

CREATING OPPORTUNITIES: Investing in Transit

President's 2020 Budget
Recommendations



CTA FY20 Budget

Chicago Transit Board and CTA President

Chicago Transit Board

Terry Peterson, Chairman

Appointed by: Mayor, City of Chicago

Arabel Alva Rosales, Vice Chairman

Appointed by: Governor, State of Illinois

Judge Gloria Chevere

Appointed by: Governor, State of Illinois

Kevin Irvine

Appointed by: Mayor, City of Chicago

Rev. Dr. L. Bernard Jakes

Appointed by: Governor, State of Illinois

Rev. Johnny L. Miller

Appointed by: Mayor, City of Chicago

Alejandro Silva

Appointed by: Mayor, City of Chicago

Chicago Transit Authority

Dorval R. Carter Jr., President

CTA FY20 Budget

Table of Contents

Letter from the President	1
CTA Organizational Chart	5
Executive Summary	7
Strategic Goals	23
2014-2022 Operating Budget Schedule	25
2019 Operating Budget Performance	29
President's 2020 Proposed Operating Budget	37
President's 2021-2022 Proposed Operating Financial Plan	49
2020 Operating Funding Summary	53
2020-2024 Capital Improvement Program	
Introduction	61
Funding Sources	62
Uses of Funds	68
Capital Program Asset Category Comparison	84
Competitive Grant Opportunities	86
Capital Funding Need – State of Good Repair (SOGR)	92
Operating Budget Impact	98
Performance Management and Statistics	
Performance Management	99
Comparative Performance Analysis.....	119
Operating Statistics	127
Appendices	
History of the Agency	131
System Map	135
Transit Facts	137
CTA Fare Structure	139
Comparative Fare Structure	141
Debt Administration	143
Economic Indicators	165
Annual Budget Process	171
Accounting Systems and Financial Controls	175
Financial Policy	181
Sustainability Initiatives	185
Acronyms and Glossary	191

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Letter from the President

Dear CTA Customers,

Each weekday, nearly 1.5 million people step aboard a Chicago Transit Authority bus or train, headed to work, to school, to shop, to worship, to visit family, friends and loved ones. We have been helping people reach their destinations every day since 1947. It's a commitment we have always taken very seriously—a trust we work to earn every single day.

But CTA's importance to Chicago and its closest suburbs goes far beyond from getting from Point A to Point B. We help fuel the economic engine of Chicago and the region, by providing access to jobs and opportunities, making improvements to boost communities and spurring private investment. Corporations that relocate to Chicago often cite the city's public transportation network as a driving factor, and neighborhoods across the city rely on transit.

CTA also provides thousands of good-paying jobs to hardworking men and women from the region. And over the last several years, CTA has undertaken an unprecedented modernization effort that's provided opportunities for small and disadvantaged businesses to compete for contracts to provide goods and services.

Simply put, the CTA is intricately woven into the fabric of the city. And just as importantly, transit must be available for everyone.

That's why keeping transit affordable, reliable and equitable is so important. And it's why I am pleased to announce that the 2020 proposed budget contains no changes to fares, while maintaining service levels.

Also for 2020, I am pleased to propose a balanced operating budget of \$1.57 billion. I am also proposing a five-year, \$5.1 billion Capital Improvement Plan (CIP) for 2020-2024.

Holding the line on fares and service is no small undertaking, nor an easy one—especially given the unprecedented challenges that public transit is facing.

New marketplace competition—primarily in the form of ride-hailing services—has given the public more transportation options than ever before. And historically low gas prices have disincentivized the use of transit. In the face of these market forces, we are constantly working toward how best to implement new technologies, form new partnerships and strengthen our existing systems to better serve our customers.

One of the most important aspects to remaining competitive is to modernize our infrastructure—the vehicles, stations, tracks and structures that keep us moving. With programs like Safe and Secure and FastTracks, CTA has made an unprecedented investment over the last several years: rebuilding stations, fixing tracks and upgrading signals, among other improvements.

CTA FY20 Budget

Letter from the President

Thanks to the new State of Illinois capital bill approved earlier this year, the CTA will be able to continue this important modernization. The capital bill—the state’s first in a decade—will provide the CTA with \$1.2 billion of State bond funding over the next five years. The bond funding includes \$140.5 million in earmarks for three CTA projects, including \$60 million to overhaul the Cottage Grove Green Line Station, \$50 million for traction power improvements for the Blue Line O’Hare Branch and \$31.5 million for Blue Line O’Hare branch station upgrades at various stations between the Dearborn subway in downtown Chicago and the O’Hare station. Capital bill funding will also provide an unprecedented level of investment in CTA projects, like the Red Line Extension, and will allow CTA to tackle the first projects of the All Stations Accessibility Program (ASAP), CTA’s first-ever comprehensive plan, which I announced in 2018, to make all our rail stations 100 percent vertically accessible by 2030.

The capital bill also includes a new, recurring \$700 million funding stream to CTA over the next five years that is the first of its kind in Illinois history. This funding apparatus is made possible through new taxes dedicated to transit and are based on the increase in the state gas tax—from 19 cents per gallon to 38 cents per gallon—and vehicle registration fees, which are indexed to inflation and continue into perpetuity.

Though the state capital bill will help CTA begin to address the modernization of our infrastructure, the CTA still faces significant challenges related to funding for our day-to-day operations.

Since 2015, CTA’s operating budgets have been cut by more than \$145 million due to State of Illinois funding reductions. That’s the approximate equivalent of operating the Red or Blue Line service for an entire year. Those cuts continue in 2020 and are projected to cost the CTA and additional \$30 million. This continued tightening of our funding makes it even more challenging for the CTA to provide the level of service we envision for our customers.

However, despite these financial realities, we are committed to continuing to find ways to better serve our customers.

We were proud to break ground in early October on the largest construction project in CTA history, the Phase One of the Red Purple Modernization Program. The event was held at the site where the new rail bypass is being constructed, north of Belmont Station, to replace a 100-year-old flat rail junction where Red, Purple and Brown lines currently intersect. This new bypass for northbound Brown Line trains will increase capacity by allowing us to operate more trains that can carry up to an additional 7,200 passengers per hour. In the coming years, we will also rebuild four of the oldest Red Line stations—Lawrence, Argyle, Berwyn and Bryn Mawr—and make them fully accessible to people with disabilities.

The past year has also included landmark project completions for which we are extraordinarily proud. Since last November, we have completed construction and opened the north terminal of the 95th/Dan Ryan Red Line station, modernized our historic Quincy

CTA FY20 Budget

Letter from the President

station downtown, and completed construction on two impressive community gateways: the Garfield Green Line station and the Belmont Blue Line station. Each of these projects helps us better serve our customers and support our communities with upgraded station amenities and beautifully unique artwork appropriate for world-class, 21st century rail stations.

We also took big leaps in technology in 2019. This year, as part of our Safe and Secure program we completed the installation of high-definition cameras at our Red and Blue line subway stations, making CTA's entire rail system fully equipped with HD cameras. We also announced that customers with iPhones will soon be able to pay their fares by simply tapping their phones aboard CTA buses at rail station turnstiles, which we look forward to unveiling in the coming months. Work was also completed earlier this year to provide all riders with free, high-speed Wi-Fi service at all of our Red and Blue line subway stations.

Several other new amenities and features have been added throughout the system aimed at making public transit more welcoming and convenient. This includes three types of specialty vending machines that dispense either mobile device charging packs, souvenir photos, or fresh and healthy snacks for commuters. Our collection of public art has also grown and now includes installations by world renowned, Chicago-based artists. The 95th/Dan Ryan Red Line and Garfield Green Line stations are home to first-of-its-kind installations by Theaster Gates and Nick Cave, respectively, who have beautifully merged their artistry with public transit to create a truly immersive and engaging transit experience.

All of these investments and initiatives contribute toward my two main goals as CTA President: 1. keeping transit competitive in a marketplace that's less about "transportation" than "mobility"—a marketplace in which customers have myriad options; and 2. Ensuring that transit remains equitable for all Chicagoans—by providing the highest possible levels of service and investment in modernization across the entire city.

Transit has long been at the heart of this vibrant city, and CTA has long been integral to communities from Rogers Park to Pullman. Maintaining that stature requires innovation, agility, and a focus on comfort and reliability. The entire CTA team is fully committed to meeting that challenge, and to providing the service that our customers expect and deserve.

Sincerely,



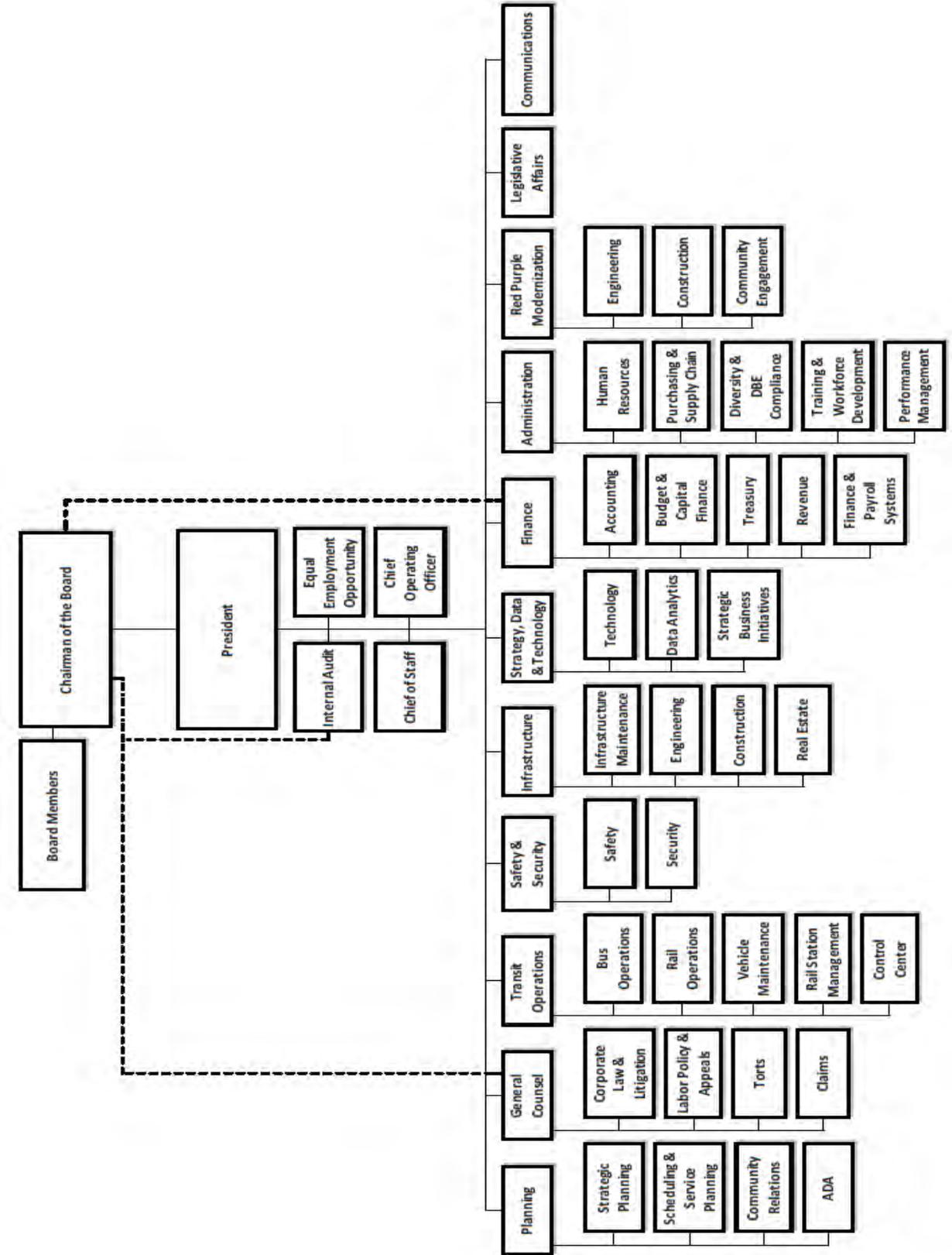
Dorval R. Carter, Jr.
President

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Organizational Chart



(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Executive Summary

Creating Opportunities: Investing in Transit

OVERVIEW

The Chicago Transit Authority (CTA) recently celebrated its 72nd anniversary of moving Chicago. CTA provides about 1.5 million rides every day and more than 80 percent of transit trips across Chicago and 35 surrounding suburbs. As the city's largest public transportation network, and the second largest transit-provider in the United States, CTA is a critical connector of people, jobs and communities.

CTA works tirelessly toward creating a 21st Century transit experience that efficiently serves Chicago residents and visitors, both now and for generations to come. Under the leadership of Mayor Lori Lightfoot and CTA President Dorval R. Carter, Jr., CTA continues to modernize infrastructure, enhance safety and security, enrich workforce development, and improve customer experience.

In the last eight years, CTA has completed, announced or begun more than \$8 billion in modernization projects across the entire system. CTA is proud that those projects have not only improved service, but also served as a catalyst for neighborhood economic development, as well as job and contracting opportunities. The agency also has been on the cutting edge of using technology to improve performance and enhance customer information.

In 2020, CTA will continue to build on those important priorities—continuing to modernize its fleet and facilities, and providing the transit service that is vital to the region. With the recently approved State funding, CTA will be able to further meet these goals.

In response to the backlog of transit needs, in June 2019, the Illinois General Assembly passed, and the Governor signed into law, a new State Capital construction program known as "Rebuild Illinois." The Regional Transportation Authority (RTA) is to receive funding from two new revenue programs that include Bond Series proceeds totaling \$2.7 billion over SFY 2020 to 2025 to fund the Service Boards' (CTA, Metra, Pace) projects, and the Motor Fuel Tax (MFT) receipts will be provided to the Service Boards on a recurring, annual basis to address State of Good Repair (SOGR) needs. This is the first time the State has provided an annual recurring revenue stream to fund capital.

While the State bonding series provides a one-time infusion of funds over a six-year period, the State MFT provides a transformative funding source to CTA that is to be a permanent, recurring source of funds to CTA, Metra, and Pace.

CTA FY20 Budget

Executive Summary

CUSTOMER EXPERIENCE

Rail Improvements

FastTracks Program. The FY20 CTA budget includes capital funding to reduce and prevent slow zones on the rail system. This targeted, multi-year program of track repairs and maintenance will provide faster commutes and smoother rides for ‘L’ customers, improvements made possible by the City’s innovative fee on ride-hailing services.

The *FastTracks* program will reduce a typical round-trip commute on the Red, Blue, Brown and Green lines -- the four busiest rail lines -- by up to six minutes, by repairing and upgrading rail, rail ties and electrical power in multiple locations throughout the system. Track and power improvements have occurred on the south branch of the Green Line, the Lake Street branch of the Green and Pink Lines, the Blue Line’s O’Hare and Congress branches, the Red and Blue Line subways, and the northern end of the Brown Line. To date, *FastTracks* has removed five miles of slow zones.

In 2019, work has been focused on the Harlem/Lake branch of the Green/Pink lines and the South Main branch of the Green Line, which once completed later this year, is expected to result in commute time savings of two-to-five minutes.

Rail Car Investment

Progress continues on the manufacturing of CTA’s new *7000-Series*, the newest generation of rail cars that will provide customers with a more comfortable, reliable commute and lower the agency’s maintenance and repair expenses.

The *7000-Series* are being built by CRRC Sifang America JV with final assembly of the rail cars occurring at a new facility built on the Far South Side of Chicago that was constructed by CRRC. CTA anticipates receiving 10 prototypes by year’s end and plans to initiate testing in the first quarter of 2020. The *7000-Series* vehicles are the first rail cars purchased by CTA in more than a decade, since 2006, when the *5000-Series* contract was awarded to Bombardier.



CRRC Sifang JV rail car assembly facility

CTA also began quarter-life overhauls on the *5000-Series* rail cars. This scheduled maintenance activity includes major component rebuild and needed repairs to the car structure, components, and interior. The quarter-life activity is an overhaul effort designed to be performed on each of the 714 rail cars at approximately six to seven year intervals. CTA forces at the rail heavy maintenance facility in Skokie, IL were doing the overhaul work in phases due to funding constraints, but with receipt of new State funds, CTA will

CTA FY20 Budget

Executive Summary

plan for a complete overhaul over the timespan of the five year Capital Improvement Plan (CIP). The rehab work not only improves performance and reliability, it also enables the cars to reach their expected useful life of 34 years.

Bus Improvements

CTA is dedicated to improving the quality, frequency and reliability of bus service. The customer benefits of prioritizing space on the street to keep buses moving has become more evident, as ridership at *Loop Link* stops has grown steadily since its launch in 2015. So far in 2019, *Loop Link* has averaged a nearly five percent increase in ridership, year-over-year, continuing to outpace the system trend.

Bus Priority Zones: In coordination with the Chicago Department of Transportation (CDOT), this year CTA launched a program of nine Bus Priority Zones aimed at improving bus speed and reliability which are slated for construction in 2019-2020. The Bus Priority Zones target pinch points that cause delays on routes with frequent buses and high ridership that span across the City. Key areas being addressed as part of this program are locations along Chicago Avenue (#66), 79th Street (#79), Western Avenue (#49), and two downtown intersections that serve multiple bus routes. Improvements made under the Bus Priority Zones program may include establishing designated bus-only lanes with pavement markings and signage along certain stretches of a corridor to improve bus service during weekday rush periods or all-day, depending on the specific location. Other program elements include queue jump signals to give buses a head start in front of regular traffic; optimizing the location of bus stops; and changes that support pedestrian safety and overall traffic flow. The Bus Priority Zones program complements the City's commitment to extend the City's transit oriented-development policy incentives to high capacity bus corridors. In 2020, CTA and CDOT will begin planning for Bus Priority Zones at additional locations and along additional corridors.

Bus Priority Network Plan: In 2019, CTA secured grant funding to support a partnership effort with CDOT to develop a comprehensive, citywide Bus Priority Network Plan (BPNP) for Chicago that would identify all targeted corridors where bus enhancements are most appropriate based on high ridership, slow bus speeds, equitable geographic coverage, and other relevant factors. The BPNP will also include development of a toolbox of bus-priority street treatments for the City that would be considered for application in these corridors, ranging from small adjustments of pavement markings and curbside uses, to sophisticated signal changes and bus-only lanes. The plan development process will include a robust citywide public outreach process in 2020 to gather feedback on where communities most want to see bus improvements. The BPNP will complete the CDOT suite of Complete Streets guiding documents which currently include the Chicago Pedestrian Plan and the Streets for Cycling Plan 2020.

CTA FY20 Budget

Executive Summary

Prepaid Bus Boarding: As part of CTA's continuing efforts to improve service and reliability for customers, the piloting of prepaid boarding at the Belmont Blue Line station was made permanent as part of the Belmont Blue Gateway project in 2019. This allows customers to prepay their fares before boarding, and has made boarding quicker and easier, saving customers an average of 38 seconds per trip during the evening rush hour, and increasing service reliability. CTA will continue to identify opportunities to expand prepaid or all-door boarding in 2020.

South Halsted Corridor: In 2019, CTA completed a study of an 11-mile portion of South Halsted Street, in coordination with Pace. The study identified ways to improve speed and reliability by looking at four CTA and Pace routes that serve South Halsted. Recommendations included studying options for queue jumps and/or bus lanes for some sections of the corridor, to target improved customer experience and enhanced mobility for the more than 11,000 Far South Side and south suburban customers who travel through the corridor and connect to the 95th and 79th Red Line stations each day. As part of the next phase of the project, CTA will continue to work with Pace, the agency charged with leading the federal environmental review (NEPA) and advanced conceptual design for these improvements.

Traffic Signal Prioritization: Traffic Signal Prioritization (TSP) is a program of traffic signal improvements that modernizes signals and makes it possible to give an early or extended green light to buses that are behind schedule; to help increase overall schedule reliability. Implementation of TSP on the entire Western Avenue corridor (79th Street to Howard Street) will be complete by late 2019. TSP on the south portion of Ashland Avenue (95th Street to Cermak Road) was completed in 2016, and the north portion of the corridor (Cermak Road to Irving Park Road) will begin construction in 2020.

Bus Service Improvements: As part of ongoing efforts to improve bus services, and using input from the surrounding communities, CTA made adjustments to two existing routes serving Chicago's South and Far South Sides. In February, the #111A Pullman Shuttle bus route was extended, nearly doubling the length of the route, to create new connections to five nearby bus routes, and also improve access to the new Pullman Community Center, nearby jobs, schools, shopping and parks. This fall, the #31 31st Street bus pilot was extended, this time to include service during weekday mornings for the first time ever.

Bus Investment: CTA plays an important role in reducing vehicle emissions in the Chicago region by replacing automobile trips, reducing traffic congestion and enabling compact development. CTA continues its efforts to modernize the agency's bus fleet and is working simultaneously to make Chicago one of the greenest cities in the world. Last year, CTA awarded a \$32 million contract for the purchase of 20 new, zero emission, all-electric buses and the installation of five Quick Charging Stations. It is anticipated that six of these all-electric buses will be delivered to CTA during the fourth quarter of 2019.

CTA FY20 Budget

Executive Summary

In addition to lower emissions that benefit air quality, electric buses offer significant savings in fuel and maintenance costs. These new buses are also manufactured in the United States at Proterra's bus manufacturing plant in Greenville, South Carolina.

The new electric buses will give CTA one of the largest electric bus fleets in the country—another step toward the City's efforts to promote green initiatives and address climate change. CTA has achieved significant emissions reductions from our bus fleet through advanced vehicle technologies and alternative fuel sources, which benefit community residents.

CTA has also been awarded \$39 million in Congestion Mitigation and Air Quality (CMAQ) funds from the Chicago Metropolitan Agency for Planning (CMAP). This critical funding will allow CTA to continue to purchase additional all-electric, zero-emission buses that will replace aging diesel-powered buses.



Articulated Bus Overhaul: This year, CTA completed \$54 million in upgrades to more than 200 60-foot hybrid, articulated buses – the longest buses in its fleet serving many of the busiest bus routes in the City. As part of the overhaul work, bus engines were reconditioned and major components such as the transmission, suspension and heating and air-conditioning were also replaced or rebuilt. This work provides CTA customers with cleaner and more reliable buses.

Accessibility

All Stations Accessibility Program: CTA has released its first-ever blueprint to make the rail system 100 percent vertically accessible to people with disabilities over the next 20 years. The All Stations Accessibility Program (ASAP) Strategic Plan lays out the agency's proposed plans to increase accessibility through the addition of elevators at 42 rail stations that are currently inaccessible by wheelchair. The Plan also details future upgrades or replacements for 162 existing passenger elevators across the rail system. The ambitious Plan is dependent on federal, State and local funding, and CTA will use the ASAP Plan to build support for funding. In 2019, CTA applied for Surface Transportation Program (STP)

CTA FY20 Budget

Executive Summary

Shared Fund for the Austin Station Accessibility Improvements Project through CMAP, and has been awarded \$20.2 million.

Commitment to Accessibility Continues: CTA has already made significant progress in making its system fully accessible. All CTA trains and buses are wheelchair accessible, and over 70 percent of all CTA rail stations are accessible via elevator or ramp, putting CTA ahead of most of its peers across the transit industry. In late 2018, project work to make the Quincy Loop station vertically accessible was completed. With the completion of Quincy station improvements, 103 of 145 rail stations are now wheelchair accessible. CTA continues to improve accessibility system wide through signage, audio alerts, digital screens, bus shelter features, and email/text alerts about elevator status.

Technology

Ventra App Updates: Earlier this year, CTA announced plans to make traveling in the Chicago region even easier with new ways to pay and improved trip planning. Soon, customers will have a new Ventra app with improved trip planning features and transit payment functionality. Additionally, customers in Chicago will soon be able to add a Ventra Card to their iPhone and, using Apple Pay, tap the device to pay when boarding a bus or entering a station. CTA along with our regional transit partners will continue to build on these investments in 2020 with more features for our customers.



Apple CEO Tim Cook unveils plan for new initiative that will place Ventra cards on iPhones

Free Subway Wi-Fi: To better serve commuters in the fast-paced, digital world in May, CTA announced the completed installation of free, faster than 4G Wi-Fi network service in all Red and Blue line subway stations. CTA's Wi-Fi service is ideal for commuters who want to quickly download media, large files or simply access the Internet without using their data from their monthly wireless service packages. This high-speed Internet connection complements the ambitious 4G technology upgrade made in late 2015 to make CTA the first major transit agency in the nation to have wireless coverage throughout its subway system. Work performed as part of this project not only brought added convenience to riders, it also helped improve and support future inter-operable communications with emergency responders.

CTA FY20 Budget

Executive Summary

Public Art

In 2019, the CTA completed artwork installations at four stations along the Red, Green and Blue lines. Two artworks by internationally acclaimed artist Theaster Gates were installed at the newly renovated 95th/Dan Ryan Red Line station, including “AESOP” (An Extended Song of Our People), an interactive performance space curated by the artist with weekly programming by local DJs broadcasting throughout the terminal. At the Garfield Green Line, design features were integrated into the station architecture as part of station rehabilitation work. These efforts created a one-of-a-kind, immersive experience for riders (Nick Cave, artist). Also completed this year were new installations at Kedzie Green Line (Erin Curtis, artist) and Jefferson Park Blue Line (Jamie Pawlus, artist).

New temporary artworks were installed in nine transit facilities through the CTA Light Box Program, a community engagement initiative to invite local artists to exhibit their artwork for a two year period in illuminated display boxes in stationhouses and on elevated platforms. In 2019, light box artwork was installed in the Red Line Lake and Harrison stations; Green Line Laramie, Pulaski, 51st and Ashland/63rd stations and the Orange Line Halsted, Ashland and Kedzie stations.



FreeFormal by Chicago artist Nick Cave

In 2020, several new art projects already underway will be complete, including those being created specifically for the Montrose, Irving Park and Addison stations on the Blue Line; the Diversey station on the Brown Line; and the Chicago Austin Bus Turnaround property. Complementing these efforts will also be new installations, system-wide, of the Light Box Program.

Other Customer Amenities

“Baby on Board” Button Pilot: As part of ongoing efforts to promote a courteous and welcoming travel environment, in the fall of 2019, CTA launched a new pilot



CTA baby button hospital display

CTA FY20 Budget

Executive Summary

program for pregnant riders. The big, blue “Baby on Board” buttons were created to encourage riders to give up their seats for pregnant women. The buttons, which are an extension of the agency’s award-winning courtesy campaign launched back in 2015, are available for free on the CTA website and available at five participating local hospitals.

New Amenities for Rail Customers: Another pilot program launched in 2019 aimed at improving the transit riding experience was the installation of specialty vending machines inside several rail stations. The new specialty vending machines dispense either mobile device charging packs, souvenir photos, or fresh and healthy snacks for commuters. A total of 65 *MobileQubes* vending machines dispense battery charging packs for iPhones and mobile devices that customers can either purchase or rent. The *DNP Photo Booth*, inside the Chicago Red Line station, provides a convenient way for customers and tourists to get photos for recreational, travel and business use. Finally, Chicago-based *Farmer’s Fridge* stocks two vending machines on CTA property with chef-curated, restaurant-quality meals and snacks.



MobileQubes vending machine

SAFETY AND SECURITY

Safe and Secure: *Safe and Secure* is CTA’s ongoing, multi-faceted, five-year program aimed at increasing safety across the system and providing a more secure, comfortable travel experience. As part of this program, CTA will add 1,000 new cameras and upgrade more than 3,800 older-model cameras throughout the system to high-definition (HD). New cameras will be installed at more than 100 CTA bus turnaround locations, and video monitors will be added to all CTA rail stations to aid personnel in monitoring station and customer activity. New lighting, repairs and other improvements will also enhance safety at about 100 CTA rail stations.

To date, crews have replaced all of CTA’s older, analog cameras with digital HD cameras while expanding new HD cameras by more than 50 percent, for a total of 1,000 cameras throughout the Red and Blue line subways. As a result, the entire rail system is now 100 percent HD camera equipped. Crews are currently upgrading cameras and improving security camera coverage at stations along the Orange and Green lines, as well as targeted stations along the Blue, Red and Brown lines. Installation of cameras in bus turnaround areas and new video monitors in rail station customer assistant booths will begin in late 2019 and continue through 2020.

CTA FY20 Budget

Executive Summary

Security: CTA works closely with the Chicago Police Department's Public Transportation Unit to strengthen and deploy strategies to fight crime that include expanded police patrols, rail saturation missions, undercover operations and security cameras. CTA's network of more than 32,000 cameras, which are installed in every bus, train and rail station, are just one of many tools used by CPD to investigate and combat crime on our system. While cameras do have a deterrent effect, their primary benefit is as an investigative tool. Images from CTA cameras have been an invaluable tool in CPD investigations into crimes committed either on or near CTA property.

Both CTA and CPD have taken a number of steps in 2019 to more effectively fight crime on CTA and provide an even safer travel environment for riders and employees. Some of the changes made over the past year include additional CPD officers to patrol the system; improved access to information and resources allowing CTA and CPD to better address emerging trends or issues; and the realignment of CTA's contracted security guard services to feature two-person guard teams.

Department of Homeland Security/Transit Security Grant Program: The Transit Security Grant Program (TSGP) is one of the Department of Homeland Security's initiatives that directly support transportation infrastructure security activities. CTA is a direct recipient of TSGP awards and utilizes funding to protect the traveling public and critical transit infrastructure from acts of terrorism. In 2019, CTA was awarded \$25.6 million to fund a number of its security initiatives.

WORKFORCE DEVELOPMENT, COMMUNITY INVESTMENT, AND PROMOTING OPPORTUNITY

CTA's Workforce: More than 11,000 CTA employees are entrusted to provide safe and reliable transportation services to those who make up the nearly 1.5 million rides taken each weekday. To meet the day-to-day workforce needs, CTA hires approximately 1,200 new employees each year to fill various positions within the organization. CTA's recruitment efforts consist of local and nationwide career marketing initiatives, as well as participating in and/or sponsoring locally-based job fairs.

Second Chance Program: One of the largest programs of its kind in the country, CTA's *Second Chance* program is nationally recognized and has



CTA Second Chance program participant at work

CTA FY20 Budget

Executive Summary

become a model in the industry for preparing those re-entering the workforce, including returning citizens and others with barriers to employment. This life-changing, holistic program provides training; educational opportunities and support to help participants gain valuable work experience and get back on their feet. CTA partners with social services agencies to recruit program participants and provide them with a wide array of in-class education, hands-on training, and networking opportunities to further develop their skill set and enhance their future job prospects.

To date, more than 1,200 people have participated in this invaluable program and 330 program participants have secured permanent employment with CTA, with several later promoted to management-level positions. Many others have secured permanent jobs elsewhere because of their successful experience at CTA.

Promoting Educational Opportunity: CTA provides career development opportunities to a variety of Chicago residents through its multiple internship programs. Since 2016, CTA has also partnered with the City of Chicago's One Summer Chicago (OSC) program to offer hundreds of high school students meaningful and paid, part-time employment opportunities. These programs complement CTA's year-round and highly competitive college internship program, which this year has had more than 80 undergraduate- and graduate-level interns representing approximately three dozen colleges and universities. Furthermore, CTA partners with DePaul University to offer customized, training for managers that can result in undergraduate and graduate level college credit.

DBE and SBE Outreach and Inclusion: CTA's small and disadvantaged business development efforts include programs to certify and educate companies as Disadvantaged Business Enterprises (or DBEs) and Small Business Enterprises (or SBEs) to increase their chances of participation in CTA contracts. CTA evaluates all of its contracts for and establishes DBE goals on them to insure a minimum level of participation from DBE firms. In the past several years CTA has taken additional steps to enhance its DBE program including establishing a DBE Advisory Committee, launching a mentor-protégé program and breaking apart large contracts to create more opportunities for small businesses. In order to help small businesses grow further, CTA established a Small Business Enterprise (SBE) program in 2016 and, since then, has set aside numerous contracts so that only SBE or DBE businesses can compete for the work. CTA awarded over \$12.6 million in prime contracts to SBE or DBE firms in 2018.

Driving Small Businesses the Distance: CTA has instituted a recurring educational series that continues to have a transformative impact on small businesses throughout Chicago communities. The series explains how CTA works to ensure small and minority-owned businesses are aware of the various contracting opportunities available and the steps that need to be taken to apply for them. This program complements CTA's already strong track record of working with small businesses and is working actively to increase the number of opportunities available to small businesses and those owned by women and minorities.

CTA FY20 Budget

Executive Summary

Small Business Educational Initiative:

CTA works diligently and makes every effort to ensure diversity in contracting and that its small business and DBE goals are met. One unique program we offer is our Small Business Education Initiative, a program-specific curriculum that focuses on providing training and assistance to small businesses and DBEs so they may compete for large-scale CTA work related to upcoming construction projects. Program participants engage in an educational series hosted by CTA and receive instruction from key CTA



Vendors attend CTA small business education event

contractors who provide their insight on best practices, managing and understanding projects, project reporting and other subject areas. This year, CTA built upon this work with the RPM Small Business Educational Series to provide assistance to small businesses so they may compete for work on the RPM project in 2019 and beyond.

Project Workforce Participation Goals: In 2019, the Chicago Transit Board approved the Contracting Careers Opportunity Policy amending CTA's purchasing policies and procedures to cement CTA's practice of creating workforce opportunities through its projects. This is an emphasis which began in 2013 with Red Line South Reconstruction project.

CTA now regularly includes workforce participation goals and commitments as part of its major construction projects. For those contracts, CTA sets a minimum standard for employment of disadvantaged/dislocated workers, union apprentices and, beginning with the major Red and Purple Modernization contract, CTA has established minimum standards for the number of workers from economically disadvantaged communities. Along with these goals, a workforce plan is part of the bid scoring process CTA uses in selecting contractors by asking bidders to demonstrate how they will engage the community to connect disadvantaged workers and workers from economically disadvantaged communities with CTA construction jobs.

In 2018 and 2019, CTA was recognized for its workforce and DBE efforts with awards from the Chicago Urban League, Construction Industry Service Corporation, Federation of Women Contractors, and National Organization of Minority Engineers.

U.S. Employment Plan and Rail Car Purchase: CTA's plan to purchase 846 new rail cars was first announced in 2016. The rail car purchase was historic for two reasons: it was the largest rail car order in agency history, and it was the agency's first use of the U.S. Employment Plan in procurement. The U.S. Employment Plan is an innovative approach to

CTA FY20 Budget

Executive Summary

using public transportation funds to create good jobs in the United States, by focusing on leveraging the purchases of buses and trains to help create job opportunities for the underemployed. In 2017, the contractor selected for the rail car manufacturing broke ground on a new final assembly plant on the city's Far South Side, which will create 170 new jobs in Chicago. This spring, the first 70 workers were hired with a cohort sent to China for comprehensive training, signaling the start of efforts to begin ramping up for production of the first 10 prototypes. The new \$100 million manufacturing facility where the new railcars will be assembled is set to become fully operational later this year.

MODERNIZATION INVESTMENT

Major Modernization Programs

Red and Purple Modernization: 2019 was a significant year for the largest capital improvement project in CTA history: Phase One of the Red and Purple Modernization Program (RPM). This major initiative will completely rebuild the nearly century-old North Red Line from Belmont to Howard and the Purple Line from Belmont to Linden in Wilmette. The project will increase much-needed capacity in this growing residential corridor to accommodate current and future riders, and will deliver faster and smoother rides with less crowding and more frequent service. This massive, multi-stage project is scheduled to be completed in several phases, which allows CTA to make the greatest number of improvements while minimizing impacts on riders and the surrounding communities. In 2019, CTA began significant work on RPM Phase One, which will completely rebuild the Lawrence, Argyle, Berwyn and Bryn Mawr stations and all of the tracks and support structures for more than a mile adjacent to the station. RPM Phase One will also construct a Red-Purple Bypass just north of Belmont station for northbound Brown Line trains to modernize the 100-year-old Clark junction where Red, Purple and Brown Line trains currently intersect. Property demolition and advance utility work has taken place, while continuing extensive outreach to neighborhood residents and businesses. CTA awarded the design-build contract for Phase One in late 2018 and issued a Notice to Proceed to the Design-Build Contractor in early 2019. Future phases of RPM are in the planning stage.



Mayor Lori Lightfoot and CTA President Dorval Carter, Jr. are joined (l-r) by Matthew Walsh, Co-Chairman, Walsh Construction; 44th Ward Alderman Tom Tunney; U.S. Congresswoman Jan Schakowsky; U.S. Senator Dick Durbin; Kelley Brookins, FTA Region 5 Regional Administrator; U.S. Congressman Mike Quigley; and 21st Ward Alderman Howard Brookins for the groundbreaking of the RPM Program

CTA FY20 Budget

Executive Summary

Your New Blue: CTA continued to move forward in 2019 with its ambitious *Your New Blue* modernization of the O’Hare branch of the Blue Line. CTA completed work on two major Blue Line station improvement projects – the Belmont Blue Gateway project and the renovation and modernization of the Jefferson Park Transit Center. The Jefferson Park and Belmont transit centers are valuable transit connections for the Northwest Side of Chicago, and are the fourth and seventh busiest stations along the O’Hare branch, respectively.

The Belmont project featured \$17 million in upgrades, including the addition of a new architectural steel canopy for the terminal, designed by the Chicago architecture firm Carol Ross Barney. It also provided customers with a more modern and safer bus arrival and departure area, featuring new LED lighting, repaved surfaces and new signage. The \$25 million Jefferson Park Transportation Center rehabilitation created a modern terminal that is safer, brighter, cleaner, more comfortable and easier to navigate, while visually enhancing the streetscape for the Jefferson Park community.

CTA also continues to work on signal improvements, as well as planning for electrical power upgrades – both required to enable more trains to run during AM and PM rush, where demand has grown significantly.

Red Line Extension: CTA continues to move forward with planning for the \$2.3 billion Red Line Extension project between 95th and 130th streets. The proposed 5.3-mile extension would include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. A modern, efficient rail car storage yard and shop facility is also part of the project. The project will provide a one-seat ride for Far South Side residents from 130th Street to downtown, reduce commute times, improve mobility and accessibility for transit-dependent residents, provide multimodal connections, and foster economic development. The project will also provide viable linkages among affordable housing, jobs, services, and educational opportunities, thereby enhancing livability and neighborhood vitality. In 2018, CTA awarded a \$20.9 million contract for project management services following a competitive bid process and will soon bring on a consultant for preliminary engineering and final environmental study. This fall, CTA held office hours for the general public to get more information about engineering survey work related to the project. CTA also received a \$1.48 million grant through the Federal Transit Administration’s (FTA) Pilot Program to conduct a transit-supportive development plan. The 2020-2024 CIP includes over \$350 million over the next five years as local share for this vital project.

Station Projects

95th Street Terminal: In January 2019, CTA opened the new North Terminal at the 95th/Dan Ryan Station, marking the substantial completion of a \$280 million project that provides Chicago’s South Side with a state-of-the-art transit facility and a boost to the local economy through the creation of more than 4,600 jobs. The new North Terminal is the

CTA FY20 Budget

Executive Summary



South terminal of CTA's 95th/Dan Ryan Red Line station

second of two spacious, modern bus and rail facilities that replaced the original 50-year-old terminal—to create a new landmark station for Chicago's Far South Side. A new pedestrian bridge over 95th Street connects the two terminals to provide riders a safe pathway when connecting between bus and rail services. The new station, which is one of CTA's busiest facilities, provides 24-hour Red Line service for more than 20,000 daily commuters. The station is now better equipped to serve riders today and for generations to come.

Quincy: CTA completed the \$18.2 million renovation of the Quincy Loop station in late 2018, making the 120-year-old station fully wheelchair accessible, while preserving its renowned historic appearance. It was the largest renovation in nearly 30 years for Quincy, which was built in 1897 and is one of CTA's oldest stations.

Garfield Gateway: CTA completed the \$50 million project Garfield Green Line station in early 2019. The renovated Garfield Gateway includes a new streetscape and renovation of the historic Garfield stationhouse, which was leased to the University of Chicago and will be used as a community space. As part of the project, CTA engaged local, world-renowned artist Nick Cave to artistically enhance architectural features of the facility and create an immersive transit experience. The revitalized station serves as a strong community focal point on Chicago's South Side and is now an iconic gateway to the Washington Park community.



Artist's rendering of CTA's Damen Green Line station, which is currently under construction.

Damen Green Line: This year, CTA broke ground for the new Green Line station at Damen Avenue and Lake Street. The \$60 million station, which will include art by Fodayemi "Fo" Wilson of Chicago's blkHaUS studios, is being constructed by CDOT and will be the fourth new Chicago CTA station added or started since 2011. The fully ADA-accessible station will serve the Kinzie Industrial Corridor, the United Center and surrounding residential area on the Near West Side, including the Chicago Housing Authority's Villages of Westhaven complex, which has seen notable residential and commercial growth in recent years.

Cottage Grove Green Line: CTA continues to work with community partners on design concepts to improve the Cottage Grove Green Line station for customers. This work is

CTA FY20 Budget

Executive Summary

complemented by City of Chicago plans for redevelopment around the station at 63rd Street and Cottage Grove Avenue, as part of ongoing redevelopment and renewal in the Woodlawn neighborhood. The Cottage Grove Station Renovation is a \$60 million earmark in the new state capital bill.

PROMOTING CTA

Customer Appreciation Day: On October 1, 1947, CTA took over operations of the Chicago Rapid Transit Company (the ‘L’ system) and the Chicago Surface Lines (the streetcar system). To celebrate our 72nd anniversary in 2019, CTA said “thank you” to our customers by hosting a “Customer Appreciation Day,” featuring rides around the Loop ‘L’ with the newest addition to the CTA Heritage Fleet – two classic 6000-series railcars.



6000-series rail cars travelling around the Loop.



CTA’s 2019 Pride Train

Pride Train: This year marked the third year of operation for the CTA’s Pride-theme wrapped train. The “Pride Train” traveled the Red Line for the entire month of June in celebration of Pride Month, to support equality and inclusion. CTA also offered Pride-themed Ventra tickets at stations across the city.

New Resident Program: CTA’s New Resident Welcome Program is a direct mail campaign designed to attract new Chicagoland residents to CTA buses and trains through an introductory ride offer. The mailer includes a new Ventra card, plus information about CTA, Ventra card registration and passes pricing.

Community bus: CTA’s specially designed bus traveled the city appearing at more than 33 music, sporting, cultural and neighborhood events. The Community Connection bus helped answer questions and provide valuable information about our services, programs and projects occurring in neighborhoods throughout Chicago. It provided additional services that include phone charging, Ventra information and CTA career opportunities.



CTA’s New Resident Welcome Letter

CTA FY20 Budget

Executive Summary

Commemorative farecards: Over the past few years, CTA has developed a number of specialized farecards. In 2019, the promotion included several events, including the Chicago Marathon and Pride Weekend.

CONCLUSION

CTA remains the lifeblood of Chicago and over the past few years has begun—a transformation to meet the needs of 21st century riders.

CTA does more than move passengers from Point A to Point B. It drives economic development, job opportunities and personal growth that no other mobility option can match. Chicago is a world-class city because CTA is a cornerstone on which commerce and culture depend. To remain competitive, CTA must continue to transform.

CTA's 2020 proposed budget, balanced and fiscally responsible, is an important step in continuing the Authority's core commitment to providing quality, reliable, affordable transit services.



CTA FY20 Budget

Strategic Goals

The strategic priorities outlined below reflect CTA President Dorval R. Carter, Jr.'s vision for the agency. CTA provides the Chicago region with on-time, affordable, convenient transportation that connects people, places, and jobs. Since he was named President in 2015, President Carter has been committed to three key priorities: enhancing safety, improving the customer experience, and expanding workforce development. The 2020 Budget reflects these important goals.

CTA Mission Statement: CTA delivers quality, affordable transit services that link people, jobs and communities.

CTA Values: CTA provides safe, clean, on-time, courteous and efficient transit services. CTA accomplishes its mission with a diverse workforce that embodies the following values:

- Courteous – CTA will create a pleasant environment for its customers and employees.
- Innovative – CTA will seek out and encourage employees who initiate change, improvement, learning and advancement of its goals.
- Motivated – CTA will meet each task with spirit, enthusiasm and a sense of pride to be second to none.
- Professional – CTA will provide transit service with the highest standards of quality and safety for its customers and employees.
- Reliable – CTA will be dependable for its customers and employees, and will maintain the highest standards of trust.
- Results-Oriented – CTA will focus on getting the job done and will derive personal satisfaction from the service it provides.

Strategic Priorities for FY 2020 Budget

- Safety – CTA aims to ensure that customers and employees have a safe and secure transit system and workplace that prioritizes safety over all other aspects of service delivery.
- Customer Experience – CTA places a high priority on putting the customer at the center of every decision made and action taken to ensure its services meet or exceed customer expectations.
- Workforce Development – CTA invests in its workforce to build on the successes of the past and work toward a bright future, creating jobs and opportunity as it provides residents and visitors of the Chicago region with high quality transit service into the future.



(THIS PAGE INTENTIONALLY LEFT BLANK)



2014-2022 Operating Budget Schedule

CTA FY20 Budget

Operating Budget Schedule

2014-2022 Operating Budget Schedule (Dollars in thousands)

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual
<u>Operating Expenses</u>					
Labor	\$ 965,868	\$ 1,002,486	\$ 1,027,047	\$ 1,044,859	\$ 1,070,458
Material	80,963	83,507	82,921	83,783	90,474
Fuel	59,476	49,830	32,738	28,757	32,079
Power	33,568	28,818	29,283	27,373	31,162
Provision for Injuries and Damages	3,500	13,000	10,500	3,167	5,000
Purchase of Security Services	13,628	14,431	14,095	17,041	17,502
Other Expenses	242,910	252,054	267,558	245,860	251,535
Pension Obligation Bonds (Net)	115,746	112,281	111,779	104,469	105,526
Contractual Services	94,334	104,278	105,003	84,878	93,832
Utilities, Non-Capital Grant, Travel, Leases, Other	32,830	35,494	36,477	27,672	22,824
Other Debt Service	-	-	14,298	28,841	29,353
Total Operating Expenses	\$1,399,913	\$1,444,126	\$1,464,142	\$1,450,840	\$1,498,210
<u>System Generated Revenue</u>					
Fare and Passes	\$ 583,299	\$ 587,108	\$ 577,007	\$ 559,495	\$ 588,791
Reduced Fare Subsidy	28,321	14,606	14,385	14,606	13,876
Advertising, Charter & Concessions	27,561	31,241	35,019	34,379	37,844
Investment Income	422	1,123	1,608	3,119	3,483
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	36,072	36,440	43,550	33,279	48,339
System Generated Revenue	\$ 680,675	\$ 675,518	\$ 676,569	\$ 649,878	\$ 697,333
<u>Public Funding</u>					
Sales Tax I	\$ 343,087	\$ 360,575	\$ 365,622	\$ 364,280	\$ 379,617
Sales Tax II	58,022	56,760	57,611	57,166	59,125
PTF II	63,667	66,913	67,936	64,762	65,519
RETT	63,150	74,724	79,063	62,021	71,518
PTF II on RETT	15,058	19,566	19,594	15,083	16,130
Non-Statutory Funding	196,254	214,471	218,922	209,021	211,425
ICE	-	-	1,000	6,129	6,019
Public Funding	\$ 739,238	\$ 793,008	\$ 809,748	\$ 778,462	\$ 809,352
Total Operating Revenue	\$1,419,913	\$1,468,526	\$1,486,317	\$1,428,340	\$1,506,685
Short-term Borrowing	\$ -	\$ -	\$ -	\$ 22,499	\$ -
Balance	\$ 20,000	\$ 24,400	\$ 22,175	\$ -	\$ 8,475
Recovery Ratio*	58.46%	56.02%	55.21%	55.48%	57.11%
Required Recovery Ratio	54.00%	54.50%	54.50%	54.75%	54.75%

*Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues.

Note: Totals may not add due to rounding.

CTA FY20 Budget

Operating Budget Schedule

	2019 2019 Budget	2019 Forecast	Proposed 2020 Budget	2021 Plan	2022 Plan
<u>Operating Expenses</u>					
Labor	\$ 1,084,100	\$ 1,081,500	\$ 1,133,287	\$ 1,167,285	\$ 1,196,467
Material	80,064	77,064	74,686	77,600	79,651
Fuel	44,084	41,152	44,376	39,752	40,339
Power	34,372	33,321	32,639	33,498	33,875
Provision for Injuries and Damages	7,500	7,500	22,000	22,000	22,000
Purchase of Security Services	19,307	19,307	20,445	21,161	21,690
Other Expenses	282,685	266,139	243,032	249,293	250,794
Pension Obligation Bonds (Net)	108,630	103,630	109,396	107,308	104,634
Contractual Services	95,400	91,832	107,428	112,551	114,802
Utilities, Non-Capital Grant, Travel, Leases, Other	30,847	22,560	24,209	24,935	25,358
Other Debt Service	47,808	48,117	2,000	4,500	6,000
Other Expenses Total	282,686	266,139	243,032	249,293	250,794
Total Operating Expenses	\$1,552,112	\$1,525,984	\$1,570,466	\$1,610,590	\$1,644,816
<u>System Generated Revenue</u>					
Fare and Passes	\$ 588,012	\$ 583,500	\$ 585,660	\$ 594,042	\$ 607,216
Reduced Fare Subsidy	28,321	14,606	14,606	14,606	14,606
Advertising, Charter & Concessions	38,758	38,758	39,852	41,845	43,937
Investment Income	2,100	2,500	3,000	3,150	3,308
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	45,555	45,555	47,538	49,915	52,411
System Generated Revenue	\$ 707,746	\$ 689,919	\$ 695,657	\$ 708,558	\$ 726,478
<u>Public Funding</u>					
Sales Tax I	\$ 395,620	\$ 395,620	\$ 409,156	\$ 417,339	\$ 425,686
Sales Tax II	60,395	60,395	59,879	56,956	54,719
PTF II	70,644	69,027	72,819	76,196	77,737
RETT	66,631	66,631	68,630	70,689	72,810
PTF II on RETT	16,658	15,825	16,729	17,672	18,202
Non-Statutory Funding	228,213	222,361	241,198	256,653	262,528
ICE	6,205	6,205	6,398	6,526	6,656
Public Funding	\$ 844,366	\$ 836,065	\$ 874,809	\$ 902,032	\$ 918,338
Total Operating Revenue	\$1,552,112	\$1,525,984	\$1,570,466	\$1,610,590	\$1,644,816
Short-term Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Recovery Ratio*	55.57%	55.53%	55.34%	54.77%	54.80%
Required Recovery Ratio	54.75%	54.75%	54.75%	54.75%	54.75%

*Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues.

Note: Totals may not add due to rounding.

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

2019 Operating Budget Performance

2019 Operating Budget Performance Summary

Overview

The 2019 operating expense forecast is projected to be \$1,526.0 million, which is 1.7 percent lower than the 2019 budget of \$1,552.1 million and \$27.8 million, or 1.9 percent higher, than 2018 actuals. The CTA forecasts a balanced budget between expenses and revenues for 2019 despite the polar vortex and above average snowfall during the winter. The polar vortex led to lower fare and pass revenue as the cold kept passengers home from work and school. The extreme cold and winter weather also increased costs for overtime to keep the fleet and rail infrastructure available for service.

CTA was able to contain operating expenses in 2019 through enhanced capital maintenance programs, and aggressive cost savings initiatives in material and contractual expenses, while also minimizing the impact of rising fuel prices.

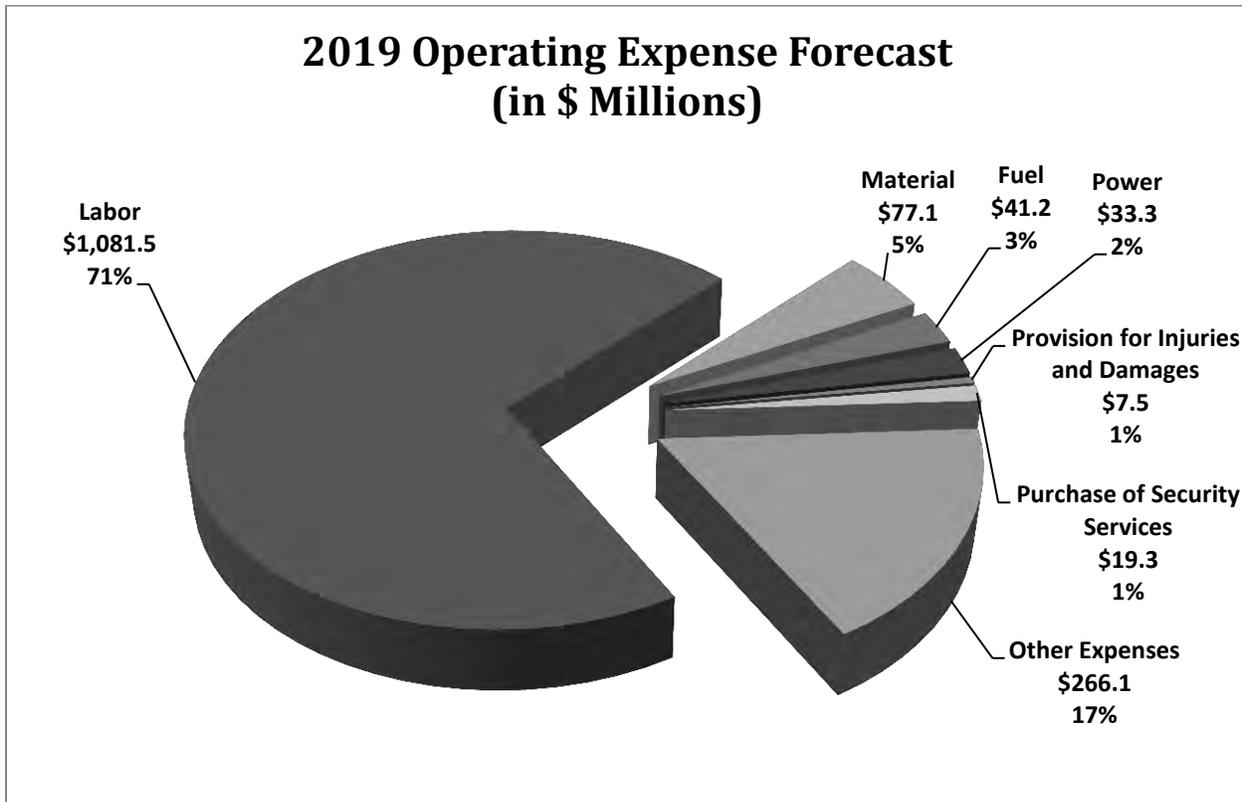
The CTA continues to be impacted by the reductions in Public Funding due to State cuts, including cuts to the Reduced Fare Reimbursement subsidy, Public Transportation Funds and Sales Tax revenues. The 2019 operating revenue will end the year \$26.1 million below budget and \$19.3 million higher than 2018.

System-generated revenues are projected to be \$689.9 million or \$17.8 million below the 2019 budget and \$7.4 million lower than 2018 actual. Compared to budget, the decline in system-generated revenue is due primarily to a reduction in reduced fare subsidy from the State of Illinois. In addition, fare and pass revenue is lagging budget due to the polar vortex and extended wintry weather into spring, as well as service disruptions for planned work on the rail network over summer and fall. Public funding as forecasted by RTA is estimated to be \$836.1 million, which is \$8.3 million, or 1.0 percent lower, than budget. Public funding revenues are impacted by a reduction in public funding by the State of Illinois enacted with its State Fiscal Year (SFY) 2020 budget.

CTA FY20 Budget

2019 Operating Budget Performance

FY19 Forecast - Operating Expenses



The 2019 **labor** expense is projected to be \$1,081.5 million, which is \$2.6 million or 0.2 percent lower than the 2019 budget of \$1,084.1 million and higher than 2018 actual labor expense by \$11.0 million. The labor forecast is higher than 2018 actuals due to contractual wage increases for bargained employees approved in 2018 and 2019.

Material spending for 2019 is forecasted to be \$77.1 million, which is \$3.0 million or 3.7 percent lower than budgeted levels, and \$13.4 million lower than 2018 actuals. The 2019 forecast reflects strategic capital investments, such as new bus purchases, bus and rail fleet overhaul, and capital programs for the rail and bus fleet, as well as facilities and infrastructure. One such campaign was to replace motors and armatures for the oldest rail car series, the 2600 series, which resulted in direct savings on the operating budget.

CTA is forecast to spend \$41.2 million on **diesel fuel** for the revenue fleet in 2019. This forecast is 6.7 percent below CTA's 2019 budgeted expense of \$44.1 million; however, it is 28.3 percent higher than CTA's actual expense of \$32.1 million in 2018. The higher diesel expense in 2019 compared to 2018 is due to an increase in the market price of diesel, which rose significantly in January 2019 and remained high through the spring. Although CTA was able to mitigate market fluctuations in part by locking in lower pricing for future purchases, remaining market exposure resulted in an average price per gallon of \$2.47 in

CTA FY20 Budget

2019 Operating Budget Performance

2019 (forecast) versus \$1.92 in 2018. The higher cost per gallon of diesel was slightly offset by a small reduction in usage: CTA buses consumed about 51,000 gallons less diesel in 2019 (forecast) than in 2018, despite extended cold weather from winter into spring of 2019. CTA is continuing its cost management practice of purchasing a higher-priced diesel blend (“D1”) only when that blend is required for cold weather operations.

The 2019 forecast expenditure for CTA’s traction (rail system) **electric power** is \$33.3 million. While this forecast is \$1.1 million, or 3.1 percent, below CTA’s budgeted spend of \$34.4 million, it is \$2.2 million, or 6.9 percent, higher compared to the 2018 traction power spend of \$31.2 million. The increase over 2018 is due primarily to an increase in ComEd’s base rates for delivery of electric power. Higher capacity charges and renewable energy fees also contributed to the increase, although it was partially offset by a relatively low price for electricity supply. During 2019, CTA purchased electricity through a “load following” strategy, which provided fixed pricing for a certain percentage of consumption, no matter how much electricity was used. This strategy helped CTA take advantage of attractive forward prices and provided budget certainty. CTA’s rail system is forecast to consume 1.0 percent less electricity in 2019 versus 2018 – a savings of over 3.3 million kilowatt-hours – even with the 2019 polar vortex and other winter weather events requiring high power demand throughout the rail system.

Provision for injuries and damages represents expenses for claims and litigation for incidents that occur on CTA property, as well as incidents involving CTA vehicles. This amount is suggested by the CTA’s actuaries and reviewed annually. It is based on actual claims history and future projections. The 2019 forecast of \$7.5 million is flat with the 2019 budget.

Purchase of security services expenses are forecasted to be \$19.3 million, which is flat with budget and \$1.8 million higher than 2018 actual expenses. The increase in expenses is due to rate increases for contracted security levels on the rail system. The security services budget consists of expenditures for intergovernmental service agreements with officers from the Evanston, Oak Park, Forest Park and Chicago police departments, as well as contracts with other private security firms. The Public Transportation Section of the Chicago Police Department also provides services to CTA customers during the course of its regular patrols at no expense to CTA.

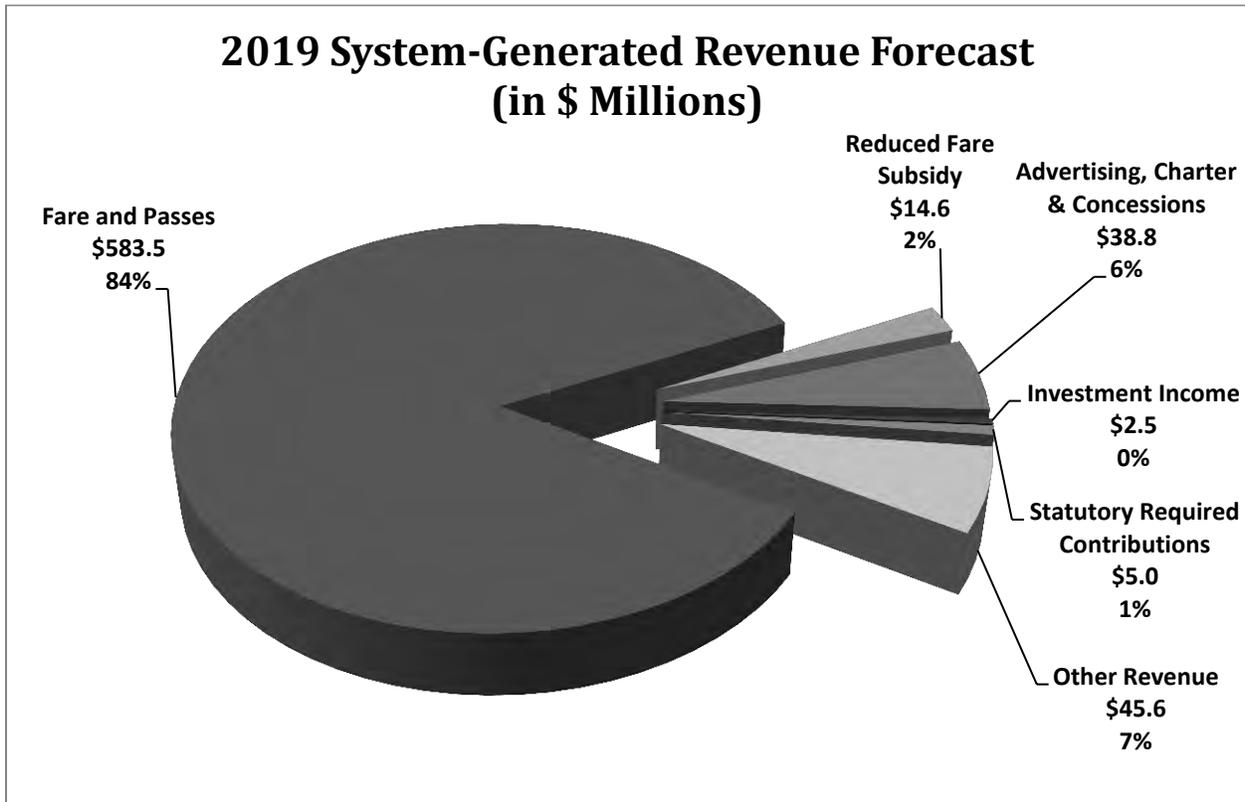
Other expenses are projected to be \$266.1 million, which is \$16.5 million or 5.9 percent lower than budget, but \$14.6 million higher than 2018 actual. The lower forecasted expenditures are due to lower expenses than budgeted for pension obligation bonds, contractual services, and the category of utilities, non-capital grant, travel, leases and other.

CTA FY20 Budget

2019 Operating Budget Performance

FY19 Forecast - Operating Revenues

System-Generated Revenues

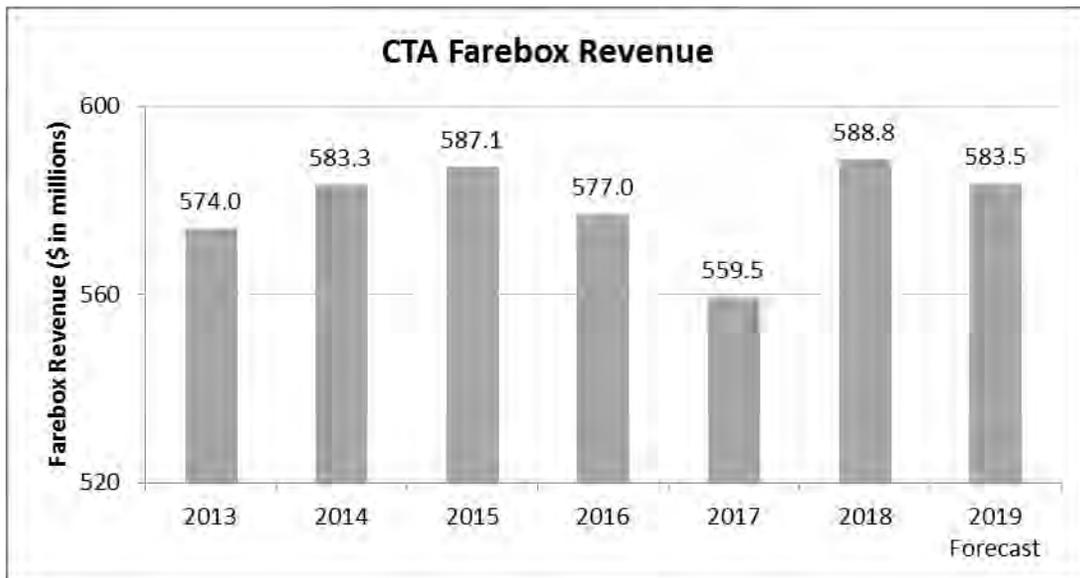


System-generated revenues are projected to be \$689.9 million for 2019 which is \$17.8 million, or 2.5 percent, below the original 2019 budget of \$707.7 million, and is \$7.4 million lower than 2018 actual amount. The lower system-generated revenue compared to the original 2019 budget is primarily due to lower than expected ridership during unfavorable winter weather, service disruptions on the rail system for planned work during the spring, summer and fall, a reduction in state reduced fare subsidy and increased competition from the ride hailing industry.

Regular **fares and passes** make up the majority of system-generated revenues. Revenue from fares and passes is forecasted to be \$583.5 million which is \$4.5 million, or 0.8 percent, lower than the original 2019 budget and \$5.3 million lower than the 2018 actual amount. While CTA's ridership losses have slowed during 2019, CTA continues to see a loss in year-over-year ridership, particularly during unfavorable weather. In addition, track and signal work on Blue, Green, and Pink Lines have led to service disruptions over weekends, reducing revenue and ridership over the summer and fall months. The average fare paid in 2019, including cross-platform transfers, is projected to be \$1.28.

CTA FY20 Budget

2019 Operating Budget Performance



The **reduced fare subsidy** is the State of Illinois' reimbursement to the CTA, Metra and Pace for discounted and free fares given to seniors and people with disabilities. The forecasted total for 2019 is \$14.6 million, reflecting a 48.4 percent reduction in the historic funding for this program. The SFY 2020 budget passed by the State of Illinois in June 2019 did not restore the reduced fare subsidy to \$28.3 million, which was anticipated in the 2019 budget. The CTA continues to work with the other service boards and the RTA to restore this critical piece of funding to its historic levels in order to comply with important federal and state mandates.

Advertising, charters and concessions revenues in 2019 are projected to be slightly under \$38.8 million, which is flat to budget, and \$0.9 million more than 2018. The year-over-year growth is due to an increase in advertising revenues from the minimum guarantee escalation.

Investment income is estimated to be \$2.5 million, which is \$0.4 million higher than budget due to higher interest rates, but just under \$1.0 million lower than 2018 actuals due to lower cash balances.

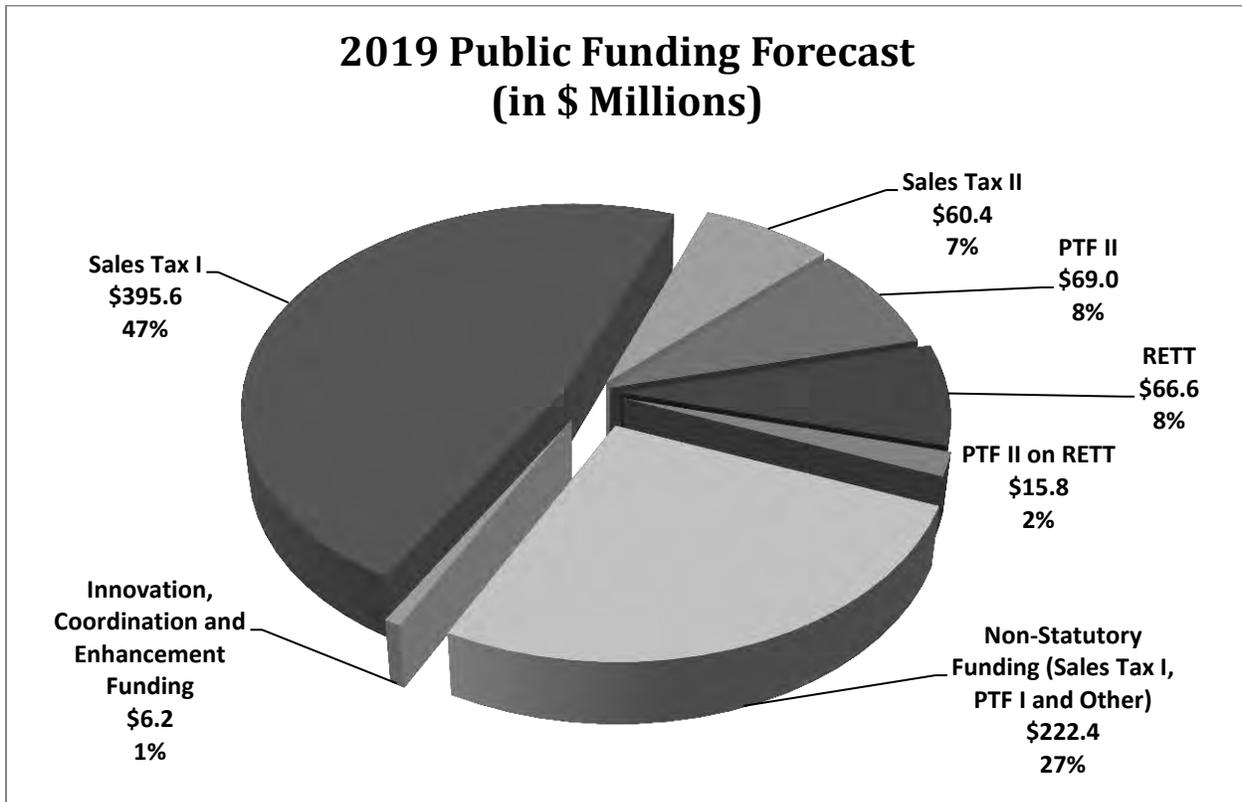
Statutory required contributions will meet the budgeted amount of \$5.0 million per the Regional Transportation Authority Act, which requires the City of Chicago and Cook County to contribute \$3.0 million and \$2.0 million, respectively, to CTA operations each year.

Other revenues, which include parking fees, sale of real estate, rentals, the City of Chicago ride-hailing fee, non-capital grants, and miscellaneous revenue, are projected to be \$45.6 million, which is flat to budget, and \$2.8 million below 2018. The lower revenue compared to 2018 is due to lower non-capital grant revenues.

CTA FY20 Budget

2019 Operating Budget Performance

Public Funding



Public funding is forecasted by the RTA to be \$836.1 million which is \$8.3 million, or 1.0 percent, below the budgeted level of \$844.4 million, and \$26.7 million higher than 2018. Actual sales tax revenues through June exceed prior year by 0.3 percent. This improvement is offset by the SFY 2020 budget inclusion of a 1.5 percent surcharge on sales tax receipts and a 5.0 percent reduction in the State's 30.0 percent Public Transportation Fund matching funds.

Ridership

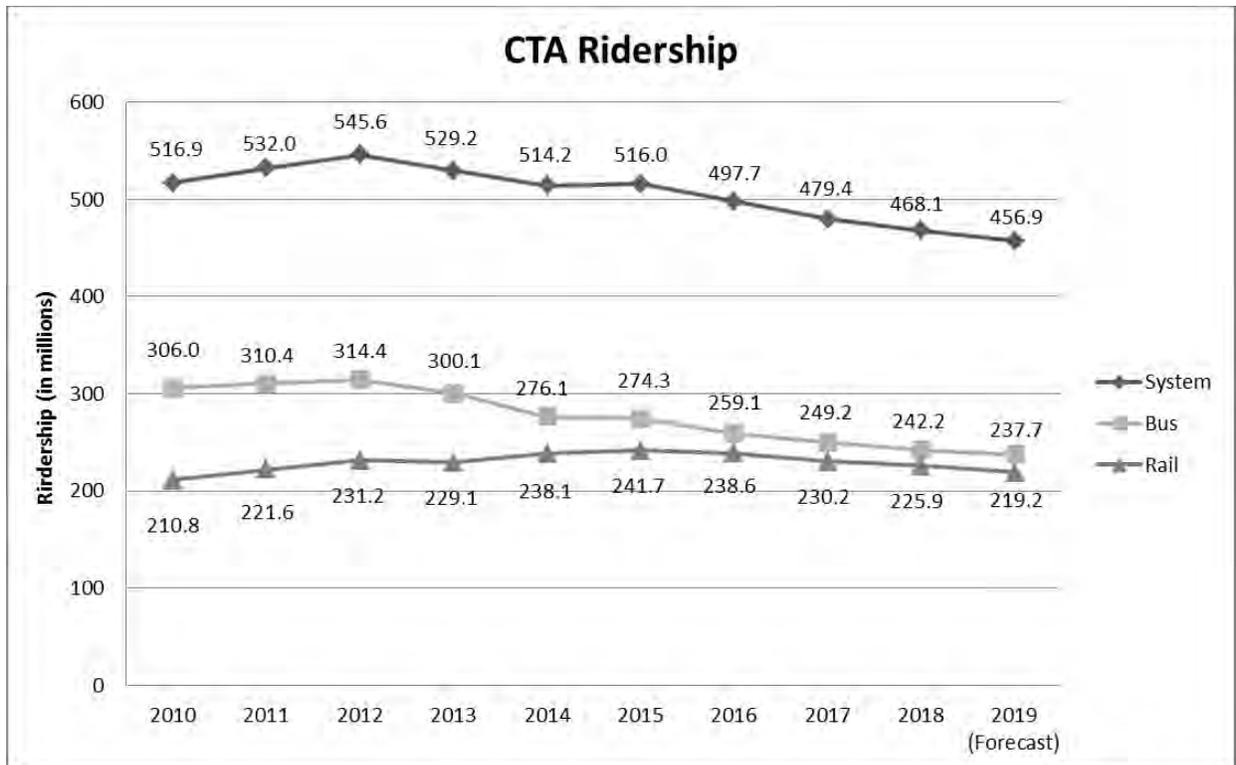
Ridership in 2019 is forecasted to be 456.9 million passenger trips, a 2.4 percent decrease from the 468.1 million trips in 2018. The bus ridership forecast is for 237.7 million, a 1.9 percent decrease versus 2018, while rail ridership is projected to be 219.2 million trips, a 2.9 percent decrease.

Ridership was negatively impacted in 2019 by the severely unfavorable winter weather earlier in the year that continued into the spring. Weekend construction work on the rail system during the spring, summer and fall also contributed to the decline, along with increased competition from the ride-hailing industry, including Uber, Lyft and Via. Gas

CTA FY20 Budget

2019 Operating Budget Performance

prices were mostly consistent in 2019 but are forecasted to experience moderate increases in 2020.



Average weekday ridership for 2019 is projected to be 1.46 million per day, which is 2.5 percent lower than 2018 weekday ridership. Weekday bus ridership is projected to be down 2.4 percent while weekday rail ridership is projected to be down 2.6 percent.

Average Saturday ridership for 2019 is projected at 0.85 million per day, which is a decrease of 1.9 percent from 2018 Saturday ridership. Average Saturday ridership for bus is projected to increase 0.7 percent while average Saturday ridership for rail is projected to fall 4.8 percent.

Average Sunday/holiday ridership for 2019 is projected at 0.62 million per day, which is a 4.2 percent decrease from 2018 Sunday/holiday ridership. Bus is projected to fall 2.2 percent while rail is projected to decrease by 6.4 percent.

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

President's 2020 Proposed Operating Budget

President's 2020 Proposed Operating Budget Summary

General Overview

The CTA's Proposed 2020 Operating Budget is \$1,570.5 million and preserves bus and rail service and holds the line on fares. This is despite budgetary pressure from rising benefit costs and continuation of the State of Illinois operating funding cuts.

The CTA has been subject to multiple financial pressures and conditions outside the agency's control in recent years. The first is the unexpected State of Illinois operating funding cuts that has led to a combined \$180 million in lost funding through 2020. The second factor is that CTA's cost for pension obligations will continue to increase for 2020 due to actuarial requirements to maintain the needed funding ratio per Illinois state law. Finally, ridership and fare revenue loss from new mobility competitors has contributed to a net loss of 48 million rides between 2015 and 2018.

The CTA applauds the passing of Rebuild Illinois, the State of Illinois capital bill that will fund critical projects to maintain and enhance our capital infrastructure. However, it is critical that the State of Illinois restore full operating funding, including Reduced Fare Reimbursement.

The 2020 Budget assumes a small decline in fare revenues and an increase in public funding per the RTA Marks for 2020. However, the operating revenues are subject to the overall economic conditions and potential continued cuts to Public Transportation funds by the State of Illinois for State Fiscal Year (SFY) 2021. If the revenues projected in the 2020 Budget do not materialize, the CTA may need to make adjustments to the budget mid-year.

Expenses Overview

The 2020 budget includes the following cost containment measures:

- Savings of \$25.7 million in 2020 labor costs by restricting hiring on 200 positions, an increase of 50 positions over 2019
- Lock in power costs at historically low market prices, which provide budget certainty at attractive prices. In 2020 and for each year through 2024, the savings is estimated at \$1.8 million per year versus prior years' market pricing.
- Strategic use of capital funds to reduce operating expenses.

Expenses for the 2020 Operating Budget are higher than the 2019 budget by \$18.4 million and higher than the 2019 forecast by \$44.5 million. The majority of this increase is due to rising fringe benefit costs for pension along with group health insurance and workers' compensation. The CTA's contribution for pension will increase by \$21.8 million in 2020 to meet actuarial requirements. Combined with the debt service for the Pension Obligation Bonds of \$156.6 million, more than \$300 million, or approximately 20 percent of CTA's

CTA FY20 Budget

President's 2020 Proposed Operating Budget

operating budget, will be dedicated to pension costs for 2020 to meet the requirement of Illinois state law.

In 2019, the State of Illinois passed its first capital bill since 2009. The capital bill provides for bond funding for capital projects, as well as a new recurring revenue stream (Pay-Go). The Pay-Go funding allows CTA to fund certain capital eligible expenses that have previously been funded on the operating budget, including debt service for capital projects. The new State capital program provides critical capital funding for a State of Good Repair for the CTA bus and rail fleet and infrastructure, which will help improve customer experience, combined with reduced operating costs.

Revenues Overview

System-generated revenues are projected to be \$695.7 million, \$12.1 million lower than the 2019 budget but \$5.7 million higher than the 2019 forecast. CTA anticipates a modest decrease in fare revenue in 2020 from the 2019 budget as ridership declined more than anticipated in 2019 due to unfavorable weather, planned construction and increased competition from the ride-hailing industry. CTA also continues to receive \$16.0 million per year from the ride-hailing fee imposed by the City of Chicago. The City provides CTA with this additional revenue from the Ground Transportation Tax (GTT) to fund capital improvements.

State budget cuts in recent years have significantly impacted Public Funding revenues and the Reduced Fare Reimbursement. The SFY 2018 budget, which passed in July 2017, imposed a 2 percent permanent surcharge on sales tax receipts to RTA, a 10 percent cut in Public Transportation Funds (PTF) for one year, and a 51 percent cut in the reduced fare subsidy for one year. The SFY 2019 budget reduced the permanent surcharge on sales tax receipts from 2.0 percent to 1.5 percent. In addition, the SFY 2019 budget extended the PTF cut for an additional year but reduced the cut from 10 percent to 5 percent, and continued to cut the Reduced Fare Reimbursement by approximately 50 percent. The Reduced Fare Reimbursement has been cut since 2015.

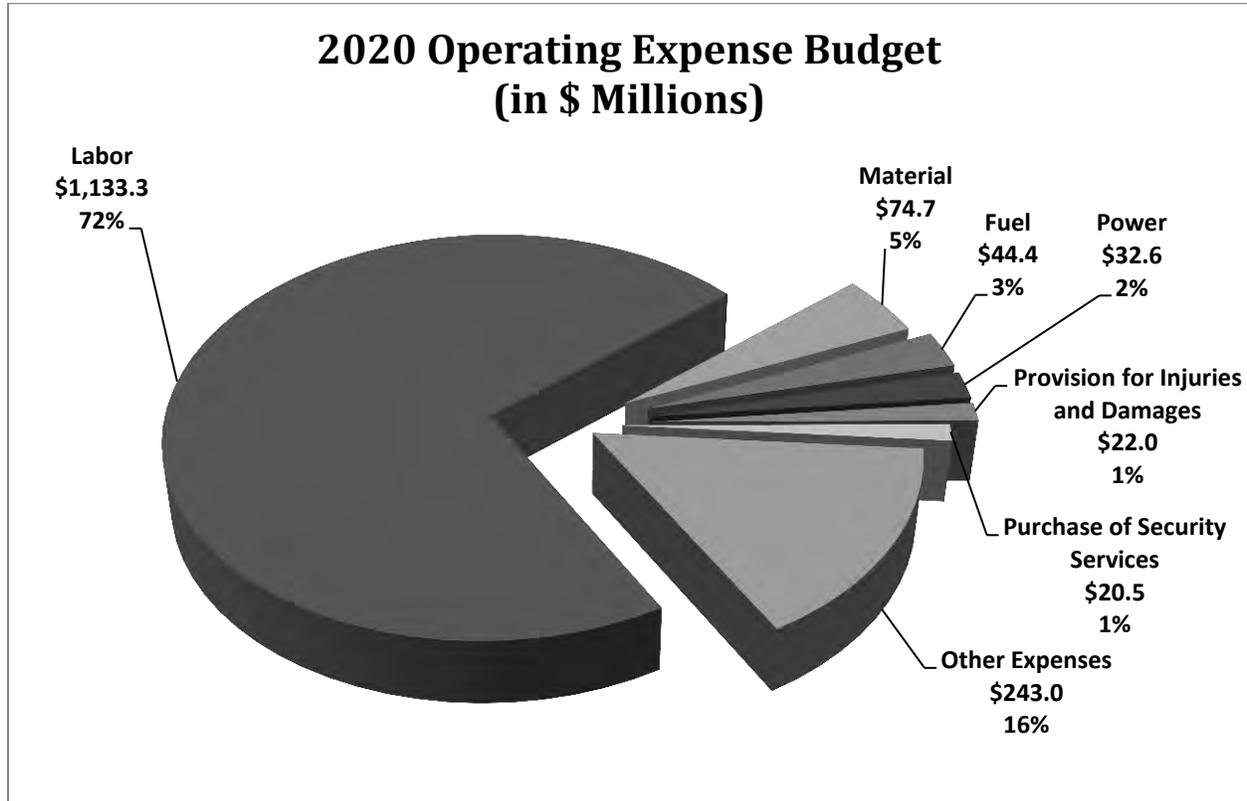
The SFY 2020 budget extends the 5 percent cut to PTF and the 50 percent cut to the reduced fare subsidy for an additional year. Including the surcharge on sales tax revenues, the estimated impact of the continued State cuts on the 2020 budget is approximately \$30 million. The proposed budget assumes the State will restore the PTF with its SFY 2021 budget. If the State funding is not restored for SFY 2021 budget, the cuts will have a negative impact on the Authority. Both the sales tax and PTF are continuing appropriations of the State. The reduced fare subsidy, representing less than 1 percent of the budget, is the only state revenue source subject to annual appropriation. CTA and RTA agencies will continue to make a case for full funding at historic levels.

CTA FY20 Budget

President's 2020 Proposed Operating Budget

Operating Expenses

The proposed operating budget is \$1,570.5 million, an \$18.4 million increase compared to the 2019 budget, and a \$44.5 million increase compared to the 2019 forecast. Although CTA continues to implement cost saving opportunities and increase non-farebox revenues, the 2020 budget includes increased labor, fuel, contractual expenses, and security costs as outlined below due to inflationary pressures.



Labor expenses represent 72.2 percent of the total operating expense budget at \$1,133.3 million, an increase of \$49.2 million from the 2019 labor budget and an increase of \$51.8 million from the 2019 forecast. The labor budget assumes flat service levels and restricted hiring on 200 positions, an increase from 150 positions in 2019. While some of the cost increase for labor is due to existing contractual wage increases, a majority is due to rising costs of pension, health care, and workers' compensation.

Pension Contributions

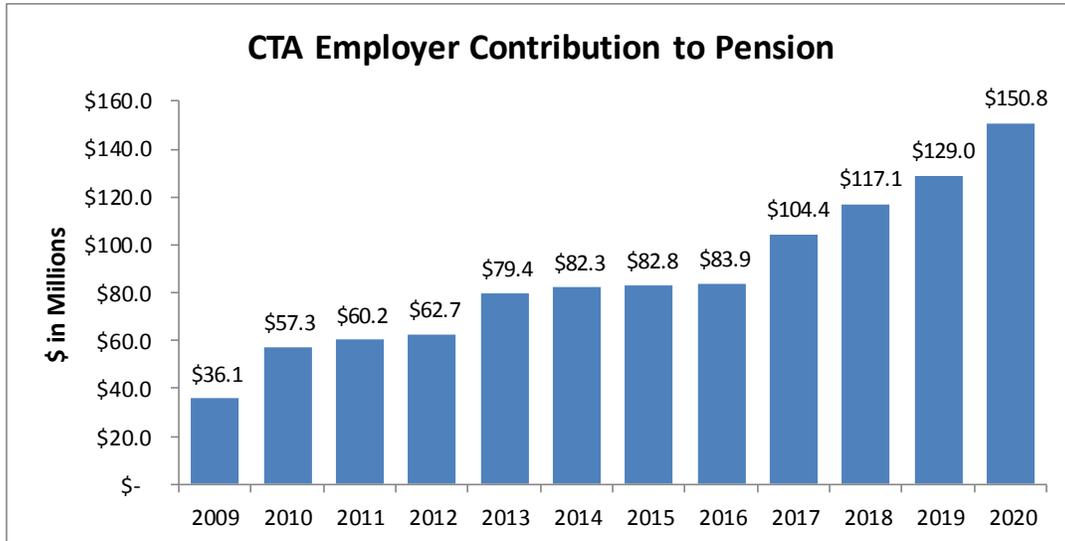
In 2008, the CTA became one of the first public entities to enact pension reform in the State of Illinois. The legislation has a three part annual required contribution test. Each year, an actuary determines whether the CTA employer and employee contributions need to be increased due to a number of factors, including annual returns on investments and demographic data. The overall goal of the reform legislation is for the plan to be 90 percent

CTA FY20 Budget

President's 2020 Proposed Operating Budget

funded by 2059. The interim goal is to maintain a minimum 60 percent funding by 2039. The final requirement ensures that if the plan falls below 60 percent, contribution rates are adjusted to attain this funding level within 10 years. Any deviation from funding based on the annual required contributions could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

The CTA's employer contributions are comprised of two separate, but related, payments. The CTA issued \$2 billion of pension obligation bonds (POBs) in conjunction with the pension reform and the annual debt service payment is approximately \$156 million. The proceeds from the original POBs were subsequently deposited with the pension fund. In addition to those contributions, the CTA makes additional annual contributions in order to comply with statutory requirements. In 2009, this additional, annual contribution was \$36 million, however, the contribution level is increasing to \$150.8 million in 2020, which represents a 17 percent increase over 2019 levels. The 2020 increase, along with all prior increases, is due to various factors including investment returns and demographic data. The primary factor, however, is investment returns. If the fund does not meet its target rate of return of 8.25% annually, then contribution levels are adjusted to meet the tests above. Despite the fund being broadly diversified, the plan's investment return underperformed in 2018, as did the general market. 2018 underperformance is the primary driver in increased contributions for 2020.



Note: In addition to employer contributions to the pension, CTA also pays \$156 million of debt service for pension obligation bonds issued in 2008.

The CTA's employer contributions are augmented by employee contributions that have correspondingly increased due to the pension legislation. As with employer contributions, increased employee contributions are required per the pension reform legislation. Contributions are deducted directly from employees pay checks.

CTA FY20 Budget

President's 2020 Proposed Operating Budget

As stated above, the CTA continues to make all required contributions and plans on doing so going forward. As pension costs continue to increase due to investment underperformance, the CTA will have to enact efficiencies or derive additional revenues in order to meet these requirements.

While costs must be managed, CTA is in a better position than other entities in Illinois as it already has pension reform and it has been in place for over 10 years.

CTA Pension Contribution Rates (per 2008 legislation)		
Year	Employee	CTA
2007	3.00%	6.00%
2008	6.00%	12.00%
2009	6.00%	12.00%
2010	8.35%	16.70%
2011	8.35%	16.70%
2012	8.65%	17.30%
2013	10.13%	20.26%
2014	10.13%	20.26%
2015	10.13%	20.26%
2016	10.13%	20.26%
2017	11.96%	23.92%
2018	12.01%	24.02%
2019	12.01%	24.02%

Budgeted Positions

CTA's labor budget is aligned with CTA's strategic priorities of safety, customer experience and workforce development. The 2020 budget reflects an increase of approximately 32 non-operations positions. Of the 32 new positions, 10 are due to additional manpower needed for the Red Purple Modernization project, and are funded through that capital project.

	2019 Budgeted Positions	2020 Budgeted Positions
Total CTA without STO*	4,654	4,686
Bus STO positions**	3,790	3,815
Rail STO positions**	1,770	1,810
Total CTA	10,214	10,311

*Total includes Capital-funded positions

**Scheduled Transit Operations (STO) Full-Time Equivalents

CTA FY20 Budget

President's 2020 Proposed Operating Budget

To continue to meet its inspection target for rail cars, a single half-inspection crew was added to the headcount. This includes 6 car repairers in the Rail Maintenance department.

Over the past few years CTA has added training classes for its rail operations personnel, including bi-monthly classes, rail safety tours for an increased number of construction contractors, and other training for change programs. To meet the increased demand for the training, 6 rail instructors were added to the Training & Workforce Development department.

Additionally, a General Manager was added to the Bus Operations department in order to provide proper coverage to all three bus service management areas. Given CTA's priority on safety, an additional 4 positions were added related to safety and security to help increase our efforts in investigations. The remaining additional positions are due to various other initiatives throughout CTA, including the creation of the new Rail Station Management department, described below.

The new Rail Station Management department was established to empower its employees to take ownership over and help to improve all aspects of a customer's experience when going through a rail station, including improved station appearance, signage and information, and courteous and effective employee interactions with customers. Rail janitors, Customer Service Assistants and Customer Service Representatives, as well as related managerial oversight positions are now housed in this new department.

Material expenses represent 4.8 percent of the budget, at \$74.7 million. This is \$5.4 million below the 2019 budget and \$2.4 million lower than the 2019 forecast. CTA's material expenses for 2020 are reduced due to proactive ongoing capital maintenance for CTA's infrastructure and the bus and rail fleet. These targeted campaigns focus on high-failure parts for railcars and major component systems related to bus. The result of these targeted capital campaigns will continue to reduce operating costs and improve service to customers by proactively replacing components that are the top causes of mechanical delays to CTA's bus and rail fleet.

CTA is budgeting **diesel fuel** expenditures for the revenue fleet to be \$44.4 million in 2020. This budget is \$0.3 million higher than the 2019 budget of \$44.1 million, and \$3.2 million higher than the 2019 forecast diesel spend. The 2020 budget assumes a modest 1 percent increase in diesel consumption – from 16.5 million gallons to 16.6 million gallons – compared to the 2019 budget. The resulting 2020 budget cost per gallon is \$2.67, which is flat with the 2019 budget cost per gallon, although higher than the 2019 forecast of \$2.47 per gallon. Throughout 2020, CTA will continue to manage the diesel fuel budget using a fixed-price purchasing policy. To reduce the risk of future price increases and provide budgetary certainty, CTA has fixed pricing for 84 percent of the 2020 forecasted fuel usage.

For 2020, CTA is budgeting \$32.6 million in expenses for traction (rail system) **electric power**. This 2020 budget is \$1.7 million less than the 2019 budget of \$34.4 million, and

CTA FY20 Budget

President's 2020 Proposed Operating Budget

\$0.7 million less than the 2019 forecast of \$33.3 million. The cost reduction is due to a favorable fixed-price contract that CTA executed in late 2018 for traction electric power supply starting in January 2020. This contract establishes a fixed price – inclusive of transmission and capacity charges – for every kilowatt-hour that CTA purchases, regardless of CTA's actual consumption levels. In addition to providing cost savings, the new fixed-price contract enables CTA to budget with greater certainty over the full contract length of five years (2020 through 2024). CTA's 2020 budget for traction electric power is based on a projected annual consumption of 458 million kilowatt-hours, which is essentially flat versus the 2019 budget projection and slightly higher than the 2019 forecast of 456 million kilowatt-hours.

The budget includes a \$22.0 million contribution to the **provision for injuries and damages** fund in 2020. Recommended levels are determined by the CTA's actuaries based on actual claims history and future projections.

Purchase of security services is budgeted at \$20.5 million, an increase of \$1.1 million versus the 2019 budget and 2019 forecast. The increase is due to wage rate increases and changes to contracted security services, which no longer includes K-9 units. The purchased security services budget covers inter-governmental agreements with the police departments of Chicago, Oak Park, Forest Park and Evanston, plus contract security services for additional protection of CTA passengers, bus garages and other CTA facilities.

Other expenses are budgeted to be \$243.0 million in 2020, a decrease of \$39.7 million compared to the 2019 budget, and a decrease of \$23.1 million compared to the 2019 forecast. Included in the other expenses category is the CTA's pension obligation bond debt, contractual services, utilities, insurance, debt service and other miscellaneous expenses. The decrease in debt service is due to the new State capital program providing Pay-Go funding for debt service payments related to capital projects. Other decreases include Travel & Meetings and Leases & Rentals. The decreases in debt service, travel and leases are offset by an increase in Contractual Services, primarily due to increasing costs to support existing IT infrastructure.

Operating Revenues

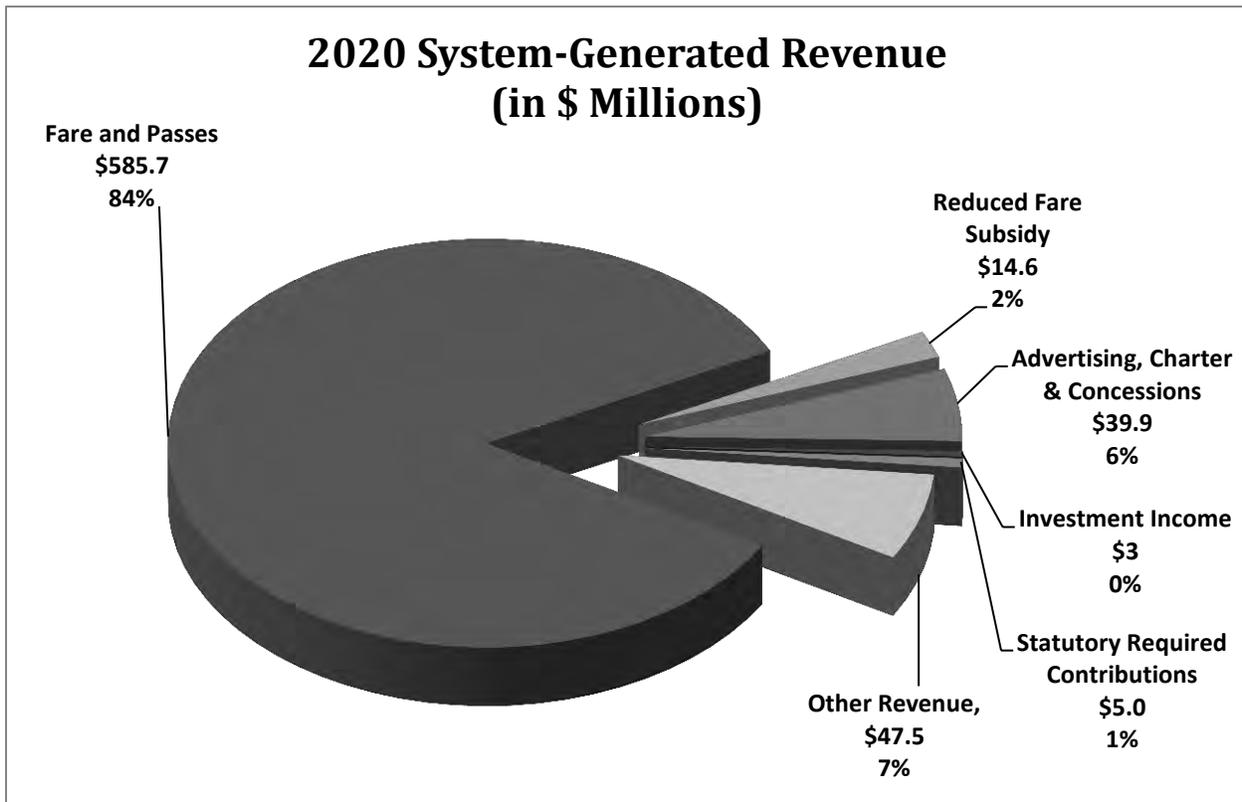
The CTA has two main revenue categories: system-generated revenues and public funding.

System-Generated Revenues

System-generated revenues include fares and passes, reduced-fare subsidy, advertising and concessions, investment income, statutory required contributions from the City of Chicago and Cook County, and other miscellaneous revenues, including the City of Chicago's ride-hailing fee. In 2020, system-generated revenue is budgeted to be \$695.7 million, representing a decrease of \$12.1 million when compared to the 2019 budget and an increase of \$5.7 million versus the 2019 forecast.

CTA FY20 Budget

President's 2020 Proposed Operating Budget



Revenue from **fares and passes** is budgeted at \$585.7 million, which is \$2.4 million lower than the 2019 budget and \$2.2 million higher than the 2019 forecast due to lower projected ridership levels in 2019. In accordance with state and local laws, the CTA continues to provide free rides to seniors and people with disabilities participating in the state's Circuit Breaker Program, active military personnel, and veterans with disabilities.

The CTA provides nearly 100 million free and reduced-fare trips annually to qualified riders based on federal, state, or local mandates. The foregone revenue from these rides is more than \$100 million. The state provides partial support for this mandate, with the **reduced fare subsidy**. The subsidy is a reimbursement provided to local transit agencies by the Illinois General Assembly. The 2019 subsidy was reduced by approximately 50 percent. Consistent with guidance from the RTA, the 2020 proposed budget assumes the reduced fare subsidy cut will continue next year, resulting in reimbursement of \$14.6 million for 2020.

Advertising, charters and concessions revenues include advertisements on buses, trains and stations, income from concessions, and other non-farebox revenue. The 2020 budget is \$39.9 million, which is approximately \$1.1 million higher than the 2019 budget and 2019 forecast due to an increase in minimum annual guarantees in advertising contracts and management initiatives to increase digital advertising. The CTA will continue to work to expand digital advertising and increase advertising sales.

CTA FY20 Budget

President's 2020 Proposed Operating Budget

Investment income for 2020 is budgeted at \$3.0 million, \$0.9 million higher than the 2019 budget and \$0.5 million higher than 2019 forecast. Low interest rates mean CTA's conservative cash investments will yield minimal income.

Statutory required contributions remain unchanged in 2019, budgeted at \$5.0 million. The Regional Transportation Authority Act requires the City of Chicago to contribute \$3.0 million and Cook County to contribute \$2.0 million each year toward CTA operations. These required cash contributions are in addition to in-kind contributions from the City of Chicago and Cook County. The Chicago Police Department's Public Transportation Section provides approximately \$22.0 million of in-kind security services to the CTA as part of its regular patrols. Meanwhile Cook County provides in-kind services through the Sheriff's Work Alternative Program (SWAP). Under the SWAP program, non-violent offenders in Cook County supplement existing CTA employees to clean along and under the rail right-of-way.

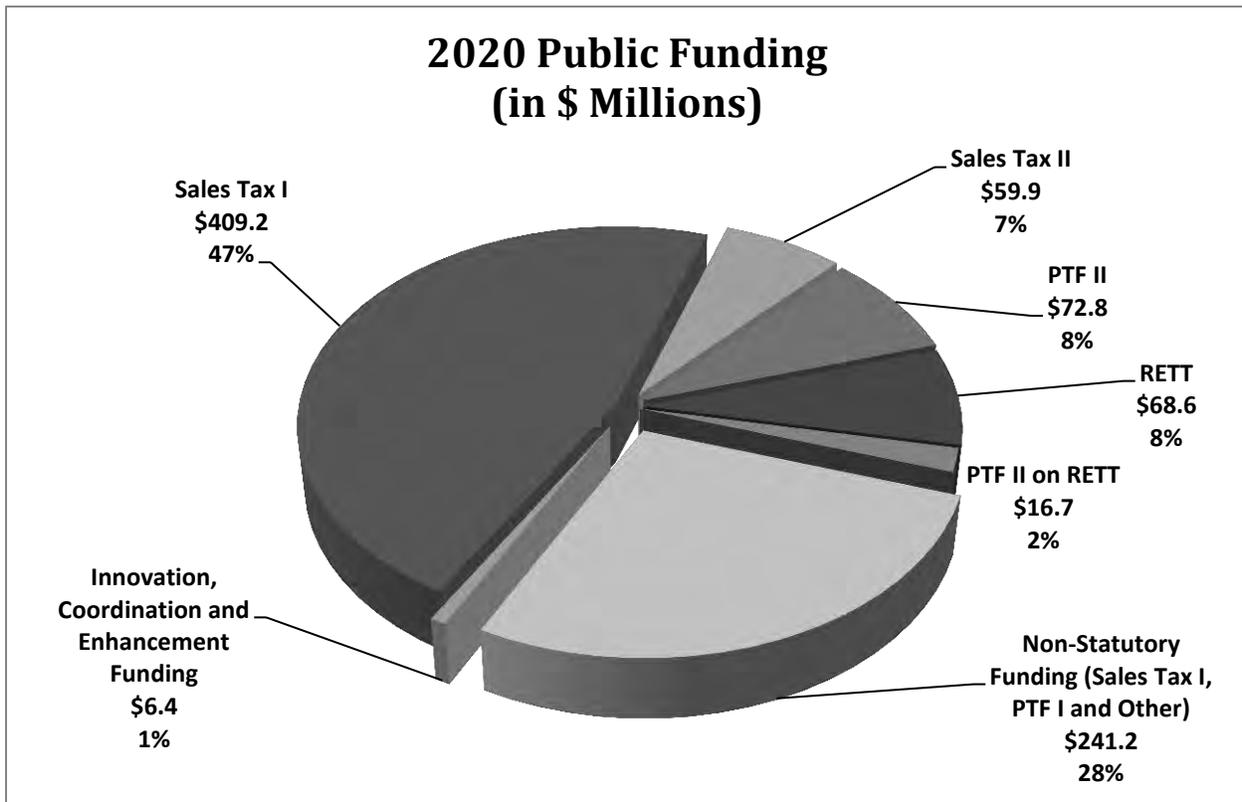
All **other revenue** includes the ride-hailing fee implemented by the City of Chicago, non-capital grants, park and ride revenue, rental revenue, third-party contractor reimbursements, and filming fees, among other varied income sources. Other revenues are budgeted in 2020 at \$47.5 million, an increase of \$2.0 million compared to 2019 budget and the 2019 forecast. This increase is primarily due to higher park-and-ride revenues, new station TOD revenues, and other new initiatives.

Public Funding

The budgeted amounts of **public funding** available for CTA operations are established by the RTA, and are based on the RTA's revenue projection for the year and the approved funding marks of the RTA Board. Public funding has three sources: sales tax revenue, public transportation funds (PTF), and the real estate transfer tax (RETT). The three funding sources are authorized under state statutes passed in 1983 and 2008. A diagram of public funding received by RTA and the way in which it is allocated among the three Service Boards is included in the Operating Funding Summary.

CTA FY20 Budget

President's 2020 Proposed Operating Budget



The RTA retains 15 percent of the sales tax collections authorized in 1983, leaving 85 cents of every dollar to flow directly to the service boards via the formula established by the state legislature. Of these remaining funds, the CTA receives 100 percent of the taxes collected in Chicago and 30 percent of taxes collected in suburban Cook County. Of the funding available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs. Additionally, the 2008 legislation authorized a \$1.50 per \$500 increase in RETT, all of which is collected in Chicago. The CTA receives 100 percent of the increased RETT authorized in 2008 and a 25 percent state PTF match on the RETT.

The State of Illinois passed its 2018 budget that reduced the PTF match by 10 percent for one year. The budget also included a 2 percent permanent surcharge on sales tax receipts. The SFY 2019 budget reduced the surcharge on sales tax receipts to 1.5 percent from 2 percent, while extending the cut to PTF at a rate of 5 percent, reduced from 10 percent. The SFY 2020 budget extended the cut to PTF for an additional year.

Public funding available through the RTA is budgeted to be \$874.8 million in 2020. This includes the \$6.4 million Innovation, Coordination and Enhancement (ICE) funds which are distributed to the service boards by formula via the RTA, and can be used in the operating

CTA FY20 Budget

President's 2020 Proposed Operating Budget

or capital budget. The total public funding level is a \$30.4 million increase compared to the 2019 budget and a \$38.7 million increase over the 2019 forecast.

Ridership

Similar to national trends, CTA expects that ridership will decline by 1.8 percent overall in 2020 to 448.7 million. Bus ridership is expected to fall 1.3 percent to 234.5 million in 2020, while rail ridership is expected to fall 2.3 percent to 214.2 million due to increased construction work on the rail system and competition from the ride-hailing industry.

CTA system ridership was at a 20-year high in 2012, and rail ridership had reached its highest point in at least 50 years in 2015. However, bus and rail ridership have decreased since then and CTA ridership was down again in 2019, falling 2.4 percent compared to 2018.

Ridership levels in cities across the country are experiencing similar trends. Overall, mass transit in the United States was down 0.62 percent in 2019 from 2018 levels. The national ridership total is at its lowest level since 2006, according to the American Public Transportation Association.

Ridership in Chicago, and likely other cities, has been negatively impacted by increasing competition from the ride-hailing industry, including Uber, Lyft and Via. Unfavorable winter weather in early 2019 also contributed to the local losses as did planned, weekend construction work on the rail system. Gas prices were mostly consistent in 2019 and are projected to moderately increase in 2020, which should reduce the rate transit ridership loss.

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Proposed Two-Year Operating Financial Plan

2021-2022 Two-Year Financial Plan

Budget Highlights

The two-year financial plan continues the Authority's mission to deliver quality, affordable bus and rail transit services. The financial plan assumes flat bus and rail service levels from the 2020 budget, increases in non-farebox revenues through innovative advertising programs, and continued strategic capital investments in bus and rail fleets, stations, track structures and technology to reduce cost escalations in the operating budget.

The two-year financial plan assumes public funding as reported by the RTA. The public funding marks assume continued growth at 3.1 percent for 2021 and 1.8 percent for 2022, based on growth in sales tax receipts and full restoration of the State match (Public Transportation Fund) that is currently subject to a 5 percent temporary cut through June 2020 when the State fiscal year ends. The proposed funding levels assume there will be no further PTF cut thereafter. Any additional reduction in State funding to the CTA would negatively impact the two-year plan.

The two-year financial plan shows increased system-generated revenue from fares and passes, and advertising offset by increased labor, material, debt service, and standard increases in contractual services and contributions to injuries and damages reserves.

The labor cost growth is budgeted at 3.0 percent growth for 2021 and 2.5 percent growth for 2022 but will be determined, in large part, by the outcome of collective bargaining negotiations and pension and health care costs.

The CTA has built and is continuing to strengthen its management team, policies and procedures, and internal controls to ensure attainment of operational efficiencies throughout the agency. The plan reflects fixed fuel purchases, managed block purchases of power, and strong efforts to monitor expenses and increase recurring revenue streams.

Operating Expenses

Total operating expenses are budgeted at \$1,570.5 million for the 2020 budget. Operating expenses are expected to grow by 2.6 percent to \$1,610.6 million in 2021 and 2.1 percent to \$1,644.8 million in 2022.

Labor expenses, including base salaries, benefits, and payroll taxes, are projected to be \$1,133.3 million in 2020, \$1,167.3 million in 2020 and \$1,196.5 million in 2021. Labor for the two-year plan reflects a 3.0 percent growth and 2.5 percent growth for 2021 and 2022, respectively.

The financial plan projects **material** expenses to be \$74.7 million in 2020, \$77.6 million in 2021 and \$79.7 million in 2022. The materials projection assumes a 4 percent annual

CTA FY20 Budget

Proposed Two-Year Operating Financial Plan

growth in 2021 and 3 percent annual growth in 2022, reflecting increased costs to maintain CTA's aging bus and rail fleet and associated infrastructure.

CTA's proposed financial plan projects **diesel fuel** costs to be \$44.4 million in 2020, \$39.8 million in 2021, and \$40.4 million in 2022. This plan assumes the continuation of CTA's strategic fixed-price purchasing policy and a flat projection for fuel consumption levels. At the time of budgeting, CTA has fixed pricing for 70 percent of the 2021 projected fuel consumption. Favorable fixed pricing on this portion of the total annual purchase accounts for the savings of \$4.6 million in 2021 compared to the 2020 budget of \$44.4 million.

The proposed financial plan projects CTA's traction (rail system) **electric power** expenses to be \$32.6 million in 2020, \$33.5 million in 2021, and \$33.9 million in 2022. During this period, CTA projects consumption levels to be essentially flat year-to-year. While this plan includes continued savings from CTA's fixed-price contract for electric power supply, it also reflects annual increases in ComEd's base rate for electric power delivery. Other than changes in law, any market adjustments to capacity and transmission charges will not affect the CTA because these charges are embedded in CTA's fixed-price contract for electric supply.

CTA plans to continue contributions to **provision for injuries and damages**, with a \$22.0 million reserve payment planned for 2020. The financial plan projects the reserve payment to hold steady at \$22.0 million in 2021 and 2022. The amount of actual deposits to the fund may be adjusted based on the annual actuarial valuation of the fund's liabilities. The amount needed to fund this reserve is based on actual experience, the projected future balance in the reserve, and the liabilities projected for the following year.

Purchase of security services is projected to be \$20.4 million in 2020, \$21.2 million in 2021 and \$21.7 million in 2022. The annual growth rate is projected to be 3 and 2 percent for 2021 and 2022, respectively, due to annual contractual increases for contracts with private security firms. The CTA has intergovernmental agreements with the Chicago, Oak Park, Evanston and Forest Park police departments to provide security services for the CTA rail system.

Other expenses include utilities, advertising, equipment, software maintenance, accounting, engineering, legal fees, banking fees and commissions, debt service for sales tax revenue bonds including the outstanding pension obligation bonds, TIFIA loans, and other consulting services. Other expenses are budgeted to be \$243.0 million in 2020. The financial plan projects other expenses at \$249.3 million in 2021 and \$250.8 million in 2022. The growth rate reflects increased costs for contractual services, utilities, and debt service.

CTA FY20 Budget

Proposed Two-Year Operating Financial Plan

Operating Revenues

Overall **operating revenues**, including system-generated revenues and public funding, are projected to increase over the two-year financial plan. From the 2020 budgeted level of \$1,570.5 million, operating revenues are projected to increase by 2.6 percent in 2021 to \$1,610.6 million and 2.1 percent in 2022 to \$1,644.8 million.

System-Generated Revenues

From a base of \$585.7 million in 2020, **fare and pass revenue** is projected to increase to \$594.0 million in 2021 and \$607.2 million in 2022. These 1.4 percent and 2.2 percent year-over-year increases are based on a shift of fare payment from pay-per-use to pass products and a stabilization of ridership levels as the City's transit-oriented population and employment continues to grow and gas prices increase from historic lows in recent years.

The two-year plan assumes the **reduced fare subsidy** will continue to be appropriated at the reduced level of \$14.6 million, or 50 percent of the historical level, in 2021 and 2022. This reduced-fare subsidy only covers a portion of the more than \$100 million in actual free and reduced rides provided by the CTA annually.

The two-year financial plan projects revenue from **advertising, charters, and concessions** to grow at 5.0 percent in 2021 and in 2022. This yields a projected \$41.8 million in 2021 and \$43.9 million in 2022. Advertising revenue continues at a strong pace, with increased digital advertising and growth of concession revenue.

Investment income in 2021 and 2022 is projected to grow modestly. Investment income is expected to generate \$3.1 million in 2021 and \$3.3 million in 2022.

Statutory required contribution revenues are forecast to continue to be \$5.0 million per year. The Regional Transportation Authority Act requires that the City of Chicago contribute \$3.0 million annually and that Cook County contribute \$2.0 million annually to CTA operations.

Other revenue is expected to grow by 5.0 percent in 2021 and 5.0 percent in 2022 due to CTA's continued efforts to increase non-farebox revenues. The plan projects increased miscellaneous revenues, slight growth in rental properties and park-and-ride revenues, third-party contractor reimbursements, fees from filming, non-capital grants from the federal government and other sources. The \$0.15 per trip ride-hailing fee proposed by the City of Chicago in its 2018 budget is also anticipated to continue to generate \$16.0 million for CTA each year. The planned totals are \$49.9 million and \$52.4 million in 2021 and 2022, respectively.

CTA FY20 Budget

Proposed Two-Year Operating Financial Plan

Public Funding

The RTA provides **public funding** marks for the two-year financial plan. The RTA public funding projections include revenues from sales tax collections, and PTF in addition to RETT revenue from the City of Chicago. The RTA public funding marks for CTA increase by 3.1 percent in 2021 and 1.8 percent in 2022. These marks are developed with assumptions of a 2 percent increase in regional sales tax receipts each year. Real Estate Transfer Tax (RETT) receipts are anticipated to grow 3 percent annually.

The **recovery ratio** measures the percentage of expenses that a Service Board must pay against the revenue that it generates. System-generated revenues, operating expenses, and certain statutory exclusions are used in the calculation. The RTA Act requires the region to fund 50 percent of its expenses through revenues generated by the three Service Boards: the CTA, Metra, and Pace. The estimated recovery ratio for the CTA in 2021 and 2022 is expected to be 54.77 and 54.80 percent respectively - exceeding the regional requirement of 54.75 percent.

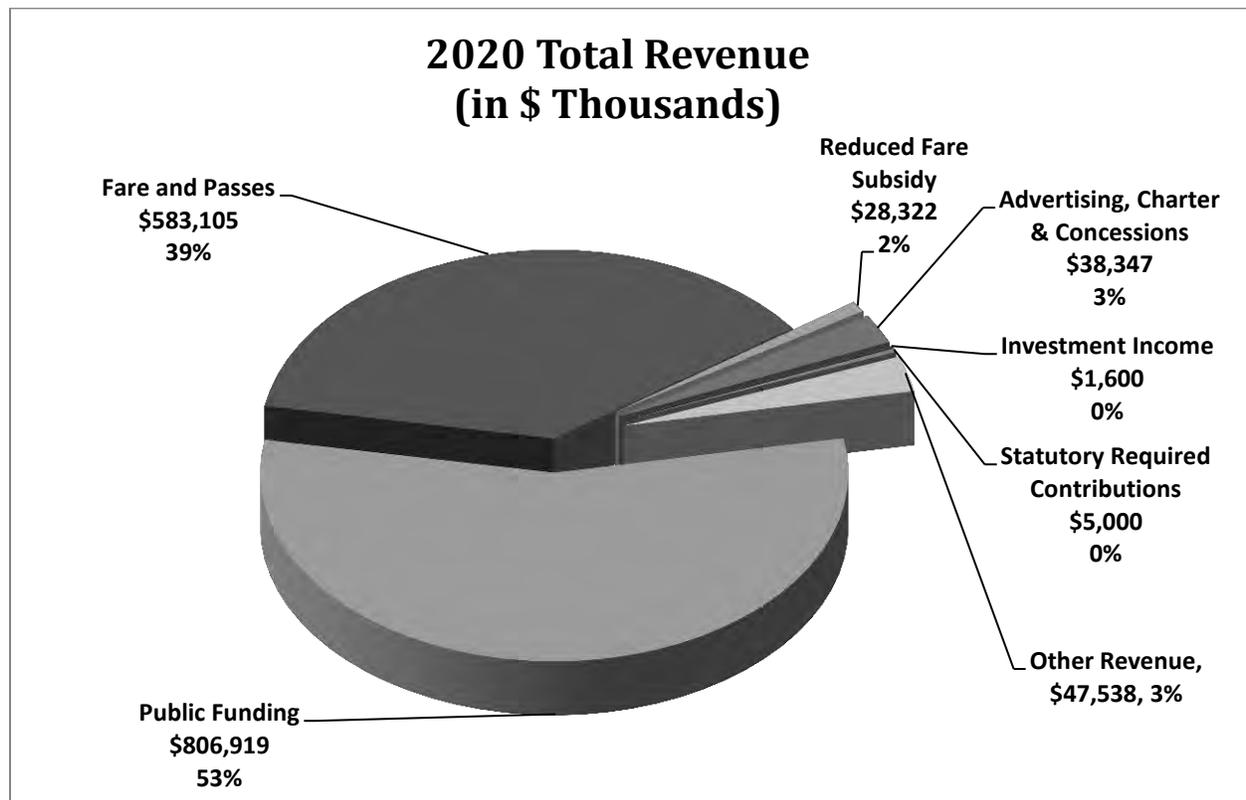
CTA FY20 Budget

Operating Funding Summary

Operating Funding Summary

The CTA's total budgeted revenue for 2020 is \$1,570.5 million. There are two primary sources of operating revenue for the CTA: system-generated revenue through fares and other sources, and public funding, mostly through the Regional Transportation Authority (RTA). System-generated revenue is projected to be \$695.7 million for 2020 and public funding is projected to be \$874.8 million. The following table represents 2020 estimated revenue by source.

Total Revenue - All Sources (in thousands)	2020
Fares and Passes	\$585,660
Reduced Fare Subsidy	\$14,606
Advertising, Charters and Concessions	\$39,852
Investment Income	\$3,000
Statutory Required Contributions	\$5,000
All Other Revenue	\$47,538
Public Funding	\$874,809
Total Revenue	\$1,570,466



CTA FY20 Budget

Operating Funding Summary

The following is a description of sources of system-generated revenues and public funding for the CTA.

System-Generated Revenues

The CTA's system-generated revenue is budgeted to be \$695.7 million for 2020. This revenue is derived from the sale of fares and passes, subsidies for free and reduced-fare riders, advertising, investment income, statutory required contribution from local governments by provision of the RTA Act, and other revenues. These revenues are further defined below.

Fares and Passes

Revenue from fares and passes is budgeted to be \$585.7 million in 2020 and is the largest portion of system-generated revenue. The CTA's revenue from fare and passes includes cash fares and full-fare and reduced-fare cards utilizing the Ventra system. The CTA also sells 30-day full fare and reduced fare passes, along with one-, three- and seven-day passes, which can be loaded onto a Ventra card. Additional pass revenue comes from the CTA's U-Pass for local university students, bulk sales of passes, and METRA Link-Up passenger revenue. Disposable one-day and three-day passes and single ride tickets are also available to customers at Ventra machines. A fare change is not proposed in 2020. A small decrease in revenue is anticipated in comparison to 2019 Budget due to lower than anticipated ridership and revenue in 2019. This year's revenue has been negatively impacted by weather and construction.

Reduced Fare Subsidy

This funding represents the reimbursement of revenues foregone by the Service Boards due to providing reduced and free fares to senior citizens and riders with disabilities, as mandated by federal and state law. The funding is subject to the terms of the grant agreement, state statute, and annual state appropriation. Reimbursement amounts are allocated to the Service Boards based on qualifying passenger trips taken during the grant year. CTA has received only half of the historical reduced fare subsidy funds since 2015 as a result of state budget cuts. It is assumed that a subsidy of \$14.6 million will be provided in 2020, about half the traditional level.

Advertising, Charters and Concessions

Advertising, charters and concessions revenue for 2020 is budgeted to be \$39.9 million. The bulk of this revenue is received through advertisement on buses and rail cars and in rail stations. This projection also includes: concession revenue from 91 concessions within the CTA's 145 rail stations, revenue generated from billboards, and revenue from Special Contract Guarantees. The Special Contract Guarantees include agreements for transportation services for the University of Chicago and other employers.

CTA FY20 Budget

Operating Funding Summary

Investment Income

Year	Investment Income (in millions)	Federal Funds Rate (at year end)
2009	\$1.3	0.10%
2010	\$0.6	0.20%
2011	\$0.6	0.06%
2012	\$0.7	0.16%
2013	\$0.4	0.08%
2014	\$0.5	0.12%
2015	\$0.7	0.35%
2016	\$1.5	0.55%
2017	\$3.1	1.33%
2018	\$3.5	2.40%
2019 Forecast	\$2.5	1.75-2.00%
2020 Budget	\$3.0	1.75-1.90%

The 2020 budget for investment income is \$3.0 million.

The interest rate variations from 2009 to 2020 are attributed to significant changes since the great recession of 2008. The Federal Funds Rates has slowly increased over the last 10 years, but has not yet reached pre-recession levels. The Federal Funds Rate has increased from near zero at the end of 2008 to 1.75-2.00 percent as of October 1, 2019. The Federal Open Market Committee projects the rate to be 1.75-1.90% in 2020.

Statutory Required Contributions

The RTA Act requires the City of Chicago and Cook County to annually contribute \$3 million and \$2 million, respectively, towards CTA operations.

Statutory Required Contributions (in millions)		2020
Contributions - City of Chicago		\$3.0
Contributions - Cook County		\$2.0
Total		\$5.0

All Other Revenue

The CTA forecasts \$47.5 million in other revenue for 2020. Revenues in this category include safety and security grants, parking fees, rental revenue, third-party contractor reimbursements and filming fees. The CTA has 54 real estate leases across the system, as well as leases within the CTA headquarters building. Parking revenues include Park & Ride Facilities (14 facilities with approximately 5,900 spaces), under 'L' parking rentals and long-term parking agreements.

In 2018, a new source of revenue was included in the other revenue category. Starting in January 2018, the City of Chicago increased the Ground Transportation Tax on ride-hailing services by \$0.15 to fund capital improvements on the CTA system, generating \$16 million annually. This funding source is being leveraged for security camera upgrades and capital improvements that will modernize the rail system, including extensive upgrades to track and signal infrastructure on the Pink, Green, Brown, Blue and Red Lines.

CTA FY20 Budget

Operating Funding Summary

Public Funding

Most of the CTA’s public funding for operating and capital needs is passed through the RTA. Under the RTA Act, as amended in 2008, some of the funds are allocated to the Service Boards based on a set formula; other funds are allocated based on the RTA’s discretion. The sources and allocations are outlined below.

Sales Tax Revenue per 1983 Formula

RTA Sales Tax is the primary source of operating revenue for the RTA and the three Service Boards. The tax is authorized by Illinois statute, imposed by the RTA in the six-county region of northeastern Illinois and collected by the state. The sales tax is the equivalent of one percent on sales in the City of Chicago, one percent on sales in Cook County, and 0.25 percent on sales in the collar counties of DuPage, Kane, Lake, McHenry and Will. The one percent sales tax in Cook County is comprised of one 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. Proceeds from the RTA Sales Tax are distributed to the CTA, Metra, and Pace, primarily to fund operating costs not recovered through the farebox. The RTA retains 15 percent of the total sales tax and passes the remaining 85 percent to the Service Boards according to the Operating Funding Allocation Chart found later in this section.

The SFY 2020 budget passed in June 2019 includes a 1.5 percent surcharge levied on sales tax receipts.

	Chicago Sales Tax Revenue	Suburban Cook Sales Tax Revenue	Collar County Sales Tax Revenue
CTA	100%	30%	0%
Metra	0%	55%	70%
Pace	0%	15%	30%
Total:	100%	100%	100%

The 2020 Sales Tax Budget per the 1983 Formula for the region is estimated to be \$987.9 million. After the state surcharge of 1.5 percent, the remaining amount of \$972.1 million is distributed to the RTA and three Service Boards as follows:

CTA FY20 Budget

Operating Funding Summary

(in thousands)	Chicago Sales Tax Revenue	Suburban Cook Sales Tax Revenue	Collar County Sales Tax Revenue	Total
CTA	\$ 284,228	\$ 124,928	-	\$ 409,156
Metra	-	\$ 229,035	\$ 87,912	\$ 316,947
Pace	-	\$ 62,464	\$ 37,677	\$ 100,141
RTA	\$ 50,158	\$ 73,487	\$ 22,163	\$ 145,808
Total:	\$ 334,386	\$ 489,914	\$ 147,752	\$ 972,052

Totals may not add due to rounding.

In addition, the RTA will distribute at its discretion any funds remaining from the initial allocation of the 15 percent sales tax distribution that are in excess of the RTA's funding needs.

Public Transportation Fund

As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of the RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The treasurer transfers this amount to a special fund, the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. This fund is a continuing appropriation to the RTA. The State began cutting PTF funds by 10% in SFY 2018 and reduced the cut to 5% in SFY 2019. The SFY 2020 appropriations extended this cut for another year at a 5 percent reduction. The RTA uses these funds at its discretion to fund the needs of the Service Boards, RTA operations, debt service and capital investment.

State Assistance

The RTA Act provides supplemental state funding in the forms of additional state assistance and additional financial assistance (collectively, "State Assistance") to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. The funding equals debt service amounts paid to bondholders of the SCIP bonds issued by the RTA, plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned by the RTA on the proceeds of SCIP bonds. The RTA Act limits the amount of State Assistance available to the RTA to the lesser of the debt service or \$55 million. Remittance requires an annual appropriation made by the State of Illinois.

CTA FY20 Budget

Operating Funding Summary

2008 Legislation

The 2008 state funding package increased the percentage of state sales tax dedicated to mass transit and gave authority to the City of Chicago to increase the Real Estate Transfer Tax (RETT) to support the CTA. In addition, the legislation also provided for long-term pension reforms that will increase the funded ratio of the CTA's pension to 90 percent by 2059.

Innovation, Coordination, and Enhancement (ICE) Program

The ICE program is an RTA funding program established as part of the 2008 Mass Transit Reform Legislation. The RTA program provides operating and capital assistance to enhance the coordination and integration of public transportation and to develop and implement innovations to improve the quality and delivery of public transportation. Projects funded through this program advance the vision and goals of the RTA Act by providing reliable and convenient transit services and enhancing efficiencies through effective management, innovation, and technology. CTA plans to utilize all ICE funds in 2020 toward operating costs.

2020 RTA Proposed Service Board Operations Funding (\$ in thousands)

2020 Service Board Funding	RTA	CTA	Metra	Pace - Mainline	Pace - Paratransit	Total
Sales Tax I & PTF I	\$ 386,354	\$ 409,156	\$ 316,947	\$ 100,141		\$ 1,212,598
Sales Tax II & PTF II		\$ 132,698	\$ 107,818	\$ 35,939	\$ 172,862	\$ 449,317
RTA Non-Statutory	\$ (251,927)	\$ 241,198	\$ 4,439	\$ 6,290		\$ -
Real Estate Transfer Tax (25% PTF)		\$ 16,729				\$ 16,729
RTA Suburban Community Mobility Funds				\$ 26,658		\$ 26,658
RTA South Suburban Job Access Fund	\$ (7,500)			\$ 7,500		\$ -
Joint Self-Insurance Fund Reserve						\$ -
State Funding for ADA					\$ 8,395	\$ 8,395
RTA Agency Revenue	\$ 9,419					\$ 9,419
State Financial Assistance (ASA/AFA)	\$ 130,300					\$ 130,300
Total RTA Funds	\$ 266,646	\$ 799,782	\$ 429,204	\$ 176,528	\$ 181,257	\$ 1,853,417
Real Estate Transfer Tax (City of Chicago)		\$ 68,630				\$ 68,630
Total Funds	\$ 266,646	\$ 868,412	\$ 429,204	\$ 176,528	\$ 181,257	\$ 1,922,047
ICE Funding/State ADA funding		\$ 6,398	\$ 5,198	\$ 1,733		\$ 13,329
State Reduced Fare Reimbursement		\$ 14,606	\$ 3,138	\$ 2,610		\$ 20,354
Total Regional Public Funds	\$ 266,646	\$ 889,416	\$ 437,540	\$ 180,871	\$ 181,257	\$ 1,955,729

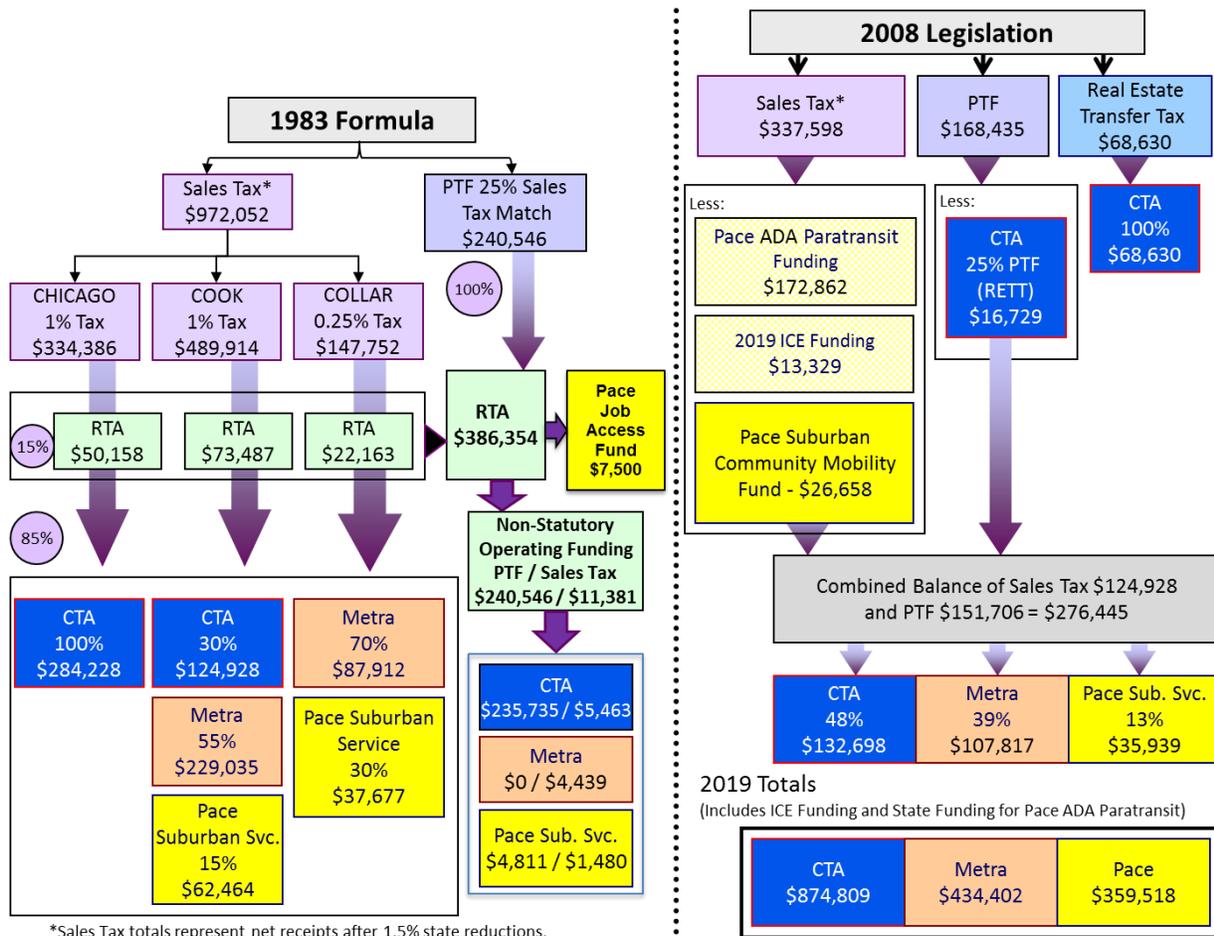
**State Reduced Fare Reimbursement is included in the table, but is counted as system-generated revenue and excluded from public funding totals.*

Totals may not add due to rounding.

CTA FY20 Budget

Operating Funding Summary

2020 Budget - Operating Funding Allocation Chart (\$ in thousands)



Totals may not add due to rounding.

Funding by Transit Agency	Funding	%
CTA	\$ 868,412	45.2%
Metra	\$ 429,204	22.3%
Pace - Mainline	\$ 176,528	9.2%
Pace - Paratransit	\$ 181,257	9.4%
RTA	\$ 266,646	13.9%
Total	\$1,922,047	100%

Notes: Excludes ICE funding. Percentages may not add due to rounding

2019 ICE Funding and ADA Funding	CTA	Metra	Pace	ADA
ICE:	\$ 6,398	\$ 5,198	\$ 1,733	
State ADA funding:				\$ 8,395
Total	\$ 6,398	\$ 5,198	\$ 1,733	\$ 8,395

CTA FY20 Budget

Operating Funding Summary

Federal Assistance (Federal Transit Administration)

The CTA, Metra, Pace and the RTA are the region's designated recipients of federal assistance, which previously included both operating and capital funds. The FTA eliminated operating assistance for the RTA in 1998.

Fund Balance - Unrestricted Net Position

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget must balance with regard to anticipated revenues from all sources, including operating subsidies, costs of providing services, and funding operating deficits.

In addition to a structurally balanced budget, as part of the annual budget and as recommended by the Government Finance Officers Association (GFOA), the CTA is reporting on its unrestricted net position in the budget book.

Unrestricted net position is reported in compliance with generally accepted accounting principles (GAAP) and represents the portion of net position that is neither restricted nor invested in capital assets net of related debt. The unrestricted net position represents the long-term accumulation of non-cash transactions which are excluded from the annual budget. These amounts include, but are not limited to, provision for injuries and damages in excess of (or under) budget, depreciation expense, pension expense in excess of pension contributions, actuarial adjustments, interest expense, and capital contributions.

The unrestricted net position is an accounting concept and is separate from annual budgeted revenues and expenses.

2016–2022 Fund Balance – Unrestricted Net Position (\$ in thousands)

	Actual 2016	Actual 2017	Actual 2018	Forecast 2019	2020 Budget	2021 Plan	2022 Plan
Total Operating Expenses	\$ 1,464,142	\$ 1,450,840	\$ 1,498,210	\$ 1,525,984	\$ 1,570,466	\$ 1,610,590	\$ 1,644,816
Total System Generated Revenue	676,569	649,878	697,333	689,919	695,657	708,558	726,478
Funding Requirement	787,573	800,962	800,877	836,065	874,809	902,032	918,338
Public Funding	809,748	778,462	809,352	836,065	874,809	902,032	918,338
Net Funding Available (PBV)	\$ 22,175	\$ (22,500)	\$ 8,475	\$ -	\$ -	\$ -	\$ -
Fund balance - unrestricted net position:							
Beginning Balance	\$ (3,118,990)	\$ (3,157,858)	\$ (3,245,337)	\$ (3,354,874)	\$ (3,368,378)	\$ (3,369,743)	\$ (3,369,743)
Net operating results (PBV)	22,175	(22,500)	8,475	-	-	-	-
Less: other obligations*	(35,578)	(45,745)	(105,381)	-	-	-	-
Less: capital expended from net position (PBV)	(25,465)	(19,234)	(12,631)	(13,504)	(1,365)	-	-
Ending Balance	\$(3,157,858)	\$(3,245,337)	\$(3,354,874)	\$(3,368,378)	\$(3,369,743)	\$(3,369,743)	\$(3,369,743)

*Implementation of GASB 68 resulted in \$1.2 billion reduction in unrestricted net position (FY2015)

** Includes expenditures from prior years' positive budget variance

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Five-Year Capital Improvement Program

“Infrastructure is not just an investment in physical buildings, but also an investment in the people.”

Mayor Lori Lightfoot, July 1, 2019

The Chicago Transit Authority’s mission is to deliver quality, affordable transit services that link people, jobs, and communities. The 2020-2024 Capital Improvement Program continues CTA’s commitment to preserving scarce resources for capital, increasing available capital funding and strategically renewing the system.

CTA’s Fiscal Year (FY) 2020-2024 \$5.1 billion Capital Improvement Program (CIP) will fund capital projects that will modernize and improve CTA’s transit system, with an emphasis on environmental sustainability, technology and innovation. Funding for this plan anticipates a multi-year commitment from multiple federal backed sources, including traditional federal formula, Major Capital Investment Core Capacity, and anticipated competitive grants. New to this Program is a multi-year State Bond capital construction program and the implementation of a recurring state source of capital funds that is dedicated to public transit to address State of Good Repair (SOGR) needs. Local backed sources include CTA generated bond financing.

CTA will strive to continue providing high-quality transit service. Service improvements contained within this five-year CIP include new technologies, transit stations, rolling stock, and public artwork at terminals and stations, which will enhance the customer experience and improve safety. CTA continues to progress through the Project Development stage of the Red Line Extension (RLE) project in preparation for future construction. CTA is committed to moving people around the City of Chicago and its neighboring communities efficiently — getting them to and from their destinations safely and on time.

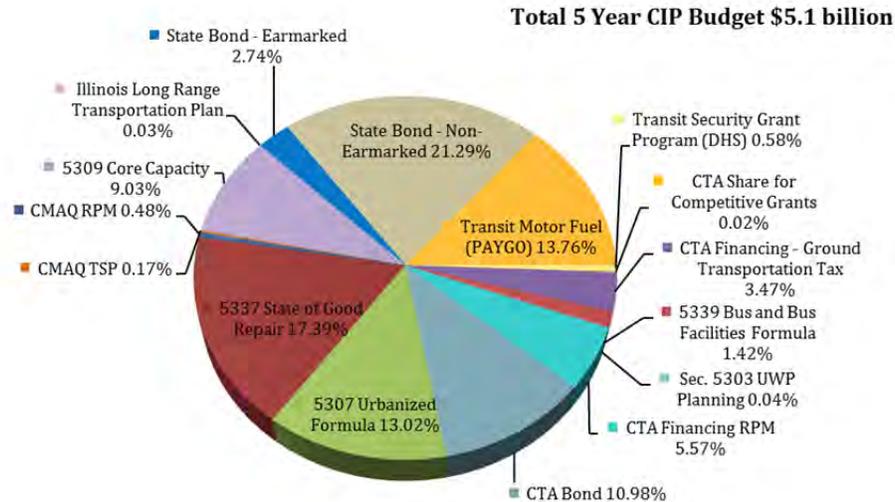
Despite the challenge of delayed funding, this CIP maintains its aggressive plan to improve the nation’s second-largest transit system, which provides 1.5 million rides on an average weekday. CTA believes the region’s transit riders should have access to an affordable world-class public transportation system, recognizing that public transportation is critical to increasing economic opportunity throughout the city and region.

This CIP continues to advance the transit system toward a state of good repair (SOGR). The investments outlined in this program will reduce operating costs in some areas and avoid escalating costs in others. By driving down expenses and minimizing costs, CTA will be able to leverage its limited operating and capital funds to further improve the transit system. CTA anticipates federal funding of \$2.1 billion from a combination of Formula and Discretionary based programs. Other contributing sources include an issuance of CTA bonds of \$1.0 billion. CTA also anticipates State Rebuild Illinois funds of \$1.9 billion over the next five years.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

The total anticipated available funding is \$5.1 billion for the FY 2020-2024 CIP. The funding sources supporting CTA's Capital Improvement Program is detailed below:



Funding Sources

CHICAGO TRANSIT AUTHORITY FY 2020-2024 CIP Preliminary Marks							(\$ in thousands)
Sources of Funds	2020	2021	2022	2023	2024	TOTAL	
5307 Urbanized Formula	\$ 130,281	\$ 132,236	\$ 134,219	\$ 136,232	\$ 138,276	\$ 671,244	
5337 State of Good Repair	173,985	176,594	179,243	181,932	184,661	896,415	
5339 Bus and Bus Facilities Formula	14,165	14,378	14,593	14,812	15,035	72,983	
Subtotal FTA	\$ 318,431	\$ 323,208	\$ 328,056	\$ 332,976	\$ 337,971	\$ 1,640,642	
5309 Core Capacity	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 65,476	\$ 465,476	
CMAQ RPM	25,000	-	-	-	-	25,000	
CMAQ TSP	8,891	-	-	-	-	8,891	
Sec. 5303 UWP Planning	420	420	420	420	420	2,100	
Transit Security Grant Program (DHS)	6,000	6,000	6,000	6,000	6,000	30,000	
Illinois Long Range Transportation Plan	1,222	220	-	-	-	1,442	
Other Federal	\$ 141,532	\$ 106,640	\$ 106,420	\$ 106,420	\$ 71,896	\$ 532,909	
AVAILABLE FEDERAL	\$ 459,964	\$ 429,848	\$ 434,476	\$ 439,396	\$ 409,867	\$ 2,173,551	
State Bond - Earmarked	\$ 28,300	\$ 28,300	\$ 28,300	\$ 28,300	\$ 28,300	\$ 141,500	
State Bond - Non-Earmarked	\$ 219,481	\$ 219,481	\$ 219,481	\$ 219,481	\$ 219,481	\$ 1,097,406	
State (PAYGO)	\$ 141,875	\$ 141,875	\$ 141,875	\$ 141,875	\$ 141,875	\$ 709,375	
CTA Bond	267,602	143,374	77,500	77,500	-	565,976	
CTA Financing - Ground Transportation Tax	160,940	10,260	7,800	-	-	179,000	
CTA Financing RPM	240,256	46,993	-	-	-	287,249	
Subtotal Local	\$ 1,058,454	\$ 590,283	\$ 474,956	\$ 467,156	\$ 389,656	\$ 2,980,506	
AVAILABLE LOCAL	\$ 1,058,454	\$ 590,283	\$ 474,956	\$ 467,156	\$ 389,656	\$ 2,980,506	
New Funding Available	\$ 1,518,418	\$1,020,131	\$ 909,432	\$ 906,553	\$ 799,524	\$ 5,154,057	
CTA Share for Competitive Grants	410	160	105	105	105	885	
TOTAL Core Programmed Funds	\$ 1,518,828	\$1,020,291	\$ 909,537	\$ 906,658	\$ 799,629	\$ 5,154,942	

Due to the increase in state capital funding, RTA bonds are not contemplated at this time for the 2020 Capital Improvement Program. Should the RTA issue bonds on behalf of the service boards after 2022, CTA expects to receive its 50% historical share of the proceeds of that issuance.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

	Entity	Apportionment	Period	Program / Grant	Description / Eligible Activities
FEDERAL	FAST Act FTA	URBANIZED AREA (UZA) FORMULA	FY2016- 2020	5307 Urbanized Formula	Planning, engineering, design & evaluation of transit projects and other technical transportation-related studies; bus replacement, bus overhaul, bus rebuild, crime prevention/security equip. and construction of maintenance and passenger facilities; capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of
				5337 State of Good Repair	vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some ADA complementary paratransit service costs are considered capital costs.
				5339 Bus and Bus Facilities Formula	Replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.
		DISCRETIONARY		5309 Core Capacity	Substantial corridor-based capital investments in existing fixed guideway systems that increase capacity by not less than 10 percent in corridors that are at capacity today or will be in five years. Core capacity projects may not include elements designed to maintain a state of good repair.
	Sec. 5303 UWP Planning			Develop transportation plans and programs, plan, design and evaluate a public transportation project, and conduct technical studies related to public transportation.	
	CMAQ			See Discretionary Grant Section	
	Illinois Long Range Transportation Plan			See Discretionary Grant Section	
	Homeland Security Act				Transit Security Grant (DHS)
LOCAL	CTA Board	N/A		CTA Bond	CTA's bond financing program enables CTA to advance key projects that have touched all elements of CTA system in the absence of a State program. Key projects include: the O'Hare Blue Line improvements, Rail Yards Improvements, the proposed Red Line Extension, the purchase of up to 846 new rail cars, and the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet. Upon the implementation of the new State Program, CTA may replace CTA Bond funding with State funding thereby reducing the CTA Bond amount.
				CTA Financing Ground Transportation Tax	A 2018 City of Chicago increase of the Ground Transportation Tax (GTT) on ride-hailing services, intended to fund capital improvements to the City of Chicago's transportation network and specifically to CTA, will provide CTA with \$16M in annual funding to support a \$179M five year capital program. CTA will leverage this source and use the tax proceeds to support a bond issuance that will fund a major share of the \$179M of capital investments.
	CTA Financing RPM			Through the issuance of interim financing and bonds, CTA can advance the critically important North Main Line Red and Purple Modernization Project (RPM), which otherwise would need to be deferred for years and significantly increase system maintenance costs with continual degradation of assets. Issuance of Approximately \$287 million from FY 2020 to 2021. Actual timing of financing and issuances will be determined by the RPM Phase One needs and schedule.	
	RTA			RTA Bond	Due to the increase in state capital funding, RTA bonds are not contemplated at this time for the 2020 Capital Improvement Program. Should the RTA issue bonds on behalf of the service boards after 2022, CTA expects to receive its 50% historical share of the proceeds of that issuance.
STATE	ILLINOIS		2020 - 2025	"Rebuild Illinois" State Capital Transportation Program	State legislation signed June 2019, program funds will be generated from two sources: Multi-Modal Bonding Series that are backed by vehicle registration and title fees; and the 2019 increase in the State's Motor Fuel Tax (MFT) of \$0.19 per gallon. While the bonding series provide a one time infusion of State funds over a six year plan, the State MFT provides a transformative funding source to the CTA that is to be a permanent recurring source of funds to the CTA, Metra, and Pace. Funds are dedicated towards the investments in the State of Good Repair.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Federal Funding

Congress and the Administration have begun the process to develop the next surface transportation authorization legislation to succeed the FAST Act (expires October 31, 2020) that is expected to provide funding authorization levels for FFY 2021-2025. It is anticipated that new authorization will need to provide new funding mechanisms to maintain the solvency of revenue accounts that support the transit program. The majority of revenues are generated from excise tax on motor fuel where revenues have not grown sufficiently to meet the funding needs of the most recent federal transit authorization programs. The size of a new surface transportation program will be impacted by whether new revenue sources can be found and/or continue to allocate general revenue funds to meet funding gaps.

State Funding (*new 2020 State Capital Program*)

In response to the backlog of transit needs, in June 2019, the Illinois General Assembly passed and the Governor signed into law a new State Capital construction program known as “Rebuild Illinois”.

Prior to Rebuild Illinois, 2014 was the last year the State of Illinois funded a Public Transportation Bond program. The previous State funding consisted of two programs: Illinois Jump Start (2009) and Illinois Jobs Now (2010). CTA’s share of both programs was \$1.4 billion. Due to State budget constraints CTA did not receive \$220 million of promise funds and an additional \$58.9 million in funding cuts were made to existing awards, ultimately receiving only total of \$1.11 billion out of those two programs. These actions resulted in the delay or downsizing of a number of construction projects.



With Cook County Board President Toni Preckwinkle and CTA President Dorval Carter looking on, Chicago Mayor Lori Lightfoot and Gov. J.B. Pritzker discuss how the Rebuild Illinois capital plan will improve mass transit. (One Illinois/Ted Cox)

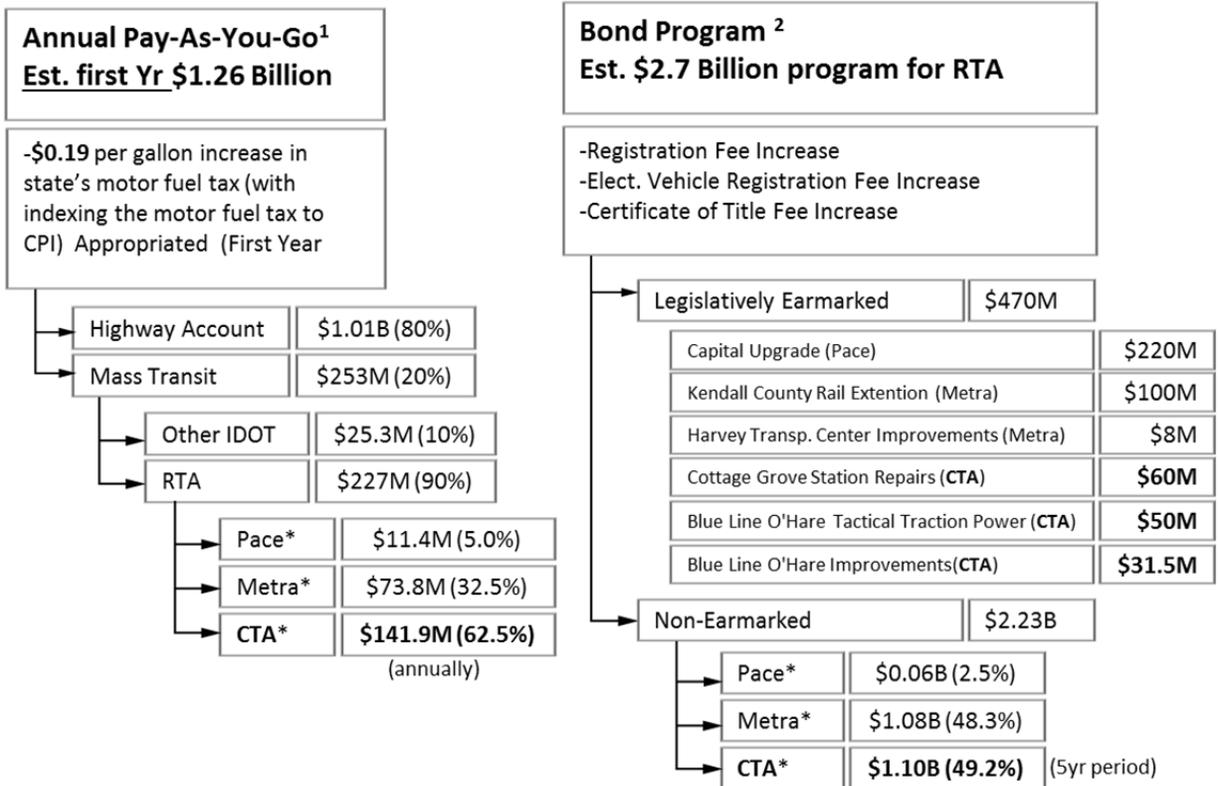
The new state funding under Rebuild Illinois provides \$33.2 billion for transportation improvements over six years. The Chicago Regional Transportation Authority (RTA) region is expected to receive funding from two dedicated revenue programs that include State Bond proceeds funded by vehicle receipts and the 2019 increase in the State’s Motor Fuel Tax (MFT) of \$0.19 per gallon. While the bonding series provides a onetime infusion of \$2.7 billion State funds over a six year period, the MFT provides a transformative recurring funding source to meet some of the region’s SOGR needs going forward.

The following chart details the sources, recipients, and/or uses pertaining to the two new state funding programs where: (1) RTA’s annual MFT funding share (or Annual Pay-As-You-GO Funds), based on first year receipt estimate, is \$227 million; and (2) RTA’s share of the Bond program proceeds is estimated to be \$2.7 billion over a five to six year period. The percent allocation to the Service Boards has been agreed upon by RTA and the Service

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Boards. Current funding estimates for CTA are \$142 million of MFT annually and a total of \$1.1 billion of state bond in addition to the \$141 million earmarked state bond funds.



¹ Pay-As-You-Go amounts are based on a first year funding estimate and reflect annual recurring funding.

² State Bond program amounts are based on the entire amount to be issued and distributed over a six year period.

*Proposed State funding percentage splits negotiated between the RTA and Service Boards for the next five years. (may not add up to total due to rounding)

Pay-As-You-Go will provide a recurring, into perpetuity, funding stream that will allow the CTA to further invest in the maintenance of its capital assets (buses, rail cars, track & structure, and facilities), as well as make upgrades to the existing fare equipment and fund financial obligations on existing bonds (issued to fund critical needs during the five year period there was no State program).

The State Bond program provides earmarked funding for three CTA projects:

- **Cottage Grove Green Line Station Improvement: \$60M** – The Cottage Grove Green Line station will be reconstructed to create a new community gateway for the Woodlawn neighborhood and a new urban space, with a more open design and lighter, brighter intersection at 63rd and Cottage Grove. The project is expected to architecturally enhance the station and make significant station improvements to the elevated Cottage Grove station, providing a safer, more comfortable environment for pedestrians. CTA is working with the Preservation of Affordable

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Housing LLC (POAH), which is developing a new property next to the station on the northeast corner of 63rd and Cottage Grove.

- **Blue Line O'Hare Branch Traction Power Improvements: \$50M** – This project builds on CTA's Your New Blue program, which is modernizing CTA's fastest growing corridor – the O'Hare branch of the Blue Line. This additional investment will help improve travel times by increasing the power capacity allowing for additional cars to operate on the Line, including the new 7000 Series railcars. Blue Line—an improvement necessary to accommodate increasing ridership demand from population shifts and new developments along the corridor. Increased service is needed during peak hours; however, the existing traction power system is not equipped to meet the Authority's needs.
- **Blue Line O'Hare Station Improvements: \$31.5M** – This project will include funding for new canopies at various stations along the Blue Line between the Dearborn Subway and O'Hare.

CTA plans to invest State Bond funds, or other available funds, into the All Stations Accessibility Program (ASAP) where the overall plan provides for accessibility improvements to stations throughout the system over a 20 year period. Specifically, an investment totaling \$78 million is to advance Phase One of the ASAP program, which includes the following:

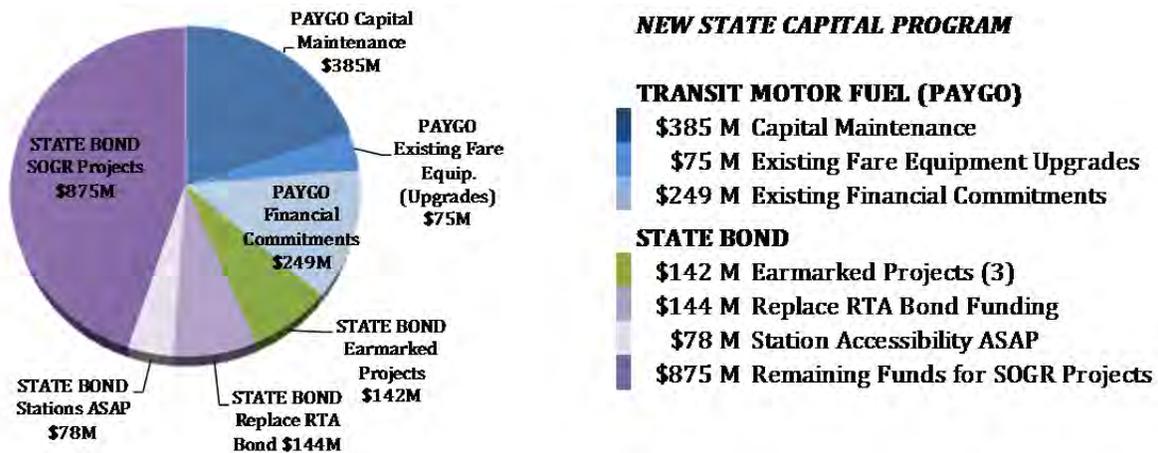
- Austin Green Line Station (New elevator, entrance reconfiguration, and station upgrades)
- California Blue Line Station (Platform, new emergency exit stairs and two new elevators)
- Montrose Blue Line Station (two new elevators)
- Rehabilitating/replacing up to 40 elevators over a five year period

CTA also plans to invest the remainder of the State Bond funds in SOGR and strategic investments that will touch all elements of transit system. Investments will be in assets that include, but are not limited to, the following:

- Bus fleet to address buses that are due for retirement in the next five years
- Rail fleet to address rail cars that are over 30 years old, as well as initial funding to overhaul 5000 series rail cars
- Stations, track and signal upgrades to maintain track speed, improve reliability and enhance the overall customer experience, including the Forest Park Branch

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan



Regional Transportation Authority Funding

Due to the increase in state capital funding, RTA bonds are not contemplated at this time for the 2020 Capital Improvement Program. Should the RTA issue bonds on behalf of the service boards after 2022, CTA expects to receive its 50% historical share of the proceeds of that issuance.

RTA previously allocated the 2020 and 2023 RTA Bond funds of \$79 million and \$65 million respectively towards projects in the previous CIP. RTA funds were invested in Bus/Rail fleet renewal, Vehicle Maintenance Shop construction, and funding to Rehabilitate the O'Hare Blue Line. Due to the RTA Bond funds no longer being available, CTA will fund these projects with the newly issue CTA Bonds or appropriated State Bond funds depending on timing of receipt of funds.

Although not included in the Capital Improvement Program, CTA understands that if RTA issues bonds in the future, CTA will receive its 50% historical RTA bond allocation. The bond proceeds will be used for needed projects such as the purchase of new railcars and buses as well as capital improvements to CTA's rail track and infrastructure.

CTA Bonds

CTA Capital Bonds are financed with grant and sales tax receipts. Since FY 2004, over \$2.8 billion in bond proceeds have provided funding for critical capital projects systemwide. CTA's Bond Program is a direct result of a nearly \$13 billion SOGR backlog and the unpredictable nature of the previous state funding. Planned FY 2020-2024 bond issuances include:

- \$255.9 million to advance key projects that touch all elements of the CTA system
- \$287.2 million for the North Main Line Red and Purple Modernization Project (RPM)
- \$179 million supported by Ground Transportation Tax receipts for Fast Tracks and Safe & Secure programs
- \$310 million to provide 30% non-Federal Capital Investment Grant match commitment needed for the Red Line Extension.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

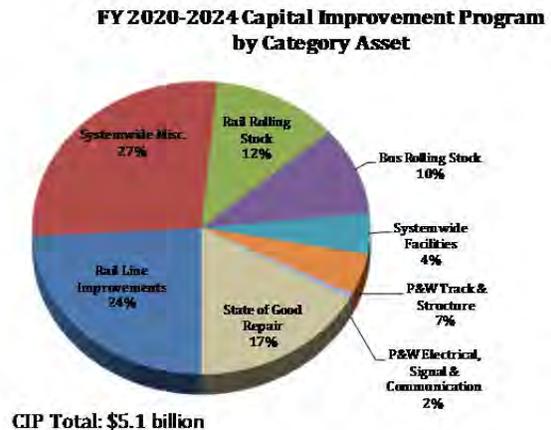
CTA’s bond financing program continues to be a strategically important supplement to the federal, state and local programs. Tax-exempt bond financing offers an efficient and cost-effective way to supplement scarce federal funding and accelerate critical projects. By constructing projects on an expedited schedule, CTA can reduce costs, improve service and better promote ridership on the system.

Uses of Funds by Asset Category

Projects are funded under the eight asset categories in CTA’s proposed FY 2020-2024 capital plan. Rail system projects receive a significantly larger portion of the proposed capital program funding than bus projects, primarily due to the need to maintain an exclusive right-of-way for rail, while buses operate on streets maintained by other units of government. The capital projects proposed for FY 2020-2024 are intended to address CTA’s most critical needs for the bus and rail system, customer facilities, and systemwide support. CTA’s major projects planned or underway during this period include: the Red and Purple Modernization (RPM) Phase One, the O’Hare Blue Line Improvements, Rail Yards Improvements, the proposed Red Line Extension, the purchase of up to 846 new rail cars, and the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet.

The following figure shows the proposed FY 2020-2024 Capital Improvement Program by general category of asset improved or replaced.

FY2020-2024 CIP (in \$ thousands)	
Categories	Budget
Rail Line Improvements	\$ 1,241,291
Systemwide Misc.	\$ 1,412,306
Rail Rolling Stock	\$ 626,309
Bus Rolling Stock	\$ 504,256
Systemwide Facilities	\$ 229,677
Power & Way Track & Structure	\$ 237,096
Power & Way Electrical, Signal & Communication	\$ 28,600
State of Good Repair	\$ 875,406
CIP Total*	\$ 5,154,942



FY 2020-2024 Project Solicitation – As a part of the development process of the FY 2020-2024 CIP, CTA issued an internal call for new capital projects. This request provided an opportunity to present new capital projects for consideration and to deliver more detailed information regarding previously submitted projects, both funded and unfunded. This project solicitation is intended to address the prioritization of CTA’s capital needs for the

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

timespan of the five-year capital improvement program. The solicitation process serves two essential functions as follows:

1. The process identifies those specific projects that should be considered in developing the next five-year capital program; and
2. The process helps CTA to identify the immediate universe of capital needs; by describing and justifying CTA's needs over the next five years, CTA is better able to prepare for new transit capital funds as programs become available.

The evaluation criteria includes: the impact of a proposed investment on the Authority being in a SOGR, customer and employee safety, reductions to travel time, increased customer comfort and convenience, system security, impact on system reliability, compliance with regulations, and community impact.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

The following table lists each category of projects in the proposed program. Descriptions of each project are detailed in the following section:

CAPITAL IMPROVEMENT PROGRAM FY 2020-2024				
			<i>(in thousands)</i>	
	Title	2020	FY2021-2024	5Yr. Funding
Bus Projects	<u>Rolling Stock</u>			
	Bus Maintenance	\$36,000	\$144,000	\$180,000
	Perform Mid-Life Bus Overhaul	19,108	53,918	73,026
	Replace Buses	77,619	173,612	251,231
	Sub-Total	\$132,726	\$371,530	\$504,256
Rail Projects	<u>Line Modernization & Improvements</u>			
	Rehabilitate Blue Line - O'Hare Branch	\$20,488	\$11,331	\$31,819
	Red Line Extension	85,549	264,698	350,247
	North Main Line - RPM	\$365,256	412,469	777,725
	Sub-Total	\$471,294	\$688,497	\$1,159,791
	<u>Power & Way Electrical, Signal & Communication</u>			
	Replace/Upgrade Power Distribution and Signals	\$24,404	\$4,197	\$28,600
	Sub-Total	\$24,404	\$4,197	\$28,600
	<u>Power & Way, Track & Structure</u>			
	Infrastructure Safety & Renewal Program	\$81,606	\$154,432	\$236,038
Sub-Total	\$81,606	\$154,432	\$236,038	
Systemwide Projects	<u>Rolling Stock</u>			
	Perform Rail Car Overhaul	\$115,835	\$82,727	\$198,562
	Rail Car Maintenance	30,000	120,000	150,000
	Purchase Rail Cars	66,753	210,994	277,747
	Sub-Total	\$212,588	\$413,721	\$626,309
	<u>Miscellaneous</u>			
	Information Technology	\$2,170	\$5,100	\$7,270
	Equipment and Non-Revenue Vehicles Replacement	18,273	63,333	81,606
	Rehabilitate Rail Stations	4,940	11,855	16,795
	Implement Security & Communication Projects	10,684	33,193	43,877
Capital Improvement Program Management	14,341	40,144	54,484	
Bond Repayment, Interest Cost, & Finance Cost	288,602	772,615	1,061,217	
Core Capacity Planning Studies	1,041	271	1,313	
Signal Priority & Modernization (Ashland Ave.)	8,802	0	8,802	
Sub-Total	\$348,853	\$926,511	\$1,275,364	
<u>Support Facilities & Equipment</u>				
Improve Facilities - Systemwide	\$78,575	\$151,102	\$229,677	
Sub-Total	\$78,575	\$151,102	\$229,677	
<u>State Program Projects</u>				
Blue Line - O'Hare (Station Improvements Earmark)	\$6,300	\$25,200	\$31,500	
Blue Line - O'Hare (Traction Power Earmark)	\$10,000	\$40,000	\$50,000	
Rehabilitate Rail Stations - (Cottage Grove Earmark)	12,000	48,000	60,000	
All Stations Accessibility Program (Phase I)	15,600	62,400	78,000	
State of Good Repair Projects	124,881	750,525	875,406	
Sub-Total	\$168,781	\$926,125	\$1,094,906	
Capital Project Total		\$1,518,828	\$3,636,114	\$5,154,942
CTA Share for Competitive Grants		-\$410	-\$475	-\$885
Marks		\$1,518,418	\$3,635,639	\$5,154,057
Marks/Variance		0	0	0

Due to the increase in state capital funding, RTA bonds are not contemplated at this time for the 2020 Capital Improvement Program. Should the RTA issue bonds on behalf of the service boards after 2022, CTA expects to receive its 50% historical share of the proceeds of that issuance. The bond proceeds will be used for needed projects such as the purchase of new railcars and buses as well as capital improvements to CTA's rail track and infrastructure.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Bus Projects

Bus Rolling Stock

CTA has a large bus fleet consisting of 1,860 buses, operating on 129 routes. CTA is committed to providing its customers with the highest quality bus service. The system's success depends on CTA's ability to renew, maintain, enhance and operate its bus fleet in a state of good repair. The backbone of the bus system is the bus fleet.

The **Bus Overhaul** and **Bus Maintenance** Programs are intended to obtain the full useful life of buses by performing scheduled tasks that will result in decreased equipment downtime and a reduction in unscheduled maintenance. Unscheduled maintenance occurs when buses fail while in service, disrupting operations, inconveniencing customers and increasing operating costs.

CTA's **Replace Bus** Program will provide for the engineering, purchase, and inspection of the Authority's fully accessible buses. All procurements will include spare parts inventory and post-delivery monitoring of vehicle performance and technical support for problem resolution through the warranty period.

Funding for these projects will provide for an ongoing capital maintenance program that consists of tasks necessary to keep buses in service through systematic inspection, detection and prevention of anticipated failure. The performance of routine bus overhaul and upgrades will minimize increases in operating costs associated with the operation and maintenance of older, outdated and worn-out equipment, and will allow CTA to provide more reliable service. Newer buses cost less to operate and maintain and ensure reliable, efficient service to its riders and reinforce CTA's commitment to quality bus service.

FY2020-2024 Allocation for Bus - Rolling Stock



- ❖ **Bus Maintenance \$180M** -- CTA plans to correct critical defects and operational deficiencies on the bus fleet that were discovered during the inspection of buses. CTA's scheduled maintenance program consists of planned preventive maintenance work to maintain optimal bus performance. While major overhaul work is performed on a mid-life cycle basis, additional focused maintenance work is required at certain intervals,

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

outside of the overhaul over the life of the bus. Major systems that must be maintained on CTA's buses include, but are not limited to Engines, Transmissions, and Electrical Systems. Work is performed by CTA's Bus Heavy Maintenance team throughout CTA's Bus Garages dependent on work specification.

- ❖ **Perform Mid-Life Bus Overhaul \$73M** -- Funding will be provided for two projects: first the Life Extending Overhaul for up to 430, *1000-Series* New Flyer buses; and second is the overhaul of up to 100 of the *4300/4333-Series* New Flyer articulated buses. The number of buses to be overhauled is dependent on future procurements of buses.
- ❖ **Replace Buses \$251M** – Funding has been programmed for the procurement of 50 Base Buses and Options to replace up to 350 additional buses; with the purchase of these buses CTA plans to replace the remaining 50, *6400-Series* buses and initiate the replacement of the 1030, *1000-Series* buses. Funding will also continue lease payments for the *6400-Series* and *4000-Series* buses that are currently in service.

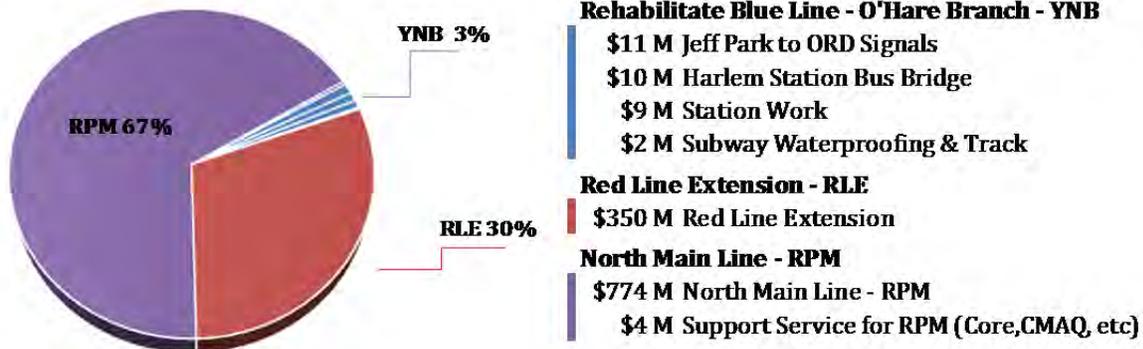
Rail Projects

Line Modernization & Improvements

Rebuilding vital infrastructure for Chicago's present and future is one of CTA's major priorities. The Authority continues investment on three of its Transformative projects: *Your New Blue* (YNB), *Red Line Extension* (RLE) and *Red Purple Modernization* (RPM).

Funding for these transformative projects will provide faster service, modernized stations and overall improved mobility and accessibility to its customers.

FY2020-2024 Allocation for Acquisition & Extensions



- ❖ **Rehabilitate Blue Line O'Hare Branch – Your New Blue (YNB) \$32M** – Your New Blue will increase Blue Line capacity, improve reliability and reduce crowding on trains. YNB is a \$492M initiative that includes several track and station improvement projects along a 12.5 mile stretch of CTA's Blue Line O'Hare Branch between the Grand and Cumberland rail stations, as well as upgrades to the signal system between the Jefferson

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Park and O'Hare rail stations. These improvements will provide a faster, more comfortable and more reliable commute for over 80,000 customers each weekday that use the stations along the branch.

YNB Benefits:

- Track renewal - Reduce slow zones on the elevated portion of the O'Hare Branch;
- Station Improvements - Emphasis on safety, security and accessibility – work being done at 14 Stations;
- Full signal system replacement between O'Hare and Jefferson Park;
- Power upgrades and replacement of equipment to improve reliability and allow for increase service, reducing crowding and dwell time.

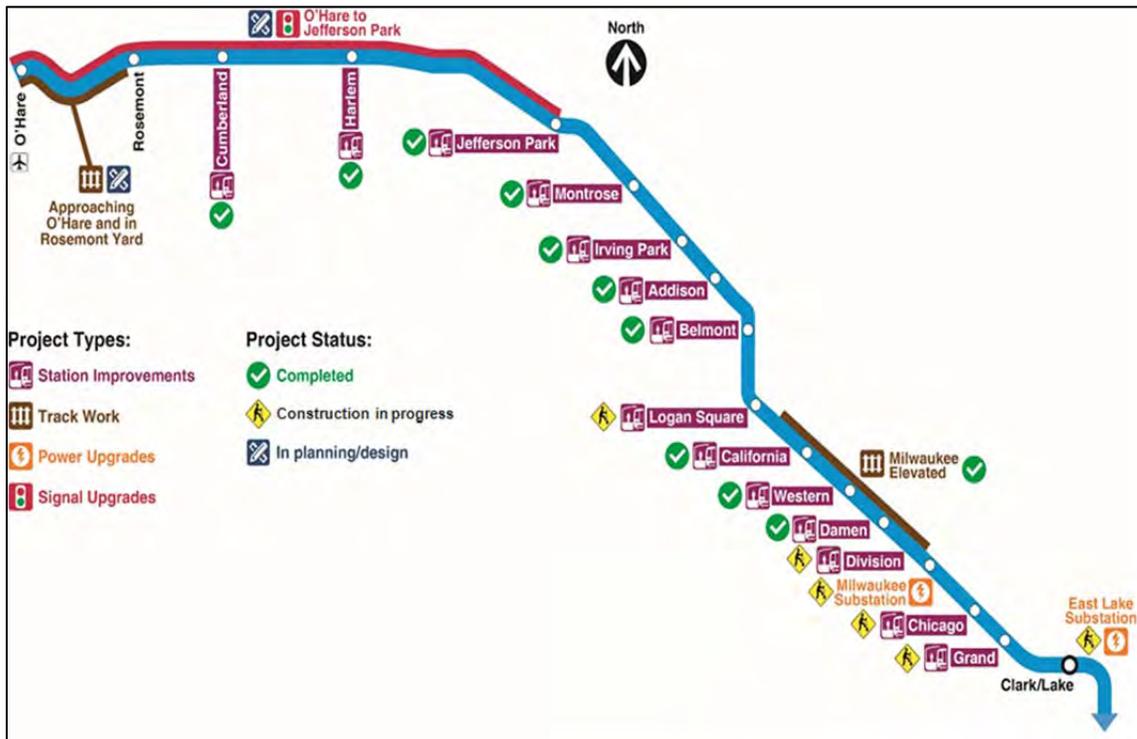
YNB Status:

- Station Work:
 - Phase I Completed -Damen, California (2014), Western (2015);
 - Phase II Completed – Addison, Irving Park, Montrose, Harlem and Cumberland (2016);
 - Phase IV - Grand, Chicago, Division (ongoing), Logan Square (ongoing), Jefferson Park and Belmont (2019);
- Track & Structure:
 - Phase I Completed - Milwaukee Elevated Track Improvements – (2014);
- Traction Power:
 - Phase III East Lake and Milwaukee Substation Upgrades (ongoing);
- Signal Work:
 - Phase V - Signal replacement between O'Hare and Jefferson Park – (ongoing);
- Future Project Work:
 - Harlem Station Bus Bridge;
 - Kimball Subway - Waterproofing and Track Renewal.



CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan



❖ **Red Line Extension \$350M** -- The proposed Red Line Extension (RLE) project would extend the Red Line from the existing terminal at 95th Street to the vicinity of 130th Street. The 5.3 mile extension would include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue and 130th Street. The overall project cost is estimated at \$2.3 billion.

FY 2020-2024 CIP will complete funding for the final Environmental Impact Statement (EIS) and Preliminary Engineering (PE) and provide 30% non-CIG match commitment needed to successfully complete Project Development. The funding will also be used to advance work beyond Project Development such as program management support, engineering and technical support during the procurement process, property management and demolition, initial utility relocation, hazard material site remediation, legal reviews, surveys, and advance procurement of long lead items.

RLE Benefits:

- Reduces commute times for residents both within and south of the project area;
- Improves mobility and accessibility for transit-dependent residents in the project area;
- Improves rapid transit rail service to isolated areas and provide viable linkages between affordable housing, jobs, services, and educational opportunities, thereby enhancing livability and neighborhood vitality;
- Provides an opportunity for potential connections and linkages to other public transportation modes including regional commuter rail in the project area;

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

- Fosters economic development in the project area, where new stations may serve as catalysts for neighborhood revitalization;
- Provides a modern, efficient rail car storage yard and shop facility to provide storage and cost-effective preventive maintenance for rail cars.

Project Status

- FY 2020-2024 CIP will complete funding for the final Environmental Impact Statement (EIS) and Preliminary Engineering (PE);
- In 2018, based on public feedback, technical analysis, and agency coordination, CTA selected the Preferred Alignment;
- In 2019, CTA hired a Program Management team to oversee the Final EIS and PE work;
- CTA is currently procuring Final EIS and PE consulting services. Final EIS and PE would be completed as part of FTA's Capital Investment Grant Project Development Phase, to ultimately seek federal funding for the project;
- CTA has applied for and received a \$1.48 million grant through the FTA's Pilot Program for a Transit Supportive Development Comprehensive Plan for the RLE project and will be working on the plan.



- ❖ **North Main Line Red / Purple Modernization (RPM) \$778M** -- RPM is a transformational, multi-phased program that will completely rebuild the northern sections of the Red and Purple lines. This project provides CTA with the ability to increase service to meet the demands of growing ridership on its busiest rail line. RPM Phase One is a \$2.1 billion project that will improve capacity, travel time, ride quality and safety on one of CTA's highest ridership corridors.

RPM Phase One Benefits:

- Modernize and expand the Lawrence, Argyle, Berwyn and Bryn Mawr Red Line Stations;
- Reconstruct and expand track and structures;
- Corridor Signal Improvements Belmont to Howard;
- Construct a bypass for the Brown Line at the Clark Junction to reduce capacity constraints.

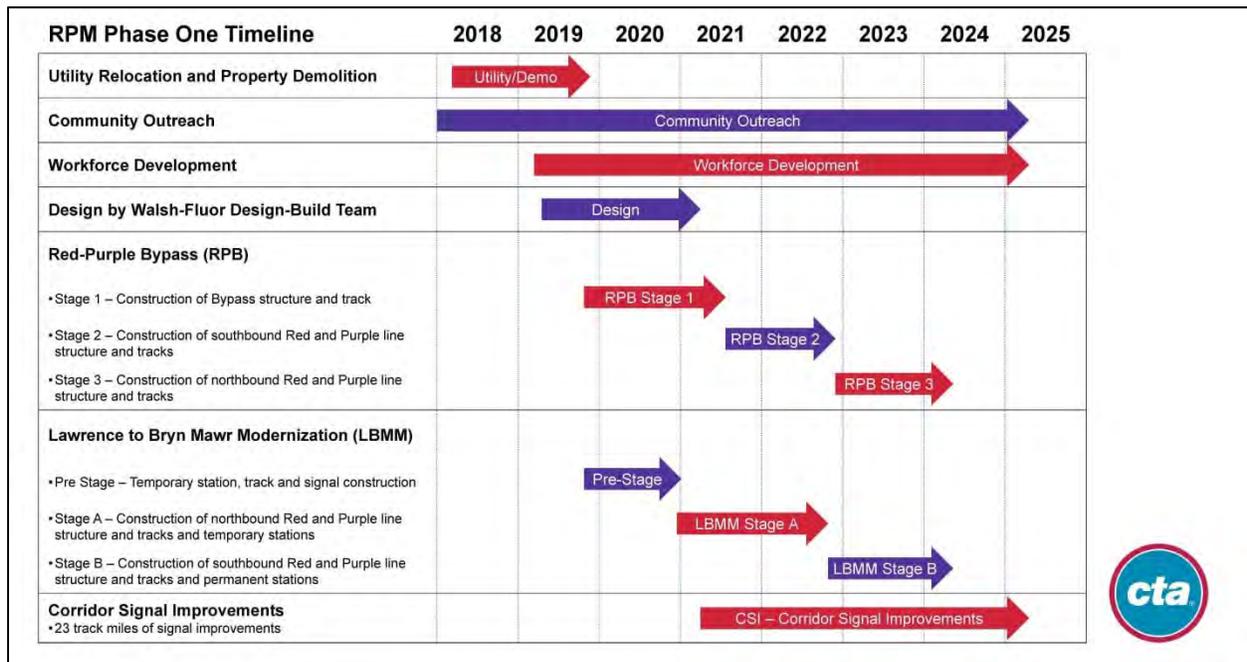
Project Status

- Acquired 100% land for future construction;
- Design/Build contract Notice of Award – December 2018 Board;

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

- CTA is holding Public Outreach Meetings to Introduce the Design Build Team to the Public and Business community – Ongoing;
- Construction to Start -- Fall of 2019 for Bypass and Temporary Stations.



❖ Power & Way Electrical, Signal & Communication

CTA maintains a signal system designed to permit the safe operation of trains on over 225 revenue track miles. The traction power distribution system assets consist of 67 substations, five substation tie houses, 285 miles of cable, and 224.1 miles of third rail.

CTA's **Replace/Upgrade Power Distribution** Program targets power distribution and signal upgrades and/or replacements to maintain system reliability. The Program will either replace or upgrade signal assets including wayside signals, interlockings and grade crossing signals at various locations along the rail right-of-way; and will also focus on predictive maintenance which is intended to replace component parts, correct deficiencies, and avoid service disruptions due to failure of aging equipment.

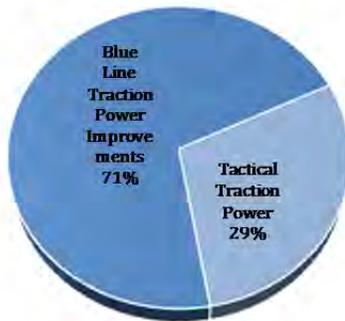
By funding programs such as replacing or rehabilitating old and obsolete signal systems subcomponents will result in a reduction of emergency corrective maintenance costs. Predictive maintenance work will provide reliability and continuity of rail service and will

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

generally not have a significant negative long-term impact on maintenance costs or operating budgets.

FY2020-2024 Allocation for Power & Way Electrical, Signal & Communication



Replace/Upgrade Power Distribution and Signals

\$20 M Blue Line O'Hare Branch Traction Power Improvements
\$8 M Tactical Traction Power (Equipment/Cable/Enclosures)

- ❖ **Replace/Upgrade Power Distribution Signals \$28M** -- Funding will provide for two initiatives: 1) the *Tactical Traction Power System Improvements* – This project will enable the CTA to continue to meet existing traction power needs and also increase traction power capacity to meet future demands such as the forthcoming *7000-Series* rail cars. The project will include upgrades to the rectifier transformers, DC switchgears, battery systems and automatic transfer switches; 2) *Fast Tracks Program* provides for the Blue Line O'Hare Branch Traction Power Improvements; Traction power voltage drop issues have been identified along the Blue Line. Electrical power improvements along the Blue Line O'Hare branch will allow additional train capacity during high-ridership times like the morning rush period on weekdays, which will help address crowded trains and reduce wait times for customers on platforms.

Power & Way, Track & Structure

CTA maintains approximately 225 miles of revenue track on a mixture of ballasted roadbed, open-deck elevated structure, and direct fixation, plus 30 miles of track in rail car storage yards; in addition to 106 linear miles of rail structure, including subway structures, 115 bridges and viaducts, 89 elevated station structures and several standalone facility structures.

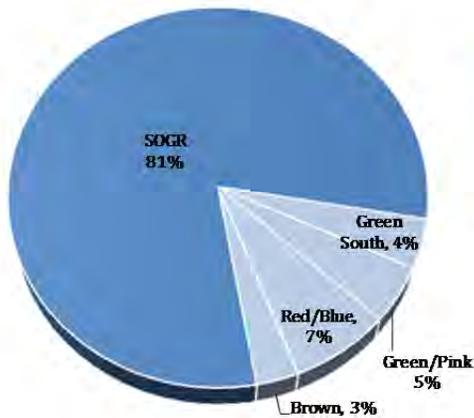
CTA's **Power & Way Track & Structure** Program improves safety and SOGR on CTA's right-of-way (ROW) infrastructure. It is also a major component of the *Fast Track Initiative* as stated previously. *Fast Tracks* improvements are focused on strategically planned work that will have the greatest impact on customer service by providing faster and more reliable service. Major lines identified are Green Line south, Green and Pink Line west, Brown Line, Blue Line Congress, and Red and Blue Line subways.

The objective of funding programs such as *Fast Tracks* and *Rehabilitating Track and Structure* is to systematically repair and upgrade components, which will reduce the need to impose mandatory slow zones due to the deteriorating condition of right-of-way infrastructure, which directly benefits CTA's customers.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

FY2020-2024 Allocation for Power & Way, Track & Structure



Infrastructure Safety & Renewal Program

- \$190 M Elevated Track and Structure Systemwide - SOGR
- \$10 M Green Line South - Track Improvements - Fast Tracks
- \$11 M Green & Pink Line West - Track Improvements - Fast Tracks
- \$17 M Red & Blue Line Subway - Track Improvements - Fast Tracks
- \$7 M Brown Line - Track Improvements - Fast Tracks

- ❖ **Infrastructure Safety and Renewal Program \$236M** -- Project funds will be targeted to the Fast Tracks Initiative and the Safety and State of Good Repair projects throughout CTA's right-of-way infrastructure. All work is planned and performed will maintain the asset(s) in proper condition through its quarter life cycle, while a more extensive rehabilitation is planned at the mid-life of the asset. Funding will provide for the replacement of ties, running rail and third rail on the elevated structure systemwide. Beyond track renewal, work will focus on key deficient structural elements that have been identified through structural inspections.

Rail Rolling Stock

On the rapid transit system, CTA's has a large rail fleet consisting of *1,492 rail cars* operating on *eight routes* and 225 miles of track. CTA trains make about *2,318 trips* each day and serve *145 stations*.

The **Rail Overhaul** and **Maintenance Programs** are intended to correct critical defects and operational deficiencies discovered during inspections of rail cars. CTA's maintenance program provides an ongoing capital maintenance program that consists of tasks necessary to keep rail cars in service through systematic inspection, detection, and prevention of anticipated failure while the Overhaul Program efforts are intended to be performed on each rail car at approximately six to seven year (Quarter-Life) and 12 to 13 year (Mid-Life) intervals. These overhaul activities will include major component rebuild and any needed repairs to the rail car bodies. Rehabilitating and/or Overhauling the rail fleet will improve the reliability, comfort, and cost-effectiveness of transit service, making it more attractive and beneficial to the riding public.

CTA's **Purchase Rail Cars Program** will provide for the engineering, design services and project management to purchase new rail cars. All procurements will include post-delivery monitoring of vehicle performance and technical support for problem resolution through the warranty period.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Funding for Rail Overhaul and Rail Maintenance Program will provide for ongoing capital maintenance work necessary to keep rail cars in service through systematic inspection, detection, and prevention of incipient failure. Scheduled maintenance activities and replacing rail cars at the appropriate time, generally at 25 years of age allows CTA to improve the comfort, quality and service reliability of rail cars while reducing operating maintenance costs. As more rail cars are cycled through the overhaul program, unscheduled maintenance will be significantly reduced.

FY2020-2024 Allocation for Rail - Rolling Stock



- ❖ **Perform Rail Car Overhaul \$199M** -- Funding will provide, in part, for the purchase and installation of components for a “C-Lite” Overhaul on the *5000-Series* rail cars. This scheduled maintenance will also include major component rebuild and needed repairs to the car structure, components, and interior. The Level “C” activity is an overhaul effort designed to be performed on each rail car at approximately six to seven year intervals. A total of 714 *5000-Series* rail cars are expected to be completed.
- ❖ **Rail Car Maintenance \$150M** -- CTA’s scheduled maintenance program consists of planned work to maintain optimal rail car performance. While major overhaul work is performed on a quarterly and mid-life cycle basis, additional focused maintenance work is required at certain intervals of the car’s life outside of the overhaul cycle. When certain maintenance tasks are needed to repair or replace a component before it reaches its end of useful life and fails with an increased frequency, specific component campaign work is conducted. Major systems that must be maintained on CTA’s rail cars include but are not limited to Propulsion, HVAC, Braking, Traction system. Work can either be performed at CTA’s Rail Terminal Shops or Heavy Maintenance Shop dependent on work specification.
- ❖ **Purchase Rail Cars \$278M** -- Funding will provide for the purchase of up to 846 Rail Cars *7000-Series* to replace the *2600- and 3200-Series* rapid transit rail cars. Funds will provide for cash needs and obligation provisions as identified in the contract documents for the Base Order of (400) *7000-Series* Rail Cars contract order.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Systemwide Projects

Miscellaneous

Systemwide improvements such as Information Technology, Equipment and Non-Revenue Vehicles, Rehabilitate Rail Stations and Implement Security and Communication Projects are vital projects directed towards the Authority's System Infrastructure; Administration projects such as CIP Management and Bond Repayment are necessary to support CTA's Capital Improvement Program; Planning projects such as Core Capacity Planning studies and Signal Priority & Modernization will allow for future bus/rail capacity expansions and/or future Bus Rapid Transit (BRT) service.

FY2020-2024 Allocation for Miscellaneous Systemwide



- ❖ **Information Technology (IT) \$7M** -- Funding will provide for the periodic replacement of systems, computers and associated components as well as annual funds for IT's state-of-good-repair maintenance program to revitalize heavy usage of 24/7 technology systems including Uninterrupted Power Supplies (UPS), radios, telephones, cameras, dynamic message signs (DMS), public announcement (PA) speakers/microphones, SCADA, Control Center, and mobile fleet communications. This SOGR maintenance program will provide for the repair, replacement, and upgrade of IT systems and/or devices, software, emergency restoration, subject matter expertise support, system monitoring, and cyber security solutions.
- ❖ **Equipment and Non-Revenue Vehicle Replacement \$82M** -- Funding will provide for three projects: Non-Revenue Vehicle Lease, Open Fare Lease and the Purchase of Diesel Locomotives. Vehicles leased will be used across the Authority by multiple departments such as Infrastructure, Planning and Operations; leased cars enable CTA to transact day to day business such as transporting craftsmen and tools for the upkeep of CTA's infrastructure. Open Fare Lease provides for the ongoing Ventra agreement which allocates funding for the principal and interest costs needed for the open fare standard equipment, hardware and software costs. Furthermore final installment of funds are allocated for the replacement of four diesel locomotive snow-fighters, the

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

self-propelled locomotives are design to operate and clear system track, so that CTA can safely power up the system to restore/provide service.

- ❖ **Rehabilitate Rail Stations \$17M** -- Funding will be targeted at renewal projects at CTA stations systemwide, focused primarily on projects that improve CTA's capacity to maintain stations and improve customer comfort and safety. The focus on this project will be to target critical upgrades such as, but not limited to: station house, structural supports, stairs, platforms, canopies, lighting, signage, tactile edging and passenger amenities. Locations for this project will be driven primarily by audits performed by CTA inspection crews. CTA's Safe and Secure initiative will continue to provide for security enhancements to be made to stations that include lighting, repairs, and other improvements. This multiple year effort is expected to touch over 100 stations systemwide.
- ❖ **Implement Security & Communication Projects \$44M** -- Security and safety are of supreme concern for CTA. This program will focus on implementing up-to-date systems, cameras and programs to its customers and CTA personnel. Continued investments by the CTA and the Chicago Police Department (CPD) add another layer of anti-terrorism mechanisms to protect CTA's high-risk, high-consequence mass transit assets and operations from terrorist activities. CTA's Safe and Secure initiative will continue to replace, modernize, or install cameras systems throughout the CTA network. Work will include installing cameras at CTA's rail stations, bus turnarounds, maintaining all operating cameras in state of art condition along with installing monitors at all rail station kiosks.
- ❖ **Capital Improvement Program Management \$54M** -- CTA's Capital Improvement Program Management provides for capital project administration associated with all Capital projects funded with federal and local funds in the Capital Improvement Program as a percentage of engineering labor charges. Professional services to manage the implementation of CTA's Capital Construction projects are also included in this category CTA's Program Development staff develops and maintains the regional Transportation Improvement Plan (TIP) and the State Transportation Plan (STIP) as required under federal regulations.
- ❖ **Bond Repayment, Interest and Finance Cost \$1,061M** -- This will fund debt service and the cost of issuance of bonds, notes and other indebtedness incurred by CTA when it uses short-term and long-term debt to finance capital activities; Provides for the payment of principal and interest costs associated with financing the Capital Grant or Sales Tax bond series issued in 2004, 2006, 2008, 2010, and 2011. Funding has also been allocated to provide for the refinancing of Capital Grant bonds made in FY 2010, 2011, 2015 and 2017. In addition, funds will provide for the payment of principal and interest costs associated with financing two Short-Term Lines of Credits issued in 2018 and 2019. Lines of Credit were used to provide for initiatives such as Safe and Secure, Fast Tracks and RPM.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

- ❖ **CTA Planning Studies \$1M** -- CTA will continue its planning study on the Blue Line and also has initiated two new studies: a Bus Slow Zones Initiative and a Transit System Network Design Study focused primarily on bus. The Blue Line Capacity Study will evaluate and document potential capacity improvements for the Blue Line from Forest Park Terminal to O'Hare Terminal. The study will enable CTA to develop a strategic approach to critical rail system enhancements and allow CTA to position the project to be eligible to apply for competitive federal funding programs.

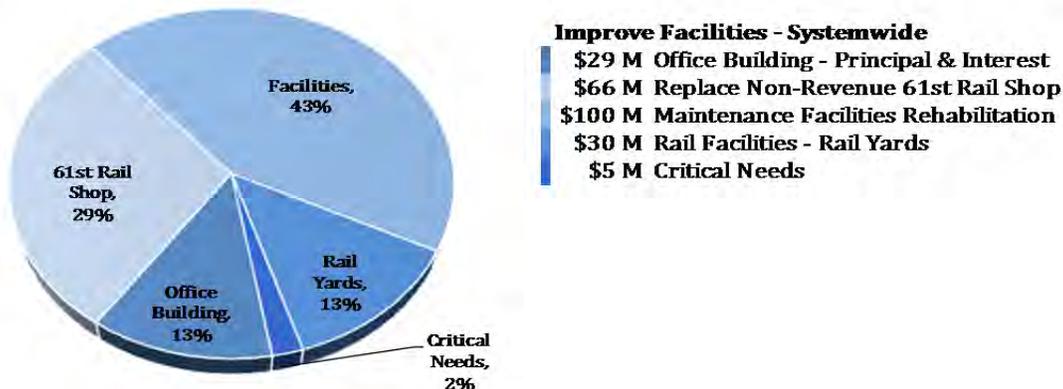
The Bus Slow Zone study is a joint initiative with the Chicago Department of Transportation (CDOT); together they will use this study to develop a coordinated program of Bus Priority Zones consisting of bus priority treatments and targeted solutions for specific problem areas, in order to improve speed and reliability on major bus corridors. The Transit Network Design Study is intended to inform the development of a broader reassessment of bus service, with the goal of maintaining, reclaiming and growing transit ridership. This first study will analyze existing transit service, ridership dynamics and land use and population changes across CTA's service area. It will also enable CTA to review its service standards to determine any adjustments that should be considered.

- ❖ **Signal Priority & Modernization (Ashland Avenue) \$9M** -- This project proposes to construct a traffic signal interconnect and communication network required to implement transit signal priority (TSP) on Ashland Avenue between Cermak Road and Irving Park Road. This project will alleviate congestion and provide customers with a faster trip and reduce bus bunching.

Support Facilities & Equipment

CTA has seven active bus garages, 10 rail terminals, 17 park-and-ride lots, 106 bus turnarounds, and a variety of other maintenance and support facilities. Both bus and rail operations depend on system support to continue providing timely and efficient service to CTA's customers.

FY2020-2024 Allocation for Support Facilities & Equipment



CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

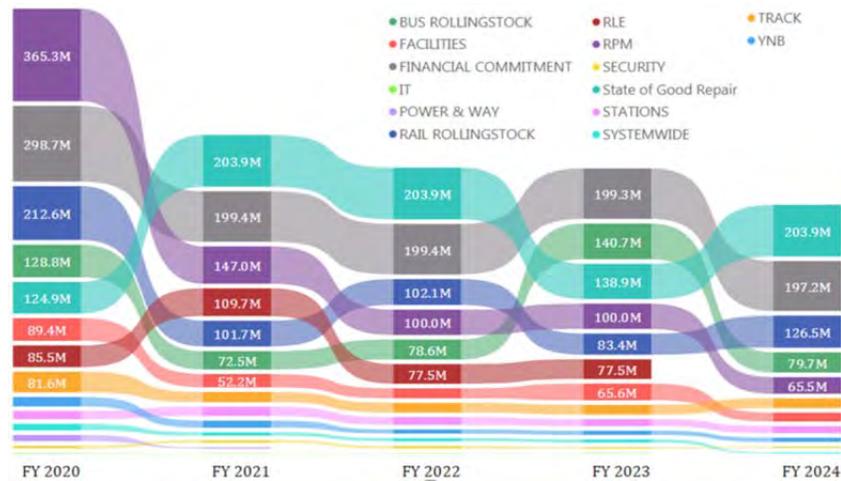
- ❖ **Improve Facilities Systemwide \$230M** -- Funding will support facility improvements, including upgrades to various support facilities throughout the system. Funds allocated will provide in part for capitalized lease payments for CTA's headquarters' administration building in addition to planned work which includes renewal initiatives for the following: (1) Continue staging funds for the construction of a Non-Revenue Vehicle Shop. (2) Facilities Rehab Preventive Maintenance program addresses necessary repairs/upgrades for all passenger facilities, the seven bus garages/shops, eleven rail maintenance shops, and three other maintenance/warehousing buildings. (3) Modernization of rail yards throughout the system to restore, preserve, upgrade and improve the integrity and configuration of the twelve rail yard facilities. (4) Critical repairs at CTA facilities systemwide. Funding also will allow CTA to address deteriorated condition of these facilities, which affects reliability of service to CTA customers and creates safety issues for customers and employees.



CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Capital Program Asset Category Comparison for FY 2020-2024



The chart above depicts the flow of funds within the timespan of the five-year CIP.

The RPM Phase One project is CTA’s largest capital investment to date and represents the greatest share of the five-year CIP investments.

CTA has substantial financial commitments associated with the capital bond program that has funded over \$2.8 billion in system improvements since 2004

Given the significant constraints on capital funding, CTA effectively manages the allocation of capital investment funds to make substantial commitments to perform SOGR work throughout the system. The largest share of investments is dedicated to the rail and bus fleets, which includes the purchase of next generation *7000-Series* rail cars, plans to replace over 50% of the bus fleet, and future fleet overhauls as funding permits. The second-largest investment is the renewal of track as part of the FAST Tracks initiative, and to rehabilitate CTA facilities including maintenance facilities for bus and rail and rail yards. Significant funding is also directed to renew power distribution, stations, and security systems.

The greater share of CTA’s project investment in the five-year plan is oriented toward the rail system, indicative of the cost for CTA to maintain a dedicated right of way versus the public right of way, where CTA bus services are located. While the rail system is less costly to operate on a daily basis when compared to bus operations and provides significant regional benefits, the rail system requires extensive capital expenditures on order to maintain operating standards. Over 80% of CTA’s SOGR needs are associated with the rail system.

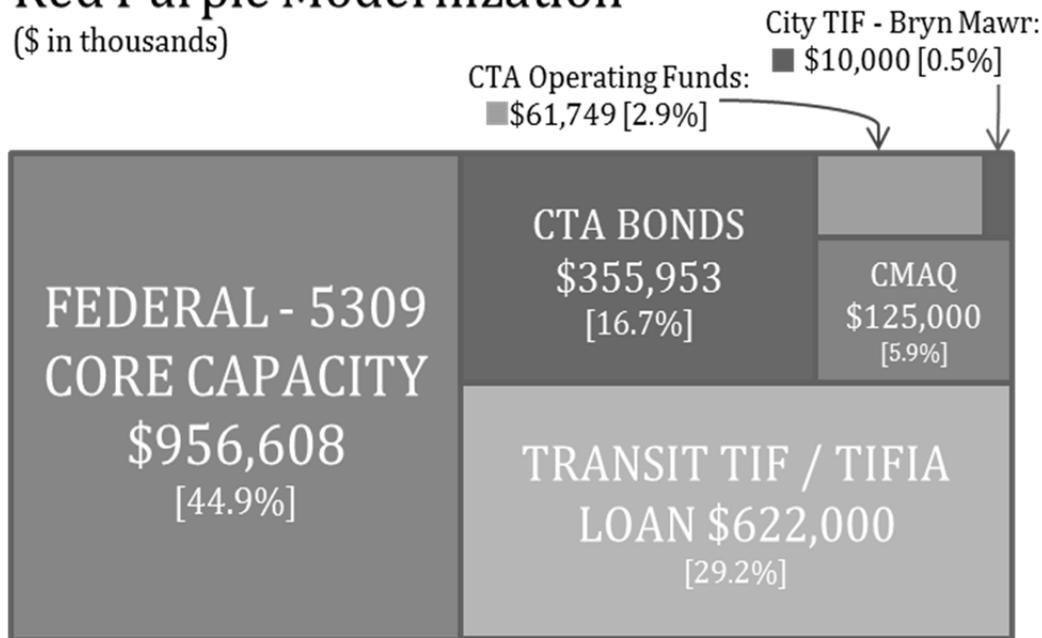
CTA’s largest capital investment to date is the Red and Purple Modernization (RPM) Phase One project totaling \$2.1 billion. In order for a capital project of this magnitude to be undertaken, a number of unique capital funding sources are necessary to fund the project to completion.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Red Purple Modernization

(\$ in thousands)



Total Project: \$2.1 billion

Federal Transit Administration (FTA) Core Capacity funds were made available to CTA for the RPM Phase One project where the corridor is currently over capacity. CTA entered into a Full Funding Grant Agreement (FFGA) with the FTA in January 2017 to secure funds of \$956.6 million for the project. CTA entered into an agreement with the City of Chicago to provide tax increment financing program funds from a newly-created Tax Increment Financing District, approved by the Chicago City Council and specifically authorized by the Illinois state legislature for the RPM project to fund repayment of an anticipated \$622 million loan to cover project costs. CTA will also provide funding of \$417.7 million from internal sources, including proceeds of CTA bonds and some operating funds. Additionally, \$10 million of the City's TIF funds and \$125 million of federal Congestion Mitigation and Air Quality (CMAQ) funding have been allocated for this project.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Competitive Grant Opportunities

CTA submitted grant applications seeking funds from numerous federal and state competitive grant programs, including the following programs:

- Congestion Mitigation and Air Quality grant (CMAQ);
- Cook County Department of Transportation and Highways/Invest in Cook
- Department of Homeland Security (DHS) grants;
- FTA Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants program;
- FTA Bus and Bus Facilities/Clean Diesel grants;
- FTA Capital Investment Grant (Section 5309) – Core Capacity Program;
- FTA Low or No Emission Vehicle Deployment Program (Low-No Program);
- Illinois Department of Transportation -- Statewide Planning and Research Funds;
- Pilot Program for Transit-Oriented Development (TOD) Planning
- Surface Transportation Program (STP) Shared Fund;
- Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance program;
- Unified Work Program (UWP);
- U.S. Department of Transportation's, Federal Highway Administration Office of Operations.

As noted above, CTA recently secured Federal Core Capacity funding; the RPM Phase One was the first project in the country to receive funding through this new program.

With a growing backlog of assets that are not in a SOGR based on existing capital funding levels, CTA continues to pursue these funding opportunities. CTA has requested funding from a variety of competitive sources, including the following:

- **Congestion Mitigation and Air Quality (CMAQ) Grant** – The Federal CMAQ program funds surface transportation improvements designed to improve air quality and mitigate congestion. The Chicago Metropolitan Agency for Planning (CMAP) administers the Congestion Mitigation and Air Quality Improvement (CMAQ) Program.

CTA was awarded \$39 million in FY 2020-2024 CMAQ funds for the purchase of up to 70 electric buses and nine en-route chargers.

In 2018, the Chicago Transit Board awarded a \$32 million contract for the purchase of 20 new, all-electric buses – the latest investment the CTA had made to completely modernize the agency's bus fleet and make Chicago one of the greenest cities in the world. The new electric buses will give CTA one of the largest electric bus fleets in the country. The CMAQ award combined with other funding will provide for the purchase of future all-electric buses and en-route chargers.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

In addition, \$17 million in CMAQ funds will be awarded in FY 2020-2024 for the Bus Slow Zones Elimination Program. CTA and CDOT will implement a coordinated program of bus priority treatments and targeted solutions for specific problem areas, in order to improve speed and reliability on up to six high ridership bus corridors to improve service for CTA's bus passenger customers.

- **Cook County** – Cook County has initiated a long range transportation plan and funding program called “Invest in Cook,” where local and regional governments have the opportunity to apply for assistance to help fund the cost of planning and feasibility studies, engineering design, and construction improvements that advance the priorities set forth in the long range transportation plan. CTA continues to seek funding when made available.
- **Department of Homeland Security/Transit Security Grant Program** – The Transit Security Grant Program (TSGP) is one of the Department of Homeland Security's (DHS) grant programs that directly support transportation infrastructure security activities. DHS focuses its available transit security grant dollars on the highest-risk systems.

It has identified critical infrastructure assets that are vital to the functionality and continuity of major high risk transit systems and whose incapacitation or destruction would have a debilitating effect on national security, public health, safety, or any combination thereof. Operators of public transportation agencies (which include intra-city bus, commuter bus, ferries, and all forms of passenger rail), compete for funding both locally and nationally.

CTA is a direct recipient of TSGP awards and utilizes funding to protect the traveling public and critical transit infrastructure from acts of terrorism. The Chicago Police Department (CPD) acts as the primary security provider for CTA within the City of Chicago. CTA and CPD have entered into separate intergovernmental agreements for each TSGP award in order to certify the TSGP relationship between the two agencies. These agreements define how funding will be used to meet CPD's investment costs, reporting requirements, and other aspects of implementation.

DHS/TSGP provides funding to owners and operators of transit systems to protect critical surface transportation and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure. In FY 2019, this program provided to the Nation \$88 million of which CTA was awarded \$25.6 million. Eligibility for TSGP funding is based upon daily ridership of transit systems that serve the Nation's key high-threat urban areas. The Department of Homeland Security is committed to working with the Nation's response community in the national effort to combat terrorism and secure our homeland.

- **FTA Better Utilizing Investments to Leverage Development (BUILD)** – CTA applied for U.S. DOT BUILD funds for the station relocation and construction of a new two-story Cottage Grove station on the Green Line. The Cottage Grove Station at Woodlawn

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Crossing will take underutilized retail property at the southeast corner of 63rd Street and Cottage Grove Avenue and transform it into a community hub as a Transit Oriented Development. CTA also applied for BUILD funds for CTA's Forest Park Branch Modernization Program that will completely renovate the Forest Park Branch of CTA's Blue Line. This Program is comprised of four distinct Phases. CTA applied for \$25 million in BUILD funding specifically for the Racine Station Renovation, Component One of Phase I.

- **FTA Buses and Bus Facilities Infrastructure Investment Program** – FTA's Buses and Bus Facilities is a competitive grant funding opportunity to assist in the financing of capital projects for buses and bus facilities, including replacing, rehabilitating, purchasing, or leasing buses or related equipment, and rehabilitating, purchasing, constructing, or leasing bus-related facilities.

CTA applied for funding to address the condition, performance, and safety of CTA's South Shops – which is over 115 years old and is CTA's only bus heavy maintenance and overhaul facility. Due to the age and condition of South Shops, funding would enable CTA to perform much-needed targeted repairs and improvements. The proposed work includes adding a drainage system to drop table pits and restoring them to working order, concrete repairs to bus bays, adding much-needed bus maintenance capacity, related pavement renewal, electric bus chargers, and general building safety systems. The bus heavy maintenance and overhaul functions performed at South Shops are essential as CTA buses provide slightly more than half of the nearly 500 million rides taken on CTA each year. The project will create a safer and more efficient work environment for CTA employees, which will lower the cost of maintenance and overhaul functions and also help increase the speed of repairs so that buses are returned to service more quickly.

- **FTA Capital Investment Grant (Section 5309) – Core Capacity Program** – Core Capacity is a project category under the FTA Capital Investment Grant (CIG) Program. Core Capacity projects are substantial investments in existing fixed-guideway corridors that are at capacity today or will be in five years, where the proposed project will increase capacity by at least 10%.

In 2017, FTA approved a Full Funding Grant Agreement (FFGA) for \$956 million of Core Capacity funds for Phase One of the RPM Project. As of this date, FTA has already allocated \$391 million of Core Capacity funds for the Project with the remaining funds to be received in future years. The Core Capacity funds will allow CTA to construct RPM Phase One.

- **Low or No Emission Vehicle Deployment Program/Electric Buses** – FTA's Low or No Emission Vehicle Deployment Program (Low-No Program), newly authorized under the FAST Act, is a competitive program that finances the purchase or lease of zero-emission and low-emission transit buses, related equipment, and facilities. The purpose of the Low-No Program is to support the transition of the nation's transit fleet to the

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

lowest polluting and most energy efficient transit vehicles, thereby reducing local air pollution and direct carbon emission, and to support the deployment of technologically advanced U.S.-made transit buses.

CTA is committed to replacing its older diesel buses, currently in service, with battery-powered, zero-emission, all-electric buses with en-route charging capabilities. In 2018, CTA was awarded \$2.2 million in Low-No Program funding to expand its electric bus fleet by purchasing electric buses and en-route chargers. CTA continues to request additional funding.

- **Illinois Department of Transportation (IDOT)/Statewide Planning and Research Funds (SPR)** – IDOT conducted a call for projects for SPR funded projects. All proposed projects should be related to further studying or implementing a goal, strategy, or objective within the State’s Long Range Transportation Plan or one of the Department’s modal plans. IDOT evaluated projects based on their ability to further study or implement the Long Range Transportation Plan or one of the Department’s modal plans.

In response to IDOT’s call for projects for State Planning and Research Funds, CTA submitted two applications as follows:

1. **CTA’s Bus Slow Zones Improvement Initiative** – Funding requested would improve the speed and reliability of CTA bus service along four key bus corridors. CTA has received a total award for this project in the amount of \$500,000, which has been included in the FY 2020 Statewide Planning and Research Work Program.
2. **CTA’s Transit System Network Design Study** – Funding requested would examine the existing service provision for both bus and rail with the goal of maintaining, reclaiming and growing transit ridership. In addition, this new transit network will set the foundation for future transit investments that will support the Chicago region’s economic vitality and quality of life. CTA has received a total award for this project in the amount of \$500,000, which has been included in the FY 2020 Statewide Planning and Research Work Program.

- **Pilot Program for Transit-Oriented Development (TOD) Planning** – The Federal Transit Administration (FTA) announced this opportunity in 2018 to apply for approximately \$25.79 million of funding under the Pilot Program for Transit Orientated Development (TOD) Planning. The Pilot Program for TOD Planning is intended to fund comprehensive planning that supports economic development, ridership, multimodal connectivity and accessibility, increased transit access for pedestrian and bicycle traffic, and mixed-use development near transit stations. The program also encourages identification of infrastructure needs and engagement with the private sector.

In 2018, CTA was awarded \$1,480,000 in TOD funding for the Red Line Extension (RLE) Transit-Supportive Development Comprehensive Plan. The Comprehensive Plan will

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

examine ways to encourage economic development and support ridership, foster multimodal connectivity and accessibility, identify public, nonprofit, and private partners, assess infrastructure needs and enable mixed-use development along the RLE corridor.

- **Surface Transportation Program (STP) Shared Grant Fund** - The shared fund was established for the purpose of supporting larger-scale regional projects that address regional performance measures and the goals of CMAP's ON TO 2050 plan. The programming authority distributed to the shared fund is derived from a set-aside of the region's annual allotment of STP-L funds. Project selection is a region-wide competitive process overseen by the STP Project Selection Committee. The Chicago Metropolitan Agency for Planning (CMAP) administers the Surface Transportation Program (STP) Shared Grant fund.

CTA will be awarded \$20.2 million in FY 2020-2024 STP funds for the Green Line Austin Station Accessibility Improvements project. This project will improve the vertical accessibility at the station by including an ADA compliant ramp between street level and the stationhouse at the entrance and installing an elevator connecting the stationhouse to the center platform.

- **TIFIA Loan Program** - The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) established a federal credit (loan) program for eligible transportation projects through the USDOT. The savings from TIFIA financing come from two primary sources: (1) CTA draws TIFIA funds on an "as needed" basis rather than accruing interest on funds before they are used and (2) the interest rate on this borrowing is set at a rate lower than traditional financing. TIFIA financing is a highly recommended form of borrowing as it makes financing projects more affordable and maximizes borrowing capacity.

CTA has received Federal TIFIA loans for three major capital projects. In 2014, CTA received a federal TIFIA loan for \$79.2 million as part of an overall \$280 million funding package to renovate the Red Line's 95th Street Terminal. In 2015, CTA entered into a \$120 million TIFIA agreement to support the \$411 million Your New Blue Program. In 2016, CTA received a TIFIA loan for \$254.9 million in funding as part of \$719.8 million project to purchase four hundred new *7000-Series* rail cars.

In 2020, CTA will seek a TIFIA loan for \$622 million as part of the funding for the Red and Purple Modernization Project.

- **Unified Work Program (UWP)** - In order to fulfill federal planning regulations, the UWP lists planning projects the Chicago Metropolitan Agency for Planning (CMAP) and other regional agencies undertake each year to enhance transportation in northeastern Illinois. The UWP is designed to run in conjunction with the State of Illinois' fiscal year timeline of July 1 to June 30. The final UWP document includes the transportation

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

planning activities to be carried out in the region, detailing each project's description, scope, costs and source of funding.

In FY 2020 CTA was awarded \$900,000 to fund two projects: Program Development and the development of a Chicago Bus Priority Network Plan. The Program Development project will facilitate efforts to coordinate the provision of capital projects for customers in CTA's service area and to identify projects within the Chicago-area regional five-year Transportation Improvement Program (TIP). Also, CTA and the Chicago Department of Transportation (CDOT) are collaborating to develop a citywide "Bus Priority Network Plan" (BPNP) for Chicago that would identify corridors where bus enhancements are most appropriate based on high ridership, slow bus travel times, and other relevant factors. The BPNP would also include a toolbox of bus-priority street treatments for the City of Chicago that would be considered for application in these corridors, ranging from small adjustments to pavement markings and curbside uses, to sophisticated signal changes and bus-only lanes. The BPNP would not assign particular treatments to specific corridors; that would be done as part of subsequent corridor-specific planning studies.

- **U.S. Department of Transportation's, Federal Highway Administration Office of Operations/FY 2019 Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Initiative** – CTA and the Chicago Department of Transportation's (CDOT) jointly applied for \$12 million in ATCMTD funding to support the Chicago Connected Vehicles Program – an initiative to improve safety and mobility throughout Chicago. The Program will support the deployment of advanced communication and sensing technology on city infrastructure, the CTA bus fleet, and other public and private vehicles, making it safer and more efficient to travel on city streets.

During FY 2020-2024, CTA will continue to aggressively pursue additional funding under these competitive grant programs.

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Capital Funding Need – State of Good Repair (SOGR)

Nationwide – In FY 2010, the FTA published the National SOGR Assessment Study which

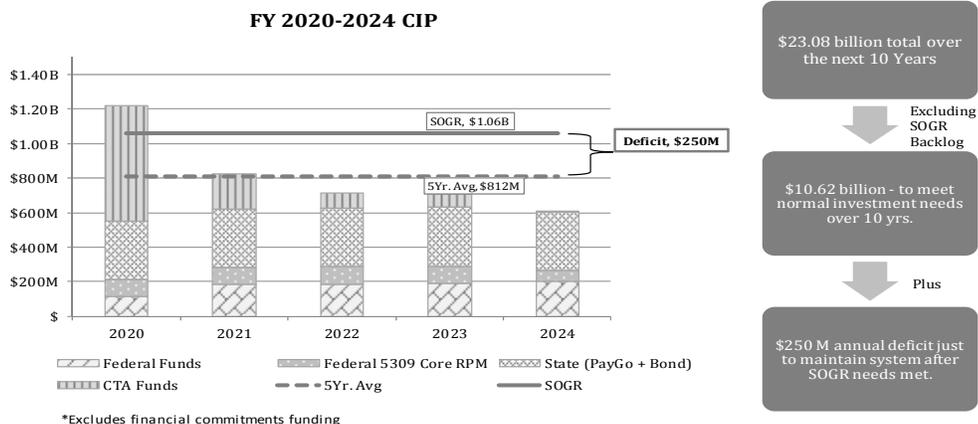
Mode	SOGR Backlog	10 Yr. Normal Reinvestment	Total
Rail	\$11.05	\$7.84	\$18.89
Bus	\$1.39	\$2.73	\$4.12
Share	\$0.02	\$0.05	\$0.07
Total	\$12.46	\$10.62	\$23.08

estimated the deferred maintenance backlog to be \$50 billion for the seven-largest transit agencies, including CTA, and approximately \$78 billion for all 690 transit systems nationwide. In the “2015 Status of the Nation’s Highways, Bridges and Transit: Conditions and Performance” report (the “C&P report”), the nationwide backlog was

then estimated to be conservatively at \$89 billion (in 2012 dollars). This backlog is expected to grow by \$2.5 billion each year – at the current funding levels the national transit SOGR backlog is projected to be of the magnitude of \$100 billion or more.

Regional – In RTA’s 2016 asset condition assessment update, the region’s total capital reinvestment needs over a 10-year period were estimated at \$37.67 billion, which includes investment needs for CTA, Metra, and Pace. According to the RTA’s analysis, CTA’s share of this total 10-year reinvestment need is \$23.08 billion or 61.3% of the total regional amount. Approximately 54% (\$12.46 billion) of CTA’s 10-year reinvestment need of \$23.08 billion is needed to address assets that are past their useful life (the SOGR backlog). The remaining \$10.62 billion address the baseline, “normal” reinvestment needs expected over the 10-year period.

CTA’s estimated baseline reinvestment need is roughly \$1 billion per year, based on the scope of its asset base and expected asset life spans. Given historical average funding below this amount, and average capital funding availability of \$812 million per year during the period FY 2020-2024, albeit this excludes new state funding and even when taken into consideration (still not the \$1 billion per year needed) the backlog of assets beyond their useful life is still expected to continue to increase over time.



CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

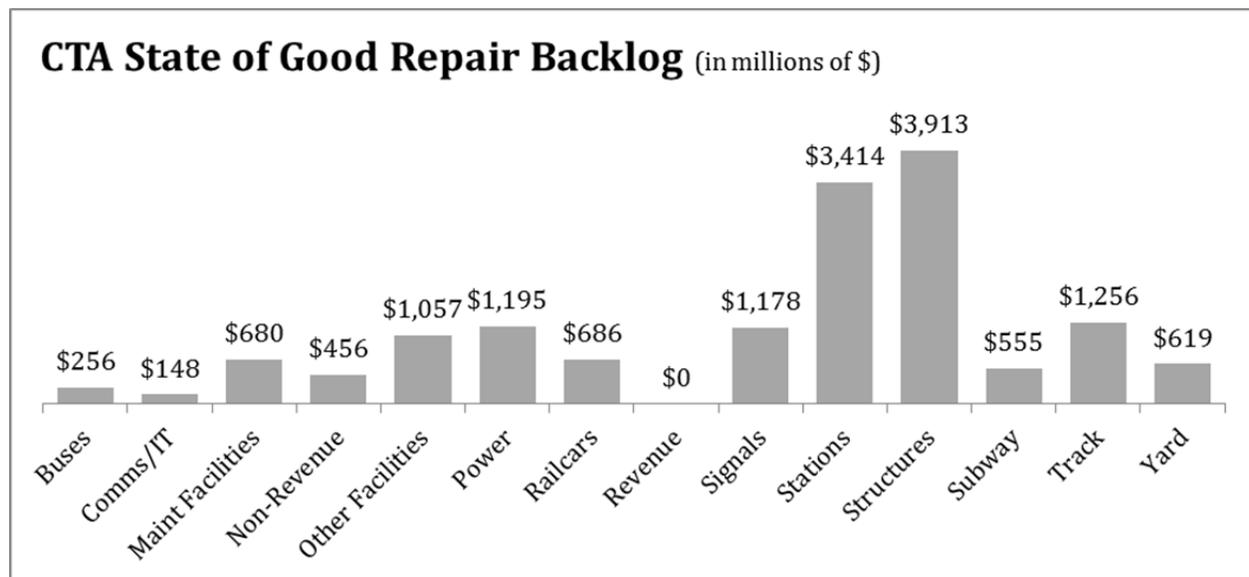
Transit Asset Management and CTA Asset Conditions

Beginning with the Moving Ahead for Progress in the 21st Century (“MAP-21”) transportation authorization bill passed in 2012, the FTA was directed to establish and implement a national Transit Asset Management (TAM) system, which entails the development of objective standards for measuring asset conditions and requiring recipients of financial assistance to develop a Transit Asset Management Plan (TAMP).

CTA has established a Transit Asset Management program both in response to new TAM federal mandates and as a result of the need to manage system conditions and performance within constrained resources. The TAM program entails the adoption of an organizational policy for TAM, the development of a TAM Plan, and ongoing efforts to improve the quality and availability of asset condition data and the impacts of deferred investment.

Preliminary outputs from the TAM Program regarding CTA’s asset inventory and condition are provided below.

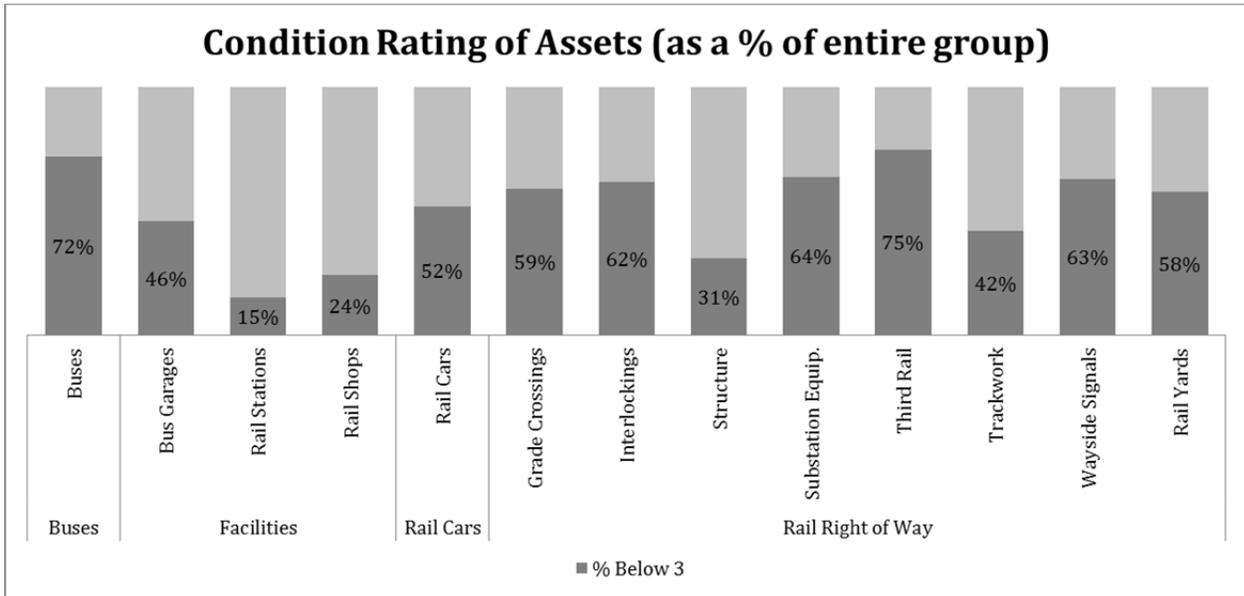
From an asset category perspective, the \$23.08 billion in need is split between approximately 82% for rail and 18% for bus assets. The breakout of SOGR Backlog by Asset Category type is shown in the chart below.



As part of the TAM Program, asset conditions are evaluated on a 1-5 scoring scale, with one indicating poor condition and five representing a like-new asset in excellent condition. This scoring scale aligns with FTA recommendations and facilitates comparisons across asset classes. An asset is considered to be in a state of good repair when the physical condition of that asset is at or above a condition rating of 2.5.

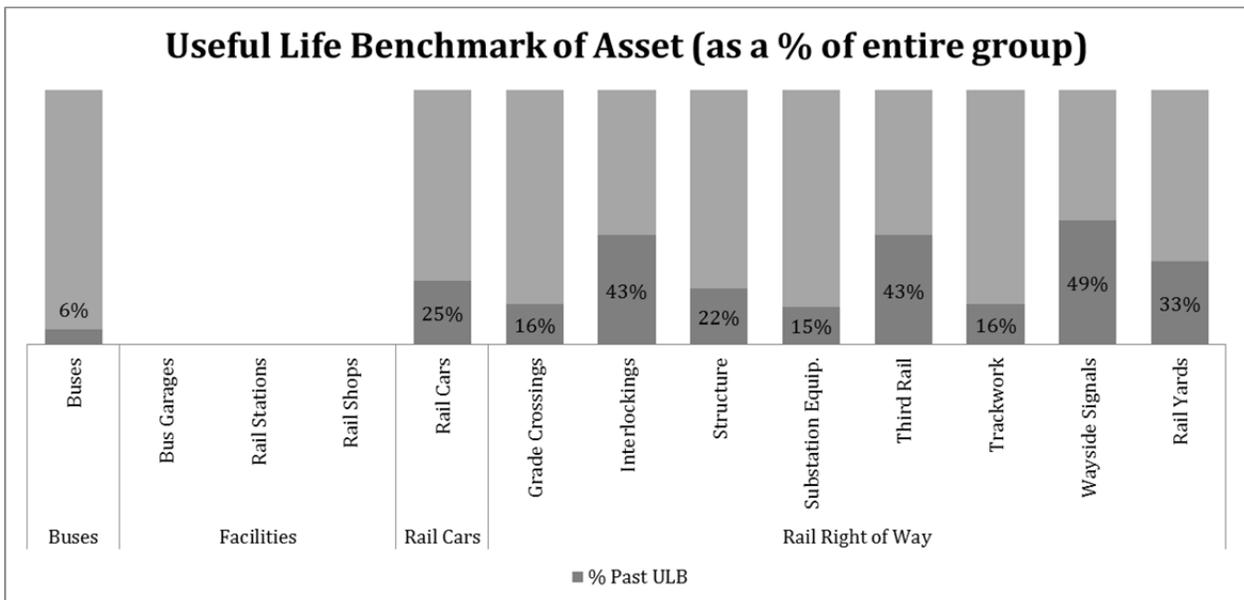
CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan



	<i>Rolling Stock</i>			<i>Infrastructure</i>			<i>Facilities</i>	
	Buses	Railcars	Track	Structures	Power	Signals	Stations	Facilities
Average Cond.	3.2	3.3	3.3	3.2	2.5	2.8	3.3	2.8

Assets are compared against a Useful Life Benchmark (ULB) for a given asset class, which reflects the expected useful lifespan of the asset when new. Assets beyond their ULB are at greater risk of failing and causing service disruptions.



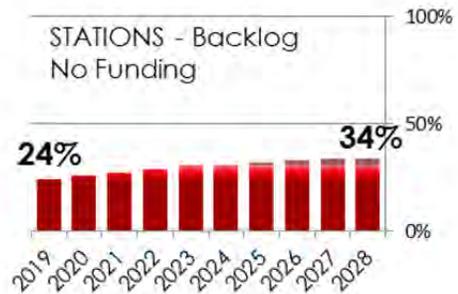
CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Additional information on the specific condition challenges and mitigation strategies for CTA's various asset groups follows below.

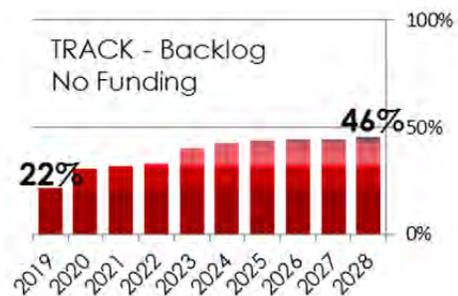
Rail Stations

- Of CTA's 145 rail stations, 22 (15%) are considered to have condition deficiencies and are in need of rehabilitation or replacement;
- As of 2019, 42 stations (29%) are not ADA accessible. However, 103 stations (71%) are accessible. CTA continues to strive for accessibility for all of its rail stations.
- Water infiltration is a constant battle in subway stations. Infiltration is particularly problematic along the Blue Line subway, where leaks from water and sewer mains result in corrosion and degradation of the infrastructure of these stations;
- Approximately 40% of the escalators in the system are beyond their standard useful life guideline of 25 years, with some escalators dating back to the 1950s. CTA maintains over 150 escalators throughout the system;
- Elevators on CTA's system experiences extraordinary wear and tear from riders and weather conditions, making them difficult to maintain without major capital work throughout their useful life. Elevators are critical to maintaining the accessibility of the system for the elderly, disabled, and families with strollers. CTA maintains approximately 170 elevators throughout the system. CTA invests annually to keep existing elevators and escalators operational. Without funding, the backlog for stations is projected to increase from 29% to about 51% by 2028.



Track Assets

- CTA maintains approximately 225 miles of revenue track on a mixture of ballasted roadbed, open-deck elevated structure, and direct fixation, plus 30 miles of track in rail car storage yards. Slow zones are established to provide safer service where rail right of way has deteriorated; as of July 2019, approximately 14.2% of CTA's rail system tracks are currently designated as slow zones. The Blue Line Forest Park Branch, the Green Line South Main and Lake Street branches contain almost 70% of the entire rail system's slow zones. Capital track work projects are currently focused on these lines to remediate and prevent future slow zones. Without additional funding, the backlog related to track is projected to more than double to 62% in the current ten year period.

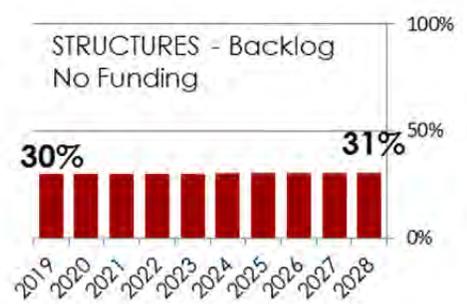


CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

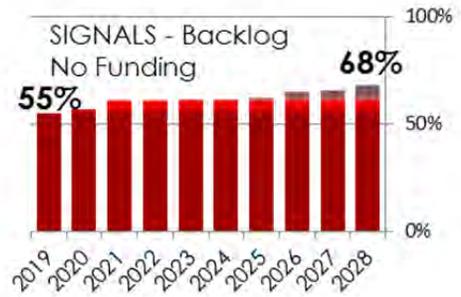
Rail Structures

- CTA's rail system contains approximately 106 linear miles of rail guide way, including subway and elevated structures, 115 bridges and viaducts, 67 elevated station structures, and several standalone facility structures. Approximately 22% of structures systemwide are beyond their useful life and require significant resources in order to maintain. Several miles of old structure as part of the Red and Purple Modernization project will be replaced and continually perform component replacements on the steel elevated structure. This will help minimize the close to 35% backlog that is projected to be reached as early as 2023.



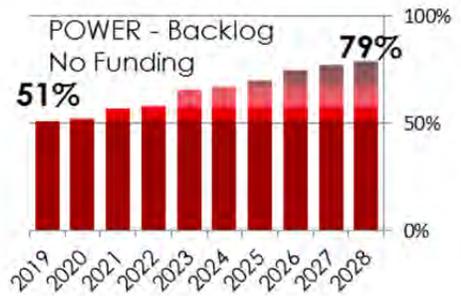
Rail Signals

- CTA maintains a signal system designed to permit safe operation of trains over 225 revenue track miles. The primary assets are part of the cab signal system, are made up of both wayside and carborne signals. Interlocking plants, consisting of numerous power-operated switches and signals assets enable trains to leave one track and enter another when conditions are safe. Grade crossings at 33 locations alert pedestrians and automobile traffic of oncoming trains. Approximately 49% of wayside signals and 43% of interlockings are beyond their useful life, which impacts service reliability and capacity.



Traction Power Supply

- The primary traction power distribution system assets are the 67 substations, five substation tie houses, 285 miles of cable, and 224.1 miles of third rail. Approximately 46% of the substation equipment across the system is beyond the recommended useful life of 30 years. Approximately, 76% of all substation equipment has a condition rating of adequate or below.

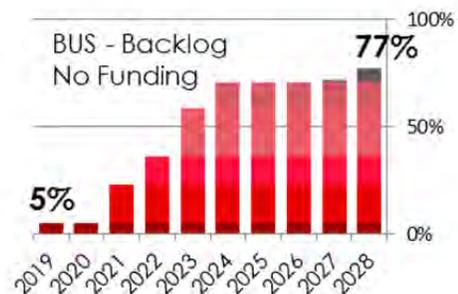
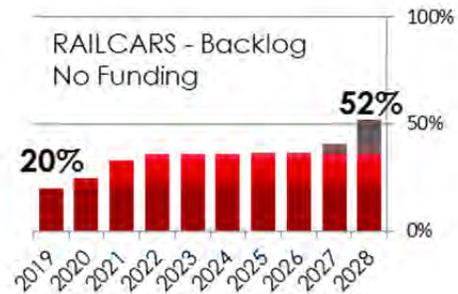


CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Rolling Stock

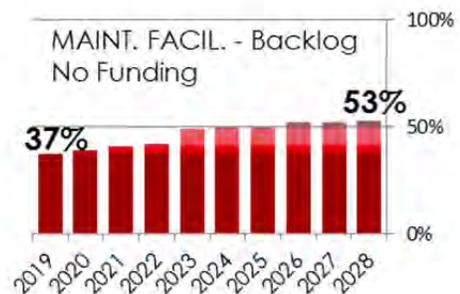
- CTA's rail car fleet is composed of 1,492 rail cars across three different *Series*, acquired between 1981 and 2015. In recent years, CTA has placed into service 714 new *5000-Series* rail cars and has awarded a contract to procure 400 new *7000-Series* rail cars, yet 19 % of the rail car fleet is beyond its useful life.
- The current active bus fleet consists of 1,860 total vehicles of various makes, models and manufacturers acquired between 2000 and 2016. While over 90% of CTA's bus fleet is currently within the useful life benchmark, approximately 55% of CTA bus fleet will be due for replacement within the timespan of the five-year capital plan. As of mid-2019, the average age of CTA's bus fleet is 10 years.



- CTA owns nearly 500 on-road and rail-borne vehicles that support CTA service, with an additional 250 leased vehicles. Types of vehicles include rubber wheeled vehicles such as sedans, trucks, and vans used for managing service and transporting revenue vehicles. In addition, CTA's heavy vehicles and equipment – such as cranes, off-road vehicles, and trailers – support the rail line operations. As of 2019, approximately 40% of the non-revenue vehicle stock is beyond the expected useful life and is due for replacement.

Maintenance Facilities

- CTA Maintenance facilities include 7 bus garages and a heavy bus maintenance shop, 10 terminal rail maintenance shops and a heavy rail maintenance shop, and 3 additional maintenance support and warehouse facilities. Administrative buildings include CTA's headquarters, control center, and primary warehouse. Bus garage facilities range in age from 26 to 117 years old, with a median age of 41. Rail maintenance shops are between 26 and 58 years old, and also have a median age of 30 years.



- Maintenance facilities require significant improvements to adequately support the bus and rail fleet. Many of the buildings that currently support the maintenance of the system are rated with significant condition deficiencies including bus garages (46%), rail shops (24%), and other facilities (45%).

CTA FY20 Budget

Proposed 2020-2024 Capital Improvement Plan

Operating Budget Impact of Capital Program Projects

A robust capital improvement program not only enhances customer service, safety and reliability, but it also minimizes steady increases in operating and maintenance costs, allowing the CTA to operate more efficiently. The \$5.1 billion in capital investments planned for the next five years will allow CTA to achieve cost savings and curtail the increases in maintenance costs that would result from a lack of investment. The following section highlights the impact of capital investments on key areas of the operating budget.

As of 2019, investments in the bus fleet placed 450 new clean diesel buses into revenue service, renewing approximately 24% of the fleet, and reducing maintenance costs for this segment of the fleet by up to 30% over the next 5-10 years. Recent investments in the overhaul of CTA New Flyer Series buses have reduced bus fleet material and maintenance costs by over 50%; these costs were increasing prior to overhaul of these buses.

A total of 714 new *5000-Series* rail cars are now in service and represent over 50% of the rail car fleet. As a result, maintenance, material and power cost savings are estimated in the range of \$8-10 million annually. Meanwhile, the recent procurement secures the purchase of 400 new *7000-Series* rail cars to be delivered from 2021-2024. Options to the procurement contract would provide for an additional 446 cars and are expected to be executed beginning in FY 2021/2022. The replacement of CTA's oldest fleet cars with modern efficiently powered rail cars will reduce operating and maintenance costs by up to 40% over the next decade.

Significant investments are being made to the Blue Line O'Hare Branch that will reduce the round-trip travel time between downtown to O'Hare Airport by 10 minutes compared with conditions before the project. The time savings not only provides a faster ride for customers, but also reduces the overall operating costs of the service.

CTA continues to focus on the renewal and SOGR work for track structure systemwide. This includes recent investments made to the Brown (Ravenswood) Elevated, Blue (O'Hare), Red (Dan Ryan), Purple (Express) and Green (Lake/Laramie) lines to address over 21.3 miles of track slow zones, focusing on over 112,000 linear feet of track, which were restricted to speeds as slow as 15 mph. The signal system on the Brown (Ravenswood Loop Connector) Line is being replaced with a modern efficient signaling system.

In addition, investments continue to be made to upgrade the rail traction power system at strategic locations which include the Red, Brown and Blue Lines. Investments will provide for greater power capacity and redundancy to support the system.

Each of the project investments described above offer one or more of the following benefits to CTA and/or to the region: (1) operational savings; (2) maintenance cost reduction; (3) positive impact on ridership; (4) travel time reduction; (5) supports an economically competitive region; and (6) environmental sustainability or quality of life.

CTA FY20 Budget

Performance Management

Performance Management at the CTA

The CTA's performance management process is designed to improve efficiency, promote accountability, and enhance the experience of our customers. Performance management is a systematic process involving all departments and employees in the accomplishment of the agency's goals. While some departments have more direct contact with the public than others, the CTA recognizes that all departments are interconnected and that individual performance affects the organization's ability to meet its goals.

Performance management allows the CTA to focus its limited resources to fulfill its mission to provide transit service. Performance Management segments CTA goals into the following areas:

<i>Safe</i>	The CTA will minimize the number of accidents involving customers, employees, and the general public.
<i>On-Time</i>	The CTA will reduce system delays and successfully manage intervals between its vehicles to provide predictable and reliable service for customers. Construction and other projects will be completed within the allocated budget and time frame to minimize impacts to consumers.
<i>Clean</i>	The CTA will maintain and strive to improve the cleanliness of all vehicles, stations, and work areas to provide a safe and comfortable atmosphere for riders.
<i>Courteous</i>	The CTA will maintain the highest standards of customer service through timely, reliable, and clear communication with customers, considerate employees, and efficient operational practices.
<i>Efficient</i>	The CTA will responsibly and effectively manage resources to boost performance and provide safe, reliable, and affordable transit for customers.

Each department throughout the agency is responsible for focusing its resources to meet these goals. Performance management establishes a level of accountability necessary throughout the organization by requiring that all departments establish results-oriented measures—both financial and non-financial—that are aligned with these goals as well as the strategic goals of Safety, Customer Experience, and Workforce Development. Results are continually monitored throughout the year and, based on these results, resources and programs are adjusted to enhance outcomes where necessary and possible.

CTA FY20 Budget Performance Management

CTA Preliminary Monthly Performance (*)		2019 Monthly Target	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019
RIDERSHIP	Total Ridership (in millions)	monthly	33.5	34.6	38.3	38.3	40.4	38.6	39.0
	Rail Ridership (in millions)	monthly	16.1	16.4	18.0	18.4	21.1	18.8	19.1
	Bus Ridership (in millions)	monthly	17.5	18.3	20.3	19.9	19.2	19.8	19.9
	Total (Year to Date, in millions)	monthly	33.5	68.2	106.4	144.8	185.1	223.7	262.7
	% Change Over Prior Year (Year to Date)	monthly	-8.3%	-4.9%	-4.6%	-3.8%	-3.4%	-3.1%	-2.7%
ON-TIME	Rail Delays of 10 Minutes or More	78	171	119	106	75	99	108	109
	% of Slow Zone Mileage	N/A	10.8%	11.8%	11.7%	12.1%	12.3%	12.1%	14.2%
	% of Big Gap Intervals, Bus	4.0%	3.3%	3.4%	NA	NA	3.9%	4.3%	4.3%
	% of Bunched Intervals, Bus	3.0%	2.8%	3.1%	NA	NA	3.9%	3.5%	3.2%
EFFICIENT	Mean Miles Between Reported Rail Vehicle Defects	8,000	6,114	6,583	9,222	10,409	7,817	8,534	7,869
	Miles Between Reported Bus Service Disruptions Due to Equipment	5,000	5,143	5,193	6,462	6,432	5,319	5,808	5,266
	Average Daily Percent of Bus Fleet Unavailable for Service	12.6%	14.6%	15.3%	14.2%	14.7%	15.2%	14.1%	14.9%
	Average Daily Percent of Rail Fleet Unavailable for Service	11.0%	10.8%	11.4%	9.5%	8.5%	9.3%	9.0%	7.9%
SAFE	Bus NTD Security-Related Incidents per 100,000 miles	N/A	0.11	0.15	0.27	0.09	0.16	0.16	0.11
	Rail NTD Security-Related Incidents per 100,000 miles	N/A	0.30	0.26	0.17	0.08	0.35	0.17	0.42
	Bus NTD Safety-Related Incidents per 100,000 Miles	N/A	0.43	0.69	0.43	0.37	0.74	0.42	0.60
	Rail NTD Safety-Related Incidents per 100,000 Miles	N/A	0.11	0.12	0.11	0.11	0.08	0.19	0.05
CLEAN	Average Interior Rail Clean Inspection Score	90.0%	95.0%	94.8%	94.5%	95.3%	94.8%	94.9%	95.2%
	Average Interior Bus Clean Inspection Score	85.0%	88.4%	87.9%	87.3%	89.1%	89.7%	89.4%	90.1%
COURTEOUS	% of Customer Complaints Not Closed Out Within 14 Days	3%	0.2%	0.0%	0.2%	0.1%	0.1%	0.0%	0.0%
	CTA Customer Service Hotline Average Wait-time (†)	0:02:00	0:00:43	0:00:21	0:00:26	0:00:23	0:00:31	0:00:34	0:00:40
	Reported Ramp Defects (Service Disruptions)	N/A	97	79	56	66	77	95	103
	% Buses with Defective AVAS	2.0%	0.5%	0.8%	NA	NA	0.7%	0.6%	0.7%
	Reported ADA Complaints	N/A	43	58	77	65	77	74	97

Legend

- Meeting or exceeding target:
- Within 10% of target:
- Missing target by more than 10%:
- Measure does not have a target:



CTA FY20 Budget

Performance Management

Definitions of CTA Monthly Performance Metrics

Performance Management attempts to align departmental metrics to the strategic goals of the Authority. In the table below, a strategic goal icon (see below) can be found for each metric where a goal is applicable.

Strategic Goals:  Safety  Customer Experience  Workforce Development

CTA Monthly Performance Metrics		Definition (Strategic Goal)
RIDERSHIP	Total Ridership (monthly, in millions)	Number of rides registered on the bus and rail systems.
	Rail Ridership (monthly, in millions)	Number of rides registered on the rail system.
	Bus Ridership (monthly, in millions)	Number of rides registered on the bus system.
	Total (Year to Date, in millions)	Number of rides registered on the bus and rail systems, year to date.
	% Change Over Prior Year (Year to Date)	Number of rides registered on the bus and rail systems, year to date (including rail-to-rail transfers) divided by the number of rides registered on the bus and rail systems previous year, year to date.
ON-TIME	Rail Delays of Ten Minutes or More 	Rail delays of ten minutes or more reported to the Control Center by an Operator, a Controller, or a Supervisor.
	% of Slow Zone Mileage  	Miles of revenue track that have slow zones. Slow zones range from 6 mph to 35 mph.
	% of Big Gap Intervals, Bus 	Number of bus intervals (time between two buses at a bus stop) that are double the scheduled interval and greater than 15 minutes, divided by the total number of weekday bus intervals traveled during the month.
	% of Bunched Intervals, Bus 	Number of bus intervals (time between two buses at a bus stop) that are 60 seconds or less divided by the total number of weekday bus intervals traveled during the month.

CTA FY20 Budget

Performance Management

CTA Monthly Performance Metrics		Definition
EFFICIENT	Mean Miles Between Reported Rail Vehicle Defects  	Miles traveled during the month divided by the number of reported defects for the month.
	Miles Between Reported Bus Service Disruptions Due to Equipment  	Miles traveled during the month divided by number of reported service disruptions due to equipment for the month.
	Average Daily Percent of Bus Fleet Unavailable for Service 	Daily average number of buses unavailable for service for any reason divided by the total number of buses in the fleet.
	Average Daily Percent of Rail Fleet Unavailable for Service 	Daily average number of rail cars unavailable for service for any reason divided by the total number of rail cars in the fleet.
SAFE	Bus National Transportation Database (NTD) Security-Related Incidents per 100,000 miles 	Number of occurrences of bomb threats, robbery, larceny, burglary or arrests/citations for fare evasion, trespassing, vandalism and assault on the bus system divided by traveled miles divided by 100,000.
	Rail NTD Security-Related Incidents per 100,000 miles 	Number of occurrences of bomb threats, robbery, larceny, burglary or arrests/citations for fare evasion, trespassing, vandalism, and assault on the rail system divided by traveled miles divided by 100,000.
	Bus NTD Safety-Related Incidents per 100,000 Miles 	Any event where one or more of the following occurs on the bus system: Individual dies at the time or within 30 days of the event; one or more persons suffer bodily damage as a result of the event requiring immediate medical attention away from the scene; property damage in excess of \$25,000.
	Rail NTD Safety-Related Incidents per 100,000 Miles 	Any event where one or more of the following occurs on the rail system: Individual dies either at the time or within 30 days of the event; one or more persons suffer bodily damage as a result of the event requiring immediate medical attention away from the scene; property damage in excess of \$25,000.

CTA FY20 Budget

Performance Management

CTA Monthly Performance Metrics		Definition
CLEAN	Average Interior Rail Clean Inspection Score 	Monthly average Quality Inspection audit scores for the execution of Interior Cleans.
	Average Interior Bus Clean Inspection Score 	Monthly average Quality Inspection audit scores for the execution of Interior Cleans.
COURTEOUS	% of Customer Complaints Not Closed Out Within 14 Days 	Number of open and overdue complaints (complaints not closed out by a department within 14 days) as of the last day of the month divided by the total number of complaints received during that month.
	CTA Customer Service Hotline Average Wait-time 	Average number of minutes a customer waits on the CTA hotline before his/her call is answered.
	Reported Lift Defects (Service Disruptions)  	Number of reported lift defects that resulted in a disruption of service.
	% Buses with Defective Automatic Voice Annunciation System (AVAS) 	The percent of buses experiencing navigation issues (not calling out stops for at least part of the day), broken operator log-on screens, odometers reporting zero distance, and Bus Link issues, meaning no data will be received from the bus. This does not measure defective destination signs.
	% Functional Destination Signs 	The percent of buses, audited by Bus Quality Control (QC), with defective destination signs.
	Reported ADA Complaints 	Number of reported complaints to Customer Service identified as ADA-related.

CTA FY20 Budget

Performance Management

Department Overviews and Facts

Service Area & Population

- 310 square miles of Chicago and 35 nearby suburbs
- The service area has 3.2 million people in 2018

Ridership

- Over 456.9 million trips projected for 2019
- Approximately 1.5 million trips per average weekday in 2018

Operations Departments

Bus Operations and Maintenance

- On average, provides 730,442 rides per weekday (2019, Jan-Jul).
- Maintains reliable service with over 4,000 bus operators driving 1,862 buses traveling 161,762 miles each weekday over 127 routes serving 10,715 bus stops (2018 NTD).
- Manages seven Bus Garages and one Heavy Maintenance Shop.
- As of September 2019, the average age of the fleet was 10.0 years old.

Rail Operations and Maintenance

- On average, provides 713,671 rides per weekday (2019, Jan-Jul).
- Maintains reliable service with over 1,000 front line operating employees and 1,468 rail cars traveling 230,563 miles each weekday over 224 miles of track across eight lines servicing 145 stations.
- Manages nine Rail Terminals and one Heavy Maintenance Shop.
- As of September 2019, the average age of the fleet was 19.0 years old.

Infrastructure Department

Infrastructure Maintenance

The Infrastructure Division is composed of four departments – Infrastructure Maintenance, Construction, Engineering and Real Estate. The Division is responsible for the inspection and maintenance of all infrastructure assets, management of all CTA owned and leased real estate, and the planning, design, and implementation of capital construction projects.

Infrastructure Maintenance - Power & Way

- Inspects and maintains 225 miles of revenue track approximately every seven days, 86.2 miles of elevated structure once every two years, and the full length of contact rail (“third rail”) two times per year.

CTA FY20 Budget

Performance Management

- Inspects and maintains 813 signals; 1,064 rail track switches; 1,835 track circuits; and 24,000 vital signal relays.
- Responsible for all power substations, including maintaining all traction and contact rail power distribution, including 600 miles of traction power cable.

Infrastructure Maintenance - Utility

- Responsible for the maintenance and management of CTA's non-revenue fleet.

Infrastructure Maintenance - Facilities

- Responsible for the maintenance of more than 210 locations, including seven bus garages, eleven rail shops, 145 rail stations and three maintenance shops.

The Facilities department provides day-to-day management and maintenance of all rail stations and CTA facilities to preserve and maintain the value of CTA property. One important function of the Facilities Department is the maintenance of elevators and escalators to ensure accessibility and comfort for the customer. The elevator and escalator equipment on the CTA ranges from brand-new elevators installed through new capital construction to escalators in the Red Line subway dating back to 1943. Escalators are maintained in-house, while elevators are inspected and maintained by an outside contractor.

Construction

- Ensures that major capital construction projects related to CTA track, structure, power, signal, rail stations, and rail and bus maintenance facilities are delivered on time, on budget, and conform to all applicable standards, regulations, and requirements.
- Oversees and integrates program management and construction management services to assist in the monitoring and controlling of multiple capital construction projects.
- Develops uniform procedures and processes that assist in the design, construction, and administration of the capital program.
- Oversees construction projects that are performed by other organizations (IDOT, CDOT, etc.) that impact the CTA system as well as other private work adjacent to the CTA system.

Engineering

- Provides technical support to Facilities Maintenance and Power & Way Maintenance.
- Develops and maintains the technical standards for track, structure, power, signal, rail stations, and other transit support facilities.
- Maintains the engineering records and "as built" drawings.
- Responsible for CTA utilities, which includes traction power, water, and gas at CTA locations.

CTA FY20 Budget

Performance Management

- Supports the capital program and provides capital design project management as needed.
- Prepares design packages for CTA construction projects including projects constructed by CTA forces, JOC Contractors, and General Contractors.
- Represents CTA on all engineering issues associated with work performed by other agencies or private entities that may impact CTA's infrastructure or operations.
- Ensures that quality processes are developed and followed for all construction, maintenance, and procurement activities.

Real Estate

- Manages all CTA owned and leased real estate.
- Responsible for CTA's Art Program.

Support Departments

Purchasing & Supply Chain

- Purchasing processes over 1,000 contracts covering hundreds of millions of dollars in annual expenditure to secure the best prices and ensure the most responsible use of CTA funds, as well as adherence to all funding agencies' regulations.
- Supply Chain Operations is responsible for the efficient stocking, managing, and distribution of material and supplies to all CTA maintenance facilities and stock rooms throughout the service network.

Technology

- Maintains, supports, and upgrades all CTA technology infrastructure, including computer hardware, application software, and communications equipment.
- Responsible for all communication system infrastructures.
- Manages and delivers technology projects to modernize and make the CTA more efficient while providing greater convenience and safety to customers.

Safety

- Establishes, documents and communicates CTA safety policies and standards.
- Reviews, monitors, and assesses all CTA activities and responsibilities related to the provision of safe service and a safe workplace.
- Promotes a positive safety culture through CTA's employee training, instruction programs, and employee engagement.
- Identifies hazards through inspections, investigations, observations, and audits, as well as by creating and maintaining systems that encourage reporting of hazards by all personnel.
- Assesses safety risk and develops recommendations and corrective action plans to reduce risk.

CTA FY20 Budget

Performance Management

- Tracks and verifies the implementation of corrective action plans, and the effectiveness of ongoing management routines that support safety. Escalates issues and assists in identifying and assigning resources to reduce risk.
- Ensures compliance with all applicable transit and safety laws, regulations and requirements.
- Ensures compliance with Illinois Department of Transportation (IDOT) System Safety Program Standard and Procedures.
- Selected by the Federal Transit Administration (FTA) to pilot the adoption of a new national safety regulatory framework and performance criteria for transit, Safety Management System (SMS).

Communications (includes Customer Service)

- Customer Service provides a number of services including intake, analysis, and routing of customer concerns, customer refunds, travel information, maps and brochures, and support for onsite public forums.
- Compiles customer feedback that is obtained via an inbound call center at 1-888-YOUR-CTA, the primary customer service e-mail address (feedback@transitchicago.com), the website (www.transitchicago.com), and through U.S. mail.

2019 Performance by Department

Bus Operations

Bus Operations provides over 242 million rides per year, or over 52 percent of all rides taken on the CTA system. Customers rely on the CTA's buses daily for commuting to and from work, as well as for errands and recreational trips. The CTA recognizes that customers value frequent, on-time service.

To ensure that customers can depend on buses running on-time, Bus Operations continually monitors the reliability of service. One measure which is tracked regularly is the amount of "big gaps" experienced by CTA customers each day. A "big gap" is defined as an instance when the interval between buses is 15 minutes and two times the scheduled interval.

Bus Operations hosts weekly and monthly discussion sessions with bus operators regarding service reliability and also works with Bus Service Management (BSM) to coordinate service. In addition, BSM leverages technology such as Bus Tracker, Real Time Bus Management (RTBM), and a new Bus Emergency Communication System (CAD/AVL) to monitor the routes and make real-time adjustments to service. Bus Operations works with the Control Center to utilize Clever CAD to send real time messages to bus operators.

CTA FY20 Budget

Performance Management

Through July of 2019, Bus Operations maintained a big gaps average of 3.8 percent, below the 2019 target of 4.0 percent. Intervals bunched have averaged 3.3 percent in 2019 through July, above the year's target of 3 percent. The department is continuously examining new approaches to improve this number in order to reach the target by the end of the year.

Bus Operations Performance Measures	2019 Target	2019 YTD Performance (Jan-Jul)	Service Level with Proposed Budget
% of Big Gap Intervals	4.0%	3.8 %	4.0%
% Intervals Bunched	3.0%	3.3%	3.0%

Bus Maintenance

The safety and reliability of buses is paramount. Bus Maintenance is responsible for the maintenance of the CTA bus fleet, composed of 1,862 buses. This includes both mechanical maintenance and regular cleaning of bus interiors and exteriors.

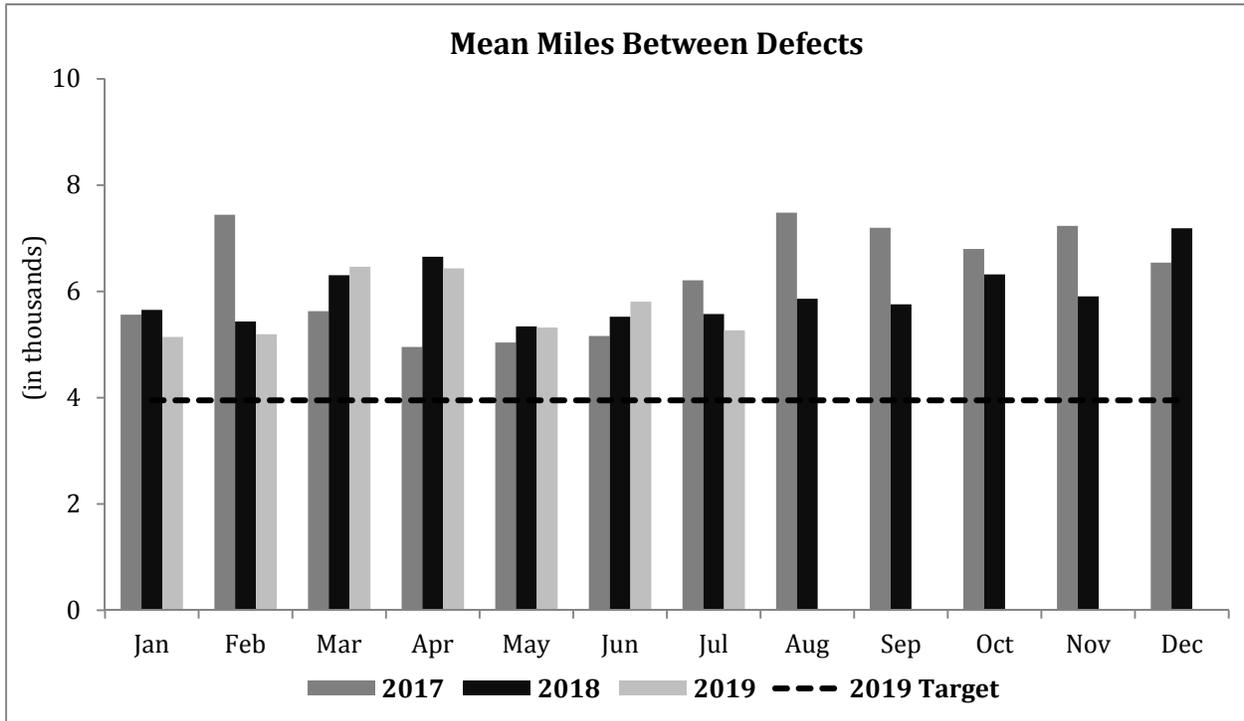
The CTA has completed the receipt of 425 (300 base and 125 option #1) of the new Nova 7900 Series buses. The oldest buses in the current fleet, the 6400 Series Nova, are currently being replaced by the 7900 Series. To date, only 79 buses remain out of the 484 original 6400 Series order.

Two specific metrics tracked for Bus Maintenance align with two of the Strategic Goals of the authority. Mean Miles between Defects (which includes defects and service disruptions/road calls) directly relates to both SAFETY and CUSTOMER EXPERIENCE. In addition, the General Clean Inspection Score gives a gauge of the CUSTOMER EXPERIENCE with respect to the cleanliness of buses. As part of the performance management process, Bus Maintenance and Performance Management set a goal of providing a fleet reliability of 3,950 miles between defects in 2019. A defect is classified as any failure that requires the bus to be inspected or repaired by a bus mechanic outside of its normal inspection cycle.

Bus Maintenance Performance Measures	2019 Target	2019 YTD Performance (Jan-July)	Service Level with Proposed Budget
Mean Miles between Defects	3,950	5,660	3,950
Bus General Clean Quality Inspection Score	85%	88.9%	85%

CTA FY20 Budget

Performance Management

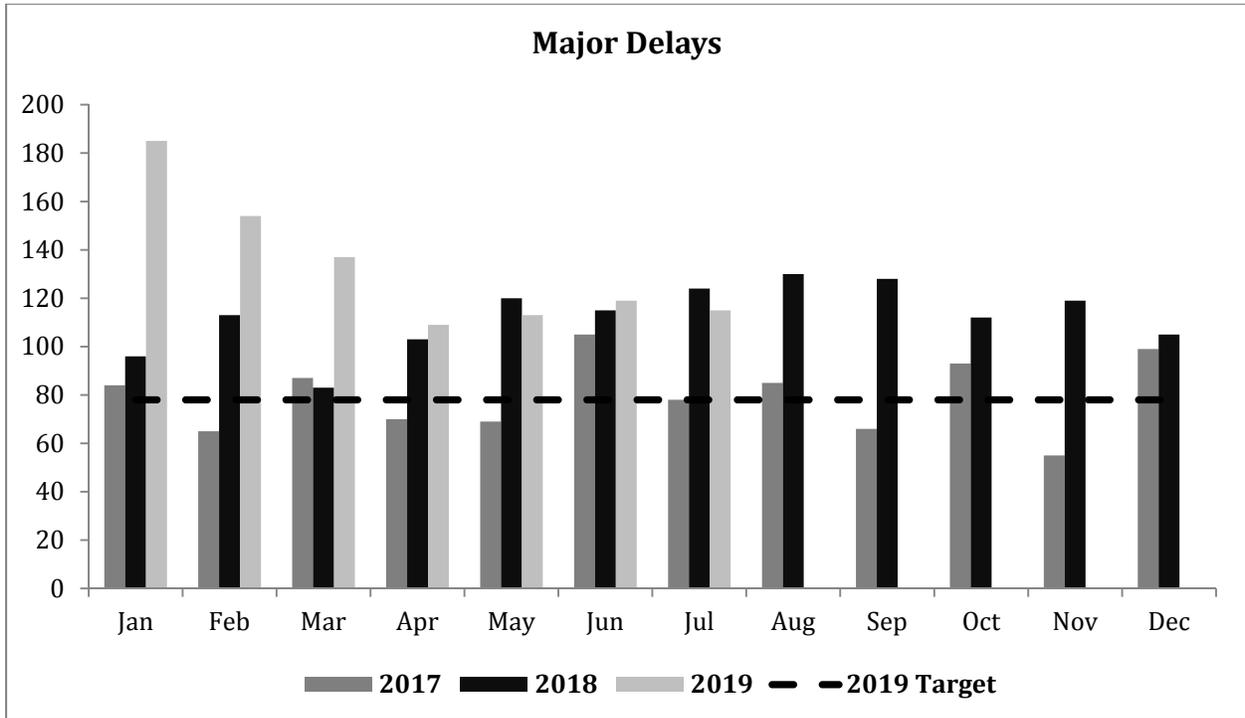


Rail Operations

The Rail Operations division of the Chicago Transit Authority is committed to being a top performer worldwide, while maintaining a safe work environment, and being accountable in all aspects of its daily operation. It strives to deliver quality service that exceeds customers' expectations.

In order to constantly improve the rail customer's experience, a top priority for Rail Operations is to focus on reducing major delays (delays to service that exceed ten minutes). The target in 2019 was 78 or fewer major delays per month that can be attributed to Rail Operations, Rail Maintenance, and Power & Way. The average number of monthly major delays from January to July 2019 is 133. In 2018, the average number of major delays was 112, or 43.6 percent above the target. In 2017, the average number of major delays was 80, or 2.6 percent above the target.

CTA FY20 Budget Performance Management

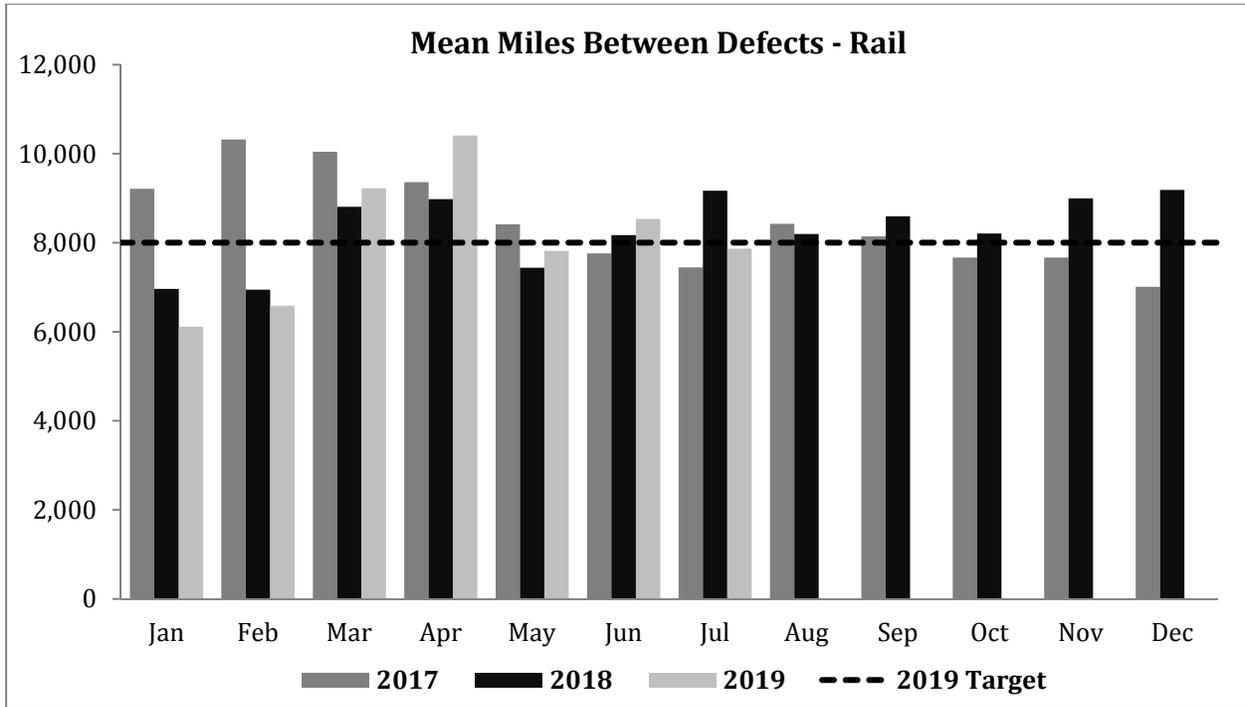


Rail Maintenance

Rail Maintenance is responsible for maintaining the safe mechanical functioning of CTA trains, as well as for regular cleaning and heavy maintenance repairs or rebuilds of train systems. A well-maintained, clean train minimizes delays and provides a safe and comfortable environment for passengers.

Rail Maintenance continues to focus on improving the Mean Miles between Vehicle Defects (the average miles a train runs before encountering a defect to one of its systems) which aligns with the SAFETY and CUSTOMER EXPERIENCE strategic goals. This focus includes improving the preventive maintenance process and reducing the most common defects, as well as repeat defects (a defect that repeats within 30 days of the original defect).

CTA FY20 Budget Performance Management



Due to Rail Maintenance’s focus on reliability, the introduction of additional new 5000 Series cars during 2015, and the continued retirement of the oldest series of cars, we have seen increased Mean Miles between Defects to an average of 10,046 miles through July 2016 (compared to just 7,506 miles in the same time frame in 2015). In 2015, the CTA raised the target for this metrics to 5,400 from 3,950; in 2016, the target was raised to 8,000 miles to promote continued improvements. The 3200 Series C-Level Overhaul, which completed December 2018, further enhanced the performance and reliability of the CTA Rail Fleet. Rail Maintenance began the first phase of the 5000 Series quarter life overhaul in January 2019, along with a life extension overhaul for a portion of the 2600 Series cars. Another step in this progression will be the addition of the 7000 Series Fleet which will allow the Authority to retire the oldest 2600 Series cars. With the additional cars, Rail Maintenance will have a young or recently overhauled fleet.

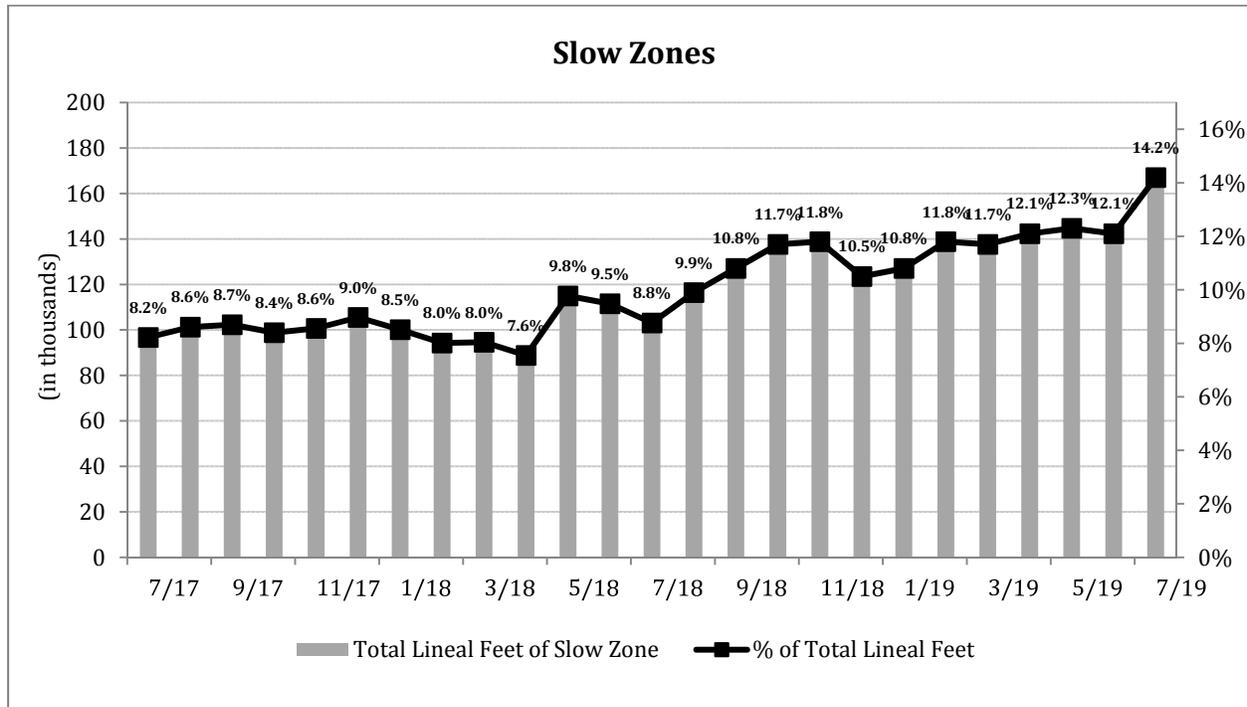
Rail Maintenance Performance Measures	2019 Target	2019 YTD Performance (Jan-July)	Service Level with Proposed Budget
Mean Miles between Defects	8,000	8,078	8,000
Rail General Clean Quality Inspection Score	93%	94.9%	93%

CTA FY20 Budget

Performance Management

Power and Way

Power & Way is responsible for maintaining rail infrastructure, including the track, structure, power, and signal systems. As part of the performance management process, a large focus for Power & Way has been minimizing slow zones across the rail system. Replacing or repairing old rails and ties reduces slow zones and makes rail customers' trips quicker, safer, and more comfortable.

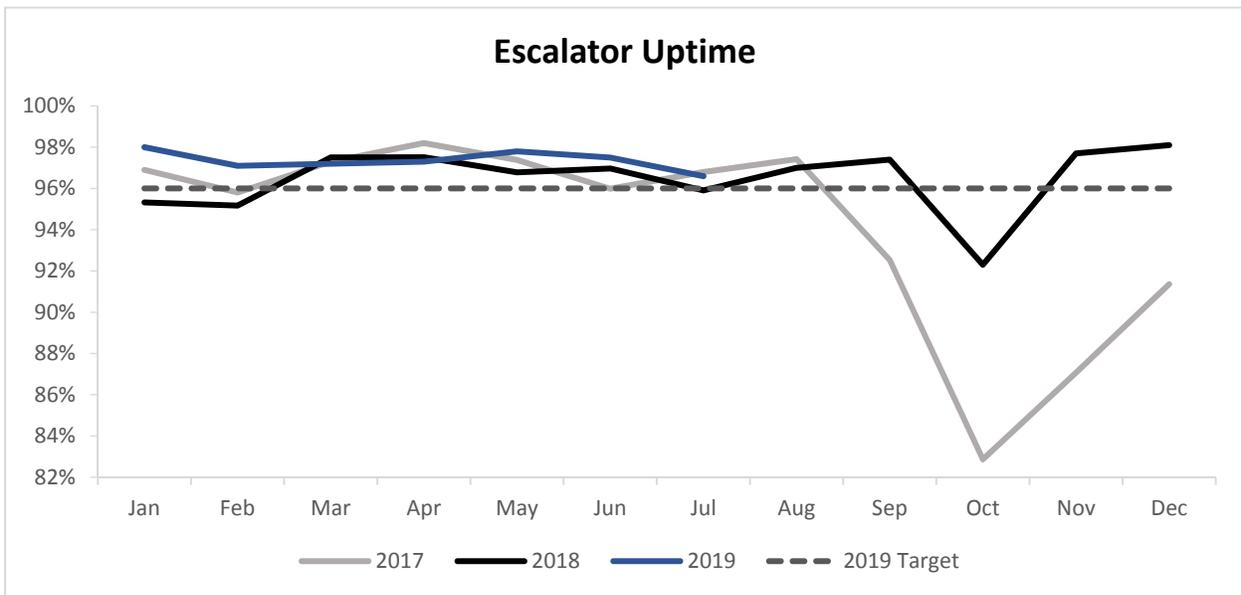
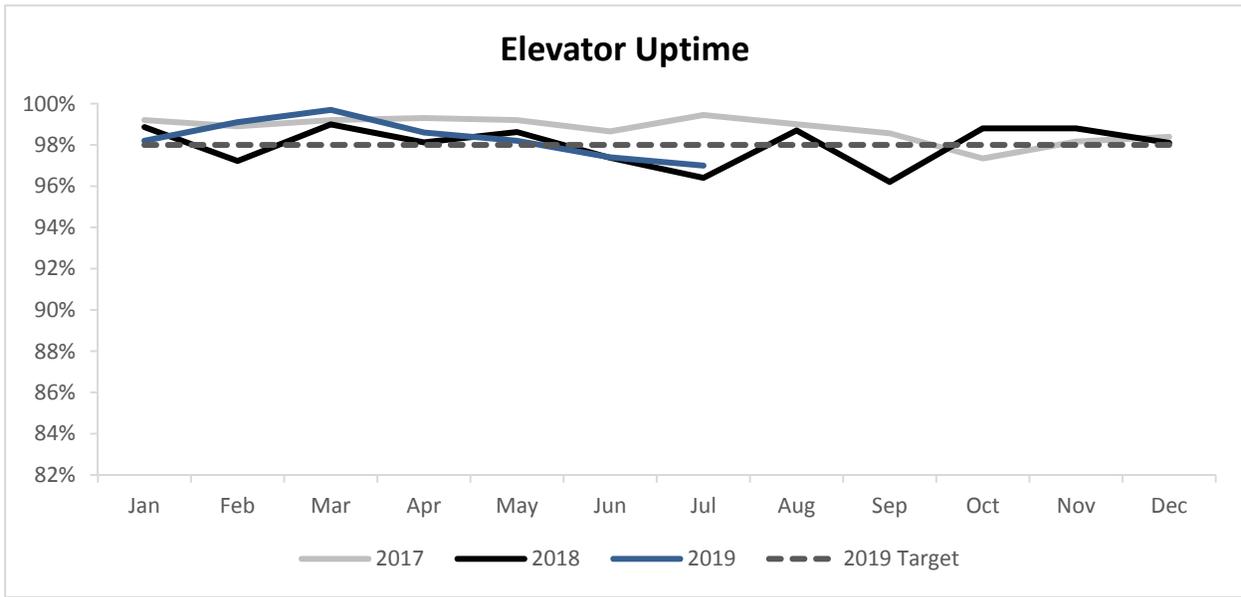


Facilities Maintenance

Facilities Maintenance operates, maintains, repairs, and cleans CTA properties and equipment. CTA Facilities Maintenance provides the personnel and supervision to remodel, rehabilitate, construct, and install facilities, offices, equipment, and devices throughout its approximately 5,000,000 square feet of CTA property. This is done in a cost-efficient manner for both the general public and CTA departments, permitting the Authority to provide a safe, functional, healthy, and clean environment.

An important function of Facilities Maintenance is maintaining elevators and escalators to ensure customer comfort and accessibility, aligning with the CUSTOMER EXPERIENCE and SAFETY strategic goals. Escalators are maintained in-house, while elevators are inspected and maintained by an independent 3rd party contractor.

CTA FY20 Budget Performance Management



Elevator and Escalator uptimes reached their targets of 98 percent and 96 percent, respectively, for the majority of 2019, missing the target in only June and July in Elevator and without exception in Escalator.

Facilities Performance Measures	2019 Target	2019 Performance (Jan-Jul)	Service Level with Proposed Budget
Elevator Uptime	98.0%	98.3%	98.0%
Escalator Uptime	96.0%	97.4%	96.0%

CTA FY20 Budget

Performance Management

Technology

The Technology Management Department provides necessary technology solutions and services to support the CTA and its riders. The Technology Department continues to expand and upgrade the security camera system that serves the Authority. Cameras in underground subway tunnels have been upgraded from analog technology to modern high-definition digital technology. All buses and rail cars now have on-board cameras that record activity. Bus garages, rail yards, and transit stations have greatly expanded camera coverage for enhanced safety and security.

CTA's underground cellular network was also recently upgraded and modernized to provide continuous, reliable high speed 4G mobile phone service in all CTA subway platforms, mezzanines, and tunnels. The upgraded network offers improved and more robust voice and high-speed data services and enhanced communication between CTA personnel and emergency responders. It replaced existing infrastructure which dated back to 2005, well before most modern smartphones and tablets were introduced. CTA is now the largest transit agency in North America that supports full 4G from all major carriers in all underground areas of the subway, including stations, platforms, and tunnels.

In addition to technology infrastructure upgrades, Technology is also responsible for the day-to-day reliability of CTA applications and online customer-facing tools, including the Bus and Train Trackers. CTA Tracker information is now available to riders by e-mail, text messaging, and online. There are approximately 34 million Bus Tracker requests per year. Dynamic Scheduling was implemented in 2019. This will enhance CTA's ability to provide bus information when there are street closures, special events, or emergencies through dynamic modification of bus scheduling as well as an enhancement to BusTracker which would allow for accurate tracking to continue when the bus is on route but detoured. This functionality aligns with the CUSTOMER EXPERIENCE strategic goal.

Riders can access CTA Bus and Rail Tracker, along with instructions on how to receive notifications by e-mail or text message, on the CTA website at www.transitchicago.com.

Safety

Safety Management System (SMS)

In 2014, the Federal Transit Administration (FTA) chose the CTA as the first transit agency in the nation to assist in developing a Safety Management System (SMS) for transit. Through SMS, the FTA will develop uniform standards to upgrade and ensure safety for transit operations throughout the country. The CTA will also integrate its safety guidelines, policies, and processes to help identify and mitigate risk, to ensure that safety systems are both employed and effective, and to promote a robust safety culture. SMS is a top-down approach, supported by safety focused activities at every level of the organization.

CTA FY20 Budget

Performance Management

In 2016, the CTA President issued an executive order to CTA employees. It states, “Safety is a core value of the CTA, and managing safety is a core business function of the Authority. The CTA is committed to developing, implementing, maintaining, and continuously improving processes to ensure the safety of its customers, employees, and the public. The CTA uses safety management processes to direct the prioritization of safety and allocate its organizational resources – people, processes, or technology in balance with its other core business functions. CTA aims to support a robust safety culture, and achieve the highest level of safety performance, meeting all established safety standards. All levels of management and all front line employees are accountable for the delivery of the highest level of safety performance.

The statement provides further detail in the following areas:

- Executive Commitment
- Communication & Training
- Responsibility & Accountability
- Responsibility of Employees & Contractors
- Employee Reporting
- Performance Monitoring & Measuring
- Review & Evaluation

In 2018, the Chicago Transit Authority (CTA) initiated a Safety Risk Management (SRM) pilot for Bus Operations. CTA tested SRM processes within a segment of the agency. Key lessons learned consisted of focusing on the process, not the results; understanding the system constraints of the test site; and setting expectations upfront and obtaining management support.

In 2019, the Federal Transit Administration (FTA) hosted a Public Transportation Agency Plan (PTASP) Bus Workshop at CTA with the goal of drafting and implementing an Agency Safety Plan. The FTA provided hands-on exercises and tools to better understand PTASP requirements and the four components of Safety Management System (SMS).

Communications and Marketing

The CTA’s Communications and Marketing Department is responsible for a wide range of communications and marketing functions, all designed to provide clear, concise, timely, and helpful information to CTA customers and Chicago and suburban residents. Communications has four business units: (1) Communications/Media Relations; (2) Customer Information; (3) Customer Service and (4) Marketing. Each unit uses a variety of print, electronic and telephone channels to inform customers about CTA service, projects and programs. All CTA communications are designed to help customers and stakeholders understand and efficiently use CTA buses and trains in Chicago and its suburbs.

CTA FY20 Budget

Performance Management

Communications/Media Relations prepares a wide range of communications materials, from collateral materials and responses to media outlets, to public presentations and social media content. The department creates informational materials (brochures, fliers, posters, mailers, promotional items) for a wide variety of CTA projects and programs, and handles photography and video content for both internal and external channels, including CTA's popular *CTA Connections* You Tube channel.

Customer Information is responsible for customer-facing communications efforts related to service, from signage and wayfinding and publications like maps and brochures, to digital display screens and other electronic channels, including all of CTA's primary social media channels (Twitter, Facebook, Instagram). The department also manages CTA's graphic branding and standards.

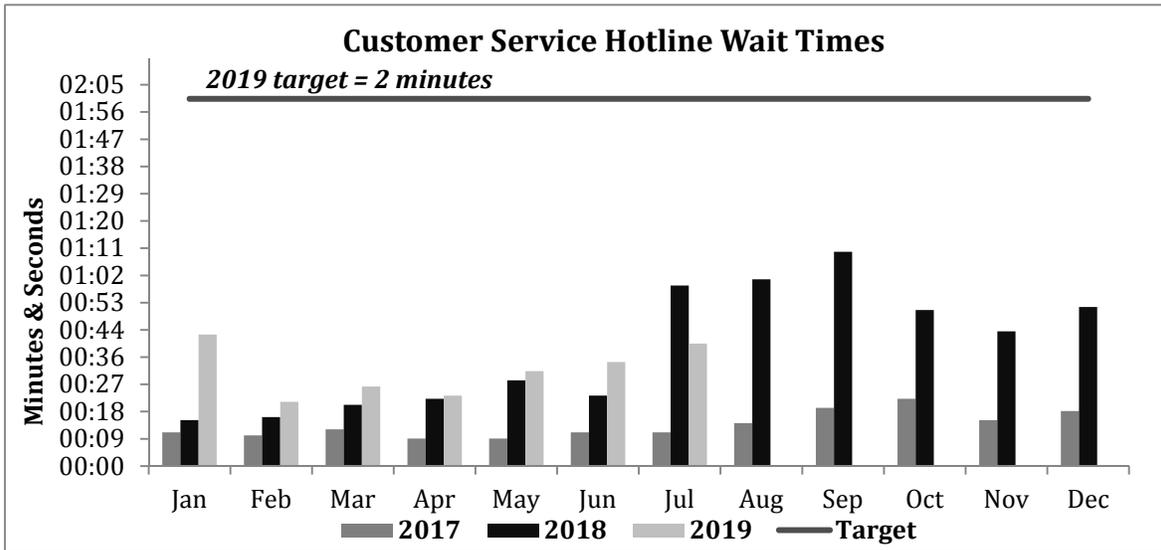
Customer Service provides a number of services including intake, analysis and routing of customer concerns; customer refunds; travel information; maps and brochures; and support for onsite public forums. The department manages CTA's Customer Service hotline, 1-888-YOUR-CTA, and e-mail address (feedback@transitchicago.com), and also handles inquires via U.S. Mail. Customer Service also staffs the information desk on the second floor of CTA headquarters, as well as many public meetings and events.

These channels allow customers to receive information about CTA service and provide feedback on the quality of their experience. The CTA recognizes that when customers call or e-mail our Customer Service channels, they expect prompt and courteous service. The Customer Service hotline was held to a target of two minutes in 2018 and has consistently exceeded that target.

Call volume averages 299 calls daily, and the Customer Feedback Programs group responds to an average of 212 emails daily.

Marketing promotes CTA services and its competitive marketplace advantages to both existing and potential customers. Throughout the year, CTA uses print, digital and social media channels to encourage ridership, tout the benefits of public transportation, and boost the reputation of the CTA. Among the most popular marketing initiatives are the *Community Connection*, a specially designed bus that appears at more than three dozen events and festivals throughout the city to promote CTA service; and the New Resident Mailer Program, which provides an unloaded Ventra card to resident new to a 606 ZIP code

CTA FY20 Budget Performance Management



Communications Performance Measures	2019 Target	2019 YTD Performance (Jan-Jul)	2020 Service Level with Proposed Budget
Average Call Response Time (Overall)	2:00	0:31	2:00

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Comparative Performance Analysis

Peer Comparison

Overview

To illustrate the CTA's performance in relation to its peers, the following comparative performance analysis utilizes the 2017 National Transit Database (NTD)¹. The selection of comparison transit agencies is based upon the size of the urban area served, the urban characteristics of the service area, and the size of the transit system. The analysis is then conducted on a modal basis (i.e. bus versus heavy rail). For each mode, the CTA is compared with five peers.

The comparison group includes:

MBTA	Massachusetts Bay Transportation Authority
NYCT	New York City Transit
SEPTA	Southeastern Pennsylvania Transportation Authority
WMATA	Washington Metropolitan Area Transit Authority
MARTA	Metropolitan Atlanta Rapid Transit Authority (for heavy rail comparison only)
LACMTA	Los Angeles County Metropolitan Transportation Authority (for bus comparison only)

Comparative Agency Profiles

Agency	City	Population of Service Area	Square Miles of Service Area Served	Urbanized Area	Fleet Size (Operated)	Fleet Size (Available)	Rapid Rail Track Miles
CTA	Chicago	3,217,000	309	2443	2,719	3,333	265.0
MBTA	Boston	3,109,000	3,244	1873	2,453	3,288	108.0
NYCT	New York	8,538,000	321	3450	10,936	11,737	836.5
SEPTA	Philadelphia	3,830,000	839	1981	2,375	2,834	99.8
WMATA	Washington D.C.	3,720,000	950	1322	3,129	3,542	292.3
MARTA	Atlanta	1,967,000	936	2645	845	1,100	103.7
LACMTA	Los Angeles	8,360,000	1,419	1736	3,505	4,111	214.7

The comparative analysis measures the performance in four areas: Service Efficiency, Cost Effectiveness, Service Maintenance and Reliability, and Service Level Solvency. Specific indicators are assigned to measure the performance in each dimension.

¹ The data from NTD is self-reported by the participating transit agencies following guidelines and procedures established by the Federal Transit Administration.

CTA FY20 Budget

Comparative Performance Analysis

Definitions of Comparative Performance Measurement

Area	Indicator	Definition
Service Efficiency	Operating Expense per Vehicle Revenue Mile	Total operating cost divided by the total number of miles that vehicles travel while in revenue service.
	Operating Expense per Vehicle Revenue Hour	Total operating cost divided by the total number of hours of transit service provided.
Cost Effectiveness	Operating Expense per Passenger Mile	Total operating cost divided by the total number of miles traveled by passengers.
	Operating Expense per Unlinked Trip	Total operating cost divided by the total number of passengers boarding public transportation vehicles.
Service Maintenance & Reliability	Average Fleet Age	The mean of the difference between year of manufacture and year under consideration for all vehicles in the active fleet.
	Miles between Major Mechanical Failures	The average number of miles that vehicles travel while in revenue service between failures of some mechanical elements or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip.
Service Level Solvency	Fare Recovery Ratio ²	The proportion of operating costs that are covered by fare revenue paid by passengers.
	Capital Funds Expended per Passenger Trip	Expenses related to the purchase of capital assets divided by the total number of unlinked passenger trips provided.

² The recovery ratio in this section follows the NTD definition. It differs from the calculation of the RTA recovery ratio, which is set forth in the RTA Act.

CTA FY20 Budget

Comparative Performance Analysis

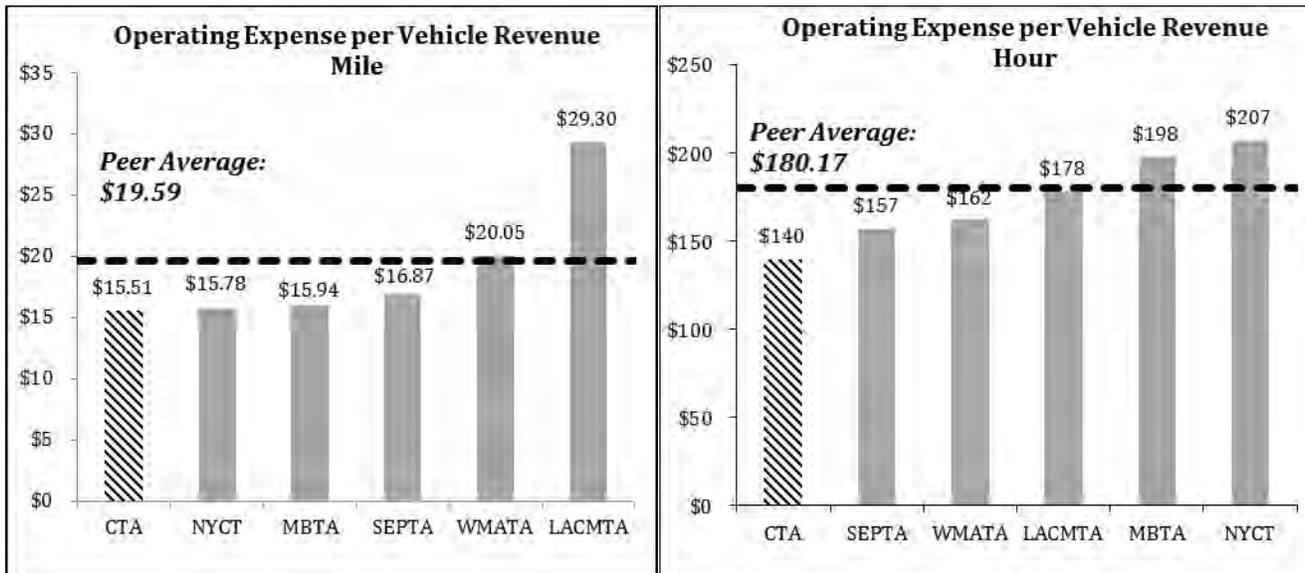
Urban Bus

Comparative Characteristics of Urban Bus

<i>Numbers in millions unless otherwise noted</i>	CTA	MBTA	LACMTA	NYCT	SEPTA	WMATA
	Chicago	Boston	Los Angeles	New York City	Philadelphia	Washington D.C.
Operating Expense	\$811	\$435	\$1,120	\$2,520	\$628	\$631
Capital Funds Expended	\$66	\$83	\$116	\$273	\$84	\$118
Fare Revenue	\$270	\$98	\$220	\$859	\$171	\$129
Vehicle Revenue Miles	52.3	21.7	66.4	86.0	39.4	40.0
Vehicle Revenue Hours	5.8	2.2	6.3	12.2	4.0	3.9
Passenger Miles	613.0	275.0	1,084.1	1,451.0	531.8	369.0
Total Number of Unlinked Trips	249.0	105.5	269.2	691.3	163.2	123.1
Total Number of Mechanical Failures (thousands)	9.5	1.8	5.5	8.8	5.4	4.6

Service Efficiency

CTA urban bus had a lower operating expense per vehicle revenue mile and vehicle revenue hour than the peer average, ranking the most efficient for expense per vehicle revenue mile and for expense per vehicle revenue hour.

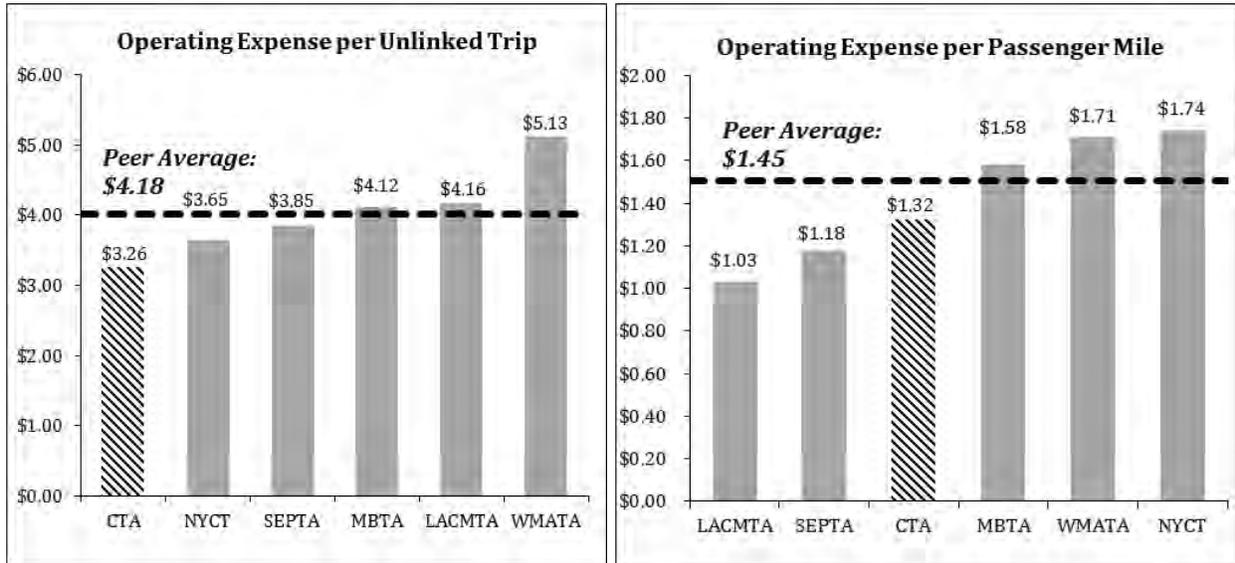


CTA FY20 Budget

Comparative Performance Analysis

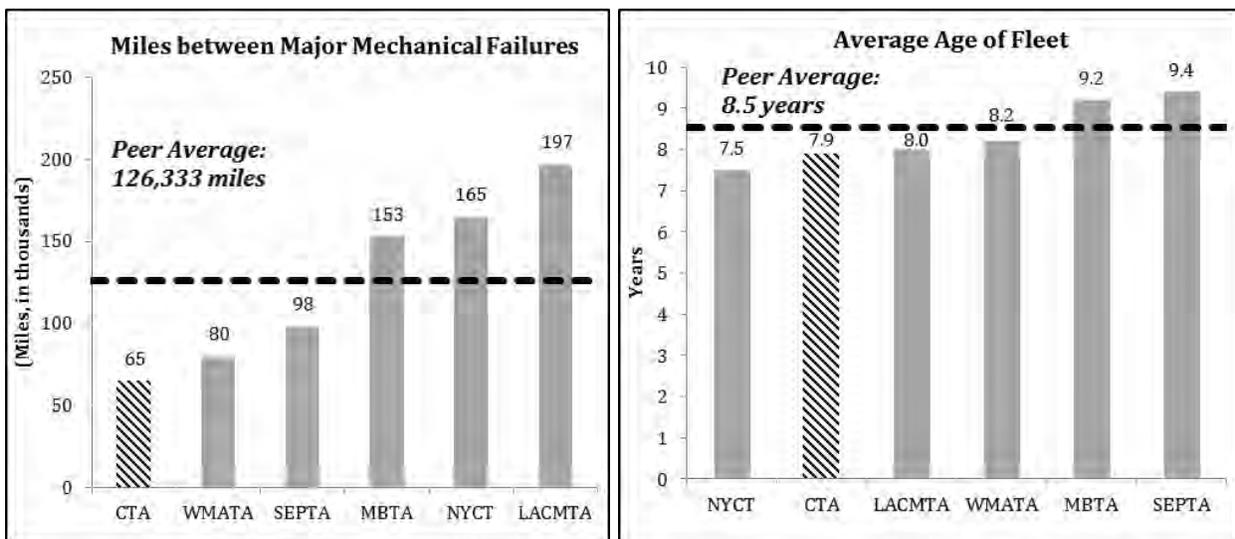
Cost Effectiveness

Both measures show that CTA urban bus had better performance than the peer average in the area of cost effectiveness. It ranked first for lowest operating expense per unlinked trip and third for lowest operating expense per passenger mile.



Service Maintenance & Reliability

Due to an influx of new buses, the CTA continued to have the second lowest fleet age in the peer group, coming in below the peer average of 8.5 years. The CTA came in under the peer average in miles between major mechanical defects, ranking last among the group.

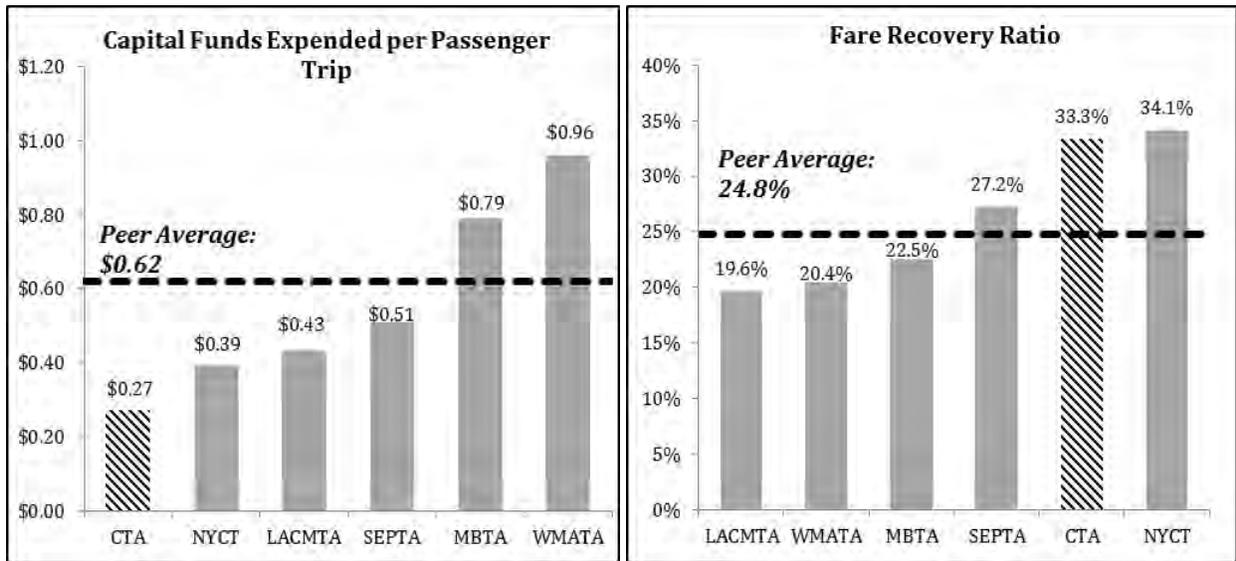


CTA FY20 Budget

Comparative Performance Analysis

Service Level Solvency

Solvency refers to the capability to meet financial obligations, including covering long-term fixed expenses. Among its peers, the CTA achieved the second highest level of bus fare recovery ratio and had a lower than average level of capital funds expended per passenger trip.



Heavy Rail

Comparative Characteristics of Heavy Rail

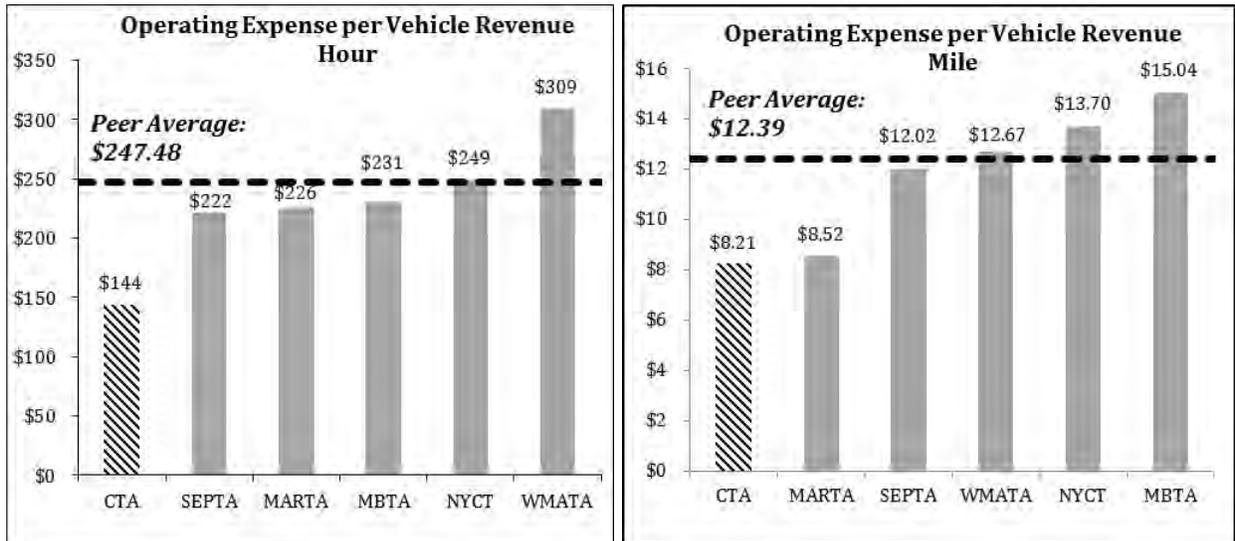
Numbers in millions unless otherwise noted	CTA	MARTA	MBTA	NYCT	SEPTA	WMATA
	Chicago	Atlanta	Boston	New York City	Philadelphia	Washington D.C.
Operating Expense	\$604	\$190	\$355	\$4,788	\$202	\$993
Capital Funds Expended	\$324	\$113	\$169	\$2,654	\$121	\$466
Fare Revenue	\$294	\$77	\$229	\$3,500	\$102	\$522
Vehicle Revenue Miles	73.6	22.3	23.6	349.5	16.8	78.4
Vehicle Revenue Hours	4.19	0.84	1.54	19.2	0.91	3.21
Passenger Miles	1,359	469	558	10,684	345	1,326
Total Number of Unlinked Trips	230.2	68.3	164.1	2,699.5	93.9	227.1
Total Number of Mechanical Failures (individual occurrences)	295	771	392	2,888	83	944

CTA FY20 Budget

Comparative Performance Analysis

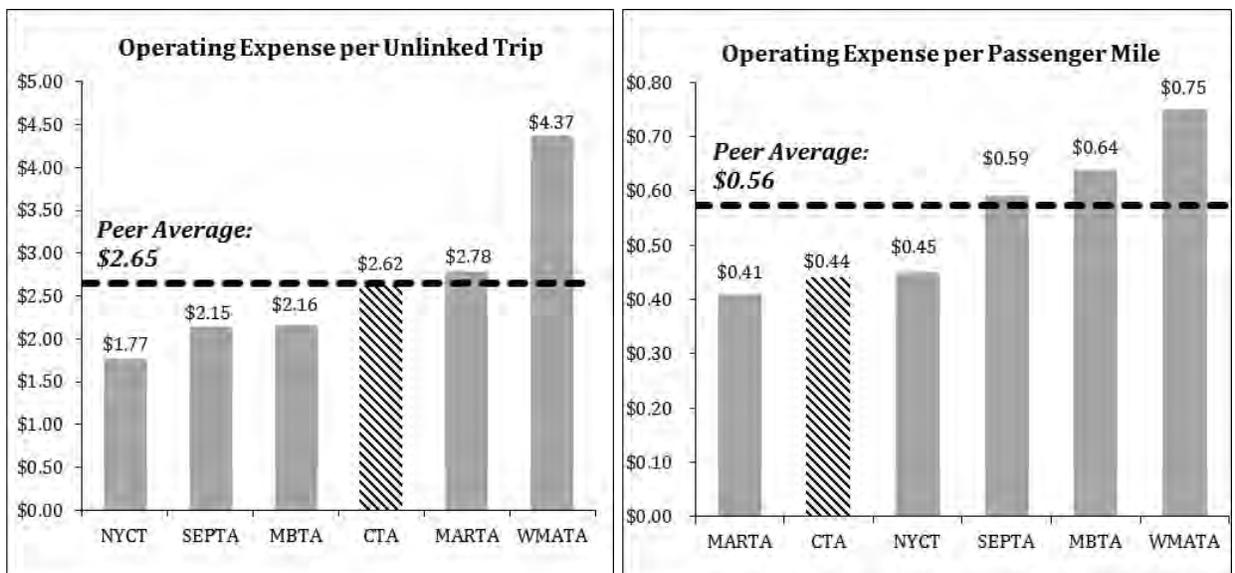
Service Efficiency

CTA heavy rail achieved superior service efficiency, ranking at the top by far for both operating expense per vehicle revenue mile and operating expense per vehicle revenue hour. The two indicators were 33.7% and 41.8% below the peer average, respectively.



Cost Effectiveness

CTA had the second lowest operating expense per passenger mile amongst its peers, and it bested the peer average operating expense per unlinked trip by 3 cents.

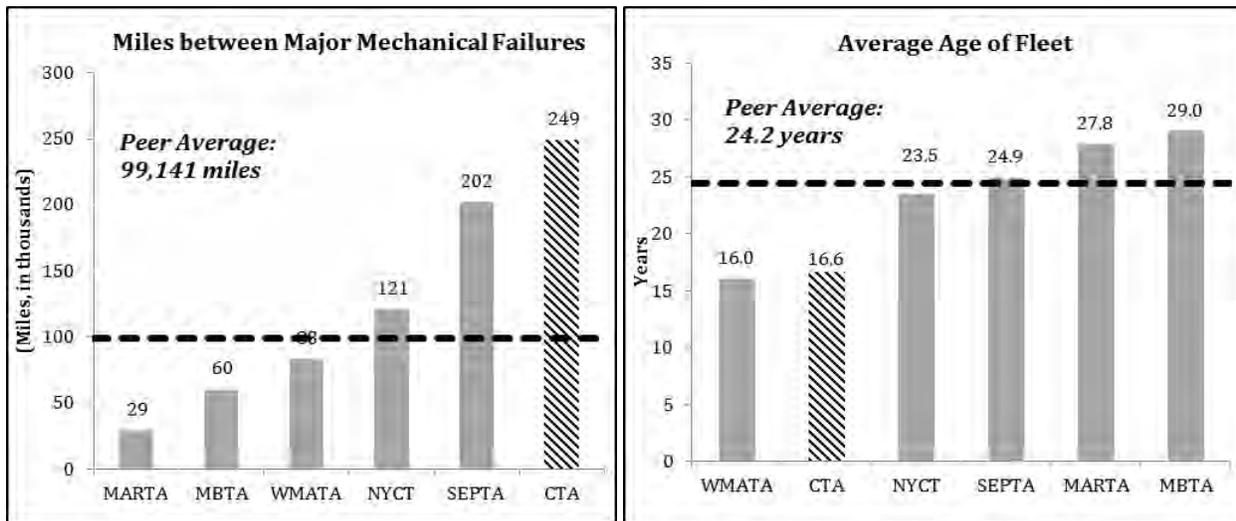


CTA FY20 Budget

Comparative Performance Analysis

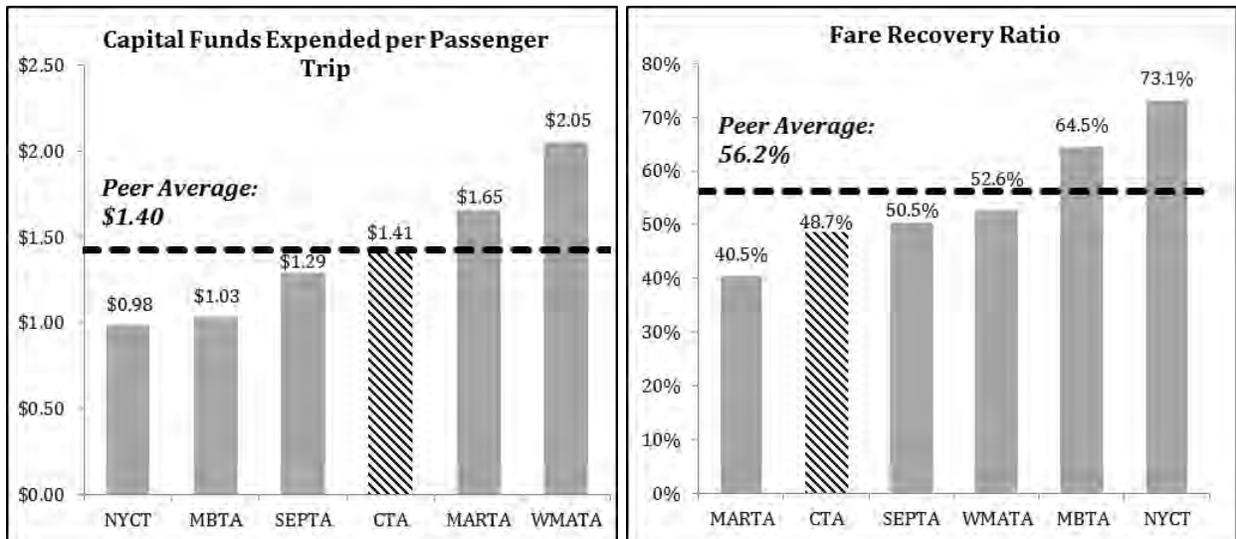
Service Maintenance & Reliability

The CTA's recent investment in new rail cars significantly lowered the average age of the fleet, moving the CTA from the highest average fleet age in 2012 to the second lowest in 2017. The CTA continued to excel in Miles between Major Mechanical Failures, beating the peer average by nearly 152%.



Service Level Solvency

The CTA Rail's Fare Recovery Ratio was the second lowest and just under the peer average, while Capital Funds Expended per Passenger Trip was the fourth lowest in the peer agency group.



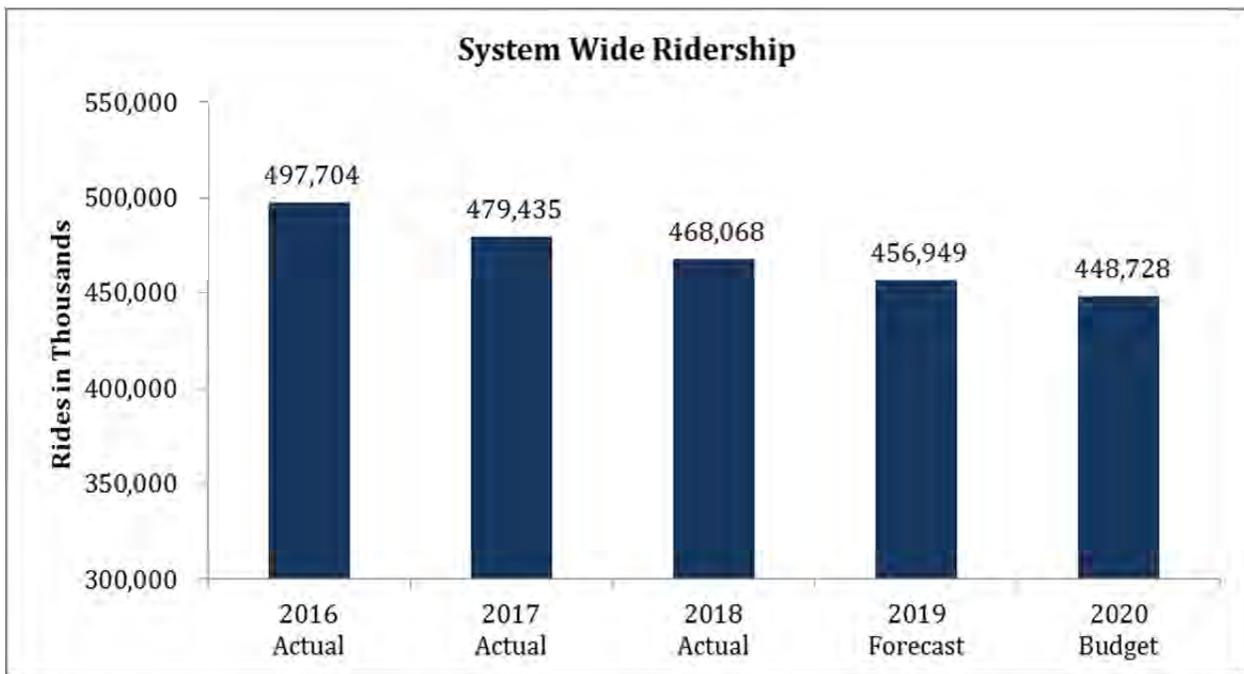
(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Operating Statistics – System

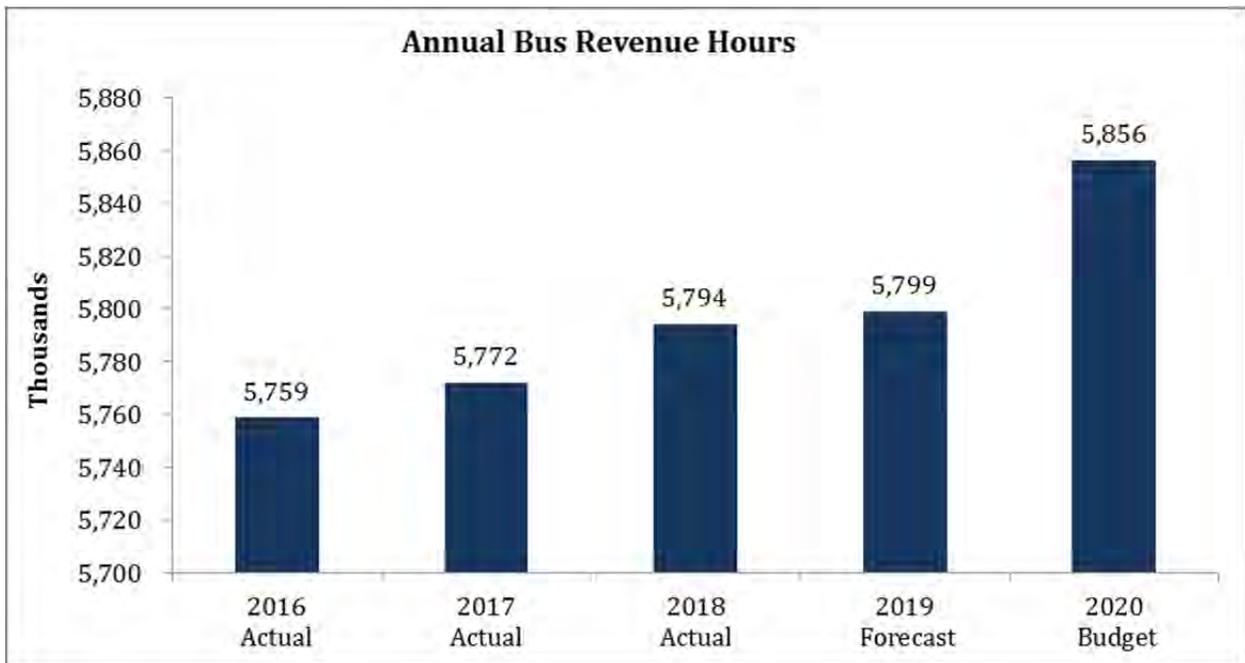
Characteristics	2016 Actual	2017 Actual	2018 Actual	2019 Forecast	2020 Budget
Ridership					
Avg. Daily Weekday	1,586,188	1,540,769	1,513,642	1,475,999	1,445,385
Avg. Daily Saturday	972,639	916,836	871,627	854,696	829,020
Avg. Daily Sunday	718,557	684,820	650,049	622,837	603,167
System Wide Ridership	497,704,252	479,435,218	468,067,963	456,948,576	448,727,749
Expense					
Top Operator Rate	\$32.82	\$32.82	\$35.01	\$36.07	\$36.07
Capital Expenditures	\$586,884,434	\$511,668,093	\$584,580,710	\$842,152,612	\$850,500,000
Revenue					
Avg. Fare per Trip	\$1.16	\$1.17	\$1.26	\$1.28	\$1.31
Public Funding per Trip	\$1.63	\$1.62	\$1.73	\$1.83	\$1.94



CTA FY20 Budget

Operating Statistics – Bus

Characteristics	2016 Actual	2017 Actual	2018 Actual	2019 Forecast	2020 Budget
Expense					
Scheduled Transportation Expense	\$390,180,472	\$397,621,567	\$413,844,445	\$414,961,464	\$425,951,491
Garage Maintenance Expense	121,702,568	119,862,173	127,492,558	137,602,932	147,646,812
Support Expense	20,581,964	21,160,420	22,248,629	23,405,329	24,954,163
Heavy Maintenance Expense	48,960,717	49,160,075	34,699,604	23,852,651	27,280,113
Other Expenses	29,399,134	26,909,521	32,186,977	30,574,205	32,059,058
Total Operating Expense	<u>\$610,824,855</u>	<u>\$614,713,755</u>	<u>\$630,472,214</u>	<u>\$630,396,582</u>	<u>\$657,891,637</u>
Fuel Expense	\$32,738,322	\$28,757,370	\$32,079,369	\$41,794,339	\$44,375,940
Miles					
Annual Vehicle Revenue Miles	52,304,804	52,290,416	52,314,606	52,679,969	53,201,475
Trips					
Annual Unlinked Trips	259,058,440	249,231,171	242,173,010	237,700,279	234,509,870
Vehicles					
Annual Vehicle Revenue Hours	5,758,937	5,772,259	5,794,197	5,798,985	5,856,392
Vehicles Operated in Maximum Service	1,572	1,579	1,569	1,566	1,566
Vehicles Owned by CTA	1,888	1,871	1,864	1,862	1,862
Average Age of Vehicles (Years)	6.9	8.2	9.3	10.0	10.2

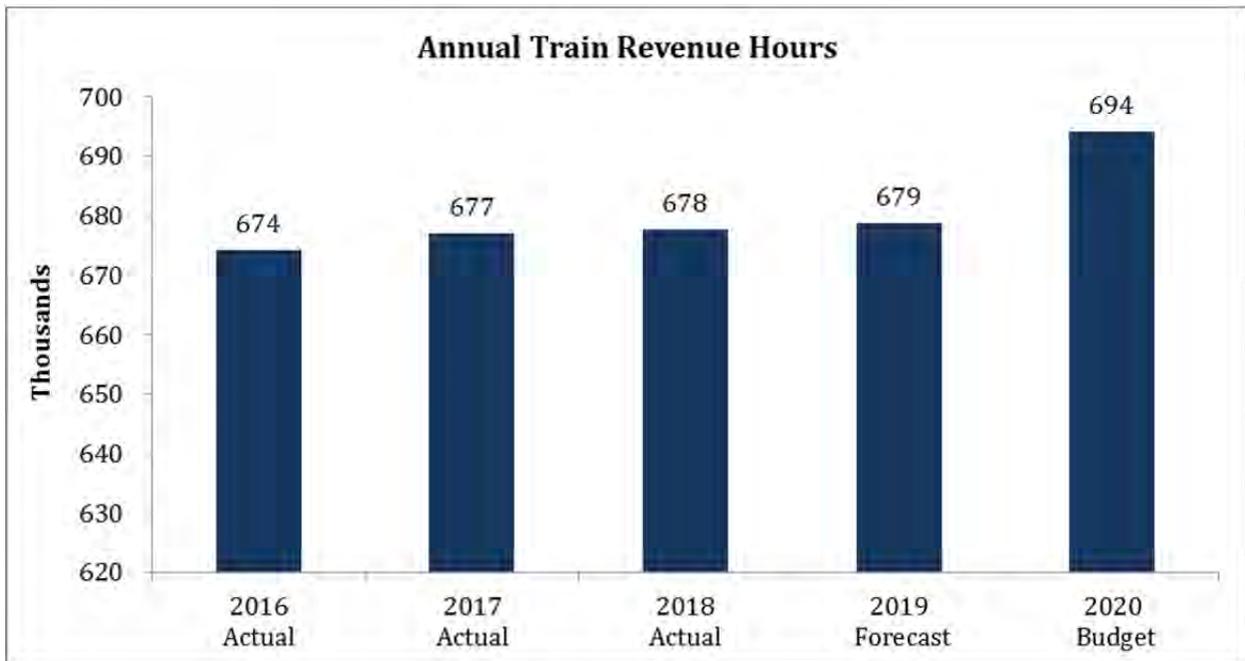


CTA FY20 Budget

Operating Statistics – Heavy Rail

Characteristics	2016 Actual	2017 Actual	2018 Actual	2019 Forecast	2020 Budget
Expense					
Scheduled Transportation Expense	\$161,614,738	\$162,264,798	\$172,376,603	\$177,223,910	\$189,876,233
Terminal Maintenance Expense	48,938,815	52,059,484	55,841,750	56,505,600	49,132,115
Support Expense	41,617,321	43,469,378	48,291,577	47,327,942	47,921,967
Heavy Maintenance Expense	18,790,060	20,371,113	18,332,219	17,081,694	21,300,122
Rail Car Appearance Expense	14,964,653	14,253,604	14,681,638	15,732,155	17,759,200
Other Expenses	10,483,985	9,935,030	11,069,686	11,503,915	14,021,522
Total Operating Expense	<u>\$296,409,572</u>	<u>\$302,353,408</u>	<u>\$320,593,473</u>	<u>\$325,375,216</u>	<u>\$340,011,159</u>
Power Expense	\$29,282,792	\$27,372,603	\$31,161,518	\$33,441,383	\$32,639,251
Miles					
Annual Rail Car Revenue Miles	71,811,535	73,612,276	73,461,555	73,691,475	75,352,977
Trips					
Annual Unlinked Trips	238,645,812	230,204,047	225,894,953	219,248,297	214,217,879
Vehicles					
Annual Train Revenue Hours	674,258	677,161	677,648	678,859	694,165
Vehicles Operated in Maximum Service	1,140	1,140	1,142	1,156	1,156
Vehicles Owned by CTA*	1,470	1,462	1,462	1,458	1,468
Average Age of Vehicles (Years)	16	17	18	19	20

* Number corresponds to total cars available for maximum service



(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

History of the Agency

History of the Agency

Before mass transit, Chicago was a “walking city,” limited in size by an area its population could easily travel on foot or horseback. As the population and settled area increased, the need for public transportation arose. These services were originally provided by private companies under public regulation.

The first public transportation vehicles in Chicago were horse-drawn carriages called omnibuses. The poor condition of the streets limited their utility, which led to the establishment of the first street railways in 1859, generally considered the earliest ancestor of today’s transit system in Chicago.



The street railways were superior to the omnibuses in that their running on rails provided a smoother ride and made them less susceptible to street conditions. But horses were an expensive mode of power, and the street railway companies looked for more efficient ways to carry the growing number of commuters. Various power sources were tested, but after 1882 many higher-ridership horsecar lines were successfully converted to cable cars. After 1890, lines began to be converted to electric power; all trolleys in Chicago were electrically powered by 1906.



Increased traffic congestion, as well as rising population densities and demand for high-capacity transit, led to the construction of the city’s first elevated railways. Chicago’s first ‘L’ line, the Chicago and South Side Rapid Transit, opened on June 6, 1892. Two more companies whose lines served the West Side followed in 1893 and 1895; in 1897, the famous Loop elevated downtown was completed and acted as a common terminal for all the lines. By the turn of the century, an additional ‘L’ company serving the North Side opened. The first trains, powered by steam when they opened in 1892-93,

were converted to electricity by 1898; all lines opened after 1895 were electric.

To attain greater efficiency and try to deal with lingering financial hardships, the ‘L’ and streetcar companies began to consolidate. In 1914, all streetcar companies began operating as a unified system known as the Chicago Surface Lines (CSL), despite remaining as separate companies. At its peak, the Chicago Surface Lines system operated along 1,100 miles of track and was the largest and most heavily-used streetcar system in the world.



Control of the four rapid transit ‘L’ companies was vested in a trust in 1911, which centralized some functions but left the underlying companies intact. As part of the greater coordination, free

CTA FY20 Budget

History of the Agency

transfers between the companies' trains were allowed for the first time in 1913; this also marked the start of through-routing trains between the North and South sides. In 1924, the companies formally merged into the Chicago Rapid Transit Company (CRT).



Buses were first used in Chicago in 1917 by the Chicago Motor Bus Company; they became the Chicago Motor Coach Company (CMC) in 1922. The CMC's routes were limited to Chicago boulevards and parks, where streetcars were not allowed to operate. CSL began limited use of some motor buses in 1927 and trolley buses in 1930, primarily as extensions of the streetcar system into outlying areas. However, buses would play a limited role in mass transit in Chicago until after World War II.

Strained finances combined with the hardships of the Great Depression placed both the CRT and CSL in bankruptcy and receivership by the early 1930s. Development of Chicago's transit network continued, however, as federal Public Works Administration financing combined with transit-company funded city monies allowed construction of Chicago's first subway under State Street, opening in 1943. A second subway under Dearborn Street was started concurrently with the State Street Subway but mothballed during World War II; it was completed and opened in 1951.



Public ownership of Chicago's mass transit system began after the War, with the creation of the Chicago Transit Authority (CTA) by the Illinois legislature in 1945. CTA issued \$105 million in revenue bonds to purchase assets of the CRT and CSL, and began operating the 'L' train, streetcar, and limited bus service in and around Chicago on October 1, 1947. On October 1, 1952, CTA became the sole operator of Chicago transit when it purchased the Chicago Motor Coach system.

The CTA – empowered to control its own fare levels and service patterns and issue bonds, but receiving no subsidies and lacking taxing authority – immediately set about to unify the desperate private transit networks and modernize the system. Lightly-used services were discontinued or modified, and new equipment was purchased to retire aging vehicles, some almost 50 years old. The last streetcars were retired in 1958, replaced by buses. By 1960, the 'L' and surface systems had been thoroughly modernized.

CTA FY20 Budget

History of the Agency

New 'L' lines were built and others modernized, many in partnership with the city Department of Public Works – these included the Congress branch in the median of the newly-built Congress Superhighway, the nation's first rapid transit line in the median of an expressway (opened 1958), the Dan Ryan Line (opened 1969), and the Kennedy Extension (opened 1970). In 1964, The CTA obtained federal demonstration project funding to create the first "light rail" service, the Skokie Swift, utilizing five miles of the former North Shore Line interurban, which had been abandoned the previous year.



By the early 1970s, the popularity of car travel and declining ridership levels threatened the financial stability of the local public transit providers, including the CTA. To address these issues, the Illinois General Assembly created the Regional Transportation Authority (RTA) as a fiscal and policy oversight agency committed to providing an efficient and effective public transportation system. Today, the RTA continues to provide financial oversight to the CTA, Metra and Pace. The RTA was also empowered to levy taxes, providing the first subsidies for local mass transit operating expenses.

CTA's mission of modernization and expansion continued, with extensions to O'Hare Airport and Midway Airport opening in 1984 and 1993, respectively; these allowed Chicago to become one of the few cities in the world that has rail service to two major airports.



By the 1980s, much of the CTA's physical infrastructure was aging, some almost a century old, and a renewed focus was placed on rehabilitation, renovation and good state of repair. This led to projects to replace or rebuild many bus garages and rail terminals, as well as major projects to renovate existing rail lines. These projects included the extensive rehabilitation or rebuilding of the Green Line in 1994-96, the Cermak branch (now part of the Pink Line) in 2001-05, the Dan Ryan branch of the Red Line in 2004-06 and 2013, and the Brown Line in 2004-2010.

CTA FY20 Budget

History of the Agency

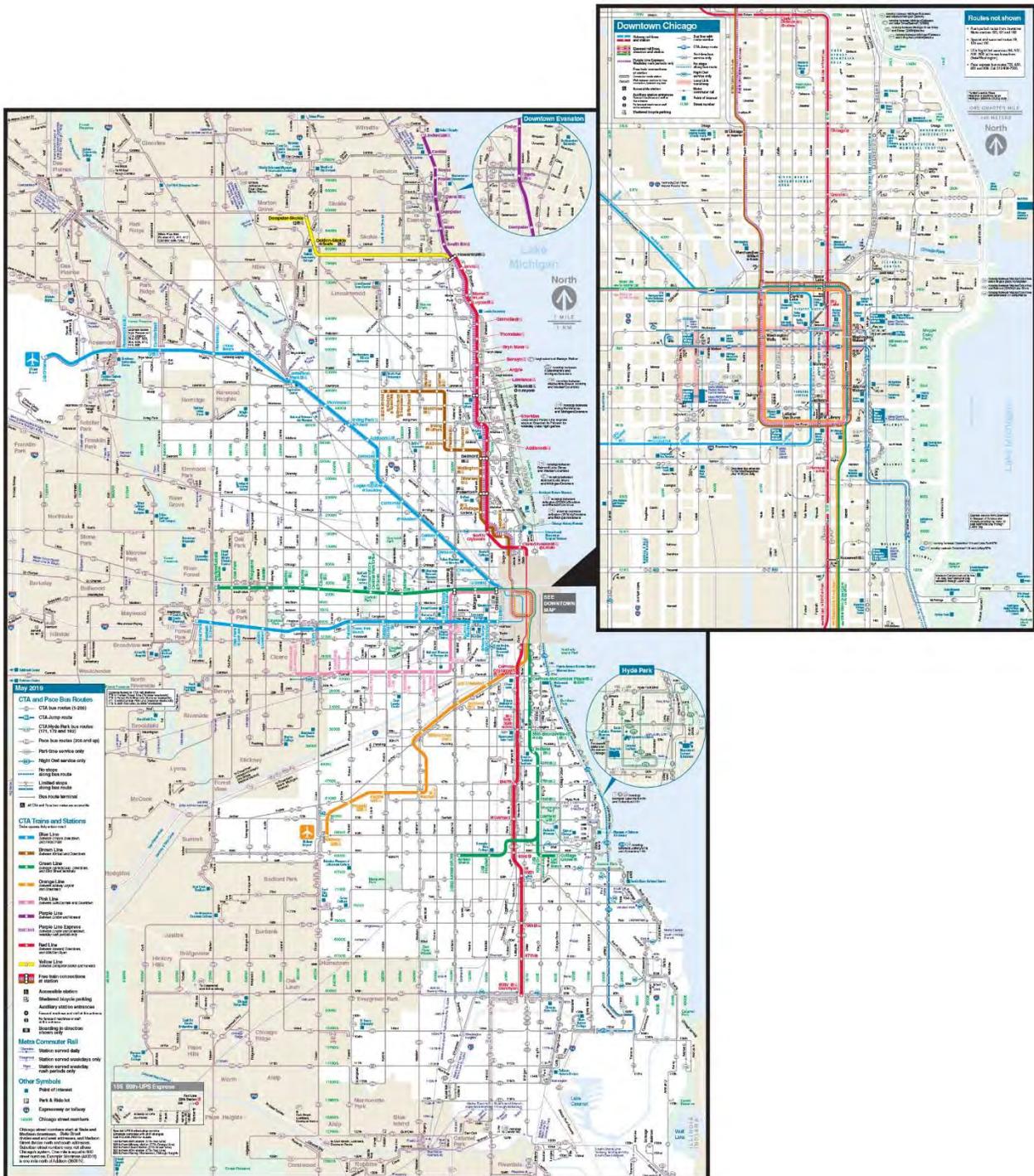
The 2000s brought advances in technology that greatly enhanced CTA customers' experience and the efficiency of the transit system overall. In 2009 and 2011 respectively, CTA launched Bus Tracker and Train Tracker, allowing customers to access information online and via text messaging, and receive email notification of predicted arrival times and service alerts. CTA's



latest model of rail car – the 5000-Series – went into service from 2010 through 2015. These advanced cars result in a smoother, more comfortable ride and provide both operational and maintenance efficiencies. In 2014, CTA completed the transition to Ventra, a fare payment system built on open standards, enabling customers to pay using contactless bankcards and mobile phones. Ventra combines the convenience of a contactless card and an account-based system with the ability to have any type of fare value or pass – or both – on one card.

CTA FY20 Budget

System Map



(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Transit Facts

Transit Facts

Creation of CTA

The CTA was created by state legislation and began operating on October 1, 1947, after acquiring the properties of the Chicago Rapid Transit Company and the Chicago Surface Lines. On October 1, 1952, the CTA became the sole operator of City of Chicago transit when it purchased the Chicago Motor Coach System.

CTA Governance

The CTA's governing arm is the Chicago Transit Board, which consists of seven members. The Mayor of Chicago appoints four board members, subject to the approval of the City Council and the Governor of Illinois. The Governor appoints three board members, subject to the approval of the State Senate and the Mayor of Chicago.

In 1974, the Regional Transportation Authority (RTA) was created by state legislation. The RTA serves as the CTA's fiscal oversight agency.

Service Area	
Area	310 square miles of Chicago and 35 nearby suburbs
Population	3.2 million
Coverage	81% of public transit trips in the six-county Chicago metropolitan area

Daily Ridership (2019 Forecast)	
Average Weekday	1,475,999
Average Saturday	854,696
Average Sunday/Holiday	622,837

Bus	
Number of buses	1,862
Routes	127
Stops	10,715
Bus Route Miles	1,519
Bus Miles Traveled per Day	161,762
Ridership (2019 Forecast)	237.7 million

Rail	
Number of Rail Cars	1,458
Stations	145
Rail Track Miles	224
Rail Miles Traveled per Day	230,563
Ridership (2019 Forecast)	219.2 million

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Fare Structure

Fare Structure

CTA is maintaining the following fare structure for the 2020 Budget.

Fare Group	Current Fare Structure (Effective January 7, 2018)
<i>CTA Regular Fare Types</i>	
Full Fare Bus ^[1]	\$2.25
Full Fare Rail ^[1]	\$2.50
Full Fare Cash (Bus Only)/PAYG ^[2]	\$2.50
Transfer ^[3]	\$0.25 (1 st), free (2 nd)
Ventra Single Ride Ticket ^[4]	\$3.00
1-Day/24-Hour Pass	\$10.00
3-Day/72-Hour Pass	\$20.00
7-Day Pass	\$28.00
7-Day Pass (CTA/Pace)	\$33.00
30-Day Pass (CTA/Pace)	\$105.00
Metra Link-Up	\$55.00
<i>CTA Reduced Fare Types ^[5]</i>	
Reduced Fare Bus	\$1.10
Reduced Fare Rail	\$1.25
Reduced Fare Cash (Bus Only)	\$1.25
Transfer ^[3]	\$0.15 (1 st), free (2 nd)
30-Day Reduced Pass	\$50
<i>CTA Student Fare ^[6]</i>	
Bus & Rail on Student Card	\$0.75
Transfer ^[3]	\$0.15 (1 st), free (2 nd)
Student Fare Cash (Bus Only)	\$0.75
<i>O'Hare Station Fare ^[7]</i>	
Full Fare on Ventra cards, Ventra Tickets, Cash or PAYG	\$5.00
<i>Stadium Express Bus</i>	
#128 Soldier Field Express ^[8]	\$5.00 round-trip \$2.50 reduced fare

CTA FY20 Budget

Fare Structure

Notes

- [1] Indicates fares paid with Ventra Card or registered contactless credit/debit cards, unless otherwise indicated.
- [2] "PAYG" refers to payments made by a contactless credit card or mobile wallet not associated with a Transit Account (unregistered).
- [3] Transfers are not available with cash transactions.
- [4] Single Ride Ticket Fare includes transfer for bus and rail.
- [5] The CTA offers reduced fares via a RTA reduced-fare permit to seniors and persons with disabilities in compliance with 49 CFR Part 609. In addition, the CTA also offers reduced fares to children age 7-11. Free rides are offered to low-income seniors and persons with disabilities as required by 70 ILCS 3605/51(b) & 70 ILCS 3605/52. Children under the age of 7 are free at all times when riding with an adult.
- [6] Student Fares are for enrolled elementary and high school students on school days only, 5:30 a.m. to 8:30 p.m. Students can pay with transit value on their Student Ventra Card, or present the Card on bus to be eligible for reduced cash fare.
- [7] Special \$5 pricing at O'Hare station is not applicable to the following customers: Ventra Cards using a purchased period-pass; contactless credit/debit cards using a purchased period-pass; O'Hare Airport-based employees using an employer-issued Ventra Card; reduced fares; student fares; and U-Pass.
- [8] The #128 Soldier Field Express is a service jointly managed by CTA and Metra, scheduled to operate for all Chicago Bears home games at Soldier Field, and other agreed-upon events. Period-passes, Student Fares and U-Pass fares are not accepted on the #128. Reduced fares are for customers displaying the RTA reduced-fare permit and children ages 7 to 11. Statutory free rides (seniors and persons with disabilities) and children under the age of 7 are free on the #128.

CTA FY20 Budget

Comparative Fare Structure

Comparative Fare Structure

Each transit agency has its own card-based system and fares. Comparable fares are reflected here, as of September 2019.

Peer Agency Fares

<u>CITY SYSTEM</u>	<u>Bus Fare</u>	<u>Express Bus Fare</u>	<u>Rail Fare</u>	<u>30-Day/Monthly Pass Cost</u>	<u>Reduced Fare (Senior/Disabled)</u>
CHICAGO (CTA)	\$2.25	---	\$2.50	\$105	\$1.10 - Bus \$1.25 - Rail
ATLANTA (MARTA)	\$2.50	---	\$2.50	\$95	\$1.00
NEW YORK CITY (NYCT)	\$2.75	\$6.75	\$2.75	\$127.00	\$1.35
PHILADELPHIA (SEPTA)	\$2.00 ¹	---	\$2.00 ¹	\$96	Senior: Free Disabled: \$1.25
BOSTON (MBTA)	\$1.70	\$4 (Inner) \$5.25 (Outer)	\$2.40	\$90.00	\$0.85 - Bus \$1.10 - Rail
WASHINGTON D.C. (WMATA)	\$2.00	\$4.25 Regular \$2.10 Senior/Disabled	\$2.00 - \$6.00 ²	\$135 ³	\$1.00
LOS ANGELES (LACMTA)	\$1.75	\$2.50 Regular \$1.35 Senior/Disabled	\$1.75	\$100	\$0.75 Rush Hours; \$0.35 Non-Rush

CTA Historical Fare Structure

<u>Year</u>	<u>Bus Fare</u>	<u>Rail Fare</u>	<u>Transfer</u>	<u>30-Day Pass</u>	<u>Reduced Fare</u>
1991-1998	\$1.50	\$1.50	\$0.30	\$60-\$88	\$0.75
1999-2003	\$1.50	\$1.50	\$0.30	\$75	\$0.75
2004 - 2005	\$1.75	\$1.75	\$0.25	\$75	\$0.85
2006 - 2008	\$1.75	\$2.00	\$0.25	\$75	\$0.85
2009 - 2012	\$2.00	\$2.25	\$0.25	\$86	\$0.85
2013 - 2017	\$2.00	\$2.25	\$0.25	\$100	\$1.00 - Bus \$1.10 - Rail
2018 - current	\$2.25	\$2.50	\$0.25	\$105	\$1.10 - Bus \$1.25 - Rail

¹ Zone charge may apply. Transfer charge \$1.

² The fares are zone based and depend on hours traveled. Full fares are paid during peak hours varying from \$2.25 to \$6.00 (weekday opening-9:00 a.m. and 3:00-7:00 p.m., based on the starting time of the trip).

³ WMATA offers select calendar month passes to registered customer for different rates. A \$135 pass covers system-wide access for commuters who would generally pay \$2.25 per ride.

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Debt Administration

Debt Management Policy Guidelines

On October 14, 2004, the Chicago Transit Board approved an ordinance adopting Debt Management Policy Guidelines (the “Debt Policy”) which was amended on May 8, 2019. The Debt Policy serves as a management tool to ensure that the CTA identifies transactions that utilize debt in the most efficient manner, and provides for full and timely repayment of all borrowings. Additionally, the Debt Policy outlines a means of achieving the lowest possible cost of capital within prudent risk parameters as well as ensuring ongoing access to the capital markets. The Debt Policy applies to all short- and long-term bonds and notes, direct borrowing programs, and other long-term lease obligations. The Debt Policy does not cover commodity hedging, leverage leases, long-term operating leases, short-term leases, and equipment leases. The general debt issuance guidelines outlined in the Debt Policy are summarized below.

The Debt Policy

It is the CTA’s preference to use a pay-as-you-go funding mechanism for all capital projects. As such, CTA explores the use of available cash to fund all or part of a particular capital improvement project and other long-term financial needs before proposing the use of debt. However, the CTA recognizes that the size, scope and timing of particular projects in its capital improvement plan, cash flow sufficiency and capital market opportunities may necessitate the use of debt. The Debt Policy allows for the issuance of either long-term or short-term debt. The financing purpose determines the type of debt the CTA would use.

Short-Term Debt Obligations

Short-term debt may be used by the CTA as a cash management tool to provide interim financing or to bridge temporary cash flow deficits within a fiscal year. As of October 1, 2019, CTA had \$174 million of outstanding short-term debt obligations for certain capital projects. The notes will be repaid with long-term bonds.

Long-Term Debt Obligations

The Debt Policy prohibits the use of long-term debt to fund operations. However, long-term bonds are deemed appropriate to finance essential capital activities and certain management initiatives. The CTA may also use long-term lease obligations to finance or refinance capital equipment. Prior to entering into any lease financing, the Authority will evaluate three factors: the useful life of assets financed; the terms and conditions of the lease; and the budgetary, debt capacity, and tax implications.

Other Provisions

The CTA may secure credit enhancement in the form of municipal bond insurance or a letter/line of credit for all or a portion of each bond issue. The Debt Policy also allows the Authority to issue debt on either a taxable or tax-exempt basis. The debt policy still allows variable rate bonds up to 20 percent of outstanding long term debt.

CTA FY20 Budget

Debt Administration

Debt Limitations

Attaining a proper balance between minimizing borrowing and maximizing financial flexibility is a key goal of the CTA debt program. The CTA is not subject to statutory debt limitations for capital investment.

Current Debt

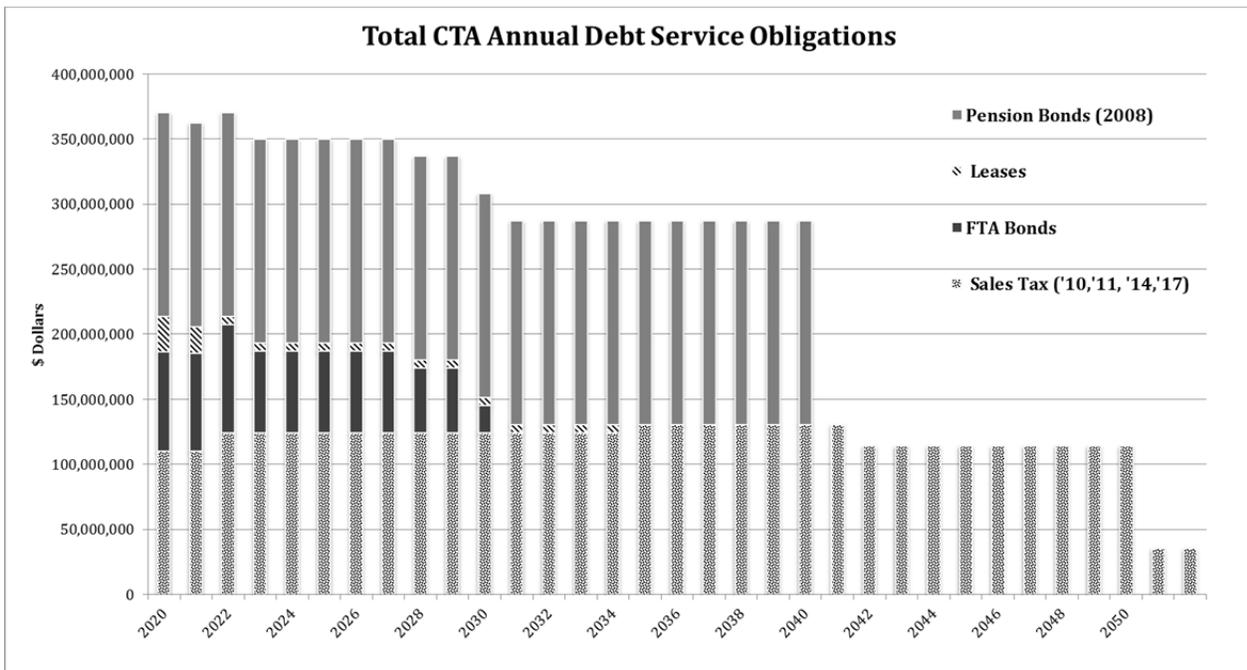
CTA's current long-term debt (principal) obligations as of October 1, 2019 include sales tax and transfer tax revenue bonds, capital grant receipts revenue bonds, TIFIA loans, building revenue bonds, and capital lease obligations as described below.

CTA Debt Obligations								
Credit	Series Name	Outstanding Principal as of 12/31/2019 *	Final Maturity	Security Pledge	Moody's Rating (Outlook)	S&P Rating (Outlook)	Fitch Rating (Outlook)	Kroll Rating (Outlook)
Sales Tax	Series 2008A and 2008B ("POBs")	\$1,711,095,000	2040	Sales Tax & Transfer Tax	A3(neg)	AA(stable)	NR	AA(stable)
	Series 2010A and 2010B	\$505,355,000	2040	Sales Tax	A3(neg)	AA(stable)	NR	AA(stable)
	Series 2011	\$476,905,000	2040	Sales Tax	A3(neg)	AA(stable)	NR	AA(stable)
	Series 2014	\$555,000,000	2049	Sales Tax	NR	AA(stable)	NR	AA(stable)
	Series 2017 (Second Lien)	\$296,220,000	2051	Second Lien Sales Tax	NR	A+(stable)	NR	AA-(stable)
	Total Principal Outstanding	\$3,544,575,000						
GARVEES	2010 5307	\$63,895,000	2028	FTA 5307 Grant Receipts	A3(stable)	A(stable)	BBB (stable)	NR
	2011 5307	\$56,525,000	2029	FTA 5307 Grant Receipts	A3(stable)	A(stable)	BBB (stable)	NR
	2015 5307	\$72,995,000	2026	FTA 5307 Grant Receipts	NR	A(stable)	BBB (stable)	NR
	2017 5307	\$90,540,000	2026	FTA 5307 Grant Receipts	NR	A(stable)	BBB (stable)	NR
	2010 5309/5337	\$26,820,000	2028	FTA 5309/5337 Grant Receipts	A3(stable)	A+(stable)	BBB (stable)	NR
	2015 5309/5337	\$45,055,000	2026	FTA 5309/5337 Grant Receipts	NR	A+(stable)	BBB (stable)	NR
	2017 5309/5337	\$115,610,000	2026	FTA 5309/5337 Grant Receipts	NR	A+(stable)	BBB (stable)	NR
	Total Principal Outstanding	\$471,440,000						
Capital Leases	2008 (Oct 2013 Ref) Articulated Hybrid Bus Lease (PNC)	\$6,472,166	2020	CTA Lease Payments	NR	NR	NR	NR
	2008 COPs (April 2013 Ref) New Flyer Bus Lease (BONY)	\$7,751,436	2020	CTA Lease Payments	NR	NR	NR	NR
	2006 PBC Bonds	\$61,395,000	2033	CTA Lease Payments	Baa1 (stable)	A+(stable)	NR	NR
	Total Principal Outstanding	\$75,618,602						
TIFIA	95th Street Terminal (2014)	\$79,200,000	2050	CTA Farebox Revenue	NR	A+ (stable)	NR	NR
	Your New Blue (2015)	\$120,000,000	2052	CTA Farebox Revenue	NR	A+ (stable)	NR	AA- (stable)
	Rail Cars (2016)	\$254,900,000	2056	CTA Farebox Revenue	NR	A+ (stable)	NR	AA- (stable)
	Total TIFIA Loans	\$454,100,000						
	Total Principal Outstanding (all issues)	\$4,545,733,602						

* Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Debt Administration



Sales Tax Revenue Bonds

Sales Tax Revenue Bonds are long-term debt obligations secured by a portion of sales tax revenues. The Sales Tax Receipts consist of all amounts received by the CTA from the RTA, representing the CTA's share of (i) RTA Sales Taxes imposed through the Northeastern Illinois Transit Region, which includes the Counties of Cook, DuPage, Kane, Lake, McHenry and Will, (ii) Replacement Revenues paid to the RTA by the State, and (iii) Public Transportation Fund Revenues paid to or on behalf of the RTA by the State. The sales tax pledge for the 2010, 2011, and 2014 Series is parity to the sales tax pledge for the 2008 Series. The sales tax pledge for the 2017 Series is subordinate to the sales tax pledge for the 2008, 2010, 2011, and 2014 Series. The 2008 Sales Tax Bonds (POBs) are also secured by Transfer Tax Receipts which are a portion of real estate tax revenue remitted by the City directly to the CTA pursuant to the Intergovernmental Agreement. Transfer Tax Receipts do not secure the 2010, 2011, 2014, and 2017 Series Bonds.

Sales and Transfer Tax Receipts Revenue Bonds, 2008A Series (Pension Funding) and 2008B Series (Retiree Health Care Funding)

On August 6, 2008, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds in the amount of \$1.94 billion to fund the employee retirement plan and to create a retiree health care trust. The bonds were sold in two tranches: a \$1.3 billion Series A to fund the employee retirement plan, and a \$640 million Series B to fund a permanent trust that was established to cover other post-employment benefits for retiree health care. The bonds are secured primarily by a pledge of and lien on the Sales Tax Receipts Fund and the Transfer

CTA FY20 Budget

Debt Administration

Tax Receipts Fund deposits. The bonds were issued pursuant to the pension and retiree health care reform requirements set forth in Public Acts 94-839 and 95-0708.

Public Act 94-839 required the CTA to make contributions to its retirement system in an amount which, together with the contributions of its participants, interest earned on investments and other income, was sufficient to bring the total assets of the retirement system up to 90 percent of its total actuarial liabilities by the end of fiscal year 2058. Additionally, Public Act 94-839 required that the Retirement Plan's pension and retiree health care programs be separated into two distinct trusts by December 31, 2008.

Under amendments to the Pension Code adopted by the Illinois General Assembly in 2008, the funding of the Retirement Plan is also subject to the following requirements:

- For each year through 2039, the estimated "funded ratio" of the Retirement Plan, which is the actuarial value of assets divided by the actuarial accrued liability, expressed as a percentage, must be at least 60 percent. If the funded ratio is projected to decline below 60 percent in any year before 2040, increased contributions will be required each year as a level percentage of payroll over the years remaining until 2040 so that the funded ratio does not decline below 60 percent.
- If the funded ratio actually declines below 60 percent in any year prior to 2040, increased contributions will be required each year as a level percentage of payroll during the years after the then current year so that the funded ratio is projected to reach at least 60 percent no later than 10 years after the then current year.
- Beginning in 2040, the minimum annual contribution to the Retirement Plan must be sufficient to bring the funded ratio to 90 percent by the end of 2059.
- Beginning in 2060, the minimum contribution must be an amount necessary to maintain the funded ratio at 90 percent.
- Two-thirds of any increase in required contributions is to be paid by the Authority and one-third by participating employees.

Any deviation from the stated projections could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

Public Act 95-708 authorized the CTA to issue \$1.9 billion in pension obligation bonds to fund the pension and retiree health care and provided that the CTA will have no future responsibility for retiree healthcare costs after the bond funding. In accordance with Public Act 95-708, all retiree healthcare benefits were to be paid from the newly established Retiree Health Care Trust no earlier than January 1, 2009 but no later than July 1, 2009.

CTA FY20 Budget

Debt Administration

The Series 2008A and 2008B bonds are taxable bonds and bear interest ranging from 5.1 percent to 6.9 percent. Scheduled interest on the 2008A and 2008B bonds was funded through June 1, 2009 and June 1, 2010, respectively, with bond proceeds and interest earnings thereon. Interest is payable semi-annually on June 1 and December 1, and the bonds mature serially on December 1, 2013 through December 1, 2040.

Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B (Build America Bonds)

On April 6, 2010, the CTA issued Sales Tax Receipts Revenue Bond Series 2010A and Taxable Series 2010B (Build America Bonds) in the amount of \$550 million to fund or reimburse the Authority for prior expenditures of the “2010 Project,” capitalize a portion of interest on the bonds, fund a portion of the consolidated debt service reserve fund on the bonds, and to pay costs of issuance on the bonds. The Series 2010B Bonds were issued as bonds designated as “Build America Bonds” under the provisions of the American Recovery and Reinvestment Act of 2009. The 2010 Project means, collectively, capital improvements to the transportation system and specifically the purchase of rail cars, rail car overhaul and rehabilitation, and the replacement and upgrade of rail track and structure.

The Series 2010A bonds bear interest ranging from 4.0 percent to 5.0 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. The Series 2010A bonds mature serially on December 1, 2015 through December 1, 2019. The Taxable Series 2010B bonds bear interest ranging from 5.07 percent to 6.20 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. Further, CTA pays 35 percent of the Build America Bond interest directly from a federal subsidy CTA receives from the federal government. The Taxable Series 2010B bonds mature annually each December 1, 2020 through December 1, 2040.

2011 Sales Tax Receipts Revenue Bonds

On November 4, 2011, the CTA issued the Sales Tax Receipts Revenue Bonds, Series 2011, in the amount of \$476,905,000. The bonds were issued to pay for, or reimburse the CTA for prior expenditures relating to (i) the purchase of rail cars to replace existing cars and (ii) the finance of any other capital project designated by the CTA Board as part of the 2011 project.

The Series 2011 bonds bear interest ranging from 5.0 percent to 5.25 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2021 through December 1, 2040.

CTA FY20 Budget

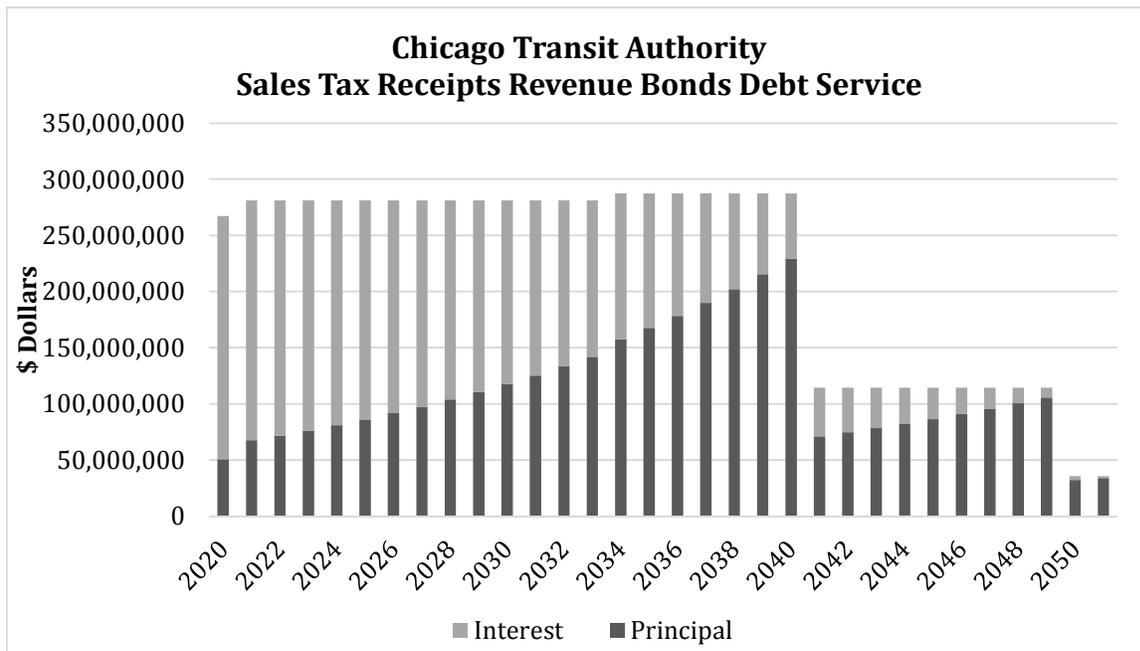
Debt Administration

2014 Sales Tax Receipts Revenue Bonds

On July 10, 2014, CTA issued the Sales Tax Receipts Revenue Bonds, Series 2014, in the amount of \$555,000,000, along with a premium of \$45,153,612. The bonds were issued to pay for (i) the purchase of rail cars to replace existing cars and (ii) the finance of any other capital project designated by the CTA Board as part of the 2014 project. The Series 2014 bonds bear interest ranging from 5 percent to 5.25 percent. Scheduled interest on the 2014 bonds was funded through June 1, 2016 with proceeds of the 2014 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2049.

2017 Sales Tax Receipts Subordinate Revenue Bonds

On January 24, 2017, CTA issued the Sales Tax Receipts Subordinate Revenue Bonds, Series 2017, in the amount of \$296,220,000, and are subordinate to the Sales Tax Bonds: Series 2008 A&B, Series 2010 A&B, Series 2011, and Series 2014. The bonds were issued to pay for projects included in the Capital Improvement Plan. The Series 2017 bonds bear interest ranging from 4 percent to 5 percent. Scheduled interest on the 2017 bonds was funded through December 1, 2018 with proceeds of the 2017 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2051.



CTA FY20 Budget

Debt Administration

SCHEDULE I: \$1,936,855,000 Sales and Transfer Tax Receipts Revenue Bonds (Public Acts 94-839 and 95-0708) Series 2008A and 2008B Total Debt Service 2020-2040				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				1,711,095,000
2020	39,010,000	117,566,399	156,576,399	1,672,085,000
2021	41,465,000	115,108,769	156,573,769	1,630,620,000
2022	44,080,000	112,496,474	156,576,474	1,586,540,000
2023	47,120,000	109,455,395	156,575,395	1,539,420,000
2024	50,370,000	106,204,586	156,574,586	1,489,050,000
2025	53,845,000	102,729,560	156,574,560	1,435,205,000
2026	57,560,000	99,014,793	156,574,793	1,377,645,000
2027	61,530,000	95,043,729	156,573,729	1,316,115,000
2028	65,775,000	90,798,774	156,573,774	1,250,340,000
2029	70,310,000	86,260,957	156,570,957	1,180,030,000
2030	75,165,000	81,410,270	156,575,270	1,104,865,000
2031	80,350,000	76,224,636	156,574,636	1,024,515,000
2032	85,895,000	70,681,290	156,576,290	938,620,000
2033	91,820,000	64,755,394	156,575,394	846,800,000
2034	98,150,000	58,420,732	156,570,732	748,650,000
2035	104,925,000	51,649,364	156,574,364	643,725,000
2036	112,165,000	44,410,588	156,575,588	531,560,000
2037	119,905,000	36,672,324	156,577,324	411,655,000
2038	128,170,000	28,400,078	156,570,078	283,485,000
2039	137,015,000	19,557,630	156,572,630	146,470,000
2040	146,470,000	10,104,965	156,574,965	-
Total:	\$ 1,711,095,000	\$ 1,576,966,707	\$ 3,288,061,707	

* Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Debt Administration

SCHEDULE II: \$550,000,000 Sales Tax Receipts Revenue Bonds Series 2010A and 2010B Total Debt Service 2020-2040				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				505,355,000
2020	11,510,000	30,798,001	42,308,001	493,845,000
2021	12,095,000	30,214,444	42,309,444	481,750,000
2022	12,720,000	29,583,085	42,303,085	469,030,000
2023	13,405,000	28,900,021	42,305,021	455,625,000
2024	14,135,000	28,166,767	42,301,767	441,490,000
2025	14,930,000	27,372,380	42,302,380	426,560,000
2026	15,855,000	26,446,720	42,301,720	410,705,000
2027	16,835,000	25,463,710	42,298,710	393,870,000
2028	17,880,000	24,419,940	42,299,940	375,990,000
2029	18,985,000	23,311,380	42,296,380	357,005,000
2030	20,155,000	22,134,310	42,289,310	336,850,000
2031	21,400,000	20,884,700	42,284,700	315,450,000
2032	22,725,000	19,557,900	42,282,900	292,725,000
2033	24,135,000	18,148,950	42,283,950	268,590,000
2034	31,820,000	16,652,580	48,472,580	236,770,000
2035	33,785,000	14,679,740	48,464,740	202,985,000
2036	35,875,000	12,585,070	48,460,070	167,110,000
2037	38,090,000	10,360,820	48,450,820	129,020,000
2038	40,455,000	7,999,240	48,454,240	88,565,000
2039	42,955,000	5,491,030	48,446,030	45,610,000
2040	45,610,000	2,827,820	48,437,820	-
Total:	\$ 505,355,000	\$ 425,998,608	\$ 931,353,608	

*Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Debt Administration

SCHEDULE III: \$476,905,000 Sales Tax Receipts Revenue Bonds Series 2011 Total Debt Service 2020-2040				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				476,905,000
2020	-	24,965,288	24,965,288	476,905,000
2021	14,090,000	24,965,288	39,055,288	462,815,000
2022	14,800,000	24,260,788	39,060,788	448,015,000
2023	15,540,000	23,520,788	39,060,788	432,475,000
2024	16,360,000	22,704,938	39,064,938	416,115,000
2025	17,220,000	21,846,038	39,066,038	398,895,000
2026	18,120,000	20,941,988	39,061,988	380,775,000
2027	19,075,000	19,990,688	39,065,688	361,700,000
2028	20,080,000	18,989,250	39,069,250	341,620,000
2029	21,135,000	17,935,050	39,070,050	320,485,000
2030	22,250,000	16,825,463	39,075,463	298,235,000
2031	23,425,000	15,657,338	39,082,338	274,810,000
2032	24,655,000	14,427,525	39,082,525	250,155,000
2033	25,950,000	13,133,138	39,083,138	224,205,000
2034	27,315,000	11,770,763	39,085,763	196,890,000
2035	28,755,000	10,336,725	39,091,725	168,135,000
2036	30,265,000	8,827,088	39,092,088	137,870,000
2037	31,860,000	7,238,175	39,098,175	106,010,000
2038	33,540,000	5,565,525	39,105,525	72,470,000
2039	35,305,000	3,804,675	39,109,675	37,165,000
2040	37,165,000	1,951,163	39,116,163	-
Total:	\$ 476,905,000	\$ 329,657,682	\$ 806,562,682	

* Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Debt Administration

SCHEDULE IV: \$555,000,000 Sales Tax Receipts Revenue Bonds				
Series 2014 Total Debt Service 2020-2049				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				555,000,000
2020	-	28,596,788	28,596,788	555,000,000
2021	-	28,596,788	28,596,788	555,000,000
2022	-	28,596,788	28,596,788	555,000,000
2023	-	28,596,788	28,596,788	555,000,000
2024	-	28,596,788	28,596,788	555,000,000
2025	-	28,596,788	28,596,788	555,000,000
2026	-	28,596,788	28,596,788	555,000,000
2027	-	28,596,788	28,596,788	555,000,000
2028	-	28,596,788	28,596,788	555,000,000
2029	-	28,596,788	28,596,788	555,000,000
2030	-	28,596,788	28,596,788	555,000,000
2031	-	28,596,788	28,596,788	555,000,000
2032	-	28,596,788	28,596,788	555,000,000
2033	-	28,596,788	28,596,788	555,000,000
2034	-	28,596,788	28,596,788	555,000,000
2035	-	28,596,788	28,596,788	555,000,000
2036	-	28,596,788	28,596,788	555,000,000
2037	-	28,596,788	28,596,788	555,000,000
2038	-	28,596,788	28,596,788	555,000,000
2039	-	28,596,788	28,596,788	555,000,000
2040	-	28,596,788	28,596,788	555,000,000
2041	50,180,000	28,596,788	78,776,788	504,820,000
2042	52,690,000	26,087,788	78,777,788	452,130,000
2043	55,325,000	23,453,288	78,778,288	396,805,000
2044	58,090,000	20,687,038	78,777,038	338,715,000
2045	60,995,000	17,782,538	78,777,538	277,720,000
2046	64,195,000	14,580,300	78,775,300	213,525,000
2047	67,565,000	11,210,063	78,775,063	145,960,000
2048	71,115,000	7,662,900	78,777,900	74,845,000
2049	74,845,000	3,929,363	78,774,363	-
Total:	\$ 555,000,000	\$ 754,522,614	\$ 1,309,522,614	

* Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Debt Administration

SCHEDULE V: \$296,220,000 Sales Tax Receipts Revenue Bonds				
Subordinate				
Series 2017 Total Debt Service 2020-2051				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				296,220,000
2020	-	14,711,000	14,711,000	296,220,000
2021	-	14,711,000	14,711,000	296,220,000
2022	-	14,711,000	14,711,000	296,220,000
2023	-	14,711,000	14,711,000	296,220,000
2024	-	14,711,000	14,711,000	296,220,000
2025	-	14,711,000	14,711,000	296,220,000
2026	-	14,711,000	14,711,000	296,220,000
2027	-	14,711,000	14,711,000	296,220,000
2028	-	14,711,000	14,711,000	296,220,000
2029	-	14,711,000	14,711,000	296,220,000
2030	-	14,711,000	14,711,000	296,220,000
2031	-	14,711,000	14,711,000	296,220,000
2032	-	14,711,000	14,711,000	296,220,000
2033	-	14,711,000	14,711,000	296,220,000
2034	-	14,711,000	14,711,000	296,220,000
2035	-	14,711,000	14,711,000	296,220,000
2036	-	14,711,000	14,711,000	296,220,000
2037	-	14,711,000	14,711,000	296,220,000
2038	-	14,711,000	14,711,000	296,220,000
2039	-	14,711,000	14,711,000	296,220,000
2040	-	14,711,000	14,711,000	296,220,000
2041	20,910,000	14,711,000	35,621,000	275,310,000
2042	21,945,000	13,680,600	35,625,600	253,365,000
2043	23,025,000	12,599,000	35,624,000	230,340,000
2044	24,160,000	11,464,050	35,624,050	206,180,000
2045	25,350,000	10,273,000	35,623,000	180,830,000
2046	26,600,000	9,023,150	35,623,150	154,230,000
2047	27,910,000	7,711,500	35,621,500	126,320,000
2048	29,310,000	6,316,000	35,626,000	97,010,000
2049	30,775,000	4,850,500	35,625,500	66,235,000
2050	32,310,000	3,311,750	35,621,750	33,925,000
2051	33,925,000	1,696,250	35,621,250	-
Total:	\$ 296,220,000	\$ 404,567,800	\$ 700,787,800	

* Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Debt Administration

Capital Grant Receipt Revenue Bonds - Section 5307 and Section 5337 (5309) Formula Funds

The Capital Grant Revenue Bonds are also known as “GARVEE bonds” (Grant Anticipation Revenue Vehicles). Federal Transit Administration Formula Funds from Section 5307 and Section 5309 secure the Capital Grant Receipt Revenue Bonds under Section 5307 and Section 5309, respectively. The passage of MAP-21 in 2012 replaced Section 5309 grants with Section 5337 grants. All debt service obligations are prefunded and paid by capital funds. Several series have been refunded, as summarized below, followed by details and uses per issue.

Refunding Series 2010 refunded the maturities dated June 1, 2010 through June 1, 2011 of the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds.

Refunding Series 2011 refunded the maturity dated June 1, 2016 of the 5307 Series 2004B bonds and the maturities dated June 1, 2012 and June 1, 2016 through June 1, 2020 of the 5307 Series 2006A bonds.

Refunding Series 2015 5307 bonds refunded the maturity dated June 1, 2016 of the 5307 Series 2004B bonds and the maturities dated June 1, 2018 through June 1, 2021 of the 5307 Series 2006A bonds. Refunding Series 2015 5337 bonds refunded the maturities dated June 1, 2024 thru 2026 of the 5337 Series 2008A bonds.

Refunding Series 2017 5307 bonds refunded the Series 2008A 5307 bonds maturing June 1, 2022 through 2026. Refunding Series 2017 5337 bonds refunded the Series 2008 5337 bonds maturing June 1, 2019 through 2026 and the Series 2008A 5337 bonds maturing June 1, 2019 through 2023.

Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (5307) and Refunding Series 2010 (5309)

On May 19, 2010, the CTA issued Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (Federal Transit Administration Section 5307 Formula Funds) (Federal Transit Administration Section 5309 Formula Funds), in the amount of \$90.7 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to refund a portion of the outstanding 5307 and 5309 bonds and to pay costs of issuance.

The Refunding Series 2010 bonds bear interest of 5.0 percent. Interest is payable semi-annually on June 1 and December 1, and the bonds mature on June 1, 2027 and June 1, 2028.

CTA FY20 Budget

Debt Administration

Capital Grant Receipts Revenue Bonds, Refunding Series 2011 (5307)

On November 4, 2011, the CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program, in the amount of \$56,525,000, in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to provide funds to refund a portion of the outstanding 5307 (Series 2004B and 2006A) bonds.

The Series 2011 bonds bear interest ranging from 4.5 percent to 5.25 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2022 to June 1, 2029, except for years 2027 and 2028 when there is no principal amortization.

Capital Grant Receipts Revenue Bonds, Refunding Series 2015 (5307 and 5337)

On September 16, 2015, CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds, and Section 5337 State of Good Repair Formula Funds in the total amount of \$176,920,000, along with a premium of \$21,568,633, in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to provide funds to refund a portion of the outstanding 5307 (Series 2004B and 2006A) and 5337 (Series 2008A) bonds.

The Series 2015 bonds bear interest of 5.0 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2018 to June 1, 2026.

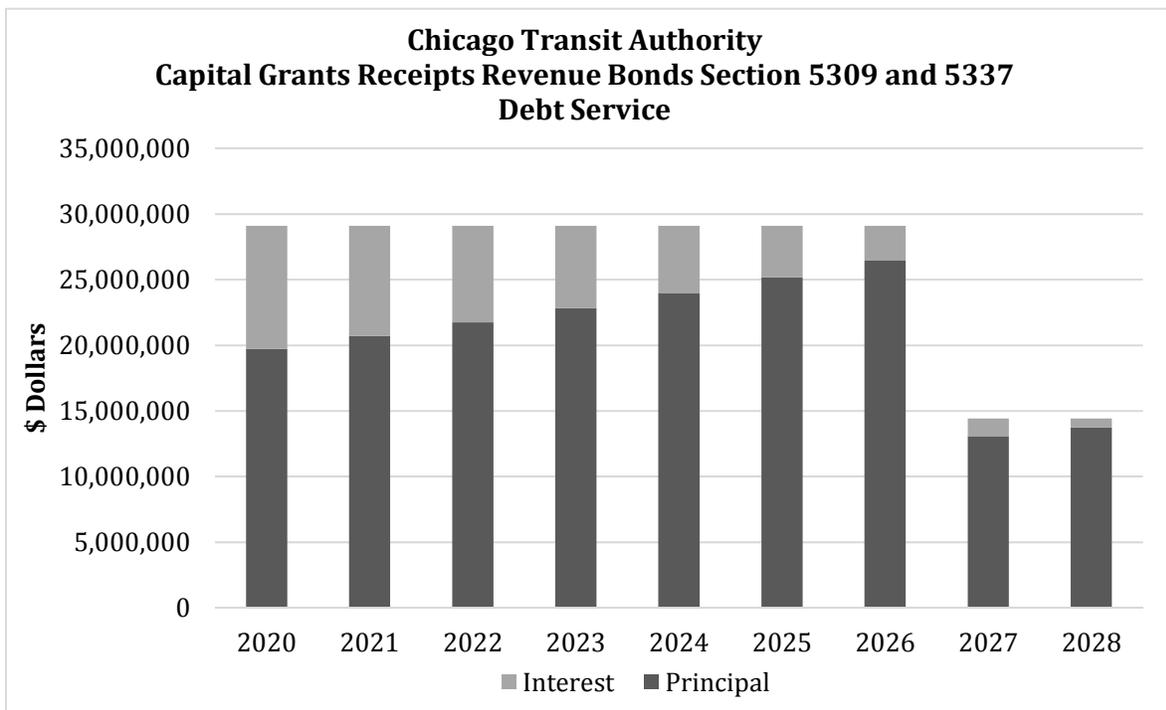
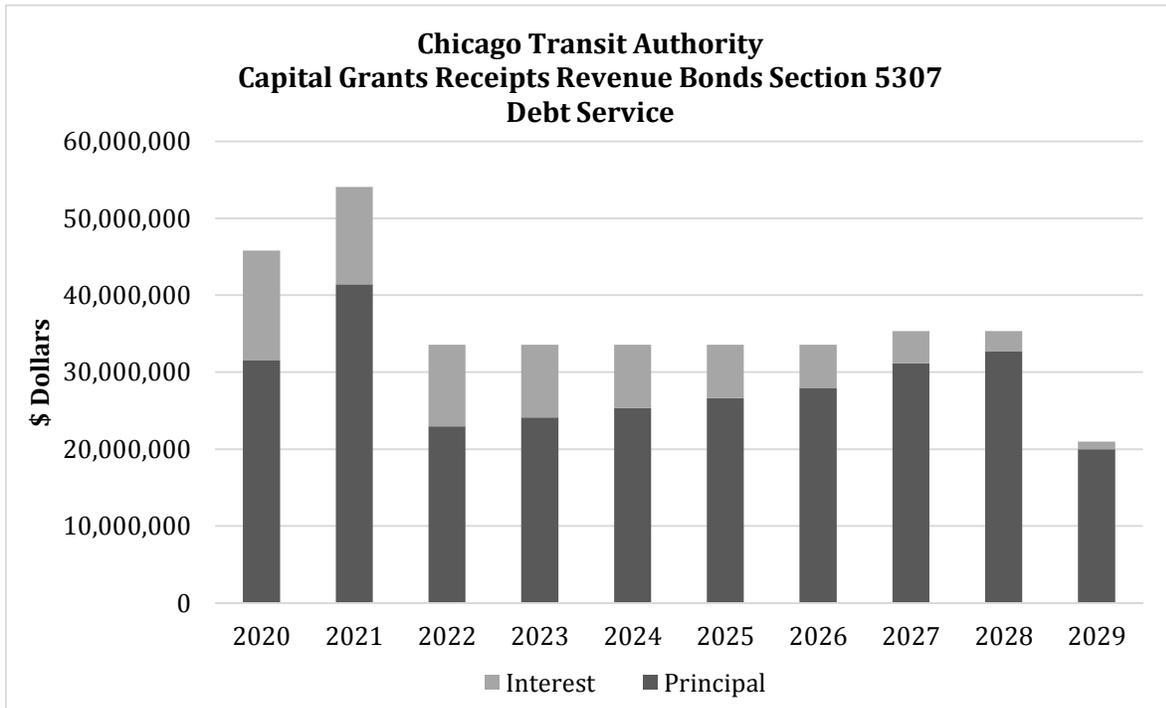
Capital Grant Receipts Revenue Bonds, Refunding Series 2017 (5307 and 5337)

On August 16, 2017, CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds, and Section 5337 State of Good Repair Formula Funds in the total amount of \$225,795,000, along with a premium of \$31,278,763 in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to provide funds refunding the Series 2008A 5307 bonds maturing June 1, 2022 through 2026 as well as refunding the Series 2008 5337 bonds maturing June 1, 2019 through 2026 and the Series 2008A 5337 bonds maturing June 1, 2019 through 2023.

The Series 2017 bonds bear interest ranging from 2 percent to 5 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2018 to June 1, 2026.

CTA FY20 Budget

Debt Administration



CTA FY20 Budget

Debt Administration

SCHEDULE VI: \$90,715,000 Capital Grant Receipts Revenue Bonds				
Refunding Series 2010 Total Debt Service 2020-2028				
(Federal Transit Administration Section 5307 & 5309 Formula Funds)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				90,715,000
2020	-	4,535,750	4,535,750	90,715,000
2021	-	4,535,750	4,535,750	90,715,000
2022	-	4,535,750	4,535,750	90,715,000
2023	-	4,535,750	4,535,750	90,715,000
2024	-	4,535,750	4,535,750	90,715,000
2025	-	4,535,750	4,535,750	90,715,000
2026	-	4,535,750	4,535,750	90,715,000
2027	44,255,000	4,535,750	48,790,750	46,460,000
2028	46,460,000	2,323,000	48,783,000	-
Total:	\$ 90,715,000	\$ 38,609,000	\$ 129,324,000	

* Based on debt outstanding as of 10/1/2019

SCHEDULE VII: \$56,525,000 Capital Grant Receipts Revenue Bonds				
Refunding Series 2011 Debt Service 2020-2029				
(Federal Transit Administration Section 5307 Urbanized Area Formula Funds)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				56,525,000
2020	-	2,864,525	2,864,525	56,525,000
2021	-	2,864,525	2,864,525	56,525,000
2022	6,595,000	2,864,525	9,459,525	49,930,000
2023	6,920,000	2,534,775	9,454,775	43,010,000
2024	7,285,000	2,171,475	9,456,475	35,725,000
2025	7,665,000	1,789,013	9,454,013	28,060,000
2026	8,060,000	1,398,150	9,458,150	20,000,000
2027	-	975,000	975,000	20,000,000
2028	-	975,000	975,000	20,000,000
2029	20,000,000	975,000	20,975,000	-
Total:	\$ 56,525,000	\$ 19,411,988	\$ 75,936,988	

* Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Debt Administration

SCHEDULE VIII: \$176,920,000 Capital Grant Receipts Revenue Bonds Refunding Series 2015 Debt Service 2020-2026 (Federal Transit Administration Section 5307 Urbanized Area Formula Funds, Federal Transit Administration Section 5337 State of Good Repair Formula Funds)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				118,050,000
2020	31,905,000	5,902,500	37,807,500	86,145,000
2021	41,745,000	4,307,250	46,052,250	44,400,000
2022	350,000	2,220,000	2,570,000	44,050,000
2023	370,000	2,202,500	2,572,500	43,680,000
2024	13,855,000	2,184,000	16,039,000	29,825,000
2025	14,550,000	1,491,250	16,041,250	15,275,000
2026	15,275,000	763,750	16,038,750	-
Total:	\$ 118,050,000	\$ 19,071,250	\$ 137,121,250	

**Based on debt outstanding as of 10/1/2019*

SCHEDULE IX: \$225,795,000 Capital Grant Receipts Revenue Bonds Refunding Series 2017 Debt Service 2020-2026 (Federal Transit Administration Section 5307 Urbanized Area Formula Funds, Federal Transit Administration Section 5337 State of Good Repair Formula Funds)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				206,150,000
2020	19,415,000	10,307,500	29,722,500	186,735,000
2021	20,385,000	9,336,750	29,721,750	166,350,000
2022	37,790,000	8,317,500	46,107,500	128,560,000
2023	39,680,000	6,428,000	46,108,000	88,880,000
2024	28,195,000	4,444,000	32,639,000	60,685,000
2025	29,605,000	3,034,250	32,639,250	31,080,000
2026	31,080,000	1,554,000	32,634,000	-
Total:	\$ 206,150,000	\$ 43,422,000	\$ 249,572,000	

**Based on debt outstanding as of 10/1/2019*

CTA FY20 Budget

Debt Administration

TIFIA Loans

The Federal government passed the Transportation Infrastructure Finance and Innovation Act (TIFIA) in 1998 to provide federal credit assistance to surface transportation public entities wishing to advance qualified, large-scale surface transportation projects that might otherwise be delayed because of size, complexity, or uncertainty over the timing of revenues.

TIFIA financing is a highly recommended form of government borrowing because it improves the affordability of the debt and maximizes borrowing capacity. TIFIA loans are provided through the United States Department of Transportation (U.S. DOT) and allow municipalities to secure a loan at interest rates equal to the federal government's rate, which has been 1.0-1.5 percent lower than traditional financing, and saves additional interest costs. Municipalities are also able to draw TIFIA funds on an "as needed" basis during a project, similar to a line of credit, and do not have to pay interest on funds that are issued all at once, further saving interest costs.

A TIFIA loan must not exceed one-third of the reasonably anticipated Eligible Project Total Costs, and the total federal funding for the project, inclusive of the TIFIA Loan and all federal direct or indirect grants, shall not exceed eighty percent (80 percent) of reasonably anticipated Eligible Project Costs. TIFIA loans can be secured by a variety of sources, depending on the transportation system. CTA currently has three TIFIA loans and is applying for a fourth. All CTA TIFIA loans are secured by CTA Farebox Receipts.

TIFIA Loan 1 – 2014 95th Street Terminal Improvement Project

On April 24, 2014, CTA entered into a definitive loan agreement with U.S. DOT acting by and through the Federal Highway Administration under the TIFIA loan program. The principal amount of the TIFIA Loan shall not exceed \$79,200,000, or 33 percent of reasonably anticipated Eligible Project Costs for the 95th Street Terminal Improvement Project. As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender a registered farebox receipts revenue bond in the amount of \$79.2 million dated April 24, 2014. The TIFIA loan matures annually beginning December 1, 2020 through December 1, 2050 bearing an interest rate of 3.5 percent. The TIFIA loan was fully drawn as of September 2018. The TIFIA loan is estimated to save the CTA approximately \$20 million.

TIFIA Loan 2 – 2015 Your New Blue Improvement Project

On February 3, 2015, CTA entered into a definitive loan agreement with the U.S. DOT acting by and through the Federal Highway Administration under the TIFIA loan program. The principal amount of the Your New Blue TIFIA Loan is an aggregate total not to exceed \$120,000,000, in two tranches (Series 2015A-1 for \$42,631,692 and Series 2015A-2 for \$77,368,308) or 33 percent of reasonably anticipated Eligible Project Costs for the Your

CTA FY20 Budget

Debt Administration

New Blue Improvement Project. As evidence of CTA's obligation to repay the TIFIA Loan, CTA issued to the lender two registered farebox receipts revenue bonds in the following amounts (Series 2015A-1 Bond for \$42,631,692 with a final maturity date of December 1, 2029 bearing an interest rate of 2.02 percent and Series 2015A-2 Bond for \$77,368,308 with a final maturity date of December 1, 2052 bearing an interest rate of 2.31 percent). A loan amortization with a debt service schedule will be provided once the funds are drawn down for the redevelopment project. For this project, TIFIA financing is estimated to save the CTA approximately \$50 million.

TIFIA Loan 3 – 2016 Rail Cars

On March 30, 2016, CTA entered into a third definitive loan agreement with the U.S. DOT, and through the Federal Highway Administration under the TIFIA loan program to finance certain projects that are part of CTA's Rail Car Purchase Program. The principal amount of the Rail Cars TIFIA Loan is an aggregate total not to exceed \$254,930,402, in two tranches (Series 2016A-1 for \$147,018,363 and Series 2016A-2 for \$107,912,039) or 33 percent of reasonably anticipated Eligible Project Costs for the new rail cars.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA issued to the lender two registered farebox receipts revenue bonds in the following amounts (Series 2016A-1 Bond for \$147,018,363 with a final maturity date of December 1, 2049 bearing an interest rate of 2.64 percent and Series 2016A-2 Bond for \$107,912,039 with a final maturity date of December 1, 2056 bearing an interest rate of 2.64 percent). A loan amortization with a debt service schedule will be provided once the funds are drawn down for the redevelopment project. For this project, TIFIA financing is estimated to save the CTA approximately \$100 million.

CTA FY20 Budget

Debt Administration

SCHEDULE X: 79,200,000 TIFIA Loan 1 - 2014				
95th Street Terminal Improvement Project				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				83,899,779
2020	1,549,530	1,097,871	2,647,402	82,350,249
2021	1,603,764	2,154,835	3,758,599	80,746,485
2022	1,659,896	2,112,496	3,772,391	79,086,589
2023	1,717,992	2,068,674	3,786,666	77,368,597
2024	1,778,122	2,023,319	3,801,441	75,590,476
2025	1,840,356	1,976,377	3,816,733	73,750,120
2026	1,904,768	1,927,791	3,832,560	71,845,351
2027	1,971,435	1,877,506	3,848,941	69,873,916
2028	2,040,436	1,825,460	3,865,895	67,833,480
2029	2,111,851	1,771,592	3,883,443	65,721,630
2030	2,185,766	1,715,839	3,901,605	63,535,864
2031	2,262,267	1,658,135	3,920,403	61,273,597
2032	2,341,447	1,598,411	3,939,858	58,932,150
2033	2,423,397	1,536,597	3,959,994	56,508,752
2034	2,508,216	1,472,619	3,980,836	54,000,536
2035	2,696,004	1,406,402	4,102,406	51,304,532
2036	2,686,864	1,337,868	4,024,732	48,617,668
2037	2,780,904	1,266,935	4,047,839	45,836,764
2038	2,878,236	1,193,519	4,071,755	42,958,528
2039	2,978,974	1,117,533	4,096,508	39,979,554
2040	3,083,238	1,038,889	4,122,127	36,896,316
2041	3,191,152	957,491	4,148,643	33,705,164
2042	3,302,842	873,245	4,176,087	30,402,322
2043	3,418,441	786,050	4,204,491	26,983,881
2044	3,538,087	695,803	4,233,890	23,445,794
2045	3,661,920	602,397	4,264,317	19,783,874
2046	3,753,317	505,723	4,259,040	16,030,557
2047	3,852,382	406,635	4,259,017	12,178,175
2048	3,954,085	304,932	4,259,017	8,224,090
2049	4,058,473	200,544	4,259,017	4,165,617
2050	4,165,617	93,401	4,259,017	
Total:	\$ 83,899,779	\$ 39,604,889	\$ 123,504,669	

* Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Debt Administration

Lease Agreements

The CTA entered into several economically defeased lease agreements in fiscal years 2008 through 2013. These agreements were entered into with various third parties and pertain to certain assets of the CTA, including facilities, buses and related parts and equipment. Under the lease financings, the CTA entered into a long-term lease for applicable assets with trusts established by equity investors – trusts which concurrently leased the respective assets back to CTA under sublease agreements. Each sublease contains a fixed date and a fixed price purchase option that allows the CTA, at its option, to purchase the assets back from the lessor.

Public Building Commission Lease (2003/2006)

On October 26, 2006, the Public Building Commission of Chicago (PBC) issued \$91.3 million of Building Revenue Refunding Bonds for the benefit of the CTA to refund the amount outstanding originally issued in 2003. The proceeds of the bonds were used to advance refund to the PBC, Series 2003 bonds. The original, executed lease in connection with the Series 2003 bonds was amended accordingly.

The PBC used the proceeds of the 2003 bonds, among other things, to acquire the site for and construct a 12-story office building. The PBC leased the building to the CTA for a 20-year term to be used as CTA headquarters. Rent payments due to the PBC from the CTA under the lease are general obligations of the CTA payable from any lawfully-available funds. Upon satisfaction of all of the obligations of the CTA under the lease and payment, or provision for payment, of the PBC Bonds in full, the PBC will transfer title of the leased premises to the CTA.

The CTA is obligated to pay to the Trustee on behalf of the PBC on or before February 15 of each year in which the headquarters lease is in effect, rent which equals the debt service on the PBC bonds due through and including September 1 of that calendar year.

Articulated Hybrid Bus Lease (2008/2013)

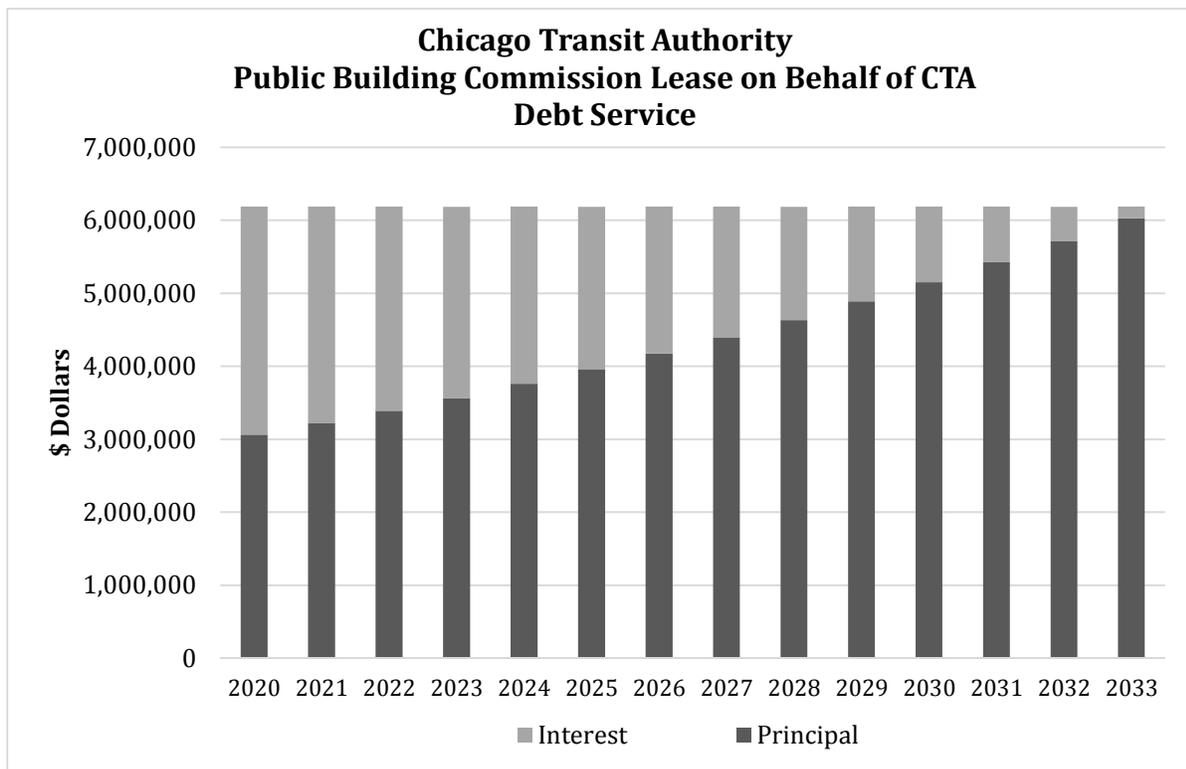
During 2008, the CTA entered into a lease-purchase agreement to finance the purchase of 150 sixty-foot New Flyer articulated hybrid buses and certain related parts and equipment with a book value of \$22.0 million as of December 31, 2018. The terms of the agreement allow the CTA to lease the buses for 12 years and retain ownership at the conclusion of the lease. Lease payments are due every June 1 and December 1 of each year, beginning on December 1, 2008. During 2013, CTA terminated the 2008 agreement and entered into a 2013 lease-purchase agreement with the same term and reduced rental payments. The outstanding principal balance under the lease is \$6.4 million as of December 31, 2019. The final debt service payment of \$6,542,712.64 is due in 2020. A full debt service schedule has not been included as the *Articulated Hybrid Bus Lease* is a private placement.

CTA FY20 Budget

Debt Administration

New Flyer Low Floor Bus Lease (2008 COPs)

In August 2008, the Bank of New York Mellon issued Certificates of Participation (COPs) totaling \$78.4 million on behalf of the CTA with an interest rate of 4.725 percent. The COPs were used to finance the purchase of 200 (40-foot) New Flyer low floor buses and certain related parts and equipment. On August 1, 2008, the CTA entered into an installment purchase agreement with the Bank of New York Mellon. The obligation of the CTA to make installment payments is an unconditional obligation and is payable from legally available funds. The installment agreement requires the CTA to make annual COP payments to the Bank of New York Mellon which are remitted to the COP holders. Scheduled maturity dates occur at various times through December 1, 2020. During 2013, CTA amended the original 2008 agreement that amended terms and reduced interest rates. The total principal remaining to be paid on the COPs as of December 31, 2019 was \$7.8 million. Annual principal and interest debt service payments of \$7,911,700.48 are required to be made in 2020. A full debt service schedule has not been included as the *New Flyer Low Floor Bus Lease* is a private placement.



CTA FY20 Budget

Debt Administration

SCHEDULE XI: \$91,340,000 Building Revenue Bonds Series 2006 Lease Payment Schedule 2020-2033 (Public Building Commission on behalf of Chicago Transit Authority)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
				61,395,000
2020	3,065,000	3,122,413	6,187,413	58,330,000
2021	3,225,000	2,965,163	6,190,163	55,105,000
2022	3,390,000	2,799,788	6,189,788	51,715,000
2023	3,565,000	2,621,456	6,186,456	48,150,000
2024	3,760,000	2,429,175	6,189,175	44,390,000
2025	3,960,000	2,226,525	6,186,525	40,430,000
2026	4,175,000	2,012,981	6,187,981	36,255,000
2027	4,400,000	1,787,888	6,187,888	31,855,000
2028	4,635,000	1,550,719	6,185,719	27,220,000
2029	4,890,000	1,300,688	6,190,688	22,330,000
2030	5,150,000	1,037,138	6,187,138	17,180,000
2031	5,430,000	759,413	6,189,413	11,750,000
2032	5,720,000	466,725	6,186,725	6,030,000
2033	6,030,000	158,288	6,188,288	-
Total:	\$ 61,395,000	\$ 25,238,360	\$ 86,633,360	

* Based on debt outstanding as of 10/1/2019

CTA FY20 Budget

Economic Indicators

Economic Indicators

Overview

CTA ridership and revenue are influenced by overall employment levels and relative transportation costs. The local labor market and commuting costs are, in turn, influenced by national economic conditions. Long-term ridership and public funding trends can also provide context for national economic conditions.

Locally and nationally, employment levels have greatly improved since the recession. The total number of people employed is higher, and the unemployment rate is near historical lows. Chicago-area employment levels have now matched their pre-recession levels.

Growing employment levels combined with high downtown parking costs increase the relative value of public transportation. Decreasing gas prices, however, increase car use, lowering ridership and slowing down buses due to increased street congestion. More alternatives such as bike share and ride-hailing have also impacted CTA ridership in 2019.

In addition, the number of visitors to Chicago has increased in the past few years, with a record 57.6 million visitors to the city in 2018, an increase of 2.4 percent over 2017. Additional visitors have a positive impact on ridership and can be seen particularly at the airport stations and during the summer months.

Employment

The seasonally-adjusted non-farm employment in the Chicago metropolitan area recovered to a monthly average of 4,830,000 through September 2019 since reaching a low point of 4,226,000 in January 2010.

The 1.4 percent increase in payroll in the Chicago area from 2018 to 2019 year-to-date is slightly lower than the national 1.5 percent increase during the same time period.

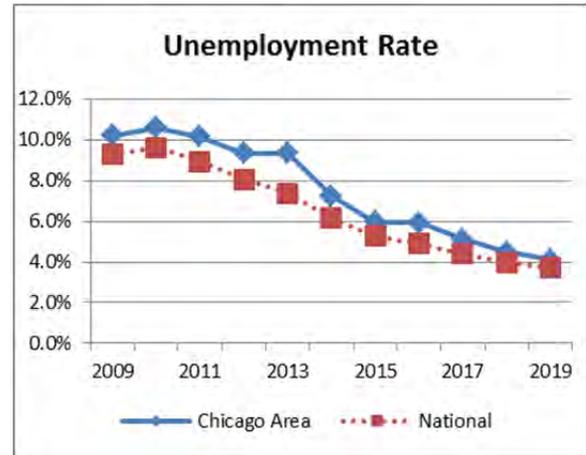
Total Non-Farm Employment 2009-2019 (in thousands) (2019 is year-to-date monthly average, seasonally adjusted) Source: Bureau of Labor Statistics											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
National	131,300	130,353	131,941	134,171	136,379	138,937	141,813	144,306	146,624	148,584	151,949
% Change	-4.3%	-0.7%	1.2%	1.7%	1.6%	1.9%	2.1%	1.8%	1.6%	1.3%	1.5%
Chicago Area	4,288	4,243	4,302	4,373	4,441	4,506	4,593	4,653	4,699	4,725	4,830
% Change	-5.2%	-1.1%	1.4%	1.6%	1.6%	1.5%	1.9%	1.3%	1.0%	0.6%	1.4%

CTA FY20 Budget

Economic Indicators

Unemployment Rate

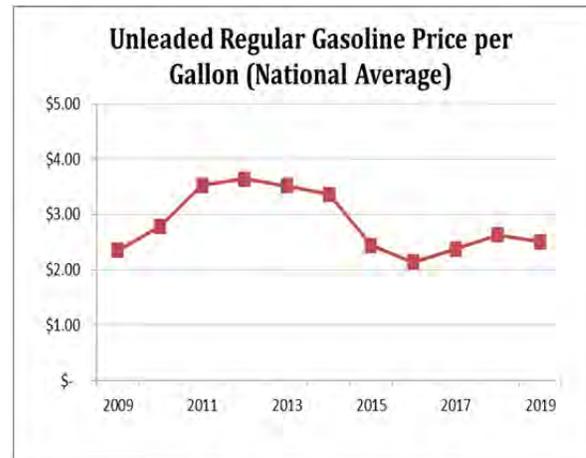
The Chicago metropolitan area seasonally-adjusted unemployment rate averaged 4.1 percent through September 2019. This compares to a 3.7 percent national average – the lowest rate since the year 2000. The Chicago area unemployment rate decreased by 1.0 percentage point compared to 2017, and 0.4 percentage points compared to 2018.



Source: Bureau of Labor Statistics

Fuel Prices

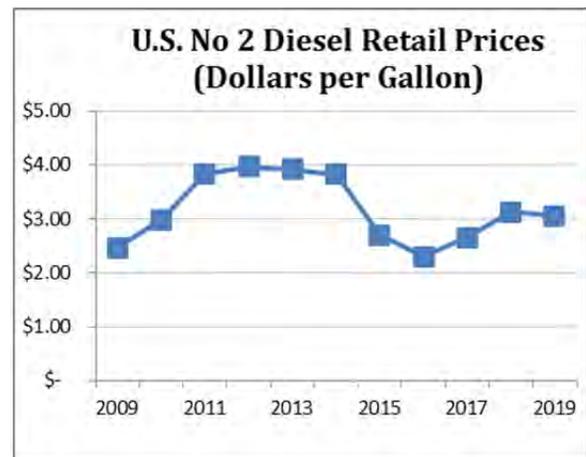
Nationally, consumer gas prices rose in 2017 and 2018. Through year-to-date 2019, prices have increased to levels exceeding 2015. Prices during this period have ranged from a low of \$2.13 in January 2019 to a high of \$2.88 in May 2018.



Source: Energy Information Administration

The average price for Unleaded Regular Gasoline in 2019 has increased 18% percent since the low at the beginning of the year, with an average cost of \$2.51 per gallon through August.

Diesel fuel prices showed a similar pattern, with the monthly average falling from \$2.59 per gallon in January 2017 to \$2.97 per gallon in January 2018, and rising again throughout 2018. Through August, the 2019 year-to-date average is \$3.00 per gallon, with the price for August representing an increase of about 3.3% from the beginning of 2019.



Source: Energy Information Administration

CTA FY20 Budget

Economic Indicators

Consumer Price Index (CPI)

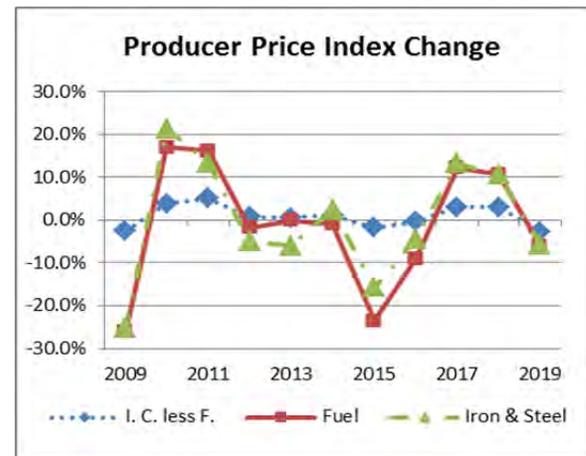
The CPI measures the average change over time in the prices paid by urban consumers for a fixed set of goods and services. An increase in the index, such as the one experienced from 2015 to 2019, means consumers have to pay more dollars to buy the same goods and services. Through August of 2019, the average CPI increased by 1.6 percent in the Chicago-area and by 1.8 percent nationally compared to 2018.



Source: Bureau of Labor Statistics

Producer Price Index (PPI)

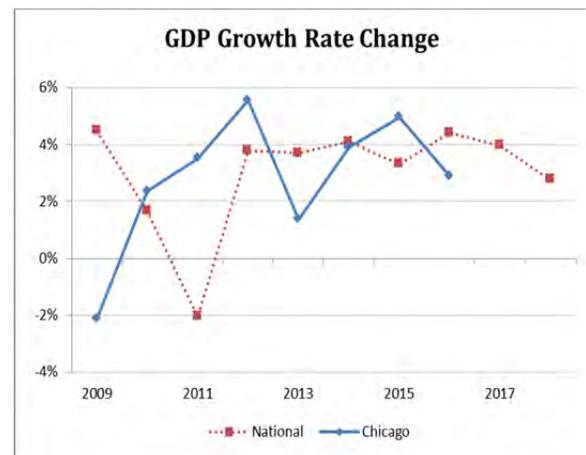
The PPI measures average changes in prices received by domestic producers for their output. Three commodity categories are selected for trend illustration: industrial commodities less fuel, fuel, and iron and steel. Since 2018, the first category experienced a slight decrease of 2.7 percent, while fuel and iron and steel have decreased more substantially at 6.0 and 5.7 percent, respectively. Since 2017, industrial commodities increased 0.3 percent and fuel has increased 4.1 percent. Iron and steel has decreased by about 4.3 percent during that same time period.



Source: Bureau of Economic Analysis

Gross Domestic Product (GDP)

GDP measures the value of goods and services produced in an area in a given year. National Real GDP has been growing since 2010, with a growth rate of 4.8 percent in 2017 as compared to 2016. The Chicago Metropolitan Area has shown a similar trend, with a 3.4 percent growth from 2016 to 2017.



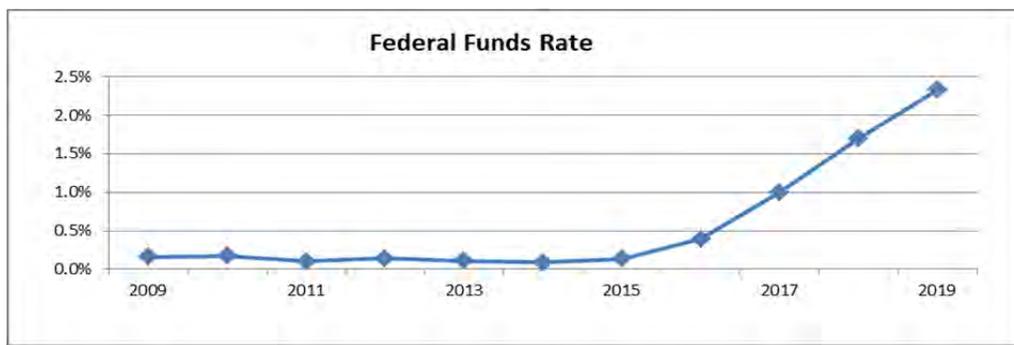
Source: Bureau of Economic Analysis, 2017 (most recent data available)

CTA FY20 Budget

Economic Indicators

Federal Funds Rate (FFR)

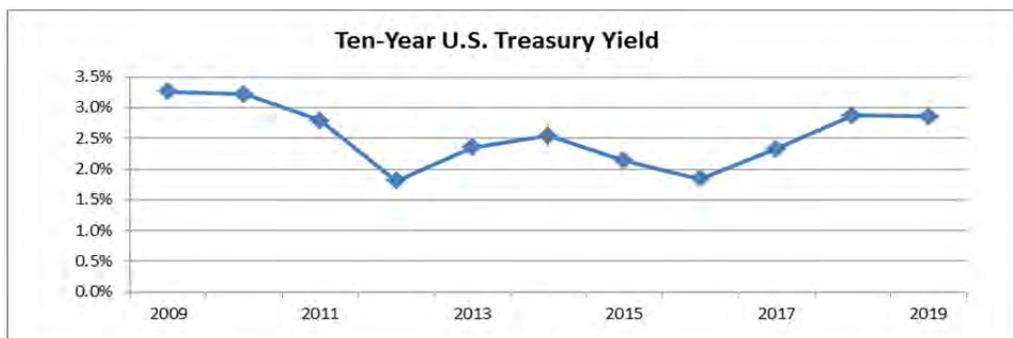
The FFR is the interest rate at which banks lend balances at the Federal Reserve to other depository institutions. The Federal Open Market Committee (FOMC) is tasked with setting a target for the FFR. In September 2019, the FOMC decreased the FFR by 25 basis points to a target range of 1.75 percent to 2.00 percent. This decrease was the second reduction in 2019 and the third since December 2008. The Committee will monitor growth closely through the end of 2019 by weighing labor market conditions, inflation pressures and expectations, and financial developments. These factors will determine the timing and size of future adjustments. Market probabilities imply another chance of an additional adjustment by the end of 2019. The FOMC target range for 2020 currently projects a median rate between 1.75 and 1.90.



Source: Board of Governors of the Federal Reserve System

Ten-Year U.S. Treasury Yield

The Ten-Year Treasury note is the most frequently-quoted security for analysis of the U.S. government bond market's performance, used to convey the market's perspective on longer-term, macroeconomic expectations. In the beginning of 2019, the 10-year yield peaked at 2.79 percent, and by March 2019, yields had fallen to 2.40 percent, which was below the three-month yield of 2.46 percent. As of September 2019, the Ten-Year yield has continued to see downward trends and is currently at 1.72 percent. Long-term bonds are experiencing concerns of uncertainty with the manufacturing sector already in recession, escalation of trade wars with China, and rising geopolitical tensions in Saudi Arabia.



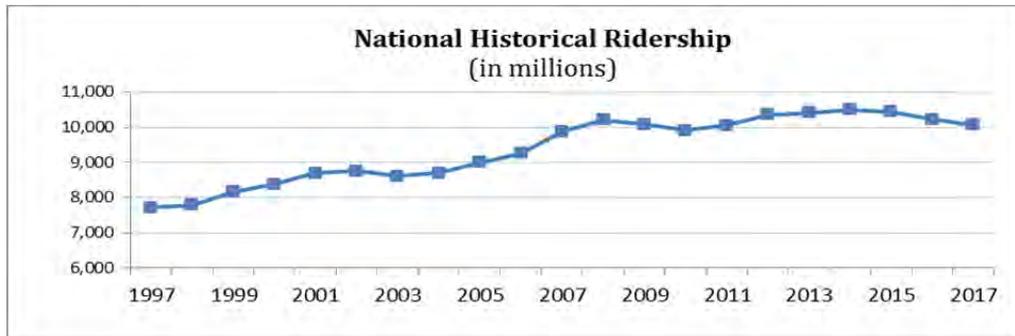
Source: Board of Governors of the Federal Reserve System

CTA FY20 Budget

Economic Indicators

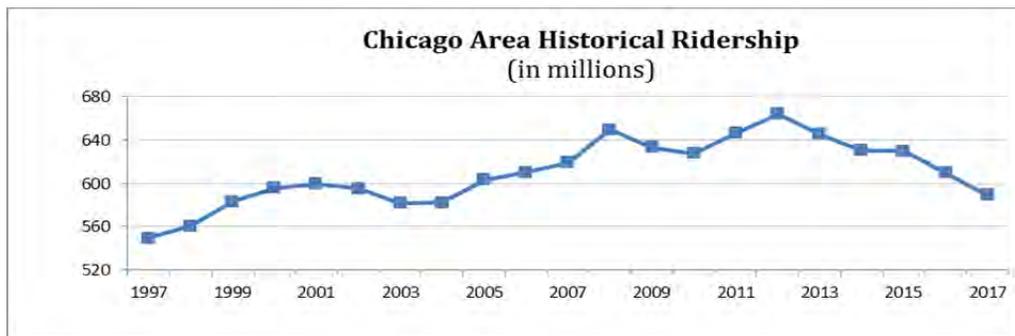
Historical Ridership

Over the last 20 years, ridership has been trending up nationally despite dips associated with recessions in the early 2000s and in 2009-2010. Since 2010, national ridership has increased 1.5 percent; however, ridership decreased from 2015 to 2017, with 2017 ridership decreasing 3.6 percent compared to 2015.



Source: National Transit Database, 2017 (most recent data available)

The Chicago Metropolitan Area's ridership has generally trended upward since the early 2000s. However, after a peak in the number of riders in 2012, ridership has declined, returning to pre-recession levels. Following the national trends, 2017's ridership decreased 3.4 percent compared to 2016.



Source: National Transit Database, 2017 (most recent data available)

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Annual Budget Process

Annual Budget Process

Budget Calendar

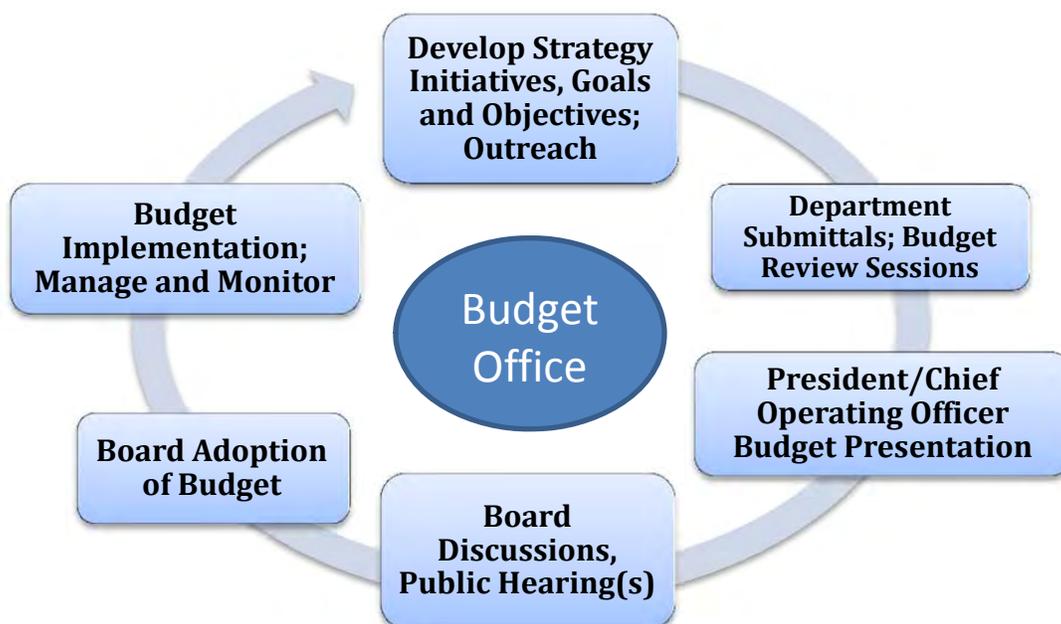
The Regional Transportation Authority (RTA) Act requires the RTA Board to adopt an annual budget and two-year financial plan, a strategic plan, and a five-year capital program. The budgetary process contains three phases: budget development, budget adoption, and budget execution and administration.

Budget Development

The CTA annual budget development process serves as the foundation for its financial planning and control. The Chief Financial Officer and staff prepare and submit the budget to the Board of Directors for consideration and approval. The annual budget consists of both the operating and capital budgets. It is the responsibility of each department to adhere to approved spending levels and manage its operations efficiently and in alignment with CTA's goals and programs authorized by the Board.

The budget development process is a joint effort. Major phases include the following:

- 1) Development of key assumptions and drivers, based on CTA's strategic initiatives, including feedback from the riding public and taxpayers. Initiatives vetted with the CTA's riders, communities, and tax payers may become part of the Plan.
- 2) Budget formulation includes department submissions and reviews and justification;
- 3) Presentation of the proposed operating and capital budgets to the President and Chief Operating Officer;
- 4) Board discussions, public hearings;
- 5) Budget adoption by the Board; and
- 6) Budget implementation, managing, and monitoring.



CTA FY20 Budget

Annual Budget Process

Budget Adoption

- July 15, 2019* **RTA Budget Call.** RTA releases the requirements that the Service Boards must follow for the development of their 2019 budget, two-year financial plan, and five-year capital program.
- September 15, 2019* **RTA Releases and Announces Marks.** The RTA Board is required by the RTA Act to set operating and capital funding marks for the three Service Boards by September 15.
- The operating marks include estimates of available public funding for the budget and financial plan and a required recovery ratio (the ratio or percentage of operating expenses that must be recovered from system-generated revenues) for the budget. Upon issuance of the budget marks, the CTA revises its expenses and revenues to conform to the marks.
- The capital marks provide estimates of available grant receipts from federal, state, and local sources for the proposed fiscal year and the remaining years of the five year capital plan.
- CTA develops a five-year capital improvement program that identifies the capital projects programmed for funding along with the source of funds to implement the capital projects.
- October 24, 2019* **CTA Budget released to the public.** The statute requires that documents be available for public inspection 3 weeks prior to the public hearing.
- November 13, 2019* **Public Hearing** to receive comments from the public.
- November 20, 2019* Budget presentation to **Cook County Board.** The CTA presents the budget to the Cook County Board after the Public Hearing but prior to the CTA adoption of the budget, as required by the Metropolitan Transit Authority (MTA) Act.
- November 20, 2019* **Chicago Transit Board vote.** The Chicago Transit Board incorporates any changes and adopts the operating and capital fiscal year budget and financial plans.
- November 20, 2019* **Budget submission to the RTA.** The RTA Act requires that the CTA, by November 15, submit its detailed budget, financial plan and capital improvement plan to the RTA. The budget must conform to the marks set by the RTA by the statutory deadline of September 15.

CTA FY20 Budget

Annual Budget Process

December 19, 2019 **RTA Board vote** on consolidated regional budget. The RTA Board adopts the proposed fiscal year operating and capital budget and the two-year and five-year financial plan upon the approval of 12 of the RTA's 16 directors.

*February 21, 2020
(proposed date;
to be finalized)* **RTA and CTA submit the capital improvement program** to the Chicago Metropolitan Agency for Planning (CMAP). CMAP adopts and incorporates CTA's capital projects in the Regional Transportation Improvement Program, allowing CTA to apply for Federal funding for these projects.

RTA Statutory Requirements for Budget Approval

The RTA Board adopts the proposed budget and plan upon the approval of 12 of the RTA's 16 directors. If the budget meets the RTA's criteria, which are identified in the RTA Act and outlined below, then the RTA is required to adopt the budget. If the RTA Board does not approve the budget, the RTA Board cannot release any funds for the periods covered by the budget and two-year financial plan, except the proceeds of sales taxes due by the statutory formula to the CTA, until the budget conforms to the criteria specified in the Act.

The RTA's criteria for budget and plan approval are:

1. **Balanced Budget:** The budget and plan 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 of outstanding indebtedness.
2. **Cash Flow:** The budget and plan show cash balances, including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses incurred.
3. **Recovery Ratio:** The budget and plan provide for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the system-generated revenue recovery ratio.
4. **Assumptions:** The budget and plan are based upon and employ assumptions and projections, which are reasonable and prudent.
5. **Financial Practices:** The budget and plan have been prepared in accordance with sound financial practices as determined by the RTA Board.
6. **Other Requirements:** The budget and plan meet such other financial, budgetary, or fiscal requirements that the RTA Board may by rule or regulation establish.
7. **Strategic Plan:** The budget and plan are consistent with the goals and objectives adopted by the RTA Board in the Strategic Plan.
8. **Capital Budget:** The capital improvement plan lists projects with funding sources. All of the capital projects are eligible for Federal and RTA funding and meet all requirements. Project budgets and schedules are also provided to RTA for each project.

CTA FY20 Budget

Annual Budget Process

Budget Execution and Administration

After the proposed budget and financial plan are adopted, the budget execution and administration phase begins. Detailed budgets of operating revenues and expenses calendarized for the 12 months of the budget year are forwarded to the RTA. The CTA's actual monthly financial performance is measured against the monthly budget and reported to the RTA Board. Detailed capital grant applications are prepared and submitted to funding agencies. Quarterly capital program progress reports, along with milestones, are provided to the RTA Board to monitor expenditures and obligations for capital program items. RTA meets with CTA quarterly to review the status of capital projects.

Amendment Process

As the CTA monitors actual performance, changes may be required to the budget. The RTA might revise its sales tax forecast, which could result in less public funding for the CTA. This in turn would require reduced spending to meet the revised funding mark and recovery ratio.

When the RTA amends a revenue estimate because of changes in economic conditions, governmental funding, a new program, or other reasons, the CTA has 30 days to revise its budget to reflect these changes. The RTA's Finance Committee must approve all amendments before they are recommended to the RTA Board for approval. The budget may also be amended based upon financial condition and results of operations if the CTA is significantly out of compliance with its budget for a particular quarter. The RTA Board, by a vote of 12 members, may require the CTA to submit a revised financial plan and budget, which show that the marks will be met in a time period of less than four quarters. If the RTA Board determines that the revised budget is not in compliance with the marks, the RTA will not release discretionary funds. RTA discretionary funds include monies from the Public Transportation Fund (PTF), discretionary sales tax, and other state funding. If the Authority submits a revised financial plan and budget which show the marks will be met within a four-quarter period, then the RTA Board shall continue to release funds.

As capital projects proceed, changes may be required to project budgets. Capital funding marks may be revised based on actual federal or state appropriations actions. When revisions are necessary, the CTA will amend its five-year capital program and submit the changes to the RTA for RTA Board action.

CTA FY20 Budget

Accounting Systems and Financial Controls

Accounting System and Financial Controls

Organization Overview

The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois Legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) “separate and apart from all other government agencies” to consolidate Chicago’s public and private mass transit carriers. The City Council of the City of Chicago granted the CTA the exclusive right to own and operate a unified, local transportation system.

The Regional Transportation Authority Act provides for the funding of public transportation in the six-county region of Northeastern Illinois. The Act established a regional oversight board, the Regional Transportation Authority (RTA), and designated three Service Boards: the CTA, the Commuter Rail Board, and the Suburban Bus Board. The Act requires, among other things, that the RTA approve the annual budget of the CTA; that the CTA obtain agreement from local governmental units to provide an annual monetary contribution of at least \$5 million for public transportation; and that the CTA, collectively with the other Service Boards, finance at least 50 percent of operating costs, excluding depreciation and certain other items, from system-generated sources on a budgetary basis.

Financial Reporting Entity

As defined by U.S. generally accepted accounting principles (GAAP), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable.

Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.
- 2) Fiscal dependency on the primary government.

In conformance with Governmental Accounting Standards Board (GASB) standards, the CTA includes in its financial statements all funds over which the Chicago Transit Board exercises oversight responsibility. Oversight responsibility is defined to include the following considerations: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and scope of an organization’s public service and/or special financing relationships.

CTA FY20 Budget

Accounting Systems and Financial Controls

The CTA participates in the Employees' Retirement Plan, which is a single-employer, defined benefit plan covering substantially all full-time permanent union and nonunion employees. The Employees' Plan is governed by state statute (40 ILCS 5/22-101). The fund, established to administer the Employees' Retirement Plan, is not a fiduciary fund or component unit of the CTA. This fund is a legal entity separate and distinct from the CTA. This plan is administered by its own board of trustees comprised of five union representatives, five representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the Employees' Retirement Plan. Accordingly, the accounts of this fund are not included in the CTA's financial statements.

The Retiree Health Care Trust (RHCT) provides and administers health care benefits for CTA retirees and their dependents and survivors. The RHCT is not a fiduciary fund or a component unit of the CTA. This trust is a legal entity separate and distinct from the CTA. This trust is administered by its own board of trustees comprised of three union representatives, three representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the RHCT. Accordingly, the accounts of this fund are not included in the CTA's financial statements.

Based upon the criteria set forth by the GASB, the CTA is not considered a component unit of the RTA because the CTA maintains separate management, exercises control over all operations, and is fiscally independent from the RTA. Because governing authority of the CTA is entrusted to the Chicago Transit Board, comprised of four members appointed by the Mayor of the City of Chicago and three members appointed by the Governor of the State of Illinois, the CTA is not financially accountable to the RTA and is not included as a component unit in the RTA's financial statements. As statutorily required, the CTA is combined in pro forma statements with the RTA.

Budget and Budgetary Basis of Accounting

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP), except for the exclusion of certain income and expenses, and consistent with the basis of accounting and required recovery ratio. The excluded income and expense amounts include the following:

- Provision for injuries and damage in excess of (or under) budget,
- Depreciation expense,
- Pension expense in excess of pension contributions,
- Actuarial adjustments,
- Revenue and expense from bond transactions,
- Revenue and expense from sale/leaseback transactions, and
- Capital contributions.

CTA FY20 Budget

Accounting Systems and Financial Controls

The Act requires that expenditures for operations and maintenance in excess of budget cannot be made without the approval of the Chicago Transit Board. All annual appropriations lapse at fiscal year-end.

Public funding assistance, administered through the RTA, provides the public funding revenue for the budgets of the Service Boards. Favorable variances from budget remain as operating assistance to the CTA.

The RTA approves the proposed budget based on four criteria:

- That the budget is in balance with regard to anticipated revenues from all sources, including operating subsidies, costs of providing services, and funding operating deficits;
- That the budget provides for sufficient cash balances to pay, with reasonable promptness, costs and expenses when due;
- That the budget provides for the CTA to meet its required system-generated revenue recovery ratio; and
- That the budget is reasonable and prepared in accordance with sound financial practices, and complies with such other RTA requirements as the RTA Board of Directors may establish.

The RTA monitors the CTA's performance against the budget on a quarterly basis. If, in the judgment of the RTA, this performance is not substantially in accordance with the CTA's budget for such period, the RTA shall so advise the CTA and the CTA must, within the period specified by the RTA, submit a revised budget to bring the CTA into compliance with the budgetary requirements listed above.

Financial Reporting

Overview

The CTA's financial statements are prepared in conformity with GAAP. GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles. The CTA applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case the GASB prevails.

Basis of Presentation

The financial statements provide information about the CTA's business-type and fiduciary (Qualified Supplemental Retirement Plan) activities. Separate financial statements are presented for each category. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded

CTA FY20 Budget

Accounting Systems and Financial Controls

when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The financial statements for CTA's business-type activities are used to account for the operations of the CTA and are accounted for on a proprietary (enterprise) fund basis. This basis is used when operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing services to the general public be financed or recovered primarily through user charges such as fares.

Accordingly, the CTA maintains its records on the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the CTA are included in the balance sheet.

The financial statements for the fiduciary activities are used to account for the assets held by the CTA in trust for the payment of future retirement benefits under the Qualified Supplemental Retirement Plan. The assets of the Qualified Supplemental Retirement Plan cannot be used to support CTA operations.

Fiscal year

The operating cycle of the CTA is based on the calendar year. Prior to 1995, the CTA operated on a 52-week fiscal year composed of four quarters of "four week, four week, and five week" periods. Periodically, a 53-week fiscal year was required to keep the fiscal year aligned with the calendar.

Internal Controls

Overview

CTA management is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the CTA are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The CTA's internal accounting controls are reasonable under the existing budgetary constraints and adequately safeguard assets as well as provide reasonable assurance of proper recording of all financial transactions.

CTA FY20 Budget

Accounting Systems and Financial Controls

Each year, the CTA conducts internal and external audits to test the adequacy of its internal control system. Where weaknesses are identified, the CTA takes immediate action to correct such weaknesses to ensure a sound internal control system.

Single Audit

As a recipient of federal, state, and RTA financial assistance, the CTA is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is subject to periodic evaluation by management and the internal audit staff of the CTA, as well as external auditors.

As part of the CTA's single audit, tests are performed to determine the adequacy of the internal control system, including the portion related to federal financial assistance programs, as well as to determine that the CTA has complied with applicable laws and regulations.

Budgeting Controls

In addition, the CTA maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget appropriated by the Chicago Transit Board and approved by the RTA. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established for total operating expenses. The CTA also maintains a position control system, which requires that every job that is not part of scheduled transit operations be budgeted on an annual basis.

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Financial Policy

Financial Policy

Financial Planning Policies

Financial planning policies incorporate both short- and long-term strategies focused on the principles of a balanced budget. These policies ensure proper resource allocation and the continued financial viability of the organization. The CTA reviews the policies on an annual basis as part of the budget process to ensure continued relevance to the organization's goals and objectives.

A Balanced Budget

The budget reflects the short-term goals of the agency. Following development, adoption, and implementation of the annual budget, the CTA continually monitors actual monthly financial performance against the budget. Each month, the CTA performs a detailed line-by-line analysis of revenues and expenses to determine operating variances. This includes reviewing position headcount, analyzing material and other expenses, examining revenue scenarios for potential shortfalls, applying seasonality spread in relation to business activities, and conducting continuous audits to ensure a balanced budget. Where potential year-end variances to budget are projected, the CTA uses various strategies to manage them. A monthly financial performance report is produced and submitted to the CTA and RTA boards for their review.

The RTA Act requires the CTA to have a balanced budget each year. As such, the CTA takes care in the development of its budget to ensure that assumptions and estimates used to develop the budget are reasonable. The CTA analyzes data from recent years and develops forecasts that are built on actual expense trends. The CTA also researches market trends and consultants' studies that could impact fuel and healthcare expenses. All expenses match available revenues at the time of the budget, including system-generated and other revenues, as well as public funding.

Long-Range Planning

The CTA also develops a longer-range plan for the period beyond the current budget and two-year financial plan. This ten-year plan assesses the implications of current and proposed budgets, policy priorities, and financial assumptions. Additionally, external economic studies, demographics, and traffic patterns are used to estimate the future transit needs of the Chicago metropolitan area, and to establish the future system requirements of the CTA. Current infrastructure needs, as well as system growth needs, are developed, prioritized, and incorporated into the long-term plan.

CTA FY20 Budget

Financial Policy

Capital Investment Planning

The CTA continuously maintains an inventory and assessment of the condition of all major capital assets. A detailed five-year capital program prioritizes the short-term capital needs that are necessary to bring the system to a state of good repair, as well as to maximize customer benefits in the regional transit system. CTA is also developing a Transit Asset Management system to assist in prioritizing future capital projects. A 20-year capital program condition and assessment report provides a broader list of the CTA's capital investment needs.

Revenue Policies

The principal operating revenues of the CTA are bus and rail passenger fares, which are established by the CTA's Board. The CTA also recognizes as revenue the rental fees received from concessionaires, the fees collected from advertisements on CTA property, and other miscellaneous operating revenues. A clear understanding of CTA revenue sources is essential to maintaining a balanced budget and for providing quality service to customers.

Revenue Diversification

Organizational units are encouraged to submit revenue ideas for consideration. The CTA has embarked upon numerous alternative revenue enhancements, such as vending machines and ATMs on the system, wireless communications in the subway tunnels, digital communications, and parking under the elevated rights-of-way. The CTA continues to find ways to enhance system advertising, charters, and concession revenues, as well as revenue from investments.

Use of One-Time Revenues

Extraordinary revenues from the sale of surplus assets provide one-time benefits to the CTA. These additional revenues are used to fund non-recurring expense items.

Expenditure Policies

CTA expenditures include the costs of operating the mass transit system, administrative expenses, and depreciation on capital assets. Prudent expenditure planning, monitoring, and accountability are key elements of fiscal stability.

Debt Capacity, Issuance, and Management

These policies serve as a management tool to ensure that the CTA:

- may utilize leverage as part of its overall funding strategy to speed up investment in the system;

CTA FY20 Budget

Financial Policy

- utilizes debt in the most efficient and effective manner to fund operating and capital improvement programs; and
- makes full and timely repayment of all borrowings.

Moreover, the policy provides broad guidelines to ensure that the agency achieves the lowest possible cost of capital within prudent risk parameters, secures ongoing access to the capital markets, and authorizes the appropriate amount, type, and structure of debt for various financing situations.

Expenditure Accountability

Each month, the CTA compares its operating and capital performance to budget. Any deviations from budget are reviewed and corrective measures are implemented by the appropriate organizational units. Each unit is responsible for maintaining budget compliance. Actual capital expenditures are also reviewed monthly and adjustments to capital projects spending are made accordingly.

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Sustainability Initiatives

Sustainable Transportation

CTA's rail and bus services provide a low-impact, sustainable transportation mode for more than 1.5 million riders each weekday, replacing an estimated 400,000 vehicles on Chicago-area roadways daily. As an alternative to driving in single occupancy vehicles, CTA's transit services help reduce traffic congestion, support compact development, and lower per-capita energy consumption. A full eight-car CTA train replaces more than 600 cars, and a full 60-foot articulated CTA bus replaces more than 70 cars.

2019-2020 Highlights

- *Addition of 23 electric buses to CTA's fleet*
- *Installation of 5 fast-chargers for electric buses*
- *Feasibility study for electrification of the entire CTA bus fleet*
- *Upgrades to the Blue Line power system to improve service efficiency*
- *More than 15,000 lights upgraded to energy efficient LEDs*
- *New boilers installed at 3 major maintenance facilities*
- *Formation of a working group to support APTA Sustainability Commitment goals*

In addition to fulfilling its core mission of delivering a sustainable mode of quality, affordable transportation, CTA is pursuing numerous initiatives to reduce the environmental impact of its own operations. CTA is a signatory to the American Public Transportation Association's (APTA) Sustainability Commitment, which sets out sustainability principles and goals for member transit agencies and industry partners across the country. In 2019, CTA formed an inter-departmental sustainability working group to take the first steps toward achieving these goals, including performing an inventory of the agency's energy use and conservation of natural resources, and an analysis of opportunities for expanding recycling. The metrics that appear in this chapter are preliminary results from the inventory project.

Clean Vehicles and Efficient Operations: CTA Bus System

This year represents a significant milestone in the expansion of CTA's electric bus fleet, with six Proterra electric buses scheduled for delivery in the fall of 2019 and another 17 buses anticipated to arrive in 2020. The electric bus pictured here is one of the first to be delivered; it will be commissioned and fitted with onboard communications and fare systems in the garage prior to road testing.

With zero emissions from their propulsion systems, the electric buses will help reduce local levels of air pollutants that contribute to asthma and other respiratory diseases. The Proterra electric buses will go into service on the Chicago Avenue bus route (#66) and will



CTA FY20 Budget

Sustainability Initiatives

charge using high-powered, overhead chargers installed at the terminals of the route: Navy Pier at the east end, and Chicago Avenue and Austin Boulevard at the west end.

October 2019 marks the completion of five years since CTA's first two electric buses entered revenue service. A CTA analysis comparing these two electric buses to same-age diesel buses estimated that each electric bus saves about \$12,000 in fuel costs per year and about \$15,000 in maintenance costs per year. Manufactured by New Flyer, CTA's first two electric buses were initially capable of charging only with low-powered, plug-in chargers installed in the bus garages. The buses were overhauled this past spring with new battery packs and a rooftop contact point to enable high-powered, overhead charging. Once CTA completes the installation of a new fast-charger at the Midway bus terminal, the overhauled New Flyers will go back into service on routes around the Southwest Side. CTA's standardized specifications for the electric buses and chargers will ensure that all equipment is compatible and interoperable across different manufacturers and models.

CTA has continued its success in receiving grant awards to cover the majority of its electric bus program costs. Electric bus and charging infrastructure grant awards to date total over \$45 million with an average local match requirement of about 10%. Looking ahead, the Chicago Metropolitan Agency for Planning (CMAQ) is recommending a Congestion Mitigation and Air Quality (CMAQ) grant of \$39 million toward CTA's proposal for electrifying all bus routes that utilize the Navy Pier terminal.

Funding Sources for CTA's Electric Bus Program

- *Federal Transit Administration (FTA) Low or No Emission Vehicle Program*
- *U.S. Environmental Protection Agency (USEPA) Clean Diesel Program*
- *Congestion Mitigation and Air Quality (CMAQ) Program administered by the Chicago Metropolitan Agency for Planning (CMAQ)*
- *Illinois Environmental Protection Agency (IEPA) "Driving A Cleaner Illinois" Program; funding from the Volkswagen Environmental Mitigation Trust*

In April 2019, the Chicago City Council approved a resolution establishing a goal of the year 2040 for electrification of CTA's entire bus fleet. Mayor Lightfoot further supported this goal as an element of the Environment pillar in her transition plan. Thanks to a grant from the Joyce Foundation, CTA is currently working with the Civic Consulting Alliance and transit industry consultants at Sam Schwartz to conduct a feasibility analysis and develop a guide for full fleet electrification. The study will consider requirements including fleet purchasing schedule, facilities upgrades, infrastructure investments, service planning, and capital budgeting. CTA's operation of the New Flyer and Proterra electric buses will provide invaluable data and experience to inform the study and near-term planning for further scale-up of the electric bus fleet. As part of scale-up planning, CTA is working closely with Commonwealth Edison (ComEd) to understand requirements for upgrading electrical service to the bus garages and select bus terminals.

As CTA expands its electric bus fleet, it is also taking steps to reduce the environmental impact of its diesel bus fleet. In early 2019, CTA replaced 25 of its oldest and least fuel

CTA FY20 Budget

Sustainability Initiatives

efficient diesel buses with 25 new, 2019 model year diesel buses. The new buses average 4 miles per gallon compared to 2.5 miles per gallon for the retired buses, resulting in an annual savings of about 135,000 gallons of diesel fuel. The new buses also have superior emissions controls, yielding about 40% less NOx and particulate matter compared to the retired buses.

The retirement of CTA's oldest, least efficient diesel buses and replacement with new, cleaner buses helps increase the fuel efficiency of CTA's bus fleet overall. However, the continuous aging of existing buses in the fleet contributes to lower fuel efficiency over time. Fuel consumption is also sensitive to weather, particularly extreme temperatures that require starting engines earlier in advance of service and running onboard heating or air conditioning systems to reach comfortable conditions inside buses. The table here illustrates this annual variability.

CTA Bus Fuel Efficiency	
Year	Bus Revenue Miles per Gallon of Diesel Fuel
2014 Actual	3.02
2015 Actual	3.18
2016 Actual	3.15
2017 Actual	3.25
2018 Actual	3.13
2019 Forecast	3.14

Clean Vehicles and Efficient Operations: CTA Rail System

CTA's next generation of rail cars, the 7000-series, are now in production at CRRC Sifang's new manufacturing facility on the Southeast Side of Chicago, and are anticipated to start arriving in 2020. The 7000-series rail cars are CTA's second model of rail cars (following the 5000-series) with the capability to regenerate electricity as they brake, sending that electricity back to the third rail to power the acceleration of other trains on the system. A recent modeling analysis indicated that when a CTA rail line runs entirely with 7000-series regenerative braking trains, the resulting electricity savings during peak rush periods will be over 30% compared to running trains without regenerative braking. The new 7000-series rail cars will also have other energy efficient features including LED lights and advanced controls for the air comfort systems.

The replacement of CTA's oldest, least efficient rail cars with the new 5000-series cars has helped improve the electric energy efficiency of the rail fleet. The 5000-series cars entered service from 2011 to 2015 and currently make up about half of CTA's rail fleet. Similarly to

CTA Rail Energy Efficiency	
Year	Rail Revenue Miles per Megawatt-Hour of Electricity
2014 Actual	151
2015 Actual	169
2016 Actual	163
2017 Actual	171
2018 Actual	160
2019 Forecast	161

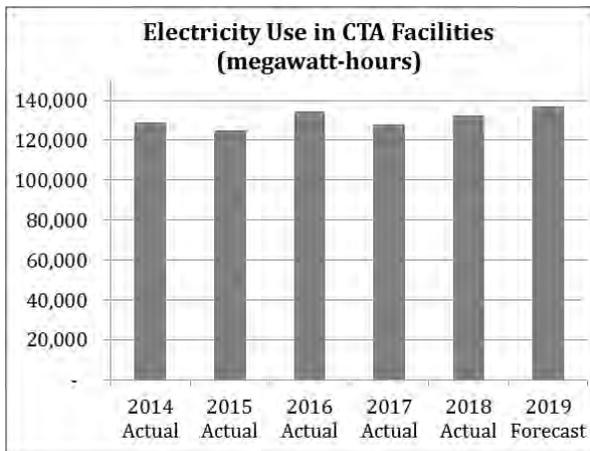
buses, however, the efficiency gains from new rail cars are offset by the continuous aging of existing cars. Severe cold and freezing precipitation also require more electricity use to warm up rail cars prior to service, heat tracks at switch points, prevent doors from getting stuck, and deploy track scrapers on the lead cars of trains. Conversely, operating trains in relatively mild weather, such as Chicago experienced in 2017, requires less electricity use. The table here illustrates this annual variability.

CTA FY20 Budget

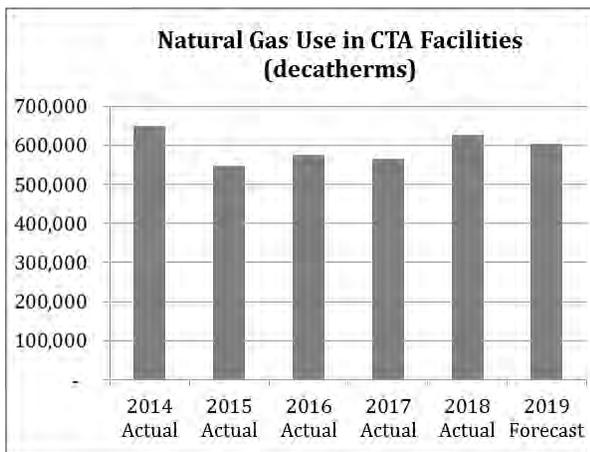
Sustainability Initiatives

In August 2019, CTA and consultant STV completed Phase One of a study of power flows throughout CTA's rail system, with the objective of identifying electrical infrastructure upgrades that will be necessary to maintain reliable and safe service. Phase One analyzed the traction power system for the Blue Line; Phase Two will analyze all rail lines systemwide, including the planned Red Line Extension Project connecting the 95th/Dan Ryan Terminal to 130th Street. Based on modeling results, the Blue Line study report recommended constructing three new traction power substations, a new connection from an existing substation, and various other infrastructure upgrades in order to maintain adequate voltage for train service, particularly during catch-up service conditions, which occur often during the morning and even rush hours. The Illinois state capital bill signed by Governor Pritzker in June 2019 appropriates over \$80 million to CTA Blue Line infrastructure, which will fund a significant portion of the required upgrades.

Energy Efficiency in Facilities



CTA's uses of electricity in facilities range from typical purposes such as lighting, cooling, and air handling, to more specialized functions such as industrial equipment for vehicle maintenance and parts fabrication. Likewise, CTA uses natural gas primarily to heat buildings, but also for some industrial processes.



CTA's annual facilities energy usage increases with the opening of new buildings, expansion of existing buildings, and addition of new equipment and machinery (such as elevators and escalators) in existing buildings. These increases are offset, however, by savings achieved through energy efficiency initiatives, as described in more detail below. Annual variations in weather also affect energy usage, with prolonged hot weather demanding more electricity for cooling and severe cold spells requiring more natural gas for heating. The graphs here show the annual net results of increasing demands for energy, savings from efficiency projects, and weather-related variations.

Year to date in 2019, CTA has received over \$290,000 in rebates and discounts from ComEd and Peoples Gas for completing projects that save electricity and natural gas. This

CTA FY20 Budget

Sustainability Initiatives

includes over \$64,000 – an average discount of 20% – earned through CTA’s lighting distributor for the purchase of over 15,000 LED lights. The energy efficiency rebate projects are calculated to reduce CTA’s electric bills by about \$44,000 each year and reduce CTA’s natural gas bills by about \$60,000 each year, based on the kilowatt-hours of electricity and therms of natural gas saved.



CTA’s 2019 electric efficiency projects include upgrading to LED lighting at rail stations, bus garages, maintenance facilities, and subway tunnels – such as the northern entrance of the North & Clybourn Subway Tunnel pictured here with all-new LED safety lights. Upgrading old, inefficient lighting to LED technology not only saves electricity and reduces CTA’s electric bills; it also provides better quality light, which improves the safety, security, and functionality of CTA facilities for customers and employees alike. LEDs typically last three to ten times as long

as older, less efficient types of lights. Since LEDs require less frequent replacement, labor savings can be applied to other higher-priority projects.

Continuing into 2020, CTA will be replacing incandescent signal lights with new LED signal lights, starting first on the Green and Orange Lines. The primary benefit of LED signal lights is that they are much brighter and more visible to train operators. Other projects include new LED fixtures in rail stations on the Blue Line O’Hare Branch, new testing equipment for electric rail car motors at the Skokie Rail Maintenance Shop, and a new uninterruptible power supply at the CTA Headquarters Office (567 W. Lake St.).

CTA’s recent natural gas efficiency projects include boiler replacements at the West Shops maintenance facility, Forest Glen Bus Garage, and 98th Rail Shop. In 2020, CTA will be replacing boilers at the Beverly Shop maintenance facility and North Park Garage (pictured here). The existing boilers at these two facilities date back to 1900 and 1949 respectively. CTA is also increasing the efficiency of boiler systems at major facilities by repairing and replacing steam traps, insulating pipes, and upgrading to automated controls.



The CTA Headquarters Office is a 394,000 square foot facility with LEED Gold certification from the U.S. Green Building Council. At the time of budgeting, CTA’s property manager – Jones Lang LaSalle (JLL) – was in the process of applying for recertification with the aim of

CTA FY20 Budget

Sustainability Initiatives

achieving LEED Platinum. CTA employees in the Headquarters Office achieved a 40% waste diversion rate in 2018 (the most recent year for which statistics are available), recycling about 40 tons of paper and 13 tons of cardboard throughout the year.

Climate Resilience



In early 2019, the City of Chicago released its resilience strategy, entitled “Resilient Chicago: A Plan for Inclusive Growth and a Connected City.” CTA President Dorval Carter served as a member of the Resilient Chicago Steering Committee, and CTA plays an integral role in the plan – from anchoring transit-oriented development (TOD), to deploying zero-emissions buses, to providing equitable access to affordable transportation and skilled workforce opportunities. CTA also provides critical services for emergency response, whether related to severe weather events or security.

CTA’s ongoing investment in large-scale infrastructure improvements, such as the Your New Blue and Red-Purple Modernization projects, bolsters the strength and resilience of Chicago’s transit services today and over decades ahead. CTA takes into consideration exposure to extreme heat, cold, precipitation, and wind when planning, designing, and constructing new infrastructure and rehabs to existing facilities, as well as when determining protocols for operations. In practice, this means testing and selecting materials and equipment based on durability, and building redundancy into systems ranging from vehicle power and fuel supply to control center communications.

In 2020, CTA will continue to implement steps to ensure the resilience of the transit system. Examples include preventing the infiltration of storm water that damages subway tunnels, planning for the construction of new substations to deliver power to the Blue Line, eliminating slow zones on the rail system, and modernizing signal controls on the North Main branch (Red, Purple, and Brown Lines).

CTA FY20 Budget

Acronyms & Glossary

Acronyms

AA	Alternatives Analysis
ADA	Americans with Disabilities Act
APB	Accounting Principles Board
APTA	American Public Transportation Association
ASAP	All Stations Accessibility Plan
AVAS	Automated Voice Annunciation System
BAB	Build America Bonds
BRT	Bus Rapid Transit
BUILD	Better Utilizing Investments to Leverage Development
CAC	Capital Advisory Committee
CBO	Congressional Budget Office
CDOT	Chicago Department of Transportation
CIG	Capital Investment Grant
CIP	Capital Improvement Program
CMAP	Chicago Metropolitan Agency for Planning
CMAQ	Congestion Mitigation and Air Quality Improvement Program
COP	Certificate of Participation
CPD	Chicago Police Department
CPI	Consumer Price Index
CSL	Chicago Surface Lines
CTA	Chicago Transit Authority
DBE	Disadvantaged Business Enterprise
DHS	Department of Homeland Security
EIA	Energy Information Administration
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FASB	Financial Accounting Standards Board
FAST	Fixing America's Surface Transportation (FAST) Act
FEJA	Future Energy Jobs Act
FFGA	Full Funding Grant Agreement
FFR	Federal Funds Rate
FFY	Federal Fiscal Year
FHWA	Federal Highway Administration
FOMC	Federal Open Market Committee
FTA	Federal Transit Administration
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GARVEE	Grant Anticipation Revenue Vehicles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product

CTA FY20 Budget

Acronyms & Glossary

GFOA	Government Finance Officers Association
GTT	City of Chicago Ground Transportation Tax
HTF	Highway Trust Funds
ICE	Innovation, Coordination and Enhancement Fund of RTA
IDOT	Illinois Department of Transportation
IT	Information Technology
JARC	Job Access and Reverse Commute Program
LACMTA	Los Angeles County Metropolitan Transportation Authority
LPA	Locally Preferred Alternative
MAP-21	Moving Ahead for Progress in the 21 st Century
MBTA	Massachusetts Bay Transportation Authority
MTA	Metropolitan Transit Authority
NEPA	National Environmental Policy Act
NTD	National Transit Database
NYCT	New York City Transit
PBC	Public Building Commission of Chicago
PBV	Positive Budget Variance
PE	Preliminary Engineering
PMP	Project Master Plans
POB	Pension Obligation Bond
PPI	Producer Price Index
PTF	Public Transportation Fund
RETT	Real Estate Transfer Tax
RHCT	Retiree Health Care Trust
RLE	Red Line Extension
ROW	Right of Way
RPM	Red and Purple Modernization Project
RTA	Regional Transportation Authority
SCADA	Supervisory Control and Data Acquisition
SCIP	Strategic Capital Improvement Program
SEPTA	Southeastern Pennsylvania Transportation Authority
SFY	State Fiscal Year
SMS	Safety Management System
SOGR	State of Good Repair
SPR	Statewide Planning & Research
STIP	State Transportation Improvement Program
STO	Scheduled Transit Operations
SWAP	Sheriff's Work Alternative Program
TAM	Transit Asset Management
TIF	Tax Increment Financing
TIFIA	Transportation Infrastructure Finance and Innovation Act
TIGGER	Transit Investments for Greenhouse Gas and Energy Reduction

CTA FY20 Budget

Acronyms & Glossary

TIP	Transportation Improvement Program
TOD	Transit-Oriented Development
TSGP	Transit Security Grant Program
TSP	Traffic Signal Prioritization
ULB	Useful Life Benchmark
UPRR	Union Pacific Railroad
UPS	Uninterrupted Power Supply
USDOT	United States Department of Transportation
UWP	Unified Work Program
UZA	Urbanized Area
WMATA	Washington Metropolitan Area Transit Authority
YNB	Your New Blue

(THIS PAGE INTENTIONALLY LEFT BLANK)



CTA FY20 Budget

Acronyms & Glossary

Glossary

2008 Legislation

The amendments to the RTA Act in 2008 included the following policies affecting the CTA budget: 1) Increased the RTA sales tax to 1.25 percent in Cook County and 0.75 percent in the collar counties; 2) Prescribed a new distribution of revenues for the incremental sales tax increase and Public Transportation Fund match; 3) Established an Innovation, Coordination, and Enhancement (ICE) Fund, an ADA Paratransit Fund, and a Suburban Community Mobility Fund; and 4) The chair of the CTA no longer was on the RTA Board.

Accessible

As defined by the FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accounting Principles Board (APB)

The former authoritative body of the American Institute of Certified Public Accountants (AICPA). It was created by the AICPA in 1959 and issued pronouncements on accounting principles until 1973, when it was replaced by the Financial Accounting Standards Board (FASB).

Accrual Basis

A method of accounting in which revenues are reported in the fiscal period when they are earned, regardless of when they are received, and expenses are deducted in the fiscal period they are incurred, whether they are paid or not.

All Stations Accessibility Plan (ASAP)

The All Stations Accessibility Strategic Plan is a comprehensive plan to make CTA's rail stations 100% accessible in the next 20 years. The plan outlines short-term and long-term accessibility projects including a blue-print for making the remaining 42 rail stations fully accessible over the next two decades, along with repairs and upgrades to existing 160 rail station elevators.

Alternatives Analysis (AA) Study

To conduct the Study is the first step of the FTA's process to qualify for New Starts funding. The Study is designed to examine all the potential transit options available and to determine a locally preferred alternative. Among the projects that were authorized for further analysis by the United States Congress, the CTA has completed the Studies for the Red Line Extension south of 95th, the Orange Line Extension to Ford City, and the Yellow Line Extension north of Dempster Avenue in Skokie.

CTA FY20 Budget

Acronyms & Glossary

Americans with Disabilities Act (ADA)

The Americans with Disabilities Act (ADA) of 1990, including changes made by the ADA Amendments Act of 2008, became effective on January 1, 2009. 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. Examples of these changes includes mandating that all new buses and rail lines be wheelchair accessible and that alternative transportation be provided to customers unable to access the transit system.

Americans with Disabilities Act (ADA) Paratransit Fund

A fund created by the 2008 Legislation to fund regional paratransit services provided by Pace.

American Public Transportation Association (APTA)

International organization for the bus, rapid transit, and commuter rail systems industry. To strengthen and improve public transportation, APTA serves and leads its diverse membership through advocacy, innovation, and information sharing. APTA and its members and staff work to ensure that public transportation is available and accessible for all Americans in communities across the country.

Articulated Bus

A high-capacity passenger bus that flexes in the middle.

Automated Voice Annunciation System (AVAS)

The Automatic Voice Annunciation System (AVAS) is an on-board passenger announcement program which coordinate with both global positioning (satellite-based) and logical positioning (distance-based) systems to determine the location of a bus and make the appropriate next-stop announcement.

Better Utilizing Investments to Leverage Development (BUILD)

BUILD is a supplementary discretionary grant program to build and repair critical pieces of freight and passenger transportation networks. Previously known as Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grants, this program is dedicated to funding projects that have a significant local or regional impact.

Big Gap

An instance when the time in between buses is more than double the scheduled interval and also creates a gap of more than 15 minutes.

Bond

An interest-bearing promise to pay a specified sum of money on a specified date in the future.

CTA FY20 Budget

Acronyms & Glossary

Build America Bonds (BAB)

A subsidy provided by the American Recovery and Reinvestment Act that provides for a wider pool of capital financing funding for state, county, and municipal entities, such as the CTA.

Bureau of Labor Statistics (BLS)

The Bureau of Labor Statistics of the U.S. Department of Labor is the principal federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making. As an independent statistical agency, BLS serves its diverse user communities by providing products and services that are objective, timely, accurate, and relevant.

Bus Rapid Transit (BRT)

BRT is an enhanced bus system that operates on bus lanes or other transitways in order to combine the flexibility of buses with the efficiency of rail. By doing so, BRT operates at faster speeds and provides greater service reliability and customer convenience.

Capital Advisory Committee (CAC)

The Capital Advisory Committee is comprised of members from local universities as well as leaders from the business community. The purpose of the CAC is to solicit expert advice from external professionals in carrying out the CTA's capital process, including the selection of projects for funding and advising the CTA in closing the funding gap.

Capital Budget

A formal plan of action for a specified time period for purchases of fixed assets using capital grants.

Capital Expense

Capital expenses are those expenses that are related to purchasing a capital asset or making an improvement to a capital asset that materially increases its value or useful life. These expenses are not used for ordinary day-to-day operating expenses of a business, such as salaries, utilities and insurance. Capital assets include vehicles, infrastructure, land, improvements to land, easements, buildings, building improvements, machinery, equipment, works of art and historical treasures, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single year.

Capital Investment Grant

Funds received from grantor funding agencies used to finance construction, renovation, and major repairs or the purchase of machinery, equipment, buildings, or land.

CTA FY20 Budget

Acronyms & Glossary

Capital Improvement Program (CIP)

A strategic and comprehensive financing program in which available capital funds are identified and targeted toward key capital renewal and improvement needs of the CTA system to yield the greatest customer benefit.

Certificate of Participation (COP)

A lease-financing agreement is used by public entities to acquire real property. Under the agreement, regular payments are made over the annually renewable contract for the acquisition and use of the property. COPs were used to finance the purchase of 200 (40-foot) New Flyer low floor buses and equipment.

Chicago Department of Transportation (CDOT)

The Chicago Department of Transportation (CDOT) is responsible for public way infrastructure, including planning, design, construction, maintenance, and management.

Chicago Metropolitan Agency for Planning (CMAP)

The agency that integrates land use planning and transportation planning for the counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will in northeastern Illinois. CMAP and its partners aim to remove barriers to cooperation across geographical boundaries and subject areas such as land use, transportation, natural resources, housing, and economic development.

Collar Counties

The five counties that surround Cook County as identified in the RTA Act: Will, Kane, DuPage, Lake, and McHenry counties.

Congestion Mitigation & Air Quality Improvement Program (CMAQ)

A program created by the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991 that provides funding for transportation projects that improve air quality and reduce traffic congestion.

Congressional Budget Office

Branch of the federal government that provides economic data to Congress.

Consumer Price Index (CPI)

A measure estimating the average price of consumer goods and services purchased by households. CPI measures a price change for a market basket of goods and services from one period to the next within the same area and is used as a measure of the increase in the cost of living (i.e. economic inflation).

CTA FY20 Budget

Acronyms & Glossary

Corridor

A defined study area considered for significant transportation projects such as highway improvements, bus transitways, rail lines, or bikeways (e.g. Dan Ryan corridor, Western Avenue corridor).

CTA Board Member Terms of Office

Board member terms are in seven year increments. Board members may be appointed to terms already in progress, in which case they may serve until the end of that term.

Department of Homeland Security (DHS)

This agency that is responsible for ensuring the safety and security of the United States from terrorist attacks and other disasters.

Depreciation

An accounting term that recognizes the loss in value of a tangible fixed asset over time attributable to deterioration, obsolescence, and impending retirement. Applies particularly to physical assets like vehicles, equipment, and structures.

Disadvantaged Business Enterprise (DBE)

The Disadvantaged Business Enterprise (DBE) program is intended to ensure nondiscrimination in the award and administration of contracts.

Discretionary Funds

Funds that the RTA allocates, at its discretion, to the Service Boards. These funds include Public Transportation Funds and a portion of the 15 percent of the RTA Sales Tax.

Employees' Retirement Plan

A single-employer, defined benefit pension plan covering substantially all full-time permanent union and nonunion employees.

Energy Information Administration (EIA)

The U.S. Energy Information Administration (EIA) collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment.

Environmental Impact Statement (EIS)

An Environmental Impact Statement (EIS) is a document required by the National Environmental Policy Act for federal government agency actions significantly affecting the quality of the human environment. As a tool for decision making, an EIS describes the positive and negative environmental effects of proposed agency action and cites alternative actions.

CTA FY20 Budget

Acronyms & Glossary

<p>Environmental Protection Agency (EPA) The United States Environmental Protection Agency (EPA or sometimes USEPA) is an agency of the Federal government of the United States which was created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress.</p>
<p>Fare The amount charged to passengers for bus and rail services.</p>
<p>Farebox Equipment used for the collection of bus fares.</p>
<p>Farecard Electronic fare media used for payment of fares.</p>
<p>Federal Fiscal Year (FFY) The Federal Fiscal Year (FFY) is the accounting period for the federal government which begins October 1 and ends September 30.</p>
<p>Federal Funds Rate The interest rate at which banks lend balances at the Federal Reserve to other banks overnight. The rate is set by the Federal Open Market Committee (FOMC). The FOMC's long term goals are price stability and sustainable economic growth in the economy.</p>
<p>Federal Highway Administration (FHWA) The Federal Highway Administration (FHWA) is an agency within the U.S. Department of Transportation that supports State and local governments in the design, construction, and maintenance of the Nation's highway system.</p>
<p>Federal Open Market Committee (FOMC) Branch of the Federal Reserve that is responsible for open market operations, such as the purchase and sale of U.S. treasuries and federal agencies securities.</p>
<p>Federal Transit Administration (FTA) The federal agency which provides financial and planning assistance to help plan, build, and operate rail, bus, and paratransit systems through grant programs.</p>
<p>Federal Insurance Contributions Act (FICA) Social Security payroll taxes are collected under the authority of FICA.</p>

CTA FY20 Budget

Acronyms & Glossary

Financial Accounting Standards Board (FASB)

The FASB establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.

Financial Plan

In addition to an annual budget, the Regional Transportation Authority Act, as amended in 2008, requires that all transit agencies prepare a financial plan encompassing the two years subsequent to the budget year. This provides a three-year projection of expenses, revenues, and public funding requirements.

Fiscal Year (FY)

A fiscal year is a 12-month period used for calculating annual financial reports in organizations. The CTA's fiscal year runs congruent to the calendar year, beginning on January 1 and ending on December 31.

Fixing America's Surface Transportation (FAST) Act

The Fixing America's Surface Transportation (FAST) Act was enacted in 2015 and authorizes \$305 billion over fiscal years 2016 through 2020 for highways; highway and motor vehicle safety; public transportation; motor carrier safety; hazardous materials safety; rails; and research, technology, and statistics programs.

Full Funding Grant Agreement (FFGA)

Grant agreements authorized under federal transit law that establish the terms and conditions for federal financial participation in a New Starts project. The FFGA defines the project, sets the maximum amount of federal New Starts funding for a project, covers the period of time for completion of the project, and facilitates efficient management of the project in accordance with applicable federal statutes, regulations, and policy.

Fund Balance (See Unrestricted Net Assets)**Funding (Budget) Marks**

The Regional Transportation Authority Act, as amended in 1983, calls for the RTA to advise each of its Service Boards by September 15th of the public funding to be available for the following year, as well as the required recovery ratio.

Future Energy Jobs Act (FEJA)

The Future Energy Jobs Act (FEJA) went into effect as Illinois law on June 1, 2017. It expands energy efficiency programs, provides job training in renewable energy, and increases investment in solar and wind power in Illinois.

CTA FY20 Budget

Acronyms & Glossary

Generally Accepted Accounting Principles (GAAP)

GAAP is the standard framework of guidelines for financial accounting, mainly used in the United States. It includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

Governmental Accounting Standards Board (GASB)

The GASB establishes and improves standards of state and local governmental accounting and financial reporting.

Government Finance Office Association (GFOA)

The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices, and promoting their use through education, training, facilitation of member networking, and leadership.

Grant Anticipation Revenue Vehicles (GARVEE)

Grant Anticipation Revenue Vehicles (GARVEEs) is a debt instrument issued when moneys are anticipated from future federal reimbursement of debt service and related financing cost under Section 122 of Title 23, United States Code.

Gross Domestic Product (GDP)

As a measure of economic activities, it is the amount of goods and services produced in the United States in one year. It is calculated by adding together the market values of all of the final goods and services produced in a year and reported by the U.S. Bureau of Economic Analysis.

Ground Transportation Tax (GTT)

The City of Chicago Ground Transportation Tax applies to businesses that provide ground transportation vehicles for hire in Chicago to passengers. A \$0.15 per-ride fee starting in 2018 with a \$0.05 increase starting in 2019 on ride-hailing services or transportation network providers will be added as part of the Ground Transportation Tax (GTT) to fund CTA capital improvements. (See Ride-hailing Fee.)

Headway

The time span between when one service vehicle (bus or rail) leaves a stop/station and when the following vehicle arrives at the same stop/station on specified routes. Also called service frequency.

Heavy Rail

An electric railway with the capacity for a heavy volume of traffic. Heavy rail is characterized by high-speed passenger rail cars and trains operating on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.

CTA FY20 Budget

Acronyms & Glossary

Hedge

A type of investment activity used to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security to minimize unwanted risks associated with price fluctuation.

Highway Trust Funds (HTF)

A transportation fund in the United States which receives money from a federal fuel tax of 18.4 cents per gallon on gasoline and 24.4 cents per gallon of diesel fuel and related excise taxes.

Hybrid Bus

A hybrid bus combines a conventional internal combustion engine propulsion system with an electric propulsion system and uses a diesel-electric powertrain. Also known as a hybrid diesel-electric bus.

Illinois Jobs Now Program

A \$31 billion program creating over 439,000 jobs in five years from 2010 through 2014; designed to improve bridges and roads, transportation networks, schools, and communities.

Illinois' Low-Income Circuit Breaker Program

The official name of the Program is the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, governed by the Illinois Department on Aging. The Program is to help offset the cost of property taxes and other living costs by providing low-income, senior, or disabled residents with yearly grants.

Infrastructure

Capital assets that make up the CTA's transportation system, including maintenance facilities, rail track, signals, stations, elevated structures, and power substations.

Innovation, Coordination and Enhancement Fund (ICE)

A fund established by the 2008 amendments to the RTA Act for operating or capital grants or loans to Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the RTA's Strategic Plan. Unless an emergency is determined by the RTA Board that requires some or all amounts of the Fund, it can only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.

Intermodal

Transportation by more than one mode (bus, train, etc.) during a single journey.

Interval

The time between when one service vehicle (bus or train) leaves a stop/station to the time when the following vehicle leaves the same stop/station.

CTA FY20 Budget

Acronyms & Glossary

Job Access and Reverse Commute Program (JARC)

A program established by the FTA to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment, which often is located in a less accessible area and/or requires late at night or weekend schedules when conventional transit services are not sufficiently provided.

Job Order Contracting (JOC)

A collaborative construction project delivery method that enables organizations to get numerous, commonly encountered construction projects done quickly and easily through multi-year contracts. JOC reduces unnecessary levels of engineering, design, and contract procurement time and construction project procurement costs by awarding long-term contracts for a wide variety of renovation, repair, and construction projects.

Locally Preferred Alternative (LPA)

The final selected scope and design for a major corridor investment. Alternatives analysis is considered complete when a locally preferred alternative is selected by local and regional decision makers and adopted by the Metropolitan Planning Organization (MPO) into the financially constrained, long-range metropolitan transportation plan.

London Interbank Offered Rate (LIBOR)

Short-term interest rate used when banks borrow funds from other banks in the London interbank market. The world's most widely used benchmark for short-term loans.

Major Delay - Rail

An instance where a train experiences a delay to service of ten minutes or more.

Mean Miles Between Defects

The average mileage a train accrues before experiencing a defect.

Metra

Commuter Rail division of the RTA responsible for the day-to-day operation of the region's long-distance commuter rail transit service (with the exception of those services provided by the CTA). Metra was created in 1983 by an amendment to the RTA Act.

Metropolitan Transit Authority Act (MTA Act)

The Act (70 ILCS 3605) that created a municipal corporation under the name of Chicago Transit Authority. The Act established that the CTA has the power to acquire, construct, own, operate and maintain for public service a transportation system in the metropolitan area of Cook County. The Act also established other powers and rights of the CTA.

CTA FY20 Budget

Acronyms & Glossary

<p>Moving Ahead for Progress in the 21st Century (MAP-21) A funding and authorization bill to govern United States federal surface transportation spending. It was passed by Congress on June 29, 2012, and President Barack Obama signed it on July 6.</p>
<p>National Environmental Policy Act (NEPA) A United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality (CEQ). The law was enacted on January 1, 1970.</p>
<p>National Transit Database (NTD) The FTA's primary national database for statistics on the transit industry.</p>
<p>New Starts FTA discretionary program that is the federal government's primary financial resource for supporting locally-planned, implemented, and operated transit "guideway" capital investments.</p>
<p>Non-Farm Payroll A compiled employment level of goods-producing, construction, and manufacturing companies. It is released monthly by the United States Department of Labor to represent the number of jobs added or lost in the economy over the last month.</p>
<p>Non-Operating Funds Capital grant monies to fund expenses.</p>
<p>Non-Revenue Vehicle Vehicles that do not carry fare-paying passengers and are used to support transit operations.</p>
<p>Operating Budget Annual revenues and expenses forecast to maintain operations.</p>
<p>Operating Expenses Costs associated with the day-to-day operations of the delivery of service for a transit agency. Examples of operating expenses include labor, material, fuel, power, security, and professional services.</p>
<p>Operating Revenues Revenues generated from user fees (in the form of farebox revenues) or other activities directly related to operations, such as advertising, concessions, parking, investment income, etc.</p>

CTA FY20 Budget

Acronyms & Glossary

<p>Organization of Petroleum Exporting Countries (OPEC) OPEC is an intergovernmental organization of 12 developing countries made up of Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. OPEC has maintained its headquarters in Vienna since 1965.</p>
<p>Pace The Suburban Bus Division of the RTA, responsible for non-rail, suburban public transit service and all paratransit service. Pace was created in 1983 by an amendment to the RTA Act.</p>
<p>Paratransit Service Demand-response service utilizing wheelchair-accessible vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants. Paratransit includes demand-response transportation services, subscription bus services, and shared-ride taxis.</p>
<p>Passenger Miles The sum of the distances traveled by passengers.</p>
<p>Pay-As-You-Go Funding A practice of financing expenditures with funding that is currently available rather than borrowed.</p>
<p>Pension Obligation Bonds (POB) Debt instruments issued by a governmental entity to fund all or a portion of the Unfunded Actuarially Accrued Liabilities (UAAL) for pension and/or Other Post-Employment Benefits (OPEB).</p>
<p>Performance Management The process of assessing and acting upon progress toward achieving predetermined measures and metrics. All operating and most support personnel are held accountable to these measures and metrics. The CTA implemented a performance management program in May 2007.</p>
<p>Positive Budget Variance (PBV) The amount by which a service board comes in favorable to available funding from the RTA in a given budget year. RTA policy allows the service boards to retain these funds in an unrestricted fund balance which can be used for capital projects or one time operating expenses.</p>
<p>Power Washing - Facilities The deep cleaning of a CTA station or facility using pressure washing equipment.</p>

CTA FY20 Budget

Acronyms & Glossary

Preliminary Engineering (PE)

An analysis and design work to produce construction plans, specifications and cost estimates. PE brings plans to 30 percent complete. The next step, Final Design, brings plans to 100 percent completion.

Preventive Maintenance

The care and servicing of equipment and facilities in order to maintain them in satisfactory operating condition. Preventive maintenance provides for systematic inspection, detection, and correction of incipient failures either before they occur or before they develop into major defects.

Producer Price Index (PPI)

A family of indices from the U.S. Bureau of Labor Statistics (BLS) that measures the average changes over time in the prices received by domestic producers of goods and services.

Proprietary Fund

One of three broad classifications of funds used by state and local governments. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used for services provided to the public on a user charge basis.

Public Building Commission (PBC)

Formed in 1956, this City of Chicago organization provides professional management of the city's public construction projects.

Public Funding

Funding received from the RTA or other government agencies.

Public Transportation Funds (PTF)

As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. The state funding package increases the percentage of state sales tax dedicated to mass transit and deposits additional amount of funding to PTF. All funds deposited are allocated to the RTA to be used at its discretion for the benefit of the Service Boards.

Real Estate Transfer Tax (RETT)

A source of public funding for the CTA collected by the City of Chicago. The 2008 legislation authorized a \$1.50 per \$500 increase in RETT, and the CTA receives 100 percent of the RETT increase.

CTA FY20 Budget

Acronyms & Glossary

Real Time Bus Management (RTBM)

The RTBM System polls the IVN on each bus every thirty seconds for location updates. The buses also send up events when new operators logon, start a new trip, or pass a time point. A complex system in a database keeps track of logons and routes and archives the data in real-time.

Recovery Ratio

Measures the percentage of expenses that a Service Board must pay against revenues that it generates. The RTA Act mandates that the RTA region must attain an annual recovery ratio of at least 50 percent.

Reduced Fare

Discounted fare for children ages 7 through 11, grade school and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except paratransit riders.

Reduced Fare Reimbursement

Reimbursement of revenue lost by the Service Boards due to providing reduced fares to students, elderly and the disabled. The CTA recovers a portion of the cost of trips with both the fare revenue and operating subsidies. The reimbursements are made from the State of Illinois to cover a portion of the difference between the standard and reduced fare. Reimbursement amounts are allocated to the Service Boards based on reduced fare passenger trips taken during the year.

Regional Transportation Authority (RTA)

The RTA is the financial oversight and regional planning body for the three public transit operators in northeastern Illinois: the CTA, Metra commuter rail, and Pace suburban bus.

Regional Transportation Authority Act (RTA Act)

An Act that regulates which public funds may be expended and authorizes the state to provide financial assistance to units of local government for distribution to providers of public transportation, including the CTA. It authorizes the distribution of sales tax revenue collected by the City of Chicago and collar counties, Public Transportation Funds, State Assistance, as well as other funding streams for the CTA. It also outlines criteria that the CTA has to meet for its budget approval.

Retiree Health Care Trust (RHCT)

Provides and administers health care benefits for CTA retirees and their dependents and survivors. The trust is a legal entity separate and distinct from the CTA. It is not a fiduciary fund or a component unit of the CTA.

CTA FY20 Budget

Acronyms & Glossary

<p>Revenue Bond</p> <p>A certificate of debt issued by an organization in order to raise revenue. It guarantees payment of the original investment plus interest by a specified date. Debt service payment is secured by a specific revenue source.</p>
<p>Revenue Equipment</p> <p>Includes vehicles that carry fare-paying passengers and equipment used for the collection of fares.</p>
<p>Ride</p> <p>A trip taken by passengers on the bus or rail system.</p>
<p>Ride-hailing Fee</p> <p>A \$0.15 per-ride fee starting in 2018 with a \$0.05 increase starting in 2019 on ride-hailing services such as Uber and Lyft to be collected by the City of Chicago as part of the Ground Transportation Tax (GTT) to fund CTA improvements.</p>
<p>Ridership (Unlinked Passenger Trips)</p> <p>Total number of rides. Each passenger is counted each time that person boards a vehicle.</p>
<p>Right-of-Way (ROW)</p> <p>A strip of land that is granted, through an easement or other mechanism, for transportation purposes, such as for a trail, driveway, rail line, or highway. A right-of-way is reserved for the purposes of maintenance or expansion of existing services within the right-of-way.</p>
<p>Rolling Stock</p> <p>Public transportation vehicles, including rail cars and buses.</p>
<p>RTA Sales Tax</p> <p>The primary source of operating revenue for the RTA, the CTA, Metra, and Pace. The RTA retains 15 percent of the original one percent RTA sales tax authorized in 1983. Of that which remains, the CTA receives 100 percent of the taxes collected in the City of Chicago and 30 percent of those taxes collected in suburban Cook County. Of the funding available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs.</p>
<p>Run</p> <p>Rail or bus operator's assigned period(s) of work on a given day.</p>

CTA FY20 Budget

Acronyms & Glossary

Safety Management System (SMS)

A comprehensive, collaborative approach that brings management and labor together to build on the transit industry's existing safety foundation to control risk better, detect and correct safety problems earlier, share and analyze safety data more effectively, and measure safety performance more carefully.

Scheduled Transit Operations (STO)

The scheduled transit operations classification includes bus operators, motormen, and conductors.

Service Boards

CTA, Metra commuter rail, and Pace suburban bus system, as referred to by the Regional Transportation Authority Act.

Sheriff's Work Alternative Program (SWAP)

A program where persons convicted of Driving Under the Influence and other low-level offenses are required to provide a variety of community services for municipalities throughout Cook County.

Slow Zone

Sections of track where trains must reduce speed in order to safely operate rail service.

State Assistance

The supplemental funding provided by the RTA Act in the form of additional state and financial assistance to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. It equals the debt service amounts paid to the bondholders of the SCI bonds plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned on the bonds' proceeds.

State Fiscal Year (SFY)

The State of Illinois' Fiscal year begins July 1 and ends June 30.

State of Illinois' Public Transportation Fund (PTF)

As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The treasurer transfers this amount to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. The RTA uses these funds at its discretion to fund the service board needs, RTA operations, debt service, and capital investment.

CTA FY20 Budget

Acronyms & Glossary

Statewide Planning & Research Funds (SPR)

An Illinois Department of Transportation competitive grant program funding projects related to studying or implementing a goal, strategy, or objective within the State's Long Range Transportation Plan or one of the Department's modal plans.

Suburban Community Mobility Fund

Outlined by the RTA Act, grants and appropriations from the state, which the RTA distributes to the Suburban Bus Board for operating transit services, other than traditional fixed-route services, that enhance suburban mobility, including, but not limited to, demand-responsive transit services, ride sharing, van pooling, service coordination, centralized dispatching and call taking, reverse commuting, service restructuring, and bus rapid transit.

Supervisory Control and Data Acquisition (SCADA)

A control system that collects and operational data and is used to control and manage rail service.

System-Generated Revenue

Revenue generated by the CTA. Includes fare revenue, advertising, investment income, income from local governments by provision of the Regional Transportation Authority Act, and subsidies for reduced fare riders per 1989 legislation.

Tax Increment Financing (TIF)

Tax Increment Financing (TIF) is a special funding tool used by the City of Chicago to promote public and private investment across the city.

Transit Asset Management System (TAM)

A system for procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risks, and costs over their life cycles to provide safe, cost-effective, and reliable public transportation. TAM uses transit asset condition to guide how to manage capital assets and prioritize funding to improve or maintain a state of good repair.

Transit-Oriented Development (TOD)

A type of economic development which includes a mixture of housing, office, retail and/or other amenities integrated into a walkable neighborhood and located within a half-mile of public transportation.

Transit Security Grant Program (TSGP)

The Transit Security Grant Program is administrated by FEMA to support transportation infrastructure security activities.

CTA FY20 Budget

Acronyms & Glossary

Transportation Infrastructure Finance and Innovation Act (TIFIA)

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified projects of regional and national significance. Many large-scale surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER)

The TIGGER Program has been continued in FY2011 through the Department of Defense and Full-Year Continuing Appropriations Act 2011 (Pub. L. 112-10). \$49.9 million was appropriated for grants to public transit agencies for capital investments that will reduce the energy consumption or greenhouse gas emissions of their public transportation systems.

Transportation Improvement Plan (TIP)

A six-year financial program that describes the schedule for obligating federal funds to state and local projects. The TIP contains funding information for all modes of transportation, including highways and high-occupancy vehicles, as well as transit capital and operating costs.

Top Operator Rate

The top hourly rate paid to CTA bus and rail operators, based on employee seniority within the job, as specified by the union contract.

Trip

A one-way bus or train trip from origin to destination terminal.

Traffic Signal Prioritization (TSP)

Operational strategy where communication between a transit bus and a traffic signal alters the timing of the traffic signal to give priority to the transit vehicle.

Useful Life Benchmark (ULB)

The measure agencies use to track the performance of revenue vehicles (rolling stock) and service vehicles (equipment) to set their performance measure targets. Assets beyond their ULB are at greater risk of failing and causing service disruptions.

Unified Work Program (UWP)

The Unified Work Program lists the planning projects the Chicago Area Transportation Study and other agencies undertake each year to enhance transportation in northeastern Illinois and to fulfill federal planning regulations.

CTA FY20 Budget

Acronyms & Glossary

Unlinked Passenger Trip

An unlinked passenger trip is a single boarding of any transit vehicle. Thus, unlinked passenger trips for any transit system are the number of passengers boarding public transportation vehicles. A passenger is counted each time he boards a vehicle, even if the boarding is part of the same trip.

Unrestricted Net Assets

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

Vehicle Revenue Hours

The hours that vehicles travel while in revenue service. Vehicle revenue hours include recovery time but exclude travel to and from storage facilities.

Vehicle Revenue Miles

Miles that vehicles travel while in revenue service. Vehicle revenue miles exclude travel to and from storage facilities.

Ventra

Payment system for CTA, Metra and Pace that allows customers to pay for train and bus rides with the same methods used for everyday purchases and also allows them to manage their accounts online and choose from several different contactless payment methods.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Chicago Transit Authority

Illinois

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morill

Executive Director



Chicago Transit Authority

transitchicago.com

1-888-YOUR-CTA