. The project is expected to reduce operating costs and increase ridership.

The on-time performance and operating speed of Pace vehicles can be significantly enhanced with signal priority systems. Preliminary results of a demonstration project indicate that a 30 percent improvement in operating speeds can be gained without adversely affecting general traffic flow. These systems could significantly reduce operating costs and increase ridership.

Deficit and Funding

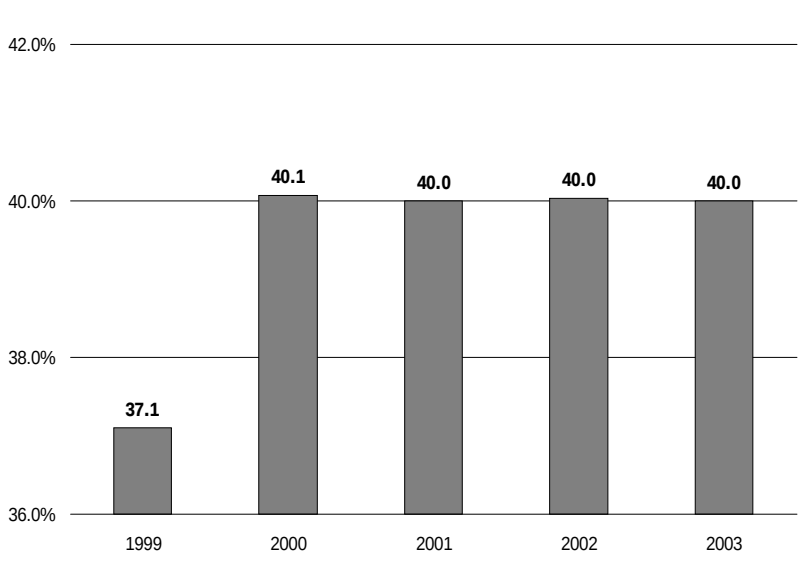
The operating deficits are derived from total system-generated revenues minus total operating expenses. In 2001, RTA public funding of $75 million and the CMAQ grant of $100,000 will be used to cover these deficits.

Recovery Ratio

Pace's recovery ratio equals system-generated revenues divided by system operating expenses. From 2001 through 2003, Pace's recovery ratio remains constant at 40 percent. (Exhibit 6-10).

Exhibit 6-10

Pace 1999-2003 Recovery Ratio (Percent)



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Capital Program

Overview

The proposed projects in Pace's 2001-2005 capital program total $289.8 million. Funding for these projects primarily provides for the replacement and expansion of rolling stock. The general categories of capital improvements and the percentage of the total capital program are: rolling stock 56 percent; electric, signal and communications 2 percent; support facilities and equipment 35 percent; passenger facilities 5 percent; and miscellaneous, contingency & administration 2 percent. These allocations are illustrated in Exhibit 6-11, page 6-12.

See Appendices, Five-Year Capital Program, for a complete listing of projects in the program. Highlights of Pace's 2001-2005 Capital Program are as follows:

Rolling Stock

In the five-year capital program, plans calls for Pace to purchase up to 1,005 transit vehicles and perform bus upgrade and repair projects costing $163.5 million. Pace's active fleet consists of 639 fixed route buses, 354 paratransit vehicles and 390 vanpool vehicles.

Pace's 2001 rolling stock budget of $50.1 million includes the replacement of up to 146 Orion buses, at a cost of $42.9 million. The Orion buses, purchased in 1990, will be more than 12 years old when the new vehicles are delivered. Pace has proposed $78.6 million in 2002-2005 for the replacement of 271 additional buses.

In 2001, Pace also proposes a $2.4 million purchase of up to 38 paratransit vehicles to replace paratransit buses purchased between 1994 and 1996. Pace plans on spending $6.2 million for up to 86 paratransit vehicles in the out-years. The 2001 program also includes $330,000 for up to 600 bicycle racks and $450,000 for up to 90 wheelchair securement upgrades. In the out years, Pace plans to spend $850,000 for additional wheelchair securement upgrades. Pace is also proposing $1.1 million for federal capital subsidy to private vanpool providers for up to 100 vans.

Federal guidelines enable the service boards to be reimbursed for up to 20 percent of annual operating expenses for fleet maintenance. Under the rolling stock category, $1.7 million is proposed for maintenance expenses in 2001, with $8.2 million programmed in the out years of the program.

Finally, the purchase of associated capital items, estimated at a cost of $850,000, is also planned in 2001. The 2002-2005 capital program includes $4 million for associated capital purchases. Associated capital items include engines, transmissions, axle

assemblies and other parts for fixed route and paratransit vehicles.

Electric, Signal and Communications

Over the five years of this program, Pace proposes to program $6.6 million for electric, signals, and communications projects. In 2001, Pace plans to purchase up to 200 Mobile Data Terminals (MDTs), at a cost of $700,000, for use in paratransit vehicles. The MDTs will be used to track driver schedule adherence and ridership information in real-time, as well as to simplify fare collection and provide trip verification. The MDTs will also allow the dispatcher to have a constant view of the buses in service and allow for real-time adjustments to a driver's schedule. Pace has programmed $900,000 in 2002 to purchase MDTs and automatic vehicle locators for its vanpool program.

In addition, Pace proposes to program $5 million for the replacement of its fixed route radio dispatch system in 2002 once the current system reaches the end of its useful life.

Support Facilities and Equipment

Pace proposes to spend $98.7 million over five years for support facilities and equipment.

Of the $4.2 million for support facilities and equipment projects in 2001, the program includes $1.5 million for improvements and upgrades at various Pace garages. Improvements include the replacement of a bus lift at the South Division, a demonstration of a gas detection system at the West Division garage, the replacement of overhead doors at various facilities, the resurfacing of garage parking lots, the replacement of roofs, the upgrade of security and fire alarm systems and improvements to lighting at the Northwest Transportation Center.

The out-year plan includes $62.3 million to be spent on improvements that include the expansion of existing garages at Evanston, Bridgeview and North Aurora and the construction of new garages in Northwest Cook County and DuPage County.

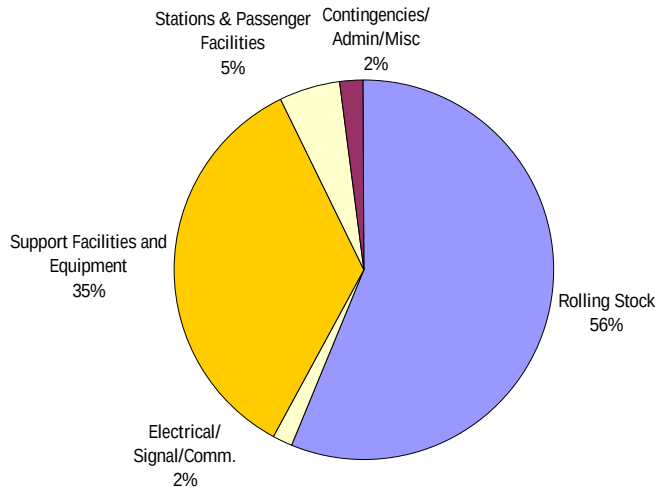
A $1.3 million purchase of tools, equipment, and non-revenue support vehicles for the Pace garages and headquarters is included in its 2001 program. Six million dollars is requested for equipment and non-revenue vehicle purchases in 2002-2005.

In 2001, Pace proposes a $2.5 million purchase of computers, database and computer software systems to replace obsolete technology and improve efficiency in existing systems. Included in this plan is the design and engineering of an Enterprise Resource Planning System, for $500,000. A new employee time tracking system and purchase of miscellaneous computer hardware and software is included at a cost of approximately $1 million. In addition, Pace is proposing to purchase a $1 million paratransit computer system for DuPage County that will include automatic vehicle locators, mobile data terminals, software and radio equipment in order to implement a coordinated transportation system in DuPage County. Approximately $22.7 million is programmed in the out years for computer equipment and systems.

In addition, Pace is requesting approximately $2.1 million over the five-year program for farebox enhancements and ticket vending machines.

Exhibit 6-11

Pace Capital Program 2001-2005
Total = $289.8 million



Passenger Facilities

Pace's five-year program includes $14.6 million for passenger facilities, including demonstration solar powered bus stop pole lights, bus shelters equipped with advertising panels, bus stop signage, and other passenger

amenities. In 2002 and 2003, the construction of a new $1 million UPS bus transfer facility in Hodgkins, IL, is planned. The program also includes $7.7 million for the improvements, expansion, or enhancements to passenger facilities. The 2001 capital program includes $35,000 for bus stop improvements.

Miscellaneous

The miscellaneous category provides funding for contingencies, administration and unanticipated capital. A total of $6.4 million is proposed over five years with $1.5 million estimated for 2001.

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Reference

2000 Budget versus 2000 Estimate

Total revenue is planned to end the year $585,000 favorable to 2000 budgeted levels. Farebox revenue is expected to finish $211,000 or 0.6 percent favorable to budget, and advertising revenue is projected to finish the year $300,000 or 14 percent favorable to budget. The reduced fare subsidy is projected to finish the year $345,000 or 9.4 percent unfavorable to budget. Other revenue is expected to finish $419,000 or 4.4 percent favorable to budget.

Total expenses are expected to finish $1.3 million or 12.9 percent unfavorable to budget in 2000. The higher expenses are almost exclusively due to higher fuel costs of $1.4 million. Favorable performance in the Labor category should help mitigate the higher fuel prices. (Exhibit 6-12, page 6-16).

RTA Public Operating Funds

The RTA Sales Tax is the primary source of funding for Pace. The RTA retains 15 percent of the sales tax funds for discretionary funding, and passes on the remainder to the service boards by formula. Of this remaining amount, Pace receives 15 percent of the sales tax dollars collected within suburban Cook County and 30 percent in the collar counties. Pace's portion of sales tax is projected to grow at an annual rate of 4.89 percent between 1999 and 2003.

RTA discretionary funds for Pace operations are expected to decrease from $4.5 million in 1999 to $2.9 million in 2003. The source of the RTA discretionary funds is Public Transportation Funds (PTF) and apportionments from the RTA's 15 percent share of sales tax revenue (Exhibit 6-13, page 6-17).

System Description

Operating Environment

Pace's service area measures 3,446 square miles. The suburban area is divided among the six counties and incorporates 270 municipalities. Transportation needs in this broad area are as unique as the individual communities Pace serves. The suburb-to-suburb travel market is the largest service area in the region and is primarily served by the automobile.

Fare Structure

Exhibit 6-14, page 6-17, lists Pace's fares for 2000. A fare increase for ADA paratransit services will take effect in January 2001. This change will increase fares from $2.00 to $2.50 and $2.20 depending on the service area. Pace may consider raising other fares later in 2001 if new initiatives do not produce revenue levels required to achieve a 40 percent recovery ratio.

Highway Traffic Congestion

The substantial growth in suburban population, employment, households, and office space has clogged the region's highways with traffic. Between 1980 and 1990, traffic volumes have increased 33 percent while highway miles increased by only 5 percent. Between 1988 and 1998, the office space occupancy rate for the suburbs increased from 78.8 percent to 90.5 percent. From all indications, congestion is likely to worsen considerably by the year 2010 unless new funding is provided for highway and transit improvements.

Exhibit 6-12

Pace 2000 Budget vs. 2000 Estimate (dollars in thousands)

	2000 Budget	2000 Estimate	Variance
Revenue			
Farebox	32,405	32,616	211
Reduced Fare Subsidy	4,000	3,655	(345)
Advertising Revenue	1,850	2,150	300
Other	9,148	9,566	419
Total Revenue	**47,403**	**47,988**	**585**
Expenses			
Operations			
Labor/Fringes	45,349	45,585	(236)
Parts/Supplies	20	22	(2)
Purchased Transportation/Other	28,447	27,798	648
Total Operations	**73,815**	**73,405**	**410**
Vehicle Maintenance			
Labor/Fringes	11,798	11,707	91
Parts/Supplies	2,543	2,528	16
Fuel	3,445	4,883	(1,438)
Other	645	761	(116)
Total Vehicle Maintenance	**18,431**	**19,878**	**(1,447)**
Non-Vehicle Maintenance			
Labor/Fringes	1,065	1,111	(46)
Parts/Supplies	281	324	(43)
Other	987	1,039	(52)
Total Non-Vehicle Maintenance	**2,333**	**2,474**	**(142)**
General Administration			
Labor/Fringes	10,354	10,176	177
Parts/Supplies	397	376	22
Utilities	1,328	1,424	(96)
Insurance	5,104	5,100	5
Other	6,720	6,938	(218)
Total Administration	**23,903**	**24,014**	**(110)**
Total Expenses	**118,482**	**119,771**	**(1,289)**
Funding Requirement	**71,079**	**71,783**	**(704)**
Recovery Ratio	**40.0%**	**40.1%**	**0.1%**

Journey-to-Work Market

The impact of these market shifts on transit ridership for the three service boards has been significant. Pace ridership grew by 2.2 million trips from 1980 to 1990. This growth did not parallel increases in suburb-to-suburb commuting due to several factors including the fact that more than 40 percent of Pace service operates in the suburb-to-city market which has been flat since 1980. In addition, the biggest growth in suburb-to-suburb commuting has taken place in the lower density outlying suburbs. Pace services are concentrated in the inner suburbs and in the region's satellite cities (Aurora, Elgin, Joliet, and Waukegan). The inner suburban communities and satellite cities served by Pace have also lost population and employment from 1980 to 1990. Pace's long-range plans address this issue.

Statutory Compliance

The *RTA Act* requires each service board meet the six criteria that are detailed on page 2-21 for Board approval of its budget. The Pace budget, as submitted, is intended to meet each of the criteria.

Organization Chart

The Pace's organizational structure is comprised of three primary elements: administration, central support, and Pace-Owned divisions. Within each element, employees are classified into four areas: operations, maintenance, non-vehicle maintenance and administration (Exhibit 6-15, page 6-18).

Exhibit 6-13

Pace Sources of Operations Funding
(dollars in thousands)

	1999 Actual	2000 Estimate	2001 Budget	2002 Plan	2003 Plan
RTA					
85% Sales Tax	65,992	69,319	72,228	76,217	79,893
FTA Operating Funds	0	0	0	0	0
RTA Discretionary Funds	4,490	2,453	2,774	2,835	2,854
Total RTA	**70,482**	**71,772**	**75,002**	**79,052**	**82,747**
Other					
CMAQ Federal	1,650	431	132	135	142
People Mobilizer	8	0	0	0	0
Welfare to Work	202	0	0	0	0
Total Other	1,860	431	132	135	142
Total Funding	**72,342**	**72,203**	**75,134**	**79,187**	**82,889**

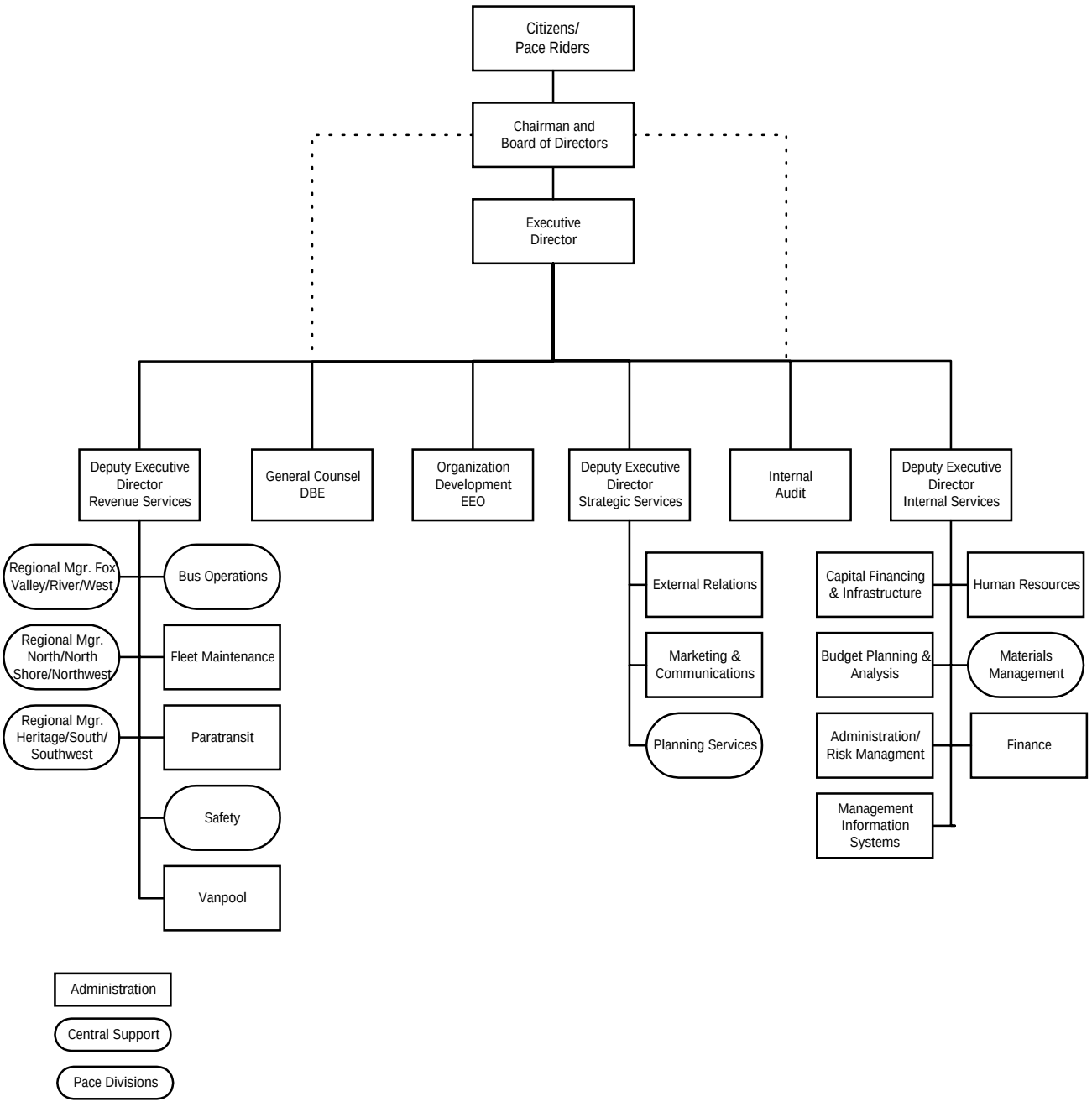
Exhibit 6-14

Fare Structure

	Current Fares		Fare Changes	
	Full Fare	Reduced Fare	Full Fare	Reduced Fare
REGULAR FARES				
Full Fare	$1.25	$0.60		
Transfer to Pace	$0.10	$0.05		
Transfer to CTA	$0.55	$0.30		
PASSES	**ALL TIMES**			
Pace/CTA (30-Day)	$75.00	$35.00		
Commuter Club Card (CCC)(Pace Only)	$39.00	$19.50		
Express Commuter Card	$49.00			
Link-Up Ticket	$36.00			
Plus Bus	$30.00			
Regular 10 Ride Plus Ticket	$12.50	$6.00		
Student Pass	$22.00			
Subscription Bus (Monthly)	$99.00			
LOCAL FARES				
Full Fare	$1.10	$0.55		
Transfer to Pace*	$0.25	0.10		
Transfer to CTA	$0.70	$0.35		
Local 10 Ride Plus Ticket	$11.00	$5.50		
*Local transfers will remain free of charge				
EXPRESS FARES	**ALL TIMES**			
Basic:				
Routes 391, 395, 536, 556, 600, 606, 610, 616, 626, 636, 637, 747, 757, 767, 833, 837, 877, 888,	$1.50	$0.75		
Premium:				
Routes 210, 355 & 855	$2.75	$1.35		
Route 835 (Zone Fares)	$3.90	$1.95		
Premium 10 Ride Plus Ticket (210, 355 & 855)	$27.50	$13.50		
OTHER				
Dial-a-Ride	$1.30	$0.65		
ADA Paratransit Services	$2.00			$2.50/$2.20
Non-ADA Paratransit Services	$5.00			

Exhibit 6-15

Pace Organization Chart



Supplemental Data

National Economic Projections

The gross domestic product (GDP) – the total value of U.S. goods and services-from April through June of this year, rose at an annual rate of 5.3 percent. Prospects for growth in real GDP over the second half of 2000 look weaker than in the first half.

Real economic expansion is estimated at 5.2 percent this year, but is already slowing. According to 31 forecasters surveyed by the Federal Reserve Bank of Philadelphia, these economists expect growth to average 3.2 percent next year.

Measured by the consumer price index (CPI), inflation is expected to average 2.5 percent in 2000. Moreover, on the basis of the current estimate of 2.6 percent for CPI inflation in 2001, the forecasters expect little acceleration in inflation. The ten-year average rate of growth in the CPI is expected at 2.5 percent.

The forecasters expect the rate of unemployment to average 4.0 percent in 2000. They expect the unemployment rate to average 4.2 percent in 2001.

The forecasters are cutting their estimates for the level of interest rates at both ends of the maturity spectrum over the next two years. At the short end, the forecasters now expect the rate on three month Treasury bills to average 5.8 percent in 2000 and 5.9 percent in 2001. A slightly larger downward revision characterizes the current forecasts for the long end. The forecasters see the rate on 10-year Treasury bonds averaging 6.2 percent in 2000 and 6.1 percent in 2001.

State Projections

Illinois continues to have the fourth largest state economy, according to a September report by the U.S. Department of Commerce. It placed California, New York, and Texas at the top of its list.

Illinois ranks among the leaders in the production of products such as: construction machinery; farm equipment; and cellular phones.

Illinois firms garnered nearly one-half billion in venture capital money during the first quarter of this year, according to a recent survey by Pricewaterhouse Coopers. The record amount of investment funds were placed with 43 Illinois-headquartered firms during the period, with about 96 percent of the money directed toward technology-based industries.

RTA Region

The following sections summarize the population and employment trends in the six-county RTA region. These trends have a significant impact on the

demand for public transportation services and on ridership results.

Population Trend

Between 1970 and 1997, the population of the RTA region grew by 10.5 percent and is projected to grow by 12.1 percent between 1997 and 2020. This compares to the overall population growth in the United States, which increased 31.3 percent between 1970 and 1997. The United States population growth between 1997 and 2020 is projected at 20.8 percent. Population totals by county are presented in Exhibit 7-1, with estimated values from 1998 through 2020.

Since 1970, most of the region's population growth has taken place in the suburbs. The total population in the five "collar" counties from 1970 to 1997 increased by 70 percent, or more than 1 million people. Meanwhile the population of Cook County, which includes Chicago, decreased by nearly 6 percent (0.3 million people).

Exhibit 7-2, page 7-3, illustrates the annual population growth rates on the basis of 1970 by county. The most dynamic growth occurred in McHenry County, where the population has more than doubled since 1970, equaling a compound annual growth of 2.8 percent. DuPage and Will have grown by 2.2 percent annually between 1990-1997. With the exception of Cook County, each of the other counties in the RTA region are expected to have annual population growth in the years 1997-2020 ranging between 1.1 percent to 1.6 percent. The population in Cook County is expected to remain essentially flat between now and 2020.

In 1997, Cook County represented 67 percent of the total RTA population. (The population distribution for 1997 is illustrated on Exhibit 7-3, page 7-3.) This high proportion is estimated to decrease to 60 percent by 2020, as expansive growth in the collar counties continues.

Employment Trend

The economy has been strong for the last several years creating many jobs. Exhibit 7-4, page 7-4, provides an interesting comparison between the national unemployment level over the last three years, the state of Illinois, and the RTA region by county. Every county in the RTA region, with the exception of Cook, has had an unemployment rate lower than the nation and the state average from 1997-1999. In 1999, DuPage's unemployment rate was 2.7 percent. McHenry, Lake, and Kane had unemployment rates below 4.0 percent. The national and state unemployment level was at 4.2 percent and 4.3 percent in 1999, respectively. The 41.2 percent employment growth in the RTA region between 1970 and 1997 greatly outpaced the 10.5 percent population growth. Employment totals from 1970 through 2020 by county are presented in Exhibit 7-5, page 7-4. The last actual year is 1997, values from 1998 through 2020 are based on the Woods & Poole forecast.

Similar to population trends, suburban jurisdictions have led the region in employment growth since 1970. The total employment in the five "collar" counties from 1970 to 1997 increased by 266 percent, which is equal to a 3.7 percent compound annual growth rate. Meanwhile the employment in Cook County increased by 16 percent (0.6 percent annual growth). Increases were shown in all suburban areas,

Exhibit 7-1

Population Trend (in thousands)

Area	1970	1980	1990	1997	2000	2010	2020
Cook	5,499.18	5,246.50	5,104.42	5,187.71	5,193.63	5,191.26	5,223.05
DuPage	489.11	661.53	785.58	869.15	902.82	1,010.24	1,124.25
Kane	251.90	279.00	319.63	381.81	403.09	460.32	520.56
Lake	383.11	442.61	519.85	594.70	623.19	710.62	802.69
McHenry	111.66	148.24	185.23	236.08	250.03	294.24	340.35
Will	249.03	325.07	359.28	444.57	475.69	555.89	639.75
Total	**6,983.98**	**7,102.95**	**7,273.99**	**7,714.02**	**7,848.45**	**8,222.57**	**8,650.65**

Woods & Poole Economics Forecast, 2000.

ranging from 413 percent (5.4 percent annual) in DuPage County to 183 percent (2.3 percent annual) in Will County. However, in 1997 Cook County still represented 68 percent of the total RTA region employment (in 1970 this proportion was 83 percent).

The employment distribution in the RTA region by economic sectors is illustrated in Exhibit 7-6 and 7-7 (pages 7-4 and 7-5). From 1970 to 1997, the most dynamic growth took place in the service sector, with the biggest loss from manufacturing and government.

Downtown Employment

Increased employment levels in downtown Chicago helped to increase CTA and Metra ridership. The number of jobs in Chicago's central business district (CBD) was flat between in the early-mid 1990's. However, as shown on Exhibits 7-8, page 7-5, overall downtown employment increased by 7.5 percent from 1995 to 1999.

Another indicator is the downtown real estate market, which has had large blocks of unoccupied space and bargain rents available as a result of overbuilding in the 1980s. Exhibit 7-9, page 7-5, shows that downtown office occupancy rates decreased from 1988 through 1994. At the same time, suburban occupancy rates, which historically have been lower, increased. Both markets report a significant gain in occupancy rates between 1994 and 2000. The increase in suburban office space increases demand in suburban corridors served by Pace and Metra. The challenge they face is how to serve the growing suburb-to-suburb, and city-to-suburb (reverse commute) markets better and more efficiently.

Exhibit 7-2

RTA Region
Population Growth Rates - 1970 basis

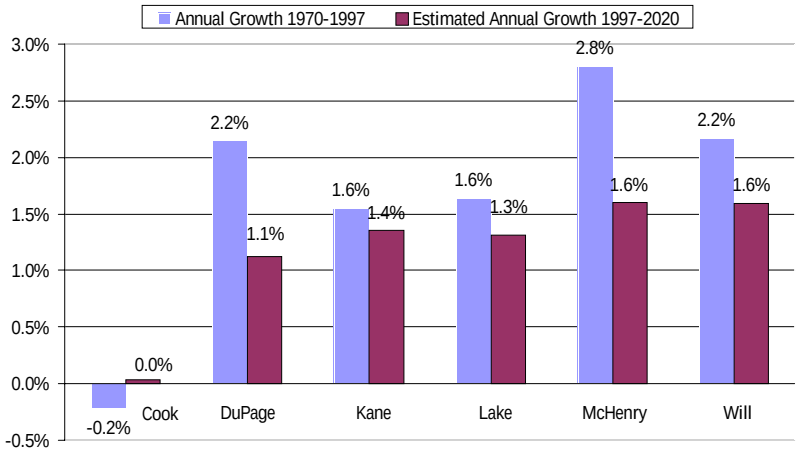


Exhibit 7-3

RTA Region
Population Distribution by County - 1997

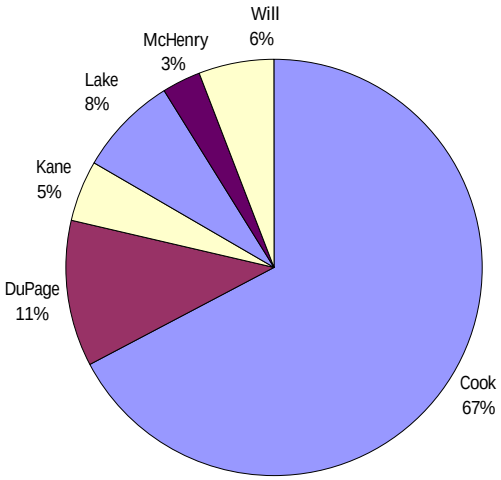


Exhibit 7-4

Unemployment rates
1997-1999

	1997	1998	1999
United States	**4.9%**	**4.5%**	**4.2%**
Illinois	**4.7%**	**4.5%**	**4.3%**
County			
Cook	5.0%	4.7%	4.5%
DuPage	2.9%	2.7%	2.7%
Kane	4.2%	3.9%	3.8%
Lake	3.5%	3.7%	3.4%
McHenry	3.5%	3.5%	3.2%
Will	4.4%	4.2%	4.0%
6-County Area	**4.5%**	**4.3%**	**4.1%**

Exhibit 7-5

Employment Trend
(in thousands)

	1970	1980	1990	1997	2000	2010	2020
Area							
Cook	2,809.24	2,913.45	3,128.23	3,258.09	3,357.76	3,542.47	3,797.32
DuPage	158.83	289.47	507.47	656.39	726.71	845.01	940.01
Kane	110.04	133.62	171.28	207.14	224.31	261.02	294.58
Lake	166.94	211.19	298.35	376.11	415.70	514.89	609.73
McHenry	42.26	56.76	83.73	107.85	119.58	146.30	170.02
Will	88.47	102.31	124.91	162.26	178.89	218.05	260.94
Total	**3,375.78**	**3,706.80**	**4,313.97**	**4,767.84**	**5,022.95**	**5,527.74**	**6,072.60**

Woods & Poole Economics Forecast, 2000.

Exhibit 7-6

Distribution of Employment
(Percent)

	1970	1980	1990	2000	2010	2020
Percent of Jobs in Manufacturing	28.07%	21.89%	15.40%	13.11%	11.82%	10.14%
Percent of Jobs in Services	18.66%	23.28%	29.37%	34.13%	36.98%	40.68%
Percent of Jobs in Farming	0.31%	0.26%	0.16%	0.13%	0.10%	0.08%
Percent of Jobs in Government	12.66%	12.88%	11.64%	10.43%	9.85%	9.18%

Exhibit 7-9

Office Occupancy Rates

1st Quarter	Downtown	Suburban
1988	88.7%	78.8%
1990	87.9%	79.9%
1992	83.5%	81.0%
1994	80.6%	82.9%
1996	82.9%	88.4%
1998	87.7%	90.5%
1999	89.5%	91.0%
2000	91.7%	89.5%

Exhibit 7-7

RTA Region
Distribution of Employment

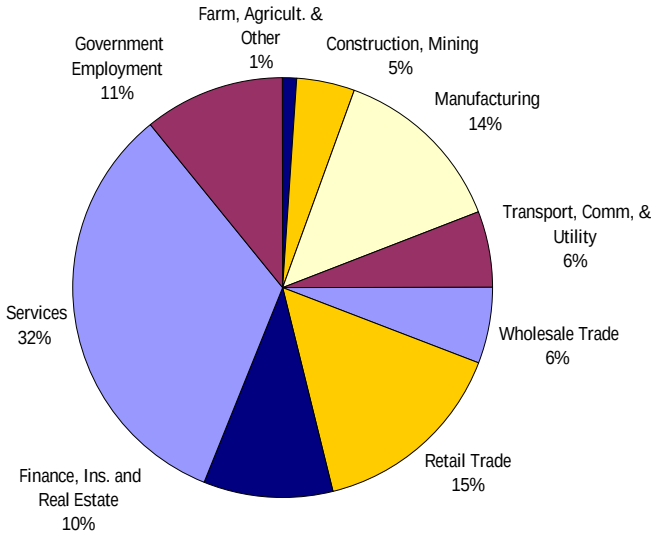


Exhibit 7-8

Downtown Chicago Employment
(in thousands)

Business Ring	1995	1999	Change	%Change
Central	204	214	10	4.9%
Outer	280	306	26	9.4%
Total Downtown	**484**	**521**	**36**	**7.5%**

Exhibit 7-10

2001 RTA Budget Calendar (Dates listed are for 2000)
2001 Budget, 2002-2003 Financial Plan and Five-Year (2001-2005) Capital Program

Jun. 28	Finance Committee meeting; 2001 budget call release.
Jul. 14	Illinois Bureau of Budget submits to RTA estimates of sales tax for the next fiscal year.
Aug. 1	Deadline for Service Board Capital Program Submittals.
Aug. 2 - 31	RTA analysis of the Service Board's preliminary five-year capital program. Agency and Service Board staffs discuss issues. RTA staff prepares t he preliminary capital program funding "marks".
Aug. 18	Service Boards submit macro budget and two-year financial plan to the RTA.
Aug. 18 - 31	RTA staff analysis of the Service Board's macro budget and two-year financial plan. Agency and Service Board staffs discuss business issues.
Sep. 1 - 7	RTA staff prepares the budget, the two-year financial plan and the five-year capital program summaries for management review.
Sep. 8	RTA staff submits for management review, the finance & ordinance information required to: (1) set the operating "funding marks" for the 2001 budget & the 2002-2003 financial plan of each Service Board, (2) set the 2001 budget "recovery ratio" for each Service Board.
Sep. 15	RTA Planning Committee and Finance Committee meetings to review and discuss the preliminary five-year capital program funding "marks".
Sep. 15	Finance Committee meeting to review each Service Board's budget and two-year financial plan, and discuss the ordinance setting the operating "funding marks" and "recovery ratio".
Sep. 15	RTA Board meeting to discuss and adopt the ordinance which sets the operating "funding marks" from 2001 through 2003, the 2001 "recovery ratio" and the preliminary five-year capital program "marks" for each Service Board.
Sep. 15 - Oct. 15	Service Boards develop detailed budgets, two-year financial plans and preliminary five-year capital programs. Staff of the RTA and Service Boards meet to review issues.
Oct. 16 - Dec. 15	FTA releases FY 2001 Apportionments in the *Federal Register*.
Oct. 16 - Dec. 15	Negotiations regarding the FTA Sections 5309 allocation between NE Illinois and NW Indiana are conducted between the RTA and NIRPC.
Oct. 16 - Dec.15	Service Board's release their budget, two-year financial plan and preliminary five-year capital program documents to the public, attend county board meetings and hold public hearings.
Oct. 24 - Nov. 28	RTA Board Members & staff present highlight summaries of the regions proposed budget, two-year financial plan & preliminary five-year capital program to County Committees and their Boards.
Oct. 31 - Nov. 2	RTA Board Committees and the Board review the Agency budget.
Nov. 15	Service Board proposed budgets; two-year financial plans and revised five-year capital programs are submitted to the RTA.
Nov. 16 - 22	RTA staff consolidates the proposed budget, financial plan and revised capital program information of the Service Boards and Agency into the RTA's proposed 2001 Annual Budget and Five-Year Program document.
Nov. 27	The RTA's proposed 2001 Annual Budget & Five-Year Program document is released for public inspection.
Dec. 12	RTA holds public hearings on the consolidated 2001 budget, two-year (2002-2003) financial plan and revised five-year (2001-2005) capital program.
Dec. 14	CATS Policy Committee authorizes the CATS Executive Director to execute the endorsement of the FTA Section 5307 allocation between NE Illinois and NW Indiana.
Dec. 15	RTA Planning Committee, Finance Committee & RTA Board meet to review and adopt an ordinance for the 2001 budget, the 2002-2003 financial plan, and the five-year capital program..

Five-Year Capital Program (Schedule II)

ProjNum	Title	2001	2002	2003	2004	2005	Total
CTA							
	Bus:						
021.803	Perform Bus Maintenance Activities	0	5,000,000	5,000,000	5,000,000	5,000,000	20,000,000
021.804	Perform Mid-Life Bus Overhaul	0	9,270,000	4,057,943	0	0	13,327,943
021.808	Perform Bus Overhaul for TMC Buses	0	3,150,873	0	0	0	3,150,873
031.045	Replace up to 490 TMC Buses (Partial $)	0	0	600,000	0	66,000,000	66,600,000
031.049	Replace up to 467 FIxible Buses	0	0	0	63,045,000	63,045,000	126,090,000
101.005	Replace Bus Fareboxes	0	39,000,000	0	0	0	39,000,000
8354	Perform Bus Overhaul for up to 200 TMC Buses (4400 Series)	6,798,000	0	0	0	0	6,798,000
8356	Purchase of up to 59 of 200 Articulated Buses (75 Repl. M.A.N. & 125 exp./Partial $)	25,297,986	0	0	0	0	25,297,986
8373	Perform Bus Maintenance Activities	3,119,566	0	0	0	0	3,119,566
8378	Purchase up to 200 Articulated Buses (75 Repl. M.A.N. & 125 exp./Partial $)	1,183,403	0	0	0	0	1,183,403
8380	Install Bike Racks on Buses	2,500,000	0	0	0	0	2,500,000
8753	Perform Mid-Life Bus Overhaul	5,098,500	0	0	0	0	5,098,500
8754	Purchase of up to 2 of 200 Articulated Buses (75 Repl. M.A.N. & 125 exp./Partial $)	1,511,899	34,000,000	0	0	0	35,511,899
8756	Replace up to 467 FIxible Buses (Design)	600,000	0	0	0	0	600,000
8795	Purchase up to 7 Hybrid Electric Buses	3,000,000	0	0	0	0	3,000,000
8799	Purchase up to 200 Articulated Buses (75 Repl. M.A.N. & 125 exp./Partial $)	1,875,000	0	0	0	0	1,875,000
1 Rolling Stock Total		50,984,354	90,420,873	9,657,943	68,045,000	134,045,000	353,153,170
8857	Reconstruct 69th Street Bus Bridge - Dan Ryan	2,317,500	0	0	0	0	2,317,500
8858	Rehabilitate 95th Street Bus Bridge - Dan Ryan	2,317,500	0	0	0	0	2,317,500
2 Track & Structure Total		4,635,000	0	0	0	0	4,635,000
073.056	Reconstruct Bus Garage	0	4,243,600	0	51,773,405	0	56,017,005
081.023	Upgrade Bus Washers and Trash Collection - Forest Glen	0	5,834,950	0	0	0	5,834,950
084.810	Purchase Equipment - Bus	0	707,267	728,485	750,340	772,849	2,958,941
8360	Purchase Heavy Duty Equipment - Bus	1,563,477	0	0	0	0	1,563,477
4 Support Facilities & Equipment Total		1,563,477	10,785,817	728,485	52,523,745	772,849	66,374,373
042.821	Improve Bus Turnarounds	0	636,540	655,636	675,305	695,564	2,663,045
8757	Improve Bus Turnarounds (Belmont/ Halsted and Grand/Nordica)	618,000	0	0	0	0	618,000
5 Stations & Passenger Facilities Total		618,000	636,540	655,636	675,305	695,564	3,281,045
	Bus Total	57,800,831	101,843,230	11,042,064	121,244,050	135,513,413	427,443,588
	Rail:						
022.901	Perform Rail Car "C" Overhaul (up to 450, Partial $)	0	18,540,000	19,096,200	19,887,631	20,484,246	78,008,077
022.906	Perform Rail Car Maintenance Activities	0	5,000,000	5,000,000	5,000,000	5,000,000	20,000,000
0687	Rehabilitate up to 314 Rail Cars (2600 Series) - Option 3 (up to 108)	12,654,066	0	0	0	0	12,654,066
132.030	Rehabilitate up to 314 Rail Cars (2600 Series) - Option 3 (up to 108)	0	18,000,000	0	0	0	18,000,000
132.055	Implement Test Cars for New Technology	0	10,609,000	0	0	0	10,609,000
132.056	Replace 142 Rail Cars (2200 Series, Partial $)	0	20,362,536	20,619,194	0	0	40,981,730
132.056	Replace 142 Rail Cars (2200 Series, Partial $)	0	10,870,155	25,240,359	131,313,346	0	167,423,860
8355	Perform Rail Car "C" Overhaul for up to 450 (2400 and 3200 Series, Partial $)	17,089,653	0	0	0	0	17,089,653
8374	Perform Rail Car Maintenance Activities	6,880,434	0	0	0	0	6,880,434
8772	Rehabilitate up to 314 Rail Cars (2600 Series) - Option 1 (up to 96)	27,415,429	0	0	0	0	27,415,429
8773	Rehabilitate up to 314 Rail Cars (2600 Series) - Option 3 (up to 108)	41,102,271	0	0	0	0	41,102,271
8851	Rehabilitate up to 314 Rail Cars (2600 Series) - Option 2 (up to 110)	52,143,780	0	0	0	0	52,143,780
1 Rolling Stock Total		157,285,633	83,381,691	69,955,753	156,200,977	25,484,246	492,308,300
171.035	Renew Structure - Logan Square Connector - O'Hare/Blue Line	0	4,657,570	0	0	0	4,657,570
171.107	Rehabilitate Structure - South Loop	0	5,304,500	0	0	0	5,304,500
171.215	Replace Flange Angles - North Main Line/ Red Line	0	4,082,700	3,278,181	3,376,526	0	10,737,407
171.216	Replace Flange Angles - Ravenswood/ Brown Line	0	6,365,400	6,556,362	6,753,053	3,376,524	23,051,339
173.022	Rehabilitate Viaducts & Retaining Walls - Evanston/ Purple Line	0	6,719,155	0	5,627,544	19,930,075	32,276,774
173.023	Rehabilitate North Main Line Concrete Structures & Stations/ Red Line	0	2,984,132	6,143,814	12,521,786	70,135,791	91,785,523
181.040	Replace Ties - North Main Line/ Brown Line	0	6,007,973	6,272,673	6,455,517	0	18,736,163
181.041	Replace Ties - State Subway	0	0	0	2,251,018	0	2,251,018
181.045	Upgrade Track - Addison to O'Hare/Blue Line	0	0	0	19,133,636	9,758,064	28,891,700
181.810	Renew Right-of-Way Components - Systemwide	0	2,300,453	2,533,540	2,609,546	2,533,539	9,977,078
182.040	Replace Ties - Ravenswood/ Brown Line	0	2,486,958	2,154,750	1,617,250	0	6,258,958
186.025	Renew Dan Ryan Special Work	0	0	16,390,905	0	0	16,390,905
187.045	Replace Deteriorated Footwalks	0	1,060,900	1,092,727	1,125,509	5,627,540	8,906,676

ProjNum	Title	2001	2002	2003	2004	2005	Total
8365	Renew Right-of-Way Components - Systemwide	2,251,018	0	0	0	0	2,251,018
8376	Repair Track and Structure Defects	3,728,982	0	0	0	0	3,728,982
8382	Rehabilitate Viaducts and Retaining Walls/Purple Line	800,000	0	0	0	0	800,000
8776	Replace Flange Angles - North Main Line/ Red Line	4,446,762	0	0	0	0	4,446,762
8777	Renew Dan Ryan Special Trackwork	1,545,000	0	0	0	0	1,545,000
8778	Replace Deteriorated Footwalks	1,030,000	0	0	0	0	1,030,000
8853	Renew Structure - Logan Square Connector - O'Hare/Blue Line	4,363,087	0	0	0	0	4,363,087
8855	Replace Flange Angles - Ravenswood/ Brown Line	6,045,000	0	0	0	0	6,045,000
8859	Rehabilitate North Main Line Concrete Structures & Stations/ Red Line	670,017	0	0	0	0	670,017
8860	Replace Ties - North Main Line/ Brown Line	3,542,260	0	0	0	0	3,542,260
8861	Replace Ties - Ravenswood/ Brown Line	3,012,958	0	0	0	0	3,012,958
2 Track & Structure Total		31,435,084	41,969,741	44,422,952	61,471,385	111,361,533	290,660,695
053.004	Replace Current Rail Radio System	0	3,182,700	0	0	0	3,182,700
121.016	Replace Substation and Subway Power Distribution	0	2,121,800	13,112,724	0	0	15,234,524
121.017	Replace Skokie Power Distribution	0	5,834,950	0	0	0	5,834,950
121.840	Replace & Upgrade Substation Facilities and Associated Equipment	0	0	0	11,806,797	0	11,806,797
124.101	Improve SCADA Operational System	0	424,360	0	0	0	424,360
143.128	Improve Rail Station Public Address Systems	0	0	16,390,905	0	0	16,390,905
161.018	Replace Signal System and Rail - Congress & Dearborn Subway	0	0	70,089,380	0	0	70,089,380
161.022	Implement Workers Ahead Warning System / 63 Locations	0	811,492	886,738	0	0	1,698,230
8768	Replace & Upgrade Substation Facilities and Associated Equipment	2,060,000	0	0	0	0	2,060,000
8769	Improve SCADA Operational System	824,000	0	0	0	0	824,000
8770	Implement SCADA Radio Back-Up System	824,000	0	0	0	0	824,000
8771	Install Remote Terminal Units at Stations/SCADA	1,648,000	0	0	0	0	1,648,000
3 Electric, Signal, & Communications Total		5,356,000	12,375,302	100,479,747	11,806,797	0	130,017,846
074.062	Upgrade DesPlaines Shop and Car Washer	0	0	8,195,453	0	0	8,195,453
074.066	Expand 98th Street Shop Capacity	0	0	1,092,727	0	0	1,092,727
084.811	Purchase Equipment - Rail	0	707,267	728,485	750,340	772,849	2,958,941
8361	Purchase Heavy Duty Equipment - Rail	1,563,480	0	0	0	0	1,563,480
8760	Upgrade DesPlaines Shop and Car Washer	772,500	0	0	0	0	772,500
8764	Upgrade Car Washer - Rosemont Shop	1,648,000	0	0	0	0	1,648,000
8765	Upgrade Car Washer - 63rd Ashland Yard/ Green Line	2,575,000	0	0	0	0	2,575,000
8850	Upgrade Car Washer - Ashland Yard	1,125,000	0	0	0	0	1,125,000
4 Support Facilities & Equipment Total		7,683,980	707,267	10,016,665	750,340	772,849	19,931,101
141.014	Reconstruct Wilson Rail Station and Associated Track Work - Howard/ Red Line	0	2,121,800	32,781,810	0	0	34,903,610
141.020	Reconstruct Lawrence Rail Station - Howard/ Red Line	0	0	6,556,362	0	0	6,556,362
141.050	Reconstruct Sheridan Road Rail Station - Howard/ Red Line	0	0	0	2,251,018	0	2,251,018
141.051	Reconstruct 95th Street Rail Station - Dan Ryan/ Red Line	0	0	5,304,500	0	0	5,304,500
141.052	Reconstruct Howard Rail Station, Bus Terminal and Parking/ Red Line	0	28,750,000	0	0	0	28,750,000
141.202	Reconstruct 47th Street Rail Station - Dan Ryan/ Red Line	0	1,060,900	0	15,757,112	0	16,818,012
141.203	Reconstruct 63rd Street Rail Station - Dan Ryan/ Red Line	0	1,060,900	0	15,757,112	0	16,818,012
141.204	Reconstruct 69th Street Rail Station - Dan Ryan/ Red Line	0	14,852,600	0	0	0	14,852,600
141.206	Reconstruct 87th Street Rail Station - Dan Ryan/ Red Line	0	14,852,600	0	0	0	14,852,600
141.208	Reconstruct 22nd Street/Cermak Rail Station - Dan Ryan/ Red Line	0	0	0	1,125,509	0	1,125,509
141.209	Reconstruct Garfield Rail Station - Dan Ryan/ Red Line	0	0	0	1,125,509	0	1,125,509
141.225	Reconstruct Belmont Rail Station - O'Hare/ Blue Line	0	0	983,454	0	13,506,096	14,489,550
141.228	Reconstruct Irving Park Rail Station - O'Hare/ Blue Line	0	0	983,454	0	13,506,096	14,489,550
141.265	Reconstruct Main Street Rail Station - Evanston/ Purple Line	0	1,060,900	0	15,757,112	0	16,818,012
141.266	Reconstruct Dempster Street Rail Station - Evanston/ Purple Line	0	1,060,900	0	15,757,112	0	16,818,012
141.269	Reconstruct Oak Park Rail Station - Congress/ Blue Line	0	795,675	0	0	11,592,725	12,388,400
141.270	Reconstruct Racine Rail Station - Congress/ Blue Line	0	795,675	0	11,255,080	0	12,050,755
141.271	Reconstruct Pulaski Rail Station - Congress/ Blue Line	0	795,675	0	11,255,080	0	12,050,755
143.113	Replace Escalators - Subways	0	0	13,381,744	0	0	13,381,744
143.160	Upgrade Rail Stations and Facilities	0	3,182,700	3,278,181	3,376,526	3,477,820	13,315,227
143.268	Upgrade Des Plaines Rail Station - Congress/ Blue Line	0	0	0	281,377	2,813,770	3,095,147
8774	Reconstruct Lawrence Rail Station - Howard/ Red Line	1,030,000	0	0	0	0	1,030,000
8775	Upgrade Rail Stations and Facilities	3,016,447	0	0	0	0	3,016,447
8792	Construct New Park and Ride Facility 79th and Perry - Dan Ryan/ Red Line	572,500	0	0	0	0	572,500
8793	Construct New Park and Ride Facility 94th and State - Dan Ryan/ Red Line	237,500	0	0	0	0	237,500
8852	Replace Escalators - Subways	1,030,000	0	0	0	0	1,030,000
8881	Reconstruct Rail Station and Associated Track Work- Wilson/Howard	1,396,209	0	0	0	0	1,396,209
5 Stations & Passenger Facilities Total		7,282,656	70,390,325	63,269,505	93,698,547	44,896,507	279,537,540
8781	North-South Rail Capacity Study	772,500	0	0	0	0	772,500
6 Miscellaneous Total		772,500	0	0	0	0	772,500
194.115	Expand CTA Ravenswood Line New Start/ Brown Line	11,000,000	0	0	0	0	11,000,000
194.115	Expand CTA Ravenswood Line New Start/ Brown Line	0	15,000,000	100,000,000	100,000,000	16,200,000	231,200,000
194.115	Expand CTA Ravenswood Line New Start/ Brown Line (Local)	0	3,750,000	25,000,000	25,000,000	4,050,000	57,800,000

ProjNum	Title	2001	2002	2003	2004	2005	Total
194.117	Rehab CTA Douglas Branch New Start/ Blue Line (Partial $)	0	100,000,000	100,000,000	98,180,000	0	298,180,000
194.117	Rehab CTA Douglas Branch New Start/ Blue Line (Partial $)	21,250,000	0	0	0	0	21,250,000
194.917	Rehab CTA Douglas Branch/ Initial/ Blue Line (Partial $)	0	3,713,150	0	0	0	3,713,150
8367	Rehab CTA Douglas Branch New Start/ Blue Line (Partial $)	42,670,346	0	0	0	0	42,670,346
8780	Rehab CTA Douglas Branch-RTA Debt Service/Blue Line	10,500,000	0	0	0	0	10,500,000
8882	Rehabilitate CTA Douglas Branch Initial-Rehabilitate Non-New Start (Partial $)	1,935,792	0	0	0	0	1,935,792
7 Acquisitions & Extensions Total		87,356,138	122,463,150	225,000,000	223,180,000	20,250,000	678,249,288
	Rail Total	297,171,991	331,287,476	513,144,622	547,108,046	202,765,135	1,891,477,270
	System:						
052.012	Implement Control Center Projects	0	4,774,050	3,182,700	0	0	7,956,750
8758	Implement Control Center Projects	3,180,000	0	0	0	0	3,180,000
3 Electric, Signal, & Communications Total		3,180,000	4,774,050	3,182,700	0	0	11,136,750
060.810	Implement Computer Systems	0	0	6,556,362	0	0	6,556,362
061.810	Upgrade Office Computer Systems	0	1,326,125	1,365,909	1,406,886	1,141,882	5,240,802
076.041	Replace/Upgrade Hoists, Escalators, and Elevators	0	2,060,000	2,121,800	2,185,454	2,251,016	8,618,270
076.810	Replace/Repair Roofs - Various Locations	0	754,091	776,714	800,015	824,015	3,154,835
084.812	Purchase Facilities Equipment	0	707,266	728,484	628,155	772,849	2,836,754
085.090	Purchase Material Handling Equipment	0	477,405	0	0	0	477,405
086.057	Purchase Non-Revenue Vehicles	0	4,243,600	4,370,908	4,502,035	4,637,093	17,753,636
102.030	Implement Automated Fare Control (AFC) Projects	0	2,333,980	218,545	0	0	2,552,525
8358	Implement Maintenance Shop Management Information System	3,605,000	0	0	0	0	3,605,000
8359	Replace Financial Systems (Partial $)	5,140,000	6,365,400	0	0	0	11,505,400
8362	Purchase Heavy Duty Facilities Equipment	1,563,480	0	0	0	0	1,563,480
8363	Purchase Non-Revenue Vehicles	3,730,982	0	0	0	0	3,730,982
8364	Implement Automated Fare Control (AFC) Projects (Partial $)	3,141,500	0	0	0	0	3,141,500
8375	Improve Bus/Rail Facilities	6,624,018	0	0	0	0	6,624,018
8379	Install Centralized Paratransit Reservation System	2,100,000	0	0	0	0	2,100,000
8381	Facility Planning	1,096,597	0	0	0	0	1,096,597
8759	Upgrade Office Computer Systems	1,287,500	0	0	0	0	1,287,500
8761	Implement Facility Improvements	1,297,800	0	0	0	0	1,297,800
8762	Replace/Upgrade Hoists, Escalators, and Elevators	2,000,000	0	0	0	0	2,000,000
8763	Replace/Repair Roofs - Various Locations	732,127	0	0	0	0	732,127
8766	Purchase Material Handling Equipment	563,998	0	0	0	0	563,998
4 Support Facilities & Equipment Total		32,883,002	18,267,867	16,138,722	9,522,545	9,626,855	86,438,991
110.011	Implement Systemwide Signage Program	0	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
5 Stations & Passenger Facilities Total		0	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
193.810	Provide for Miscellaneous & Unanticipated Capital	0	2,000,000	2,000,000	2,000,000	0	6,000,000
203.800	Provide for Heavy Maintenance & Rehabilitation of Vehicles & Facilities	0	10,353,000	10,353,000	10,353,000	0	31,059,000
8371	Provide for Miscellaneous & Unanticipated Capital	2,266,461	0	0	0	0	2,266,461
8779	Implement Quality Assurance Program	348,908	370,156	392,697	416,614	0	1,528,375
8782	Program Management	4,000,000	4,000,000	4,000,000	4,000,000	0	16,000,000
6 Miscellaneous Total		6,615,369	16,723,156	16,745,697	16,769,614	0	56,853,836
000.000	Provide for Administration	0	14,163,965	19,447,587	25,288,681	0	58,900,233
000.000	Provide for Contingencies	0	43,778,488	50,231,611	58,180,065	0	152,190,164
8751	Provide for Contingencies	3,935,854	0	0	0	0	3,935,854
8790	Provide for Administration	2,164,920	0	0	0	0	2,164,920
8798	Provide for Administration-Railcars Opt. 1 & 3	4,522,165	0	0	0	0	4,522,165
8883	Provide for Contingencies	2,442,332	0	0	0	0	2,442,332
8884	Provide for Administration	1,415,229	0	0	0	0	1,415,229
8885	Provide for Administration- Railcars Opt. 2	3,441,485	0	0	0	0	3,441,485
8 Contingencies & Administration Total		17,921,985	57,942,453	69,679,198	83,468,746	0	229,012,382
0496	Purchase Install Data Communications System	999,000	0	0	0	0	999,000
0569	Implement Rail Scheduling System (TSR Phase II) (CTA-073)	(739,000)	0	0	0	0	(739,000)
0571	Purchase/ Install Electronic Report Distribution System (CTA-073)	(260,000)	0	0	0	0	(260,000)
0687	Previously Awarded Rail Car Funds (CAP-95-529-FED)	(10,428,756)	0	0	0	0	(10,428,756)
0735	Previously Awarded Rail Car Funds (CAP-95-529-FED)	(13,703,540)	0	0	0	0	(13,703,540)
0923	Construct Ancillary Facility (CTA-116)	(150,000)	0	0	0	0	(150,000)
7014	Rehab CTA Douglas Branch (IDOT Local Share) (Partial $)	(4,250,000)	0	0	0	0	(4,250,000)
7868	Facility Improvement - Fuel Cell Bus (IL-90-X313/CTA-084)	(850,000)	0	0	0	0	(850,000)
7923	Convert Rail Cars to One Person Operation (IL-03-0192/ CTA-083)	(225,000)	0	0	0	0	(225,000)
8352	Replace Financial Systems	525,000	0	0	0	0	525,000
8654	Protective Coating for Bridges (IL-03-0205/ CTA-1002)	(900,000)	0	0	0	0	(900,000)
8767	Purchase Material Handling Equipment	850,000	0	0	0	0	850,000
8854	Renew Structure - Logan Square Connector - O'Hare/Blue Line	900,000	0	0	0	0	900,000

ProjNum	Title	2001	2002	2003	2004	2005	Total
8856	Replace Flange Angles - Ravenswood/ Brown Line	225,000	0	0	0	0	225,000
9308	Paint Bridges Yellow & Purple Lines (CTA-135)	(375,000)	0	0	0	0	(375,000)
9 Deobligations & Reobligations Total		(28,382,296)	0	0	0	0	(28,382,296)
	System Total	32,218,060	100,707,526	108,746,317	112,760,905	12,626,855	367,059,663
	CTA Total	387,190,882	533,838,232	632,933,003	781,113,001	350,905,403	2,685,980,521
Metra							
	Rail:						
2706	Standardize Car Equipment -- MET	1,000,000	0	0	0	0	1,000,000
3104	Purchase up to 26 New Diesel Locomotives, MET (Partial $)	27,625,000	0	0	0	0	27,625,000
3104	Purchase up to 26 New Diesel Locomotives, MET (Partial $)	0	30,000,000	1,672,000	0	0	31,672,000
3203	Replace Fuel Tanks on 24 Locomotives, MET	0	0	1,400,000	1,000,000	0	2,400,000
3301	Rehabilitate up to 15 Locomotives #185-199, MET (Partial $)	0	1,550,000	0	0	0	1,550,000
3301	Rehabilitate up to 15 Locomotives #185-199, MET (Partial $)	1,950,000	0	0	0	0	1,950,000
3303	Rehabilitate up to 20 Bi-Level Cars, BNSF (Partial $)	3,900,000	0	0	0	0	3,900,000
3304	Rehabilitate up to 20 Bi-Level Cars, MWD (Partial $)	0	0	0	0	13,100,000	13,100,000
3304	Rehabilitate up to 20 Bi-Level Cars, MWD (Partial $)	3,550,000	0	0	0	0	3,550,000
3308	Overhaul Fleet Components, MET	0	4,100,000	4,200,000	4,300,000	4,500,000	17,100,000
3308	Overhaul Fleet Components, MET	4,000,000	0	0	0	0	4,000,000
3310	Purchase up to 300 New Bi-Level Cars, MET (Partial $)	0	68,827,040	131,972,440	114,299,960	0	315,099,440
3310	Purchase up to 300 New Bi-Level Cars, MET (Partial $)	90,114,342	0	0	0	0	90,114,342
3401	Rehabilitate up to 15 Locomotives #200-214, MET	0	5,818,000	3,640,000	0	0	9,458,000
3402	Overhaul and Upgrade of up to 75 Traction Motors, MET	750,000	0	0	0	0	750,000
3403	Rehabilitate up to 20 Bi-Level Cars, BNS (Partial $)	7,021,200	0	0	0	0	7,021,200
3403	Rehabilitate up to 20 Bi-Level Cars, BNS (Partial $)	0	4,339,000	0	0	0	4,339,000
3404	Rehabilitate up to 20 Commuter Rail Cars #7221-7240, MWD	0	6,250,000	3,800,000	0	0	10,050,000
3406	Improve Cars and Locomotives, MET	400,000	0	0	0	0	400,000
3407	Overhaul Traction Motors, MED	1,000,000	0	0	0	0	1,000,000
96-003	Install FRA Window Glazing, MET	0	0	250,000	0	250,000	500,000
96-124	Overhaul Traction Motors -- MET	0	750,000	750,000	750,000	750,000	3,000,000
96-151	Rehabilitate up to 122 Cars, MWD	0	0	6,770,000	11,200,000	12,010,000	29,980,000
AC-101	Rehabilitate up to 119 Cars, BNSF	0	7,470,000	12,100,000	8,690,000	0	28,260,000
AF-111	Rehabilitate Locomotives, MET	0	0	6,260,000	9,630,000	10,015,000	25,905,000
AF-171	Overhaul Traction Motors -- MED	0	1,000,000	1,000,000	1,000,000	2,000,000	5,000,000
AG-152	Improve Cars and Locomotives, MET	0	500,000	500,000	500,000	400,000	1,900,000
AG-181	Replace Rolling Stock, MED	0	0	5,000,000	0	19,200,809	24,200,809
1 Rolling Stock Total		141,310,542	130,604,040	179,314,440	151,369,960	62,225,809	664,824,791
2039	Renew Bridge No. Z-48 in Itasca, Spring Brook, MWD-W	2,000,000	0	0	0	0	2,000,000
2112	Replace Bridges-Northline -- UPR-N	0	7,733,000	32,000,000	35,612,000	9,155,000	84,500,000
2112	Replace Bridges-Northline -- UPR-N	1,000,000	0	0	0	0	1,000,000
2715	Rehabilitate Retaining Walls, UPR	0	0	5,000,000	0	0	5,000,000
2927	Replace 4 Bridges, 57th-60th Streets, RID	0	0	12,000,000	0	0	12,000,000
2933	Construct Belmont Road Grade Separation, BNS	0	0	4,000,000	0	0	4,000,000
2943	Reconstruct Bridge 17-1, MED	0	2,000,000	3,000,000	0	0	5,000,000
3316	Improve Crossings (Road & Track) -- MET	3,000,000	0	0	0	0	3,000,000
3325	Replace Bridges, 18th-55th Streets -- RID	1,586,154	0	0	0	0	1,586,154
3325	Replace Bridges, 18th-55th Streets -- RID	0	24,000,000	18,149,000	6,000,000	5,500,000	53,649,000
3411	Install Ties, Ballast, Switch Heaters, BNS	1,500,000	0	0	0	0	1,500,000
3412	Install Ties & Ballast, MED	1,500,000	0	0	0	0	1,500,000
3413	Install Ties & Ballast, N Line, MWD-N	400,000	0	0	0	0	400,000
3413	Install Ties & Ballast, N Line, MWD-N	600,000	0	0	0	0	600,000
3414	Install Ties & Ballast, RID	3,200,000	0	0	0	0	3,200,000
3415	Install Ties & Ballast, SWS	1,000,000	0	0	0	0	1,000,000
3416	Install Ties & Ballast, UPR	3,469,000	0	0	0	0	3,469,000
3417	Provide for Rail Grinding, BNS	40,000	0	0	0	0	40,000
3419	Provide for Rail Grinding (all Railroads), MET (IDOT GRF)	300,000	0	0	0	0	300,000
3420	Provide for Inspection of New Rail, MET	100,000	0	0	0	0	100,000
3421	Purchase Plant Welding Services, MET	150,000	0	0	0	0	150,000
3422	Provide for Rail Grinding, UPR (IDOT GRF)	130,000	0	0	0	0	130,000
3423	Undercut Ballast at 4 Stations, BNSF	275,000	0	0	0	0	275,000
3424	Undercut at Park Ridge Station, UPR	500,000	0	0	0	0	500,000
3425	Replace Rail and Switches, BNS	1,490,000	0	0	0	0	1,490,000
3426	Install New Rail, MWD-W	1,640,000	0	0	0	0	1,640,000
3426	Install New Rail, MWD-W	360,000	0	0	0	0	360,000
3427	Improve North Central Service	5,000,000	0	0	0	0	5,000,000
3428	Replace Rail, UPR	2,212,000	0	0	0	0	2,212,000
3431	Rehabilitate Bridges, MWD-N	500,000	0	0	0	0	500,000
3432	Reconstruct Bridge Z-108 (Elgin), MWD-W	600,000	0	0	0	0	600,000

ProjNum	Title	2001	2002	2003	2004	2005	Total
3432	Reconstruct Bridge Z-108 (Elgin), MWD-W	0	1,000,000	0	0	0	1,000,000
3433	Reconstruct Halsted Street Bridge (#96), RID	500,000	0	0	0	0	500,000
3433	Reconstruct Halsted Street Bridge (#96), RID	0	0	1,500,000	0	0	1,500,000
3434	Rehabilitate Bridges, UPR-- N and NW Lines	600,000	0	0	0	0	600,000
3435	Replace Northwest Line Bridges On Track 2, UPR-NW	14,000,000	0	0	0	0	14,000,000
3435	Replace Northwest Line Bridges On Track 2, UPR-NW	0	14,000,000	2,000,000	0	0	16,000,000
3437	Rehabilitate Retaining Wall, RID	1,000,000	0	0	0	0	1,000,000
3438	Rehabilitate Retaining Wall, UPR-W	1,000,000	0	0	0	0	1,000,000
3441	Re-Install Intertrack Fencing, BNS (IDOT GRF)	150,000	0	0	0	0	150,000
3442	Install Right-of-Way Fencing, MET (IDOT GRF)	100,000	0	0	0	0	100,000
3443	Install Right-of-Way Fencing, UPR(IDOT GRF)	200,000	0	0	0	0	200,000
3444	Rehabilitate Catenary Structure, MED (IDOT GRF)	600,000	0	0	0	0	600,000
3445	Replace Handrailing & Walkways, UPR (IDOT GRF)	300,000	0	0	0	0	300,000
96-008	Rehabilitate Retaining Wall -- BNS	0	500,000	350,000	300,000	350,000	1,500,000
96-015	Replace Rail -- MED	0	1,000,000	0	1,000,000	1,000,000	3,000,000
96-017	Replace Ties & Ballast -- MED	0	0	1,500,000	0	2,000,000	3,500,000
96-018	Replace Ties & Ballast -- MWD-W	0	0	1,000,000	500,000	500,000	2,000,000
96-019	Replace Rail -- MWD-W	0	2,000,000	0	2,000,000	0	4,000,000
96-020	Replace Rail -- MWD-N	0	0	1,000,000	0	0	1,000,000
96-021	Replace Rail, SWS	0	0	3,000,000	0	3,000,000	6,000,000
96-022	Improve North Central Service, NCS	0	5,000,000	2,000,000	0	0	7,000,000
96-072	Replace Ties & Ballast, North Line -- MWD-N	0	1,000,000	0	1,000,000	1,500,000	3,500,000
96-073	Provide for Rail Grinding (all Railroad Stations) -- MET	0	0	200,000	200,000	200,000	600,000
96-074	Install Right-of-Way Fencing -- MET	0	100,000	100,000	100,000	100,000	400,000
96-104	Replace Rail -- RID	0	1,000,000	0	1,000,000	0	2,000,000
96-107	Replace Rail -- UPR	0	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
96-116	Replace Ties & Ballast -- UPR	0	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
96-126	Rehabilitate Retaining Wall -- MET	0	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
96-128	Rehabilitate Catenary Structure -- MED	0	1,200,000	1,300,000	1,300,000	1,300,000	5,100,000
96-133	Provide for Undercutting at Stations -- UPR	0	400,000	400,000	400,000	400,000	1,600,000
96-137	Replace Ties & Ballast -- SWS	0	1,500,000	0	2,000,000	2,500,000	6,000,000
96-166	Rehabilitate 75th and 79th Street Bridges -- MED	0	0	5,800,000	0	0	5,800,000
96-176	Construct Second Track Over Fox River, MWD-N	0	0	1,000,000	1,000,000	9,000,000	11,000,000
96-184	Renew Bridge # 377 at Hickory Creek -- RID	0	0	500,000	0	1,500,000	2,000,000
96-275	Provide for Surfacing -- RID	0	800,000	500,000	500,000	500,000	2,300,000
96-276	Replace Ties & Ballast -- RID	0	0	0	2,000,000	1,000,000	3,000,000
96-302	Upgrade Bridges -- MWD	0	0	500,000	0	0	500,000
AC-201	Provide for Undercut Ballast at Right-of-Way Track Sections -- BNS	0	450,000	470,000	500,000	500,000	1,920,000
AC-204	Recondition Bridges -- UPR	0	200,000	800,000	800,000	800,000	2,600,000
AC-205	Rehabilitate Bridges, 59th-60th Streets, MED	0	1,000,000	4,000,000	0	0	5,000,000
AC-207	Renew 73rd St Bridge (#9-1) -- MED	0	0	0	500,000	2,000,000	2,500,000
AC-208	Replace Sacramento Boulevard Bridg -- MWD-W	0	0	800,000	7,152,939	0	7,952,939
AC-209	Replace Spaulding Avenue Bridge -- MWD-W	0	0	800,000	5,500,000	0	6,300,000
AD-202	Inspect New Rail -- MET	0	100,000	100,000	100,000	100,000	400,000
AD-203	Install Right-of-Way Fencing -- UPR	0	200,000	200,000	200,000	200,000	800,000
AD-204	Replace Handrailing & Walkways -- UPR	0	300,000	300,000	300,000	0	900,000
AD-209	Replace Bridges, Lake St-BR "A" -- UPR	0	0	0	0	2,000,000	2,000,000
AD-211	Re-Install Intertrack Fencing, BNS	0	150,000	150,000	150,000	150,000	600,000
AD-214	Provide for Rail Grinding, BNS	0	40,000	40,000	40,000	40,000	160,000
AE-201	Replace Ties, Ballast, Switch Heaters -- BNS	0	1,415,000	1,200,000	1,200,000	1,200,000	5,015,000
AE-202	Replace Rail and Switches -- BNS	0	875,000	900,000	800,000	800,000	3,375,000
AE-242	Rehabilitate Montrose Avenue Bridge (A-36) -- MWD-N	0	0	0	600,000	1,000,000	1,600,000
AE-243	Rehabilitate 75th Street Bridge (#82) -- RID	0	0	600,000	1,000,000	0	1,600,000
AE-244	Rehabilitate Gresham Area Bridges -- RID	0	0	0	1,000,000	3,000,000	4,000,000
AE-245	Rehabilitate Palos Park Area Bridges -- SWS	0	0	0	0	1,000,000	1,000,000
AF-213	Provide for Rail Grinding, UPR	0	130,000	130,000	130,000	130,000	520,000
AF-241	Rehabilitate Bridge #9-43 At 76th Street -- MED	0	0	0	375,000	1,250,000	1,625,000
AG-207	Replace Ties & Ballast, UPR	0	0	4,000,000	0	0	4,000,000
AG-214	Purchase Welding Services, MET	0	150,000	150,000	150,000	150,000	600,000
AG-277	Rehabilitate Retaining Walls, UPR	0	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
2 Track & Structure Total		51,002,154	74,243,000	117,439,000	81,409,939	59,825,000	383,919,093
1207	Upgrade Clinton Street Interlocker -- UPR	4,000,000	0	0	0	0	4,000,000
2413	Install SCADA System, MED	450,000	0	0	0	0	450,000
2539	Install Bi-directional Signaling, 11th - 67th -- MED	0	1,000,000	1,000,000	1,000,000	0	3,000,000
2539	Install Bi-directional Signaling, 11th - 67th -- MED	500,000	0	0	0	0	500,000
2545	Install Bi-directional Signaling, 67th-111th, MED	0	300,000	0	0	0	300,000

ProjNum	Title	2001	2002	2003	2004	2005	Total
2732	Renew College Avenue Interlocker -- UPR	0	0	0	2,000,000	0	2,000,000
2835	Replace AC Transmission Lines, MED	0	500,000	0	0	0	500,000
2835	Replace AC Transmission Lines, MED	400,000	0	0	0	0	400,000
2844	Upgrade Standby Power at Yards, UPR	0	0	800,000	0	0	800,000
2938	Renew A5 Interlocker, CCF -- MWD	0	0	0	2,500,000	2,500,000	5,000,000
2939	Renew Gresham Interlocker, CCF -- RID	0	0	1,000,000	2,000,000	3,000,000	6,000,000
2941	Upgrade Harvey Electrical Substation, MED	0	500,000	0	0	0	500,000
2941	Upgrade Harvey Electrical Substation, MED	150,000	0	0	0	0	150,000
2942	Convert Electrical Drawings -- MED	150,000	0	0	0	0	150,000
2942	Convert Electrical Drawings -- MED	0	150,000	150,000	150,000	150,000	600,000
2948	Replace Switch Heaters, UPR	600,000	0	0	0	0	600,000
3241	Upgrade Lake Street Interlocker -- CUS	7,000,000	0	0	0	0	7,000,000
3241	Upgrade Lake Street Interlocker -- CUS	0	6,000,000	11,200,000	0	0	17,200,000
3242	Renew Interlocker -- UPR	0	0	600,000	0	0	600,000
3246	Replace Catenary Wire -- MED	0	0	0	1,000,000	0	1,000,000
3248	Install Backup Generators, MET	0	1,800,000	0	0	0	1,800,000
3250	Install Backup Power Generators -- BNSF	100,000	0	0	0	0	100,000
3334	Install Crossing Recorders -- MET	0	500,000	0	0	0	500,000
3335	Improve Crossings -- SWS	0	500,000	200,000	0	0	700,000
3337	Upgrade Lake Street Interlocker -- UPR	0	1,500,000	2,500,000	2,500,000	10,000,000	16,500,000
3337	Upgrade Lake Street Interlocker -- UPR	1,500,000	0	0	0	0	1,500,000
3339	Upgrade Vollmer Road -- MED	0	0	0	550,000	0	550,000
3340	Replace 4KV Transmission Lines, MED	0	0	600,000	765,000	0	1,365,000
3440	Upgrade West Line Signal -- MWD	600,000	600,000	0	0	0	1,200,000
3446	Install Fiber Optic Cable, BNSF	1,800,000	0	0	0	0	1,800,000
3447	Improve Chicago Union Station Ventilation System, CUS	1,000,000	0	0	0	0	1,000,000
3448	Improve Crossings, RID	300,000	0	0	0	0	300,000
3449	Install Backup Generators, UPR	800,000	0	0	0	0	800,000
3451	Replace Logging Recorders, MET	103,000	0	0	0	0	103,000
3453	Install Pedestrian Crosswalk Signals, MET	200,000	0	0	0	0	200,000
3454	Install Train Information Management System, MET	600,000	0	0	0	0	600,000
96-023	Install Crossing Predictors, BNS	0	700,000	0	700,000	0	1,400,000
96-034	Replace Batteries -- UPR	0	300,000	300,000	300,000	300,000	1,200,000
96-037	Install Coded Track Signals CUS- Rondout -- MWD	0	0	500,000	500,000	500,000	1,500,000
96-038	Install Coded Track Signals, A5-B35 -- MWD	0	0	0	0	500,000	500,000
96-039	Install Centralized Traffic Control, Rondout-Fox Lake, MWD-N	0	0	0	500,000	1,000,000	1,500,000
96-044	Renew Blue Island Interlocker, CCF -- RID	0	0	0	600,000	2,000,000	2,600,000
96-046	Renew UD Interlocker, CCF -- RID	0	0	200,000	1,000,000	0	1,200,000
96-121	Replace 4KV Transmission Lines -- MED	0	0	0	0	1,100,000	1,100,000
96-219	Provide for Crossing Improvements -- RID	0	300,000	0	0	0	300,000
96-227	Renew 16th St Interlocker, CCF, RID	0	0	0	1,000,000	3,000,000	4,000,000
AC-305	Install Coded Track, Kens-Matteson, MED	0	0	0	0	1,500,000	1,500,000
AC-306	Install Crossing Recorders, MET	0	0	0	500,000	0	500,000
AC-307	Upgrade Crossings, Suburban Line, RID	0	0	0	0	2,000,000	2,000,000
AC-308	Install Coded Track, TP-Joliet -- RID	0	0	0	500,000	1,000,000	1,500,000
AC-310	Improve Crossings, SWS	0	0	0	1,000,000	1,600,000	2,600,000
AD-302	Upgrade Signal, Seeger/Barrington, UPR-NW	0	0	0	0	3,000,000	3,000,000
AD-303	Renew Barrington, EJ&E Interlocker -- UPR-NW	0	0	0	0	1,000,000	1,000,000
AD-307	Install Signal, Crystal Lake-McHenry -- UPR-NW	0	0	0	0	500,000	500,000
AD-310	Renew Lake Bluff Interlocker -- UPR-N	0	0	0	0	500,000	500,000
AD-311	Upgrade Kenosha Standby Power -- UPR-N	0	0	0	0	500,000	500,000
AD-314	Upgrade Kedzie Switches -- UPR-W	0	0	0	1,000,000	0	1,000,000
AD-318	Install Underground Cable, BNS	0	3,500,000	6,400,000	5,400,000	3,600,000	18,900,000
AG-373	Remove Automated Revenue Collection system Cable, MET	0	500,000	0	0	0	500,000
AG-374	Replace Cab Radios, MET	0	0	1,050,000	1,050,000	0	2,100,000
AG-375	Replace Passenger Information Displays, MET	0	0	2,000,000	2,000,000	0	4,000,000
AG-376	Voice of Metra, MET	0	0	0	1,000,000	1,000,000	2,000,000
3 Electric, Signal, & Communications Total		20,253,000	18,650,000	28,500,000	29,515,000	40,250,000	137,168,000
2848	Upgrade B-1 Building at Western Ave. Yard -- UPR	0	0	1,500,000	0	0	1,500,000
2850	Construct Crystal Lake Welfare Facilities -- UPR-NW	0	0	650,000	0	0	650,000
2852	Upgrade Clinton Street Fuel Facility -- UPR	1,100,000	0	0	0	0	1,100,000
2959	Purchase Enterprise Resource System -- MET	2,500,000	0	0	0	0	2,500,000
2959	Purchase Enterprise Resource System -- MET	0	1,000,000	0	0	0	1,000,000
3103	Purchase Maintenance Tracking System, MET	0	0	3,000,000	0	0	3,000,000
3256	Improve 47th Street Yard -- RID	0	43,900,000	0	0	12,000,000	55,900,000
3257	Improve 14th Street Yard Roof, BNSF	300,000	0	0	0	0	300,000

ProjNum	Title	2001	2002	2003	2004	2005	Total
3258	Replace HVAC at 547 West Jackson Blvd -- MET	3,200,000	0	0	0	0	3,200,000
3259	Improve 547 West Jackson Exterior, MET	600,000	0	0	0	0	600,000
3345	Improve 14th Street Yard, BNS (IDOT GRF)	700,000	0	0	0	0	700,000
3346	Improve Aurora Hill Yard, BNS (IDOT GRF)	1,400,000	0	0	0	0	1,400,000
3349	Construct California Avenue - M19A - "A2", UPR	0	0	1,000,000	5,000,000	5,000,000	11,000,000
3350	Rebuild 547 West Jackson Exterior, MET	0	0	700,000	0	0	700,000
3353	Purchase Cash Acceptance Machines -- MET (MET-120)	1,200,000	0	0	0	0	1,200,000
3450	Replace Fueling System, MET (IDOT GRF)	100,000	0	0	0	0	100,000
3455	Provide for Engineering, MET	2,500,000	0	0	0	0	2,500,000
3456	Provide for KYD Facilities, MED (IDOT GRF)	350,000	0	0	0	0	350,000
3457	Purchase Office Equipment, MET	270,000	0	0	0	0	270,000
3458	Purchase Equipment & Vehicles, MET	6,585,000	0	0	0	0	6,585,000
3459	Purchase Management Information Systems Equipment, MET (IDOT GRF)	1,500,000	0	0	0	0	1,500,000
3460	Provide Client Server Software, MET	500,000	0	0	0	0	500,000
3461	Purchase Office Furniture, MET	120,000	0	0	0	0	120,000
3462	Upgrade Substation Building, MED (IDOT GRF)	800,000	0	0	0	0	800,000
3463	Provide for Capital Vehicle Leases, MET	350,000	0	0	0	0	350,000
3464	Provide for Renewal of Facilities, MET	1,500,000	0	0	0	0	1,500,000
96-014	Purchase Office Equipment -- MET	0	280,000	280,000	280,000	280,000	1,120,000
96-045	Purchase Equipment & Vehicles -- MET	0	4,925,000	6,450,000	5,500,000	5,100,000	21,975,000
AC-406	Upgrade Substation Building -- MED	0	500,000	500,000	500,000	500,000	2,000,000
AD-404	Construct Trainmen HQ at Barrington -- UPR-N	0	0	300,000	1,600,000	0	1,900,000
AD-452	Renew Support Facilities & Equipment -- MET	0	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
AF-408	Provide for Engineering -- MET	0	2,500,000	0	0	2,500,000	5,000,000
AF-451	Purchase Management Information Systems Equipment -- MET	0	1,250,000	1,500,000	1,300,000	1,300,000	5,350,000
AF-452	Purchase Client Server Software -- MET	0	500,000	500,000	500,000	500,000	2,000,000
4 Support Facilities & Equipment Total		25,575,000	56,355,000	17,880,000	16,180,000	28,680,000	144,670,000
1528	Construct New Station at 93rd Street - South Chicago Branch -- MED	0	427,500	427,500	0	0	855,000
1528	Construct New Station at 93rd Street - South Chicago Branch -- MED	506,250	0	0	0	0	506,250
2158	Construct Crystal Lake- Parking Lot 5, UPR-NW	500,000	0	0	0	0	500,000
2464	Construct Itasca Commuter Station Parking (lot #7), MWD-W	400,000	0	0	0	0	400,000
2482	Construct Burlington Northern Tollway Station -- BNS	0	0	6,000,000	5,000,000	0	11,000,000
2577	Construct New Lenox Parking Lot (535 spaces), RID (Partial $)	350,000	0	0	0	0	350,000
2633	Construct Pingree Road (Crystal Lake) New Station and Parking, UPR-NW	5,000,000	0	0	0	0	5,000,000
2661	Provide for Oak Park Intermodal Transportation Center -- UPR-W	337,500	0	0	0	0	337,500
2661	Provide for Oak Park Intermodal Transportation Center -- UPR-W	0	285,000	285,000	0	0	570,000
2757	Improve Randolph Street Station -- MED	3,000,000	0	0	0	0	3,000,000
2764	Construct Prairie Crossing New Commuter Station, MWD-N	850,000	0	0	0	0	850,000
2779	Rehabilitate Cicero Station Parking Lot, BNS	0	0	650,000	0	0	650,000
2880	Construct Cicero Avenue Station -- BNS	0	0	2,250,000	0	0	2,250,000
2883	Rehabilitate College Avenue Station -- UPR	0	0	3,500,000	0	0	3,500,000
2970	Rehabilitate Dee Road Station, UPR-NW	0	0	1,000,000	0	0	1,000,000
2971	Rehabilitate Edison Park Station -- UPR-NW	0	0	0	1,100,000	0	1,100,000
2977	Construct New Palos Heights Station -- SWS	1,200,000	0	0	0	0	1,200,000
3171	Improve Bartlett Station -- MWD-W	0	2,600,000	0	0	0	2,600,000
3172	Improve Medinah Station -- MWD	500,000	0	0	0	0	500,000
3173	Improve Schaumburg Station -- MWD-W	1,500,000	0	0	0	0	1,500,000
3180	Construct Aurora Station Parking, BNS	0	0	2,500,000	0	0	2,500,000
3184	Construct Bartlett Station Parking, MWD-W	875,000	0	0	0	0	875,000
3195	Expand West Chicago Station Parking, UPR-W	600,000	0	0	0	0	600,000
3195	Expand West Chicago Station Parking, UPR-W	0	0	500,000	0	0	500,000
3275	Improve Stations ADA, MET	1,600,000	0	0	0	0	1,600,000
3276	Install Station Signs, MET	0	250,000	250,000	250,000	250,000	1,000,000
3276	Install Station Signs, MET (IDOT GRF)	500,000	0	0	0	0	500,000
3278	Improve Midlothian Station, RID	800,000	0	0	0	0	800,000
3280	Restore 99th Street-Beverly Station, RID	0	0	0	1,800,000	0	1,800,000
3281	Davis St Station, UPR	900,000	0	0	0	0	900,000
3282	Norwood Park Station, UPR	250,000	0	0	0	0	250,000
3286	Construct Harvard Station Parking, UPR-NW	400,000	0	0	0	0	400,000
3369	Improve Jefferson Park Station, UPR-NW	1,900,000	0	0	0	0	1,900,000
3373	Expand Downers Grove Parking, BNS	0	0	875,000	0	0	875,000
3376	Expand Richton Park Station Parking, MED	425,000	0	0	0	0	425,000
3377	Expand University Park Parking, MED	0	0	0	1,200,000	0	1,200,000
3378	Provide for Olympia Fields Parking, MED	0	0	1,100,000	0	0	1,100,000
3382	Expand Antioch Station Parking, NCS	0	0	350,000	0	0	350,000
3384	Provide for Orland Park-143rd Street Parking, SWS	0	0	1,500,000	0	0	1,500,000

ProjNum	Title	2001	2002	2003	2004	2005	Total
3384	Provide for Orland Park-143rd Street Parking, SWS	500,000	0	0	0	0	500,000
3465	Provide Platforms and Pedestrian Exits, CUS	0	1,500,000	1,500,000	0	0	3,000,000
3465	Provide Platforms and Pedestrian Exits, CUS	500,000	0	0	0	0	500,000
3466	Improve Highlands Station, BNS	200,000	0	0	0	0	200,000
3467	Upgrade Stations, MED	600,000	0	0	0	0	600,000
3468	Reconstruct up to 6 South Chicago Branch Stations, MED	3,000,000	0	0	0	0	3,000,000
3468	Reconstruct up to 6 South Chicago Branch Stations, MED	0	7,500,000	7,500,000	0	0	15,000,000
3469	Rehabilitate University Park Station, MED	1,000,000	0	0	0	0	1,000,000
3470	Improve ADA Platforms & Ramps, MET	2,500,000	0	0	0	0	2,500,000
3471	Construct Willow Springs Station, MHC	300,000	0	0	0	0	300,000
3471	Construct Willow Springs Station, MHC	0	600,000	0	0	0	600,000
3472	Renovate Fox Lake Station, MWD-N	400,000	0	0	0	0	400,000
3473	Improve Ravenswood Station, UPR-N	150,000	0	0	0	0	150,000
3474	Van Buren Pedestrian Exit--MED	300,000	0	0	0	0	300,000
3475	Western Avenue Station--BNS	300,000	0	0	0	0	300,000
3478	Conduct Parking Appraisals, MET	225,000	0	0	0	0	225,000
3480	Rehabilitate River Grove Parking, MWD-W	200,000	0	0	0	0	200,000
3482	Renovate Roselle Station Parking, MWD-W	400,000	0	0	0	0	400,000
3483	Construct Midlothian Station Parking, RID	400,000	0	0	0	0	400,000
3484	Construct Wrightwood Station Parking, SWS	450,000	0	0	0	0	450,000
3487	Construct Romeoville New Station, MHC	0	0	5,000,000	0	0	5,000,000
3488	Construct West Side of North Glenview Station, MWD-North Line	1,000,000	0	0	0	0	1,000,000
3488	Construct West Side of North Glenview Station, MWD-North Line	1,250,000	0	0	0	0	1,250,000
3489	Provide for New Manhattan Station, SWS	500,000	0	0	0	0	500,000
3490	Provide for Site Acquisition, MET	4,000,000	0	0	0	0	4,000,000
3490	Provide for Site Acquisition, MET	2,000,000	0	0	0	0	2,000,000
3492	Provide for Parking Lot Maintenance, MET	200,000	0	0	0	0	200,000
3495	Provide for Station & Parking Engineering, MET	5,500,000	0	0	0	0	5,500,000
96-079	Improve Cumberland Station ADA, UPR-NW	0	0	0	0	1,000,000	1,000,000
96-086	Improve McHenry Station ADA, UPR-NW	0	0	1,000,000	0	0	1,000,000
96-091	Improve Roosevelt Road Station ADA, MED	0	0	0	0	7,500,000	7,500,000
96-129	Improve ADA Platforms & Ramps, MET	0	500,000	500,000	500,000	500,000	2,000,000
96-292	Provide for Site Acquisition, MET	0	2,000,000	0	0	2,000,000	4,000,000
96-293	Provide for Parking Appraisals, MET	0	225,000	225,000	225,000	225,000	900,000
96-295	Provide for Station & Pkg Engineering, MET	0	5,500,000	0	0	5,500,000	11,000,000
96-307	Upgrade Stations, MED	0	600,000	600,000	600,000	600,000	2,400,000
AD-510	Construct 80th Avenue Station, RID	0	0	0	3,000,000	0	3,000,000
AD-513	Replace Oak Forest Station, RID	0	0	2,000,000	0	0	2,000,000
AD-555	Construct 80th Avenue Station Parking, RID	0	700,000	0	0	0	700,000
AE-501	Replace Downers Grove Station, BNS	0	0	0	0	1,250,000	1,250,000
AE-504	Improve Station ADA Accessibility, MET	0	500,000	500,000	500,000	500,000	2,000,000
AE-507	Rehabilitate 115th Street-Morgan Park Station, RID	0	0	0	0	2,000,000	2,000,000
AE-555	Construct South Chicago Branch Parking, MED	0	0	500,000	0	500,000	1,000,000
AE-558	Construct Fox Lake Station Parking, MWD-N	0	0	0	700,000	0	700,000
AF-516	Construct Northbrook Station, MWD-N	0	0	750,000	0	0	750,000
AF-521	Improve Tinley Park Station, RID	0	1,000,000	0	0	0	1,000,000
AF-531	Improve Glen Ellyn Station, UPR-W	0	0	0	0	2,000,000	2,000,000
AG-502	Reconstuct Belmont Road Station, BNS	0	0	0	1,500,000	0	1,500,000
AG-518	Construct Libertyville Platform, MWD-N	0	175,000	0	0	0	175,000
AG-573	Construct Elmhurst Station Parking, UPR-W	0	0	0	1,000,000	0	1,000,000
5 Stations & Passenger Facilities Total		48,268,750	24,362,500	41,262,500	17,375,000	23,825,000	155,093,750
2886	Provide for System Mapping Enhancements, MET	180,000	0	0	0	0	180,000
2989	Provide for Advertising, MET	0	100,000	100,000	100,000	100,000	400,000
2990	Provide for Material Handling Additive, MET	0	2,000,000	399,939	488,000	2,000,000	4,887,939
2990	Provide for Material Handling Additive, MET	2,000,000	0	0	0	0	2,000,000
2991	Provide for Railroad Protective Liability Insurance, MET	150,000	0	0	0	0	150,000
2991	Provide for Railroad Protective Liability Insurance, MET	0	150,000	150,000	150,000	150,000	600,000
3493	Provide for Capital Project Security, MET	100,000	0	0	0	0	100,000
3494	Provide for Right-of-Way Video Conversion, MET	150,000	0	0	0	0	150,000

ProjNum	Title	2001	2002	2003	2004	2005	Total
3496	Provide for Unanticipated Capital, MET	1,000,000	0	0	0	0	1,000,000
3497	Provide Match To Prior Grants, MET	500,000	0	0	0	0	500,000
96-296	Provide for Unanticipated Capital, MET	0	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
96-297	Provide Match to Prior Grants, MET	0	500,000	500,000	400,000	400,000	1,800,000
96-318	Capital Project Security, MET	0	100,000	100,000	100,000	100,000	400,000
6 Miscellaneous Total		4,080,000	3,850,000	2,249,939	2,238,000	3,750,000	16,167,939
2981	Expand North Central Service, NCS	0	46,087,000	43,832,000	46,524,000	0	136,443,000
2981	Expand North Central Service, NCS	17,808,317	0	0	0	0	17,808,317
2982	Extend SouthWest Service, SWS	15,243,205	0	0	0	0	15,243,205
2982	Extend SouthWest Service, SWS	0	36,111,000	35,318,000	59,159,000	0	130,588,000
2983	Extend Union Pacific-West Line, UPR-W	0	13,755,000	21,564,000	33,820,000	14,512,000	83,651,000
2983	Extend Union Pacific-West Line, UPR-W	10,382,277	0	0	0	0	10,382,277
2983	Extend Union Pacific-West Line, UPR-W	2,056,729	0	0	0	0	2,056,729
3394	Provide for New Starts Land Acquisition, MET	8,200,000	0	0	0	0	8,200,000
7 Acquisitions & Extensions Total		53,690,528	95,953,000	100,714,000	139,503,000	14,512,000	404,372,528
3498	Provide for Project Administration, MET	100,000	0	0	0	0	100,000
3498	Provide for Project Administration, MET	200,000	0	0	0	0	200,000
3498	Provide for Project Administration, MET	200,000	0	0	0	0	200,000
3499	Provide for Contingencies, --MET (IDOT GRF)	285,000	0	0	0	0	285,000
3499	Provide for Contingencies, MET	390,000	0	0	0	0	390,000
3499	Provide for Contingencies, MET	873,847	0	0	0	0	873,847
3499	Provide for Contingencies, MET	1,189	0	0	0	0	1,189
3499	Provide for Contingencies, MET	955,000	0	0	0	0	955,000
3499	Provide for Contingencies, MET	2,685,762	0	0	0	0	2,685,762
AD-798	Provide for Project Administration, MET	0	500,000	0	0	0	500,000
AD-799	Provide for Contingencies, MET	0	1,832,000	0	0	0	1,832,000
8 Contingencies & Administration Total		5,690,798	2,332,000	0	0	0	8,022,798
1528	Construct New Station at 93rd Street - South Chicago Branch -- MED	(101,250)	0	0	0	0	(101,250)
2661	Transport Ctr Oak Park (20% IDOT Bond, CAP-96-539-FED), UPR	(67,500)	0	0	0	0	(67,500)
3104	Purchase up to 26 New Diesel Locomotives, MET (Partial $) (CAP-00-692-FED)	(5,525,000)	0	0	0	0	(5,525,000)
9 Deobligations & Reobligations Total		(5,693,750)	0	0	0	0	(5,693,750)
	Rail Total	344,177,022	406,349,540	487,359,879	437,590,899	233,067,809	1,908,545,149
	Metra Total	344,177,022	406,349,540	487,359,879	437,590,899	233,067,809	1,908,545,149

Pace

	Bus:						
3601	Purchase up to 61 Fixed Route Replacement Buses and Power Packs	18,506,000	0	0	0	0	18,506,000
3601	Purchase up to 85 Fixed Route Replacement Buses	24,395,000	0	0	0	0	24,395,000
3601A	Purchase up to 271 Fixed Route Buses	0	9,860,000	16,240,000	36,250,000	16,240,000	78,590,000
3602	Purchase up to 17 Replacement Paratransit Vehicles	1,071,000	0	0	0	0	1,071,000
3602	Purchase up to 21 Replacement Paratransit Vehicles	1,323,000	0	0	0	0	1,323,000
3602A	Purchase up to 86 Paratransit Vehicles	0	2,540,000	2,860,000	0	750,000	6,150,000
3603	Purchase Extended Warranties	338,000	0	0	0	0	338,000
3603A	Purchase Extended Warranties	0	100,000	300,000	300,000	100,000	800,000
3604A	Purchase of Vanpool Vehicles (up to 464)	0	4,380,000	4,380,000	2,620,000	3,460,000	14,840,000
3605	Provide for Bus Overhaul/ Maintenance Expense	1,700,000	0	0	0	0	1,700,000
3605A	Provide for Bus Overhaul/ Maintanence Expense	0	1,900,000	2,000,000	2,100,000	2,200,000	8,200,000
3606	Provide for Associated Capital	850,000	0	0	0	0	850,000
3606A	Provide for Associated Capital	0	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
3607	Purchase Wheelchair Securement Upgrades	450,000	0	0	0	0	450,000
3607A	Purchase Wheelchair Securement Upgrades	0	450,000	400,000	0	0	850,000
3608	Purchase Bike Racks for Fixed Route Buses	330,000	0	0	0	0	330,000
3609	Provide for Capital Cost of Contracting/ Commuter Vans	1,125,000	0	0	0	0	1,125,000
1 Rolling Stock Total		50,088,000	20,230,000	27,180,000	42,270,000	23,750,000	163,518,000
3615	Purchase up to 200 Mobile Data Terminals	700,000	0	0	0	0	700,000
3615A	Purchase Mobile Data Terminals	0	900,000	0	0	0	900,000
3632	Purchase Systemwide Radio System	0	5,000,000	0	0	0	5,000,000
3 Electric, Signal, & Communications Total		700,000	5,900,000	0	0	0	6,600,000
2907	Enhance Intelligent Bus System	0	0	0	0	6,000,000	6,000,000
3312	Expand DuPage County Paratransit Garage	0	5,000,000	13,000,000	0	0	18,000,000
3610	Purchase Maintenance Equipment	35,000	0	0	0	0	35,000
3610A	Purchase Maintenance Equipment/ Non-Revenue Vehicles	0	3,000,000	1,000,000	1,000,000	1,000,000	6,000,000
3611	Purchase DuPage County Paratransit Computer System	1,000,000	0	0	0	0	1,000,000
3612	Purchase Office Furniture/ Equipment	135,000	0	0	0	0	135,000
3612A	Purchase Office Furniture/ Equipment/ Printers	0	200,000	250,000	250,000	250,000	950,000
3613	Purchase Computers/ Databases/ Computer Systems	665,000	0	0	0	0	665,000

ProjNum	Title	2001	2002	2003	2004	2005	Total
3616A	Improve Garages/ Facilities	0	3,950,000	3,000,000	2,200,000	3,150,000	12,300,000
3621	Purchase Farebox Enhancements/ Vending Machines	0	1,210,000	300,000	300,000	300,000	2,110,000
3622	Purchase Drivers Simulators	0	1,600,000	0	0	0	1,600,000
3626	Expand North Shore Garage	0	500,000	8,000,000	0	0	8,500,000
3627	Expand Existing Garages	0	0	0	3,500,000	0	3,500,000
3628	Construct New Garages-Northwest Cook	0	5,000,000	0	15,000,000	0	20,000,000
3629	Provide for Emergency Environmental Cleanup	0	100,000	100,000	100,000	100,000	400,000
4 Support Facilities & Equipment Total		4,230,000	27,180,000	27,750,000	25,750,000	13,800,000	98,710,000
3618	Construct Hodgkins/UPS Transfer Facility	0	100,000	900,000	0	0	1,000,000
3619	Install Bus Stop Passenger Amenities	35,000	0	0	0	0	35,000
3619A	Install Shelters/Signs/Passengers/Amenities	0	1,600,000	1,250,000	1,500,000	1,500,000	5,850,000
3630	Improve Fixed Facilities-Existing System	0	0	0	1,500,000	3,000,000	4,500,000
3631	Construct Fixed Facilities-Expansion/Enhancement	0	0	0	1,100,000	2,100,000	3,200,000
5 Stations & Passenger Facilities Total		35,000	1,700,000	2,150,000	4,100,000	6,600,000	14,585,000
3620	Provide for Unanticipated Capital	250,000	0	0	0	0	250,000
3620A	Provide for Unanticipated Capital	0	250,000	250,000	250,000	250,000	1,000,000
6 Miscellaneous Total		250,000	250,000	250,000	250,000	250,000	1,250,000
3624	Provide for Contingencies	278,361	0	0	0	0	278,361
3624	Provide for Contingencies	290,000	0	0	0	0	290,000
3624A	Provide for Contingencies	0	612,638	491,939	451,939	421,939	1,978,455
3625	Provide for Project Administration	590,000	0	0	0	0	590,000
3625	Provide for Project Administration	46,911	0	0	0	0	46,911
3625A	Provide for Project Administration	0	500,000	500,000	500,000	500,000	2,000,000
8 Contingencies & Administration Total		1,205,272	1,112,638	991,939	951,939	921,939	5,183,727
3401	Purchase/Replace up to 80 40' Fixed Route Buses (CAP-99-662)	(1,300,000)	0	0	0	0	(1,300,000)
3610	Purchase Maintenance Equipment/ Non-Revenue Vehicles	1,300,000	0	0	0	0	1,300,000
9 Deobligations & Reobligations Total		0	0	0	0	0	0
	Bus Total	56,508,272	56,372,638	58,321,939	73,321,939	45,321,939	289,846,727
	Pace Total	56,508,272	56,372,638	58,321,939	73,321,939	45,321,939	289,846,727
	Grand Total	787,876,175	996,560,410	1,178,614,821	1,292,025,839	629,295,151	4,884,372,396

Agency Capital/Technology

Technology Funding						
Capital for Technology Projects (A)	5,679,000	6,600,000	6,600,000	6,600,000	6,600,000	32,079,000
New Technology Funding (B)	921,000	(C)	(C)	(C)	(C)	921,000
Total Technology Funding	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	33,000,000
Other Capital						
Computer Hardware & Software	371,000					371,000
Furniture/Office equipment/Leasehold Improvements	52,500					52,500
Other Capital (D)	25,000	600,000	600,000	600,000	600,000	2,425,000
Record management	10,000					10,000
Telecommunications Hardware	5,000					5,000
TIC Capital	105,000					105,000
Total Other Capital	568,500	600,000	600,000	600,000	600,000	2,968,500
Agency Total	7,168,500	7,200,000	7,200,000	7,200,000	7,200,000	35,968,500

(A) The capital reserve budget for new technology projects through 2000 is $23.8 million. This figure coupled with the $32.1 million yields a balance of $55.9 million through 2005.
(B) Revenue for new technology in 2001 is projected at $2,441 offset by expenditures of $3,362 yielding a net funding requirement of $921.
(C) For planning purposes only, the RTA has earmarked $5 million for non-capital technology projects in 2002 and 2003; in addition to the above amounts.
(D) Capital Programs from 2002 - 2005 have not been established.

Glossary

Accessible service A term used to describe service that is accessible to non-ambulatory disabled riders. This includes fixed route bus service with wheelchair-lifts or dial-a-ride service with wheelchair lift-equipped vehicles.

Accessible As defined by FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by physically disabled people.

ADA The Americans with Disabilities Act of 1990. This federal Act requires many changes to ensure that people with disabilities have access to jobs, public accommodations, telecommunications and public services, including public transit. Many capital projects described in this document are being implemented to comply with the ADA.

ADA paratransit service Non fixed route paratransit service utilizing vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants in the program.

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

Ambulatory disabled A person with a disability that does not require the use of a wheelchair. This would describe individuals who use a mobility aid other than a wheelchair or have a visual or hearing impairment.

Appropriation A legal term meaning that a certain amount of funds for a given operating or capital purpose may legally be expended; the RTA appropriates funds for expenditures.

Balanced Scorecard (BSC) Dr. David Norton and Dr. Robert Kaplan introduced the Balanced Scorecard concept in the early 90s. The BSC translates and organization's vision and strategy into a comprehensive set of objectives and performance measures that provides the framework for a strategic measurement and management system. The BSC is organized around four distinct perspectives – financial, customer, internal, and learning and growth. The name reflects the balance provided between short- and long-term objectives, financial and non-financial measures, past and future oriented indicators, and external (shareholder and customer) and internal performance perspectives.

Budget Funds allocated by the RTA Board for a particular purpose; each year the RTA Board approves a budget document for the upcoming year that allocates all the funds expected to be available in the upcoming year. Funds are allocated either by "programming" them or by "appropriating" them.

Budget marks The Regional Transportation Authority Act, as amended in 1983, calls for the RTA to advise each of its Service Boards by September 15 of each year of its required revenue recovery ratio for the subsequent year, and the public funding to be available. These figures are referred to as budget marks.

Bus bunching Bus bunching is a traffic scenario when more than one buses arrive at the same time. This phenomenon is a subject of several CTA initiatives aimed at reducing service problems through improved field management of traffic and schedules.

Bus Rapid Transit (BRT) BRT combines the quality of rail transit and the flexibility of buses. It can operate on exclusive transitways, HOV lanes, expressways, or ordinary streets. A BRT system combines intelligent transportation systems technology, priority for transit, cleaner and quieter vehicles, rapid and convenient fare collection, and integration with land use policy.

Capacity Utilization The percentage of seats occupied in a train at a given point in time.

Car mile or vehicle mile A single bus, rapid transit car, or commuter rail car traveling one mile.

CATS The Chicago Area Transportation Study Policy Committee is designated by the state and local officials as the Metropolitan Planning Organization (MPO) for the northeastern Illinois region. The MPO is responsible together with the state for carrying out the urban transportation planning process in this region. The northeastern Illinois region includes: Cook, DuPage, Kane, Lake, McHenry and Will Counties and a portion of Kendall County. CATS was formed in 1955 to develop the first comprehensive long-range transportation plan for the region. This plan, completed in 1962, had a horizon year of 1980 and included many recommendations that were to become part of the present highway and transit networks. The success of that planning effort led to CATS being made a permanent agency.

CTA The Chicago Transit Authority, created by state legislation, began op-

erations in 1947 and operates bus and rapid transit service in the City of Chicago and several suburbs.

CMAQ (Congestion Mitigation/Air Quality Grant) A federal grant program designed to support transportation projects that reduce traffic congestion.

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.

Dead head Time when a transit vehicle is traveling toward a yard, shop, or the start of a run but is not in revenue service. Car miles include deadhead miles.

Deficit For a particular Service Board, the difference between system-generated revenues and system operating expenses. The deficit is sometimes referred to as the "public funding requirement." The RTA's current practice is to provide operating funds to each Service Board equivalent to their budgeted deficit for the year as opposed to the actual deficit. For the RTA, its deficit or surplus equals total revenues (sales tax, PTF, FTA operating funds, interest income) less operating funding, debt service technology, and capital funding (RTA Capital and RTA discretionary funding of Service Board capital).

Dial-a-Ride Service Paratransit service that requires the user to call ahead and schedule service.

Discretionary funds Funds that the RTA allocates, at its discretion, to the Service Boards. These funds include the 15 percent of the RTA Sales Tax and PTF.

Elderly A term used to describe individuals who are 65 years of age or older. This age is used to qualify for the RTA Senior Citizen Reduced Fare Card. Note that some Paratransit Services define elderly individuals at an age other than 65.

Express Bus (or route) A suburban or intercity bus that operates a portion of its route without stops or with a limited number of stops.

Favorable performance Stems from a comparison of actual results to budgeted levels; favorable performance would be expenses under budget or revenues over budget.

Farebox revenue Revenues gained from passengers and other fare subsidies exclusive of the State reduced fare subsidy program. Also excludes interest income and advertising revenues. May be referred to as "system-generated" revenues.

Fares The amount charged to passengers for use of various services.

Feeder Bus Services Pace bus service which serves Metra stations.

Financial plan In addition to an annual budget, the *Regional Transportation Authority Act*, as amended in 1983, requires the RTA and its Service Boards to develop a financial plan for the two years subsequent to the upcoming budget year. In combination with the annual budget, this provides a three-year projection of expenses, revenues, and public funding requirements.

Fiscal year The calendar year is the fiscal year for the RTA, CTA, Metra and Pace. For the State of Illinois it is July 1 - June 30 and for the Federal Government it is October 1 - September 30.

Fixed Route Service Pace buses that operate according to fixed schedules and routes.

Flexible funds Federal funds made available by TEA-21 that can be used for various transportation projects, including both highway and mass transit projects. Allocation of these funds is at the discretion of state and local agencies.

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.

FTA Federal Transit Administration. This term is also used to indicate operating assistance that was provided by the FTA through 1998. The FTA generally provided funding for operations and capital. There are several federal programs that provide funding for the RTA. Section 9 funds were available for capital and operating purposes. Section 3, Congestion Mitigation/Air Quality Improvement, Surface Transportation and Interstate Transfer funds were available for capital only.

Fund Balance The excess of funding over deficit for a given period of time.

In this document the reference is to the unreserved/undesignated funds in the agency and general fund.

Full Funding Grant Agreement (FFGA) The Federal Transit Administration (FTA) is required to use a full funding grant agreement (FFGA) in providing financial assistance for new start projects. The FTA also has the discretion to use an FFGA in awarding federal assistance for other major capital projects. The FFGA defines the project, including cost and schedule; commits to a maximum level of federal financial assistance (subject to appropriation); establishes the terms and conditions of federal financial participation; covers the period of time for completion of the project; and helps to manage the project in accordance with federal law. The FFGA assures the grantee of predictable federal financial support for the project (subject to appropriation) while placing a ceiling on the amount of that federal support.

Full time equivalent position (FTE) A position (or positions) that total 1,950 hours of annual service.

Funding formula A specific formula used to determine a subsidy level.

Fund balance The excess of funding over deficit for a given period of time.

Grants Moneys received from local, Federal and State governments to provide capital or operating assistance.

Headway The time span between service vehicles (bus or rail) on the specified routes.

Illinois FIRST A series of legislation passed by the Illinois legislature to fund capital improvements for the state's Infrastructure, Roads, Schools and Transit.

Intelligent Bus System (IBS) IBS is the new bus communications system for Pace that includes radio voice and data communications, Computer-Aided Dispatching (CAD) and Global Positioning Satellite (GPS)-based Automatic Vehicle Location (AVL) functions.

Intelligent Transportation Systems (ITS) Intelligent Transportation Systems have been defined as: "The application of advanced sensor, computer,electronics, and communication technologies and management strategies - in an integrated manner - to increase the safety and efficiency of the surface transportation system." ITS is a national effort that was designed to promote the use of advanced technologies in multimodal transportation. While the use of advanced technologies in transportation has been ongoing for many years, the creation of the ITS program has accelerated the pace of innovation and integration of technologies into the transportation system.

ISTEA Intermodel Surface Transportation Efficiency Act of 1991, which amended the Federal Transit Act. Among other changes, ISTEA introduced new sources of flexible funds and increased the funding authorized for mass transit.

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

Linked trip A single, one-way trip without regard for the number of vehicles boarded to make the trip (i.e., a home to work trip taken by boarding a bus, to a train, to another bus represents one linked trip or three unlinked trips; for ridership reporting purposes the CTA uses unlinked trips).

Mobility limited An individual who has a physical impairment, including impaired sensory, manual, or speaking abilities that result in functional limitations.

Maintenance expense Expenses of labor, materials, services, and equipment used to repair and service transit vehicles and service vehicles.

New initiative A new program or service that the RTA may approve separately from the agency or a Service Board's regular budget. The RTA may attach special criteria to measure the success of a new initiative.

Non-ambulatory disabled A person who has a disability that requires them to use a wheelchair.

Northeastern Illinois Planning Commission (NIPC) NIPC is the official comprehensive planning agency for the six-county Chicago metropolitan area. The Commission was created by the Illinois General Assembly in 1957 and assigned three broad responsibilities: to conduct research required for planning for the region; to prepare comprehensive plans and policies to guide the development of the region; and to advise and assist local governments.

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.

Off-Peak Non-rush hour time periods.

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 Any transit service that is not conventional fixed-route bus service. This includes dial-a-ride, fixed-route deviation, shared-ride taxicab, and vanpool services.

Passenger mile A single passenger traveling one mile.

Peak period Morning or evening rush hour.

Positive budget variance or PBV Calculated as the difference between a Service Board's budgeted and actual deficit, it results when the actual deficit is less then budgeted. Since the RTA funds the budgeted deficit, this difference represents available funds for the Service Boards.

Program (verb) To commit funds, for a given capital purpose, without necessarily appropriating these funds for expenditure. When the RTA Board passes its official budget document, 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.

Program (noun) Refers to groupings of expense accounts with related expenditures (i.e., operations, maintenance, administration, and capital program).

Public Transportation Fund(s) or PTF Each month the State transfers from its General Revenue Fund into the public Transportation Fund an amount equal to 25 percent of the RTA Sales Tax collected in the previous month. All funds deposited in the Public Transportation Fund are allocated to the RTA to be used at its discretion for the benefit of the Service Boards.

Public funding Funding received from the Regional Transportation Authority. Generally refers to funding for operating expenses.

Purchase of paratransit service The amount of money paid to outside vendors to provide door-to-door transportation to certified disabled riders.

Recovery ratio Equals system-generated revenues (fares plus advertising and interest income) divided by system operating expenses less funded depreciation and exempt CTA security expenses. 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 percent for a given year.

Reduced fares Discounted fares for children age 7 - 11, grade and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except paratransit riders.

Revenue car mile Car mile during which the vehicle is in revenue service (i.e., picking up passengers).

Reverse commute City-to-suburb commute. Refers to the fact that most riders commute from the suburbs to the city.

Ridership (unlinked passenger trips) Each passenger counted each time that person boards a vehicle.

Rolling Stock Public transportation vehicles including commuter rail cars, locomotives, rapid transit cars, buses and vans.

RTA Sales Tax 1 percent in Cook County, 0.25 percent 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*. 15 percent of the Sales Tax is retained by the RTA and distributed to the Service Boards at its discretion.

Sales Tax Designated for Capital or transfer capital - statutory The difference between a Service Board's entitlement (85 percent Sales Tax plus FTA operating funds) and its budgeted or actual deficit, whichever is greater. These funds, which are over and above operating needs, are generally used for capital purposes. Metra is currently the only Service Board that generates by statute sales tax for capital.

SCIP bonds - The RTA was authorized under *the Act* to issue $500 million of bonds for public transportation projects approved by the Governor of the State as part of the RTA's Strategic Capital Improvement Program (SCIP

Program). Effective January 1, 2000, *the Act* was amended to authorize the RTA to issue an additional $260 million of SCIP bonds in each year for the period of 2000 through 2004.

Series B Bonds State Transportation Bonds used as all or a portion of the local share required to match federal funds for public transportation capital projects.

Service Boards The term refers to the region's three transit operators - CTA, Metra and Pace.

Signal Priority Transit signal priority either gives or extends a green signal to transit buses under certain circumstances to reduce passenger travel times, improve bus schedule adherence, and reduce bus operating costs.

Special service As defined by the FTA, a transportation service specifically designed to serve the needs of persons who, by reason of disability, are unable to use mass transit systems designed for the use of the general public.

Subscription service This term is used to describe special services users who ride on a frequent and regular basis and follow a prescribed schedule. This is currently defined as a minimum of three times per week between the same origin and destination.

Subsidy Funds received from another source that 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.

TEA-21 *The Transportation Equity Act for the 21st Century (TEA-21)*, signed into law by President Clinton on June 9, 1998, provides a six-year reauthorization of the federal transit program and the necessary contract authority needed to fully fund the fiscal year 1998 obligation limitations contained in the fiscal year *1998 Department of Transportation Appropriations Act*.

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

Unreserved Fund Balance The balance of funds that have not been reserved, designated or programmed into the budget, financial plan or capital program.

Vanpool Pace's VIP (Vanpool Incentive Program) - a group of 5 to 15 people who commute to and from work together in a Pace owned van.

Public Hearings Legal Notice

Notice is hereby given that the Regional Transportation Authority (RTA) will hold public hearings on its proposed five-year transit program for fiscal years 2001-2005 (January 1, 2001 to December 31, 2005) and annual program and budget for fiscal year 2001. RTA hearings are scheduled on Tuesday, Dec. 12, 2000, from 4:30 p.m. to 6:00 p.m. Locations are listed below.

Any person may present views orally at the hearing or by submitting written material at any time, but no later than the close of business on Tuesday, December 12, 2000. Copies of the proposed five-year transit program for fiscal years 2000-2004 and the annual program and budget for fiscal year 2001 are available for public inspection in the office of the RTA, 181 W. Madison Street, Suite 1900, Chicago, Illinois, 60602. The document will also be available at most public libraries as well as township, city and village offices in the six-county RTA region prior to the hearings.

Any persons requiring special assistance, such as an interpreter for the deaf, or another type of facilitator at these hearings, may call the RTA at (312) 917-0700 no later than Wednesday, December 6, 2000 so that proper arrangements can be made.

Overview

Section 4.01 of the RTA Act directs the RTA to hold public hearings on its annual consolidated budget and financial plan, prior to Board consideration of the ordinance adopting the budget and plan. This year, the RTA public hearing date was December 12, 2000, from 4:30 to 6:00 p.m., in nine locations throughout the six-county region (Exhibit 7-9).

RTA staff and court reporters took testimony and the court transcripts are on file at the agency.

As has been the case for a number of years, the hearings were sparsely attended. One person provided testimony at the downtown Cook County location, one at the northern Cook County location, and one in Kane County. There were no attendees at any of the other hearings. A summary of all testimony follows:

Cook County

Testimony advocated that the RTA should encourage the CTA to increase off peak service, withholding discretionary funding if necessary. In addition, testimony promoted the investment in newer technology, such as linear induction, to improve efficiency and reduce cost.

Testimony suggested the use of separate farebox recovery ratios for different types of service, citing feeder service as an example. This would require improved accounting, public funding by service type, an allocation of fares collected, as well as fare coordination and integration. Testimony stated that the RTA should budget funds to pursue fare coordination.

Kane County

Generally favorable observations with the comment that the RTA system should consider more north and south bus and rail service, better link-up service between Pace and the CTA, and additional Metra service including more trains on the UP West line and a perimeter route in the outlying counties. In addition, aging rolling stock needs replacing.

Exhibit 7-9

2001 Proposed Five-Year Transit Program
All hearings Tuesday, December 12, 2000, 4:30 p.m. to 6:00 p.m.

COOK COUNTY
James R. Thompson Center
100 W. Randolph Street - Room 9-031
Chicago, IL 60601

Village of Arlington Heights Council Room
33 S. Arlington Heights Road
Arlington Heights, IL 60005

Flossmoor Village Hall (South)
Board Room
2800 Flossmoor Road
Flossmoor, IL 60422

Riverside Town Hall (West)
3rd Floor, Room #30
27 Riverside Road
Riverside, IL 60543

DUPAGE COUNTY
City of Wheaton
Lower Level - Conley Room
303 West Wesley
Wheaton, IL 60187

KANE COUNTY
St. Charles City Council Chambers
Heartland Building - Door #2
10 South State Ave
St. Charles, IL 60174

LAKE COUNTY
Village of Deerfield - Board Room
850 Waukegan Road
Deerfield, IL 60015

MCHENRY COUNTY
City of Woodstock
City Council Chambers
121 W. Calhoun
Woodstock, IL 60098

WILL COUNTY
Will County Court House
Courtroom 100
14 W. Jefferson
Joliet, IL 60432

Ordinance No. 2000-79

AN ORDINANCE
APPROVING THE 2001 BUDGETS AND 2002-2003 FINANCIAL PLANS
OF THE SERVICE BOARDS,
ADOPTING THE 2001 BUDGET AND PROGRAM OF THE AUTHORITY,
APPROPRIATING FUNDS FOR THE 2001 BUDGETS, ADOPTING THE FIVE-YEAR PROGRAM,
ALLOCATING CERTAIN REVENUES OF THE RTA TO THE RESPECTIVE SERVICE BOARDS,
AND TAKING CERTAIN OTHER ACTIONS
WITH RESPECT TO THE BUDGET AND PROGRAM FOR FISCAL YEAR 2001

WHEREAS, Section 4.01 of the Regional Transportation Authority Act, as amended (the "Act"), directs the Board of Directors of the Regional Transportation Authority (the "Authority") to appropriate money for the expenses of the Authority, including payment of certain public funds to the Service Boards, and to prepare and adopt a comprehensive budget and program document for FY2001; and

WHEREAS, Section 4.02 of the Act establishes certain requirements with respect to the allocation and payment of funds appropriated by the Authority to the Service Boards; and

WHEREAS, Section 2.01 of the Act authorizes and directs the Authority to adopt a Five-Year Program with respect to the operations and capital projects of the Authority and the Service Boards; and

WHEREAS, Section 4.11 of the Act authorizes and directs the Authority to review the budgets and financial plans of the Service Boards for the FY2001; and

WHEREAS, the Authority has taken certain action by ordinance identifying the amounts estimated to be available for expenditure for operating purposes by each Service Board during the FY2001 and the two following fiscal years and the times at which such amounts will be available; and

WHEREAS, each Service Board has presented its budget and financial plan to the Authority for its review and the Authority has conducted public hearings with respect to its Proposed Annual Budget and Five-Year Program, and considered the budgets and financial plans of the Service Boards and the public comments with respect to those budgets and financial plans; and

WHEREAS, the Board has determined that it is in the best interest of the Authority to take the following actions in order to carry out its powers and duties under the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY that:

Adopted December 15, 2000

ARTICLE I
APPROVAL OF BUDGETS AND PROGRAMS

Section One: Service Board Budgets and Financial Plans

1.1 In compliance with the Act, the Regional Transportation Authority (the "RTA") has received and reviewed a proposed budget for FY2001, and a financial plan for FY2002 and 2003 of the Chicago Transit Authority (the "CTA"), the Commuter Rail Division ("Metra"), and the Suburban Bus Division ("Pace"), (each a "Service Board").

1.2 With respect to the proposed budgets and financial plans of the CTA, Metra and Pace (as summarized in Schedule I-B), the RTA finds as follows:

(a) Each such budget and plan shows a balance between (A) anticipated revenues from all sources, including operating subsidies and application of Service Board fund balances, and (B) the cost 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;

(b) Each such budget and plan shows cash balances, including the proceeds of any anticipated cash flow borrowing, sufficient to pay with reasonable promptness all costs and expenses as incurred;

(c) Each such budget and plan provides for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the jurisdiction of such Service Board sufficient to allow the Service Board to meet its required system-generated revenue recovery ratio, as set forth on Schedule I-D;

(d) Each such budget and plan is based upon and employs assumptions and projections which are reasonable and prudent;

(e) Each such budget and plan has been prepared in accordance with sound financial practices; and

(f) Provided that each Service Board acts in conformity with the provisions of this Ordinance, each such budget and plan meets the other financial, budgetary, or fiscal requirements which the RTA has established.

1.3 Pursuant to Section 4.11 of the Act, the budgets for FY2001 and financial plans of the Service Boards for FY2002 and 2003 as presented to the RTA, are hereby approved provided, however, in the event that a budget or financial plan is inconsistent with the provisions of this Ordinance, the provisions of this Ordinance shall govern.

1.4 No more than 45 days after each quarter, each Service Board is directed to report to the RTA its financial condition and results of operation for review by the RTA for conformity with the approved budget.

Section Two: RTA Annual Budget and Program

2.1 The RTA has received and reviewed the FY2001 Annual Budget and Program of the Regional Transportation Authority as summarized in Schedule I-A. The FY2001 Annual Budget and Program is hereby approved and the Board finds as follows:

(a) The FY2001 Annual Budget and Program shows a balance between anticipated revenue from all sources, including the application of the RTA Fund Balance, and anticipated expenses, including the funding of operating deficits and the discharge of encumbrances incurred in prior periods and payment of principal and interest when due, as summarized in Schedule I-A.

(b) The FY2001 Annual Budget and Program shows cash balances sufficient to pay with reasonable promptness all obligations and expenses as incurred, as summarized in Schedule I-G.

(c) The FY2001 Annual Budget and Program shows that the level of fares and charges for mass transportation by the respective Service Boards is sufficient to cause the aggregate of all projected system-generated revenues from such fares and charges to equal at least 50 percent of the aggregate cost of providing public transportation in FY2001, as

defined in the Act, as summarized in Schedule I-A.

(d) The budgeted "Administration" expenses of the RTA for FY2001, within the meaning of Section 4.01(c) of the Act, do not exceed the maximum administrative expenses permitted for FY2001 of $10,914,373. (FY2001 "Administration" expenses are summarized on Schedule I-C).

Section Three: Five-Year Program

3.1 The Five-Year Program of the RTA for the fiscal years beginning January 1, 2001, and ending December 31, 2005, has been the subject of public hearings in each county as required by Section 2.01 of the Act. The RTA has considered public comment on the proposed Five-Year Program. The RTA hereby adopts the Five-Year Program attached as Schedule II subject to continuing review. In accordance with Section 2.01(c) and 4.02(b) of the Act, no Service Board shall apply for any capital grant unless it is included in the RTA Five-Year Program.

ARTICLE II
APPROPRIATION OF FUNDS AND CERTAIN OTHER ACTIONS

Section One: Appropriation for each Service Board

The following amounts for FY2001 are appropriated for payment to each Service Board from the enumerated sources of funds and for the specified objects and purposes. The total appropriations as shown on Schedule I-A for RTA Operations Funding and Discretionary Capital represent the legal level of budgetary control.

1.1 Statutory RTA Taxes

There is appropriated, for expenditure by each Service Board pursuant to the FY2001 Budget approved in Article I, 85% of the RTA receipts from taxes imposed pursuant to Section 4.03 of the Act and allocated according to the percentages listed below and specified in Section 4.01(d) of the Act, and from the State and Local Sales Tax Reform Fund pursuant to Section 4.01(e) of the Act. The estimated amount of the appropriation is specified as "Sales Tax - 85%" on Schedule I-B.

	Collected Within Chicago	Collected Within Suburban Cook County	Collected in DuPage, Kane, Lake, McHenry and Will Counties
CTA	100 %	30 %	0 %
Metra	0 %	55 %	70 %
Pace	0 %	15 %	30 %
Total	**100%**	**100%**	**100%**

After receipt by the RTA of the proceeds of taxes imposed pursuant to Section 4.03 of the Act, the Executive Director shall pay to each Service Board the specified proportionate share of such proceeds.

1.2 Reduced Fare Reimbursement

There is appropriated, for expenditure by each Service Board pursuant to the FY2001 Budget approved in Article I, amounts received from the State of Illinois Reduced Fare Reimbursement Program. The estimated amount of the appropriation is included in the Service Board system generated revenues on Schedule I-B.

After receipt by the RTA of the state funds from the Reduced Fare Reimbursement Program, the Executive Director shall pay

to each Service Board the proportionate share of such proceeds.

1.3 Discretionary Funds of the RTA — Public Transportation Fund, 15% Sales Tax, Other RTA Revenues

(a) Operating Programs: There is appropriated, for expenditure by each Service Board pursuant to the FY2001 Budget approved in Article I, the amounts specified as "RTA Discretionary (PTF, Sales Tax and Other)" on Schedule I-B from other receipts and revenues of the RTA, or so much as may be necessary such that the actual amounts appropriated for each Service Board under paragraphs 1.1, 1.2, and 1.3(a) of this section equal the amounts specified as "RTA Funding" on Schedule I-B, exclusive of the amounts specified as "CMAQ " on Schedule I-B.

The Executive Director is hereby directed to make payment of such funds as soon as may be practicable upon their receipt provided that each Service Board is in compliance with the requirements of Section 4.11 of the Act and this Ordinance.

(b) Capital Programs: There is appropriated, for expenditure by the Service Boards for projects specified on Schedule II, and pursuant to the first year of the Five-Year Program approved in Article I, the amounts specified for the CTA as "RTA Transfer Capital" in the FY2001 section on Schedule I- E from other receipts and revenues of the RTA. Further, there is appropriated, for expenditures by the Service Boards for projects specified on Schedule II and pursuant to the first year of the Five-Year Program approved in Article I, the amount specified as "RTA Discretionary" in the FY2001 section on Schedule I-E.

As used in the above paragraph, the actual amount of "Discretionary Capital for the RTA and Service Board projects" is the amount that actual payments under paragraph 1.1 and 1.2 of this Section exceed the amount specified as "RTA Funding" in Schedule I-B, exclusive of the amounts specified as "CMAQ" on Schedule I-B.

The Executive Director is hereby directed to make payment of such funds pursuant to grant agreements with each Service Board.

Section Two: Appropriation to the Regional Transportation Authority

There is appropriated, for expenditure of operating purposes of the RTA, the amounts included on Schedule I-C and for capital purposes of the RTA, the amount specified as Transfer Capital for the CTA and the amount specified for RTA (Agency) technology and capital projects in the FY2001 section on Schedule I-E pursuant to the FY2001 Budget approved in Article I, from other receipts and revenues of the RTA.

The total appropriations as shown in Schedule I-A for FY2001 Agency Operating Expenditures (Administrative and Regional Services) and Agency (RTA) Technology and Capital Expenditures represent the legal level of budgetary control. The Executive Director is authorized to transfer up to 10% from each of these items.

ARTICLE III
IMPLEMENTATION

The Executive Director is authorized and directed to take appropriate action to implement and enforce this Ordinance and to prepare and disseminate the Five-Year Program of the RTA in accordance with the policies established herein.

The Executive Director is authorized and directed to file the FY2001 Annual Budget and Program and a copy of this Ordinance with the Governor, General Assembly, the Comptroller of the State of Illinois, the Mayor of the City of Chicago and the Auditor General of the State of Illinois along with an appropriate certification that this budget and program meet the requirements of the Act.

Schedule 1-A

RTA Statement of Revenues and Expenditures
(Includes Funding for the Service Boards)
(dollars in thousands)

	2001 Budget	2002 Plan	2003 Plan
Revenues			
Sales Tax (1)	$669,000	$705,109	$738,237
Public Transportation Funds (PTF)	168,000	177,000	185,300
State Financial Assistance	47,422	59,703	76,917
State Reduced Fare Reimbursements	40,000	40,000	40,000
Investment Income and Other (2)	11,902	12,072	12,370
Total Revenues	**936,324**	**993,884**	**1,052,824**
Expenses			
Operations Funding (3)	690,245	712,038	738,166
Sales Tax Interest to Service Boards	1,400	1,400	1,400
State Reduced Fare Reimbursements to Service Boards	40,000	40,000	40,000
JSIF (4)	3,000	4,000	4,000
Agency Operations (5)	19,171	19,811	20,543
Total Operating Expenditures	**753,816**	**777,249**	**804,109**
Funds available before Debt Service, Technology, and Capital	**182,508**	**216,635**	**248,715**
Debt Service, Technology, and Capital			
Principal and Interest Payments	85,132	97,441	133,969
RTA Technology and Capital	9,610	14,892	15,258
Metra Transfer Capital (Statutory)	34,105	38,459	41,488
CTA Transfer Capital	20,353	33,403	40,203
RTA Discretionary Capital (6)	15,318	16,650	16,650
Total Debt Service, Technology, and Capital	**164,518**	**200,845**	**247,568**
Revenues less Expenditures/(Deficit)	17,990	15,790	1,147
Ending Fund Balance (7)	**$89,203**	**$104,993**	**$106,140**
Recovery Ratio (8)	51.7%	51.6%	51.6%

Notes:

(1) Sales Tax distributions are presented on Schedule I-F.
(2) Includes Sales Tax Interest, Agency Revenue, and RTA Investment Income.
(3) RTA Funding as presented on Schedule I-B.
(4) Maintains the JSIF fund balance.
(5) Reference Schedule I-C for 2001 detail.
(6) Reference the RTA column of Schedule I-E.
(7) Reflects projected 2000 Ending Fund Balance and 2001-2003 Projections.
(8) Reference Schedule I-D for Recovery Ratio calculations.

Schedule 1-B

SERVICE BOARD DEFICIT FUNDING
(dollars in thousands)

	CTA	Metra	Pace	Total
2001				
Service Board System Generated Revenue	$450,146	$233,355	$50,019	$733,520
Service Board Operating Expenses	869,151	429,593	125,052	1,423,796
Service Board Deficit	**$419,005**	**$196,238**	**$75,033**	**$690,276**
Deficit Funding				
Sales Tax - 85% (% of total, distributed by area collected)	$266,079	$230,343	$72,228	$568,650
RTA Discretionary (PTF, Sales Tax & Other).	152,926	0	2,774	155,700
Sales Tax for Transfer Capital - Metra Statutory	0	(34,105)	0	(34,105)
RTA Funding	**$419,005**	**$196,238**	**$75,002**	**$690,245**
Service Boards' Funding for Capital	0	0	(101)	(101)
CMAQ	0	0	132	132
Service Board Deficit Funding	**$419,005**	**$196,238**	**$75,033**	**$690,276**
2002				
Service Board System Generated Revenue	$461,927	$243,250	$51,466	$756,643
Service Board Operating Expenses	890,508	447,655	128,568	1,466,731
Service Board Deficit	**$428,581**	**$204,405**	**$77,102**	**$710,088**
Deficit Funding				
Sales Tax - 85% (% of total, distributed by area collected)	$280,262	$242,864	$76,217	$599,343
RTA Discretionary (PTF, Sales Tax & Other).	148,319	0	2,835	151,154
Sales Tax for Transfer Capital - Metra Statutory	0	(38,459)	0	(38,459)
RTA Funding	**$428,581**	**$204,405**	**$79,052**	**$712,038**
Service Boards' Funding for Capital	0	0	(2,085)	(2,085)
CMAQ	0	0	135	135
Service Board Deficit Funding	**$428,581**	**$204,405**	**$77,102**	**$710,088**
2003				
Service Board System Generated Revenue	$477,143	$253,523	$52,954	$783,620
Service Board Operating Expenses	919,681	466,404	132,385	1,518,470
Service Board Deficit	**$442,538**	**$212,881**	**$79,431**	**$734,850**
Deficit Funding				
Sales Tax - 85% (% of total, distributed by area collected)	$293,240	$254,369	$79,893	$627,502
RTA Discretionary (PTF, Sales Tax & Other).	149,298	0	2,854	152,152
Sales Tax for Transfer Capital - Metra Statutory	0	(41,488)	0	(41,488)
RTA Funding	**$442,538**	**$212,881**	**$82,747**	**$738,166**
Service Boards' Funding for Capital	0	0	(3,458)	(3,458)
CMAQ	0	0	142	142
Service Board Deficit Funding	**$442,538**	**$212,881**	**$79,431**	**$734,850**

Schedule 1-C

Regional Transportation Authority

Proposed 2001 Agency Funding

(dollars in thousands)

	Administrative	Regional Services	Total
Total Revenues	**$0**	**$2,860**	**$2,860**
Expenses:			
Communications	$540	$1,286	$1,826
Finance	2,274	229	2,503
Management Services	2,183	42	2,225
Planning	0	4,689	4,689
Government Affairs	0	853	853
Regional Services	0	7,075	7,075
Total Expenses	**$4,997**	**$14,174**	**$19,171**
Total Funding (Expenses less Revenues)	**$4,997**	**$11,314**	**$16,311**
Statutory Cap	**$10,914**		
Percent Under Cap	54.2%		

Schedule 1-D

RECOVERY RATIO CALCULATIONS
(dollars in thousands)

Recovery Ratio Revenues	**2001**	**2002**	**2003**
CTA (1)	$450,146	$461,927	$477,143
Metra (2)	233,355	243,250	253,523
Pace	50,019	51,466	52,954
RTA	10,502	10,672	10,970
Total Revenue	**$744,022**	**$767,315**	**$794,590**
Recovery Ratio Expenses			
CTA (3)	864,069	885,426	914,599
Metra (4)	424,279	442,272	460,951
Pace	125,052	128,568	132,385
JSIF	3,000	4,000	4,000
RTA	22,533	27,503	28,601
Total Recovery Ratio Expenses	**$1,438,933**	**$1,487,769**	**$1,540,536**
Recovery Ratios:			
CTA	52.1%	52.2%	52.2%
Metra	55.0%	55.0%	55.0%
Pace	40.0%	40.0%	40.0%
Systemwide (5)	**51.7%**	**51.6%**	**51.6%**

Notes:

(1) Excludes: CTA 's revenues from leasing transactions of $4.3 million each year.

(2) Excludes: Metra's 5% Capital Farebox Financing Program of $9.2 million, $9.3 million, and $9.4 million from 2001 to 2003, respectively.

(3) Excludes: CTA's security exemption of $5.1 million each year.

(4) Excludes: Metra's depreciation charges of $2.9 million each year.
Metra's lease transportation facility charges of $2.4 million in 2001, $2.5 million in 2002, and $2.6 million in 2003.

(5) The recovery ratios for 2001, 2002, and 2003 represent those established by the RTA Board as part of the budget approval process. The Service Boards endeavor to achieve or exceed these ratios to comply with their approved budgets, as approved by the RTA Act. By policy, the revenue figures for the CTA and Metra exclude the gain from leasing transactions restricted by ordinance for capital. The amounts deducted from expenses represent exclusions listed by the RTA Act.

Schedule 1-E

SERVICE BOARD AND RTA CAPITAL FUNDING

(dollars in thousands)

2001 Service Board Capital Funding	**CTA**	**Metra**	**Pace**	**RTA**	**Total**
FTA Capital Grants	$251,820	$213,812	$32,402	$0	$498,034
IDOT Grants	12,654	27,200	6,400	0	46,254
Service Board Funds	5,000	9,160	982	0	15,142
Service Board Local Community Funds	0	1,000	0	0	1,000
RTA SCIP Bonds	130,000	110,232	19,768	0	260,000
RTA Discretionary (1)	9,657	5,661	0	0	15,318
Transfer Capital (2)	20,353	34,105	0	0	54,458
Total Service Board Capital Funding (3)	**$429,484**	**$401,170**	**$59,552**	**$0**	**$890,206**
RTA (Agency) Technology and Capital Projects (4)				**$9,610**	

Notes:
(1) The discretionary capital figure for Pace of $1,332 was advanced (granted) to Pace in 2000.
(2) Includes Metra Statutory and CTA Transfer Capital.
(3) Based on September 15, 2000 preliminary capital program marks less Pace advance noted in footnote (1).
(4) Designates capital for technology projects in the amount of $5,679. Another $569 is appropriated for RTA Capital projects and the remaining $3,362 is appropriated for new technology operating expenditures.

Schedule 1-F

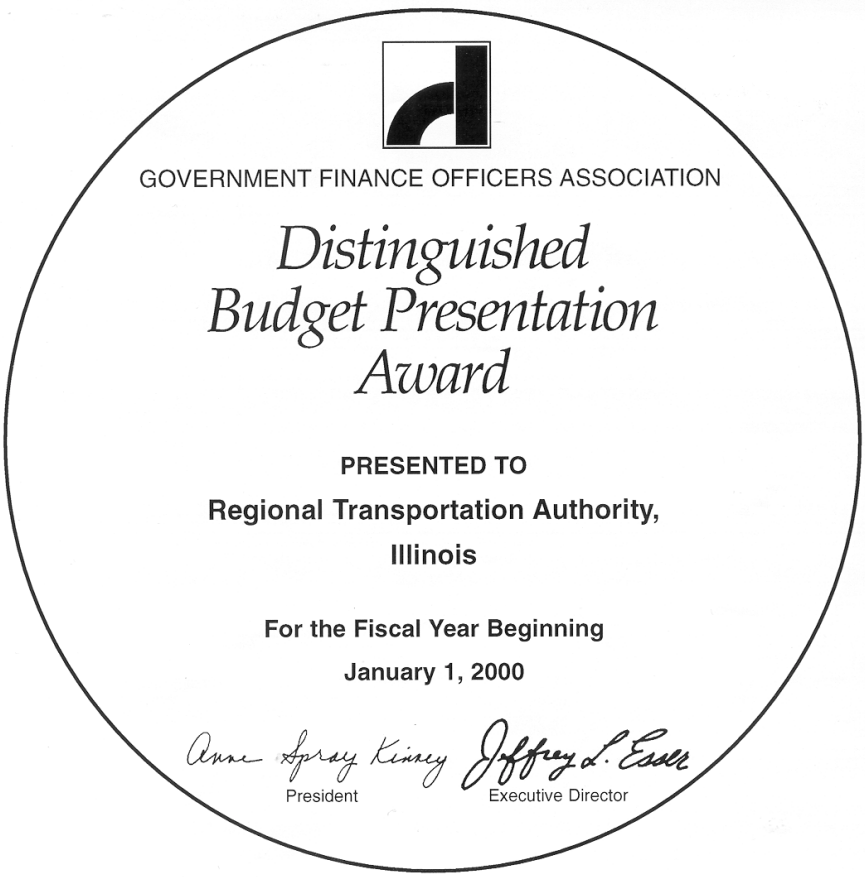
RTA SALES TAX DISTRIBUTION
(dollars in thousands)

	City of Chicago	Suburban Cook County	All Other Counties	Total Estimated Amounts
2001				
Service Boards = 85%				
CTA	$173,362	$92,717	$0	$266,079
Metra	0	169,981	60,362	230,343
Pace	0	46,359	25,869	72,228
Total Svc. Bd.	$173,362	$309,057	$86,231	$568,650
RTA = 15%	30,593	54,539	15,218	100,350
Total	**$203,955**	**$363,596**	**$101,449**	**$669,000**
2002				
Service Boards = 85%				
CTA	$182,724	$97,538	$0	$280,262
Metra	0	178,820	64,044	242,864
Pace	0	48,770	27,447	76,217
Total Svc. Bd.	$182,724	$325,128	$91,491	$599,343
RTA=15%	32,245	57,375	16,146	105,766
Total	**$214,969**	**$382,503**	**$107,637**	**$705,109**
2003				
Service Boards = 85%				
CTA	$191,312	$101,928	$0	$293,240
Metra	0	186,867	67,502	254,369
Pace	0	50,964	28,929	79,893
Total Svc. Bd.	$191,312	$339,759	$96,431	$627,502
RTA = 15%	33,761	59,957	17,017	110,735
Total	**$225,073**	**$399,716**	**$113,448**	**$738,237**

Regional Transportation Authority
2001 Monthly Cash Flow Projection
General and Agency Funds
(dollars in thousands)

Cash Receipts:	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**YEA**
Sales Tax	$52,660	$52,014	$66,167	$48,271	$49,358	$53,797	$54,624	$57,281	$59,299	$55,840	$54,846	$55,851	$660,
PTF	13,415	13,254	16,792	12,318	12,589	13,700	13,906	14,571	15,075	14,205	13,962	14,213	168,
Reduced Fare	10,000	0	0	10,000	0	0	10,000	0	0	10,000	0	0	40,
State Assistance	3,750	3,750	3,750	3,750	3,750	3,750	4,153	4,154	4,154	4,153	4,154	4,154	47,
Interest/Other Grants	991	992	992	991	992	992	991	992	992	991	992	992	11,
Total Cash Receipts	**$80,816**	**$70,010**	**$87,701**	**$75,330**	**$66,689**	**$72,239**	**$83,674**	**$76,998**	**$79,520**	**$85,189**	**$73,954**	**$75,210**	**$927,**
Cash Disbursements:													
CTA:													
85% Sales Tax	$20,983	$20,726	$26,369	$19,199	$19,631	$21,397	$21,725	$22,782	$23,585	$22,209	$21,814	$22,216	$262,
Reduced Fare Reimb.	8,470	0	0	8,470	0	0	8,470	0	0	8,470	0	0	33,
RTA Discretionary	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,742	152,
Total Funding	**$42,197**	**$33,470**	**$39,113**	**$40,413**	**$32,375**	**$34,141**	**$42,939**	**$35,526**	**$36,329**	**$43,423**	**$34,558**	**$34,958**	**$449,**
Metra:													
85% Sales Tax (1)	$18,099	$17,877	$22,740	$16,620	$16,994	$18,524	$18,808	$19,723	$20,417	$19,226	$18,884	$19,228	$227,
Reduced Fare Reimb.	680	0	0	680	0	0	680	0	0	680	0	0	2,
Total Funding	**$18,779**	**$17,877**	**$22,740**	**$17,300**	**$16,994**	**$18,524**	**$19,488**	**$19,723**	**$20,417**	**$19,906**	**$18,884**	**$19,228**	**$229,**
Pace:													
85% Sales Tax	$5,678	$5,609	$7,133	$5,211	$5,329	$5,808	$5,897	$6,184	$6,402	$6,029	$5,921	$6,029	$71,
Reduced Fare Reimb.	913	0	0	913	0	0	913	0	0	916	0	0	3,
RTA Discretionary	231	231	231	231	231	231	231	231	231	231	231	233	2,
Total Funding	**$6,822**	**$5,840**	**$7,364**	**$6,355**	**$5,560**	**$6,039**	**$7,041**	**$6,415**	**$6,633**	**$7,176**	**$6,152**	**$6,262**	**$77,**
RTA Operations:													
Sales Tax Interest	$116	$116	$116	$116	$116	$116	$116	$116	$116	$116	$116	$124	$1,
Principal and Interest Payments	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,036	7,094	7,094	7,156	85,
Agency Operating Expenses	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,604	19,
Transfer Capital-CTA	0	0	20,353	0	0	0	0	0	0	0	0	0	20,
JSIF	0	0	0	0	0	0	0	0	0	0	0	3,000	3,
Capital and Technology (2)	800	801	16,061	800	801	743	800	801	801	800	801	919	24,
Total Cash Disbursements	**$77,405**	**$66,795**	**$114,438**	**$73,675**	**$64,537**	**$68,254**	**$79,075**	**$71,272**	**$72,929**	**$80,112**	**$69,202**	**$73,251**	**$910,**
Cash Balance: (3)													
Beginning (4)	$134,444	$137,855	$141,070	$114,333	$115,988	$118,140	$122,125	$126,724	$132,450	$139,041	$144,118	$148,870	
Ending	$137,855	$141,070	$114,333	$115,988	$118,140	$122,125	$126,724	$132,450	$139,041	$144,118	$148,870	$150,829	

(1) Includes Transfer Capital-Metra Statutory.
(2) Agency Capital Projects, RTA Discretionary Capital, and Other Technology Expenses.
(3) Restricted and unrestricted cash.
(4) Beginning 2001 Cash Balance forecast based on the 2000 Quarterly Investment Report.

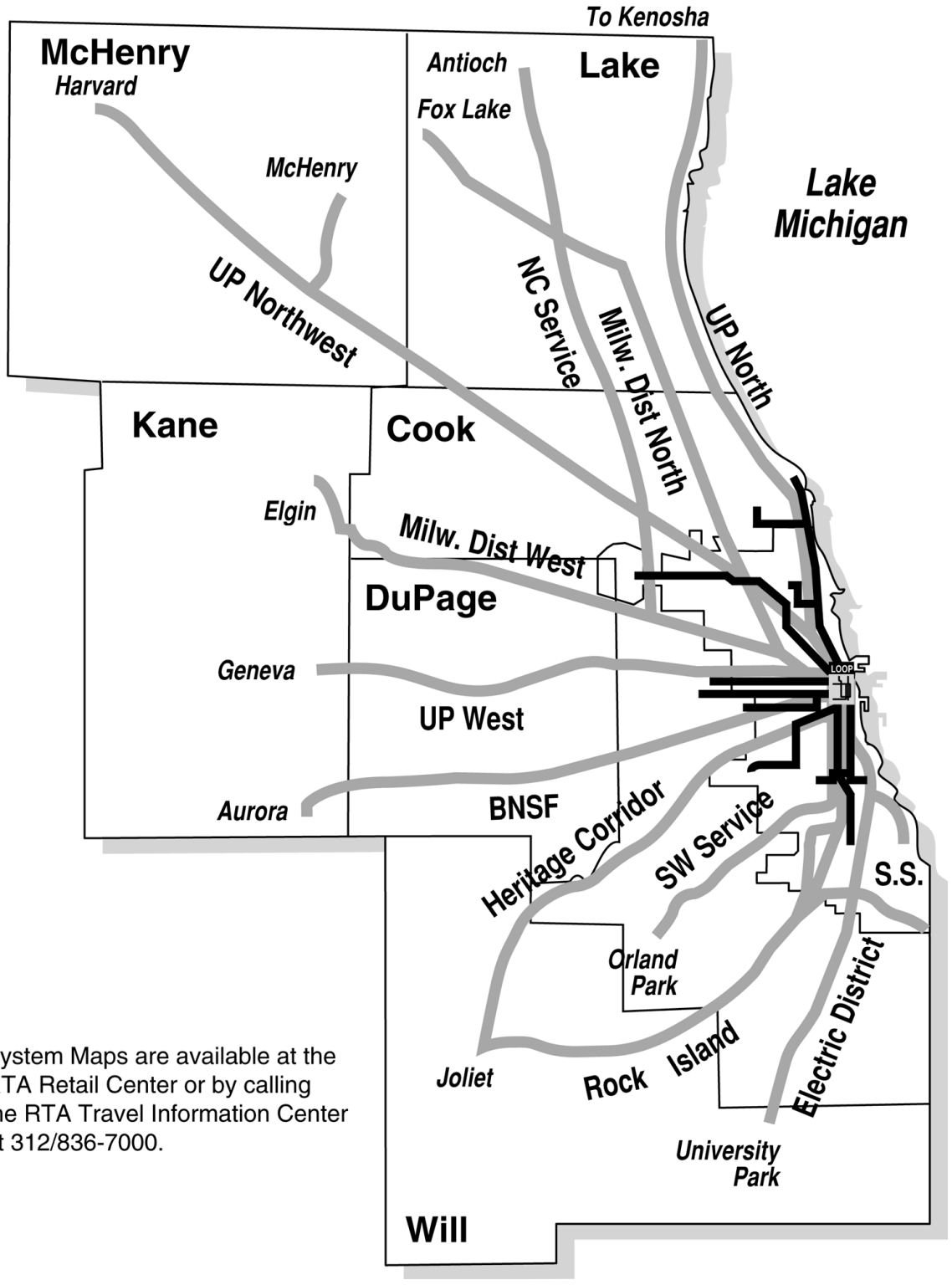


The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the Regional Transportation Authority for its annual budget for the fiscal year beginning 2000.

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.

RTA System



System Maps are available at the RTA Retail Center or by calling the RTA Travel Information Center at 312/836-7000.