

# *The CTA In Motion*



*2001  
Annual  
Budget  
Summary*

*Chicago  
Transit  
Authority*

*Proposed*

**cta**  
take it.

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# CHICAGO TRANSIT AUTHORITY 2001 ANNUAL BUDGET SUMMARY

## CHICAGO TRANSIT BOARD

### **Valerie B. Jarrett, Chairman**

Appointed by: Mayor, City of Chicago

### **J. Douglas Donenfeld, Vice Chairman**

Appointed by: Governor, State of Illinois

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### **William E. Dugan**

Appointed by: Governor, State of Illinois

### **Frank Kruesi, President**





## LETTER FROM THE PRESIDENT



This is an exciting time for the CTA. With dedicated funding, aggressive rebuilding, exciting new technology, and our truest test – customer satisfaction on the rails and on the roads – the CTA is moving in the right direction.

We are progressing into the next stage of an aggressive five-year capital program. This fall, the CTA will receive the first installment of the 150 new air-conditioned and accessible buses. We are just past the midway point on the rehabilitation of 598 2600-series rail cars. In addition, we are nearing the end of a Red, Blue, and Green Line rail station improvement program affecting 21 stations. We continue to plan to expand capacity on the Brown Line and are looking forward to breaking ground on the Blue Line Douglas Branch reconstruction project next spring. Thanks to an infusion of funding from Illinois FIRST and the federal transportation bill, the CTA's capital budget for the year 2001 will be \$427 million.

We are working to better match service with demand. During the past year, we have re-opened the part-time rail entrances that serve the Loop area, extended Brown Line service on weekends and holidays, instituted neighborhood express service, and made numerous adjustments to bus lines throughout the city to better serve our customers.

In short, our customers are reaping the benefits of the solid planning and financial support we have cultivated over the last few years. As a result, ridership gains for both rail and bus are the greatest since 1976, customer satisfaction ratings in all areas continue to increase, and our ridership continues to climb. And I am proud to add that we have been able to maintain our fares at the level established a decade ago.

But this is not a time to rest.

To improve the product we must improve the reliability of our service. This year's budget supports programs to reduce "bus bunching," which is a common complaint from our customers. A Bus Operator Empowerment Program, already being tested, will provide the ability for bus operators to respond more quickly to a variety of traffic situations resulting in improved service for our customers.

To rebuild the system, we want to improve our long-term reliability by investing in our facilities. We have planned a far-reaching preventative maintenance program for all CTA facilities. Proactive upkeep of elevators, escalators, and our physical structures will pay off in the long run. This is in addition to the preventative maintenance and overhaul programs that were instituted for buses and trains last year.

Finally, we want to sustain the momentum and provide efficient, innovative service by ensuring that our business practices and systems are state-of-the-art. More than eight computer systems, many outdated and incompatible with one another, will be streamlined under one Enterprise Resource Plan. Currently, databases as interrelated as purchasing and accounts payable cannot be readily accessed and cross-referenced. This will be a major undertaking, but the end result will be a more efficient organization that is better able to serve its customers.

In so many areas, we are making improvements – and people are responding.

The items outlined in this budget truly make us a "CTA in Motion."

Sincerely,

A handwritten signature in blue ink that reads "Frank Kruesi". The signature is written in a cursive, flowing style.

Frank Kruesi



## THE CTA IN 2001: IN MOTION

The Chicago Transit Authority (CTA) is an important factor in the economic vitality of Northeastern Illinois. Providing 1.5 million rides each weekday, the CTA gets people to work, school, cultural attractions and special events, alleviating congestion and gridlock on our streets and expressways.

To provide our customers with quality service, the CTA must continually respond to their needs. The CTA also understands the part we play in the community, linking downtown and the neighborhoods of “the city that works” with our suburban neighbors. With a concerted effort by CTA employees and management, we can produce the high quality service that CTA customers expect and deserve.

With the presentation of our 2001 Annual Budget, the CTA moves forward with our commitment to our customers to provide service that is:

### *... On Time ... Clean ... Safe & ... Friendly*

To turn our goal of **increased customer satisfaction** into a reality, the CTA must fully use the personnel, technology and financial resources available. In 2001, the CTA will continue to focus our commitment on three major areas of improvement:

- ◆ Rebuilding the System
- ◆ Sustaining the Momentum
- ◆ Improving the Product

Even though other transportation options are available, **hundreds of thousands of Chicagoland residents are choosing to ride the CTA each day.** Our customers are responding to the CTA's improved service.

In the past two years, system ridership has grown by more than 5%, and it is still growing today. Beginning with our 1997 commitment to transform the CTA into a customer-driven organization, gains in ridership can be traced to visible improvements in reliability and convenience, safety and security, strategic planning and cost-effective management. Here are just a few examples of program improvements that have had an impact on ridership:

- ◆ **Simpler fares** such as 1-day and 7-day passes have made riding the CTA an easier experience for our customers. Innovative purchasing plans like the **U-Pass** program for college students provide new opportunities to attract and retain customers.
- ◆ **New buses** are being added to our fleet annually; **rail cars** are being rehabilitated and modernized at a faster rate than ever before.



- ◆ A new **automated announcement system** on our rail cars has improved our ability to communicate with customers and provide them with audible information in a timely manner.

The 2001 Budget provides a progress report on the CTA's journey towards realizing our mission of delivering quality, affordable transit services that link people, jobs and communities.

## REBUILDING THE SYSTEM



The rebuilding of the CTA's capital infrastructure is the foundation of the Authority's plan to emphasize customer service as the driving force behind our organization.

The CTA's system had long suffered from a lack of investment. In order to catch up, the CTA would need to spend \$4.6 billion to bring our entire system into a state of good repair. This represents an operating environment where all system components function as they should, to always provide high quality transit services to our customers. The current federal funding legislation dramatically increased formula funding programs over its predecessor. Additionally, the CTA became eligible for two projects under the discretionary New Starts program. Non-federal funding has increased dramatically as well, with passage of Governor Ryan's infrastructure program, Illinois FIRST. Governor Ryan's funding program has allowed the CTA to tap into federal funds that would otherwise have been unavailable.

In all, the CTA has gone from only having enough funding to meet about 19% of our needs to addressing approximately 70% in 2000. However, a funding gap of \$1.8 billion exists between the funding we've received or been promised and the funding necessary to put the CTA's system in a state of good repair. To bridge this gap will require more efficient and effective spending of the funds we have, as well as

intensifying our effort to find new sources of funding. We must thoroughly evaluate projects before choosing them to ensure that they will provide the greatest benefit for our customers.

Over the past year, the CTA has made good on its program improvements detailed in previous budgets. The 2001 Budget will enable us to provide our bus and rail customers with more comfort, safety and reliability. Administrative improvements to improve our decision-making and reaction time are on the agenda, as well.

## STRENGTHENING THE SYSTEM

Over time, an organization tends to approach problems in a systematic way, occasionally falling victim to the delays and obstacles bureaucratic red tape can create.

The CTA's management realized this situation was gradually lessening the effectiveness of our capital program. Adopting a proactive approach, fully consistent with our desire to improve both management practice and customer service, the CTA took the necessary steps to improve our effectiveness by outsourcing the management of much of our capital program.

### Capital Program Management

To maximize the return on our capital investment and minimize delays in project implementation, the CTA has contracted the **day-to-day management** of our capital program to a professional engineering firm. This proactive approach is typical of the new CTA – an agency committed to completing projects on time and on budget.

The CTA remains committed to researching new technologies to improve bus and rail service. We have aided the development of new, cleaner buses by testing alternate fuels and power sources. Going forward, we will continue to search for ways in which emerging technologies can improve our fleet and our service.

### Evaluating Alternative Fuels

Working with Ballard, an industry leader in hydrogen fuel cell research, the CTA recently completed a test program involving revenue service buses powered by fuel cells.

In 2001, the CTA will continue seeking ways to make alternative fuels and technologies work for our customers.



# REBUILDING THE SYSTEM

## THE CUSTOMER'S PERSPECTIVE

A bus pulling up to a bus stop, or the elevated train gliding up to the station platform are the most visible aspects of the CTA's physical plant to our customers. But many behind the scenes people and projects play an integral part in making sure we can deliver quality service.

A great deal of planning is involved to ensure that we have the right equipment, in the right place, at the right time. Our 2001 Budget provides millions of dollars of funding for initiatives that will improve the reliability of bus and train service for years to come.

### ◆ New Buses Added to Fleet

Our 2001 Budget calls for the replacement of 159 M.A.N. and Flyer buses – already way beyond their useful life - with new, state-of-the-art Nova buses. These new air-conditioned vehicles are fully accessible and offer features such as the popular low floor entrance and more comfortable seats.

In addition to the Nova buses, other program highlights include funding for the purchase of as many as 200 new articulated buses which are larger vehicles, capable of carrying more passengers, and intended for use on some of the CTA's most heavily traveled routes. For the customer, this means a quicker trip; for the CTA, this means providing better service at a lower cost.

The arrival of the CTA's new articulated buses, when combined with the projected delivery of 150 new Nova buses starting in the fall of 2000 and an additional 160 Nova buses in 2002-2003, will have the CTA well on its way to replacing our aging fleet with modern equipment.

## A FINANCIAL PERSPECTIVE

The CTA's capital funding picture has improved greatly over the past few years. Federal and state programs have injected the CTA's capital program with an infusion of badly needed funds. However, there are still unmet capital needs to be addressed.

### ◆ New Starts Projects

Spurred by the award of additional funding from the federal New Starts program, the rehabilitation and reconstruction of the Douglas Branch of the Blue Line will begin in 2001.

The New Starts program will also provide funds to conduct technical and environmental studies necessary to advance the proposed expansion of the Brown Line (Ravenswood).

### ◆ Accelerated Bus Rehabilitation

The availability of funds from Governor Ryan's infrastructure program, Illinois FIRST, will allow the CTA to accelerate our preventative maintenance program – a program to completely rehabilitate our older buses, extend their useful life, enhance reliability and reduce routine maintenance costs.

As a direct result of the Illinois FIRST program, the CTA will perform **life-extending** rehab work on 200 buses and **mid-life overhauls** on 65 buses in 2001.

Completing any capital project requires adequate funding from start to finish. The CTA has worked tirelessly to obtain the needed funding and expedite the use of funds once awarded.





# REBUILDING THE SYSTEM

## A BEHIND THE SCENES PERSPECTIVE

An experienced commuter knows that what goes on behind the scenes at a transit agency is just as important to the customer as the more visible aspects of transit service.

The maintenance of our facilities, as well as our rail and bus fleets, is perhaps the least glamorous part of the CTA's customer service, but quite literally, we couldn't maintain our service delivery without an effective maintenance program.

### ◆ Maintaining Our Facilities

With some of our facilities staffed 24 hours a day, 7 days a week, they experience a considerable amount of wear and tear. It is hard to find ways to make improvements without disrupting staff work, or temporarily inconveniencing our customers.

Numerous CTA programs, taken together, provide a systematic approach to the maintenance and repair of our facilities and equipment, including roofs, bus and rail car hoists, elevators and escalators.

### ◆ Rail Car Rehabilitation

For the CTA's rail customers, increased capital funding means we are able to speed up the mid-life rehab of the 2600 Series rail cars – the backbone of our rail fleet. As a result, we have improved the quality and reliability of service and lowered routine maintenance costs.

The CTA will have completed the work on 306 rail cars by the end of 2000, with an additional 168 rail cars scheduled for overhaul during 2001.

Rebuilding our extensive network of buses, rail cars and facilities takes a significant investment of time and money. Through our five-year capital plan we have made a strong start towards tomorrow's transit system. However, we still must look to the needs of today's system, and continue to improve on a daily basis. These smaller scale projects are the building blocks that will support our larger initiatives.



# Sustaining The Momentum

Once a project has begun, sustaining the effort becomes perhaps the most challenging task for any organization. The CTA must continue to find ways to quickly, visibly and effectively address customer concerns, in order to retain our existing customers and attract new riders to our service.

The Authority's 2001 Budget continues the implementation of recent initiatives in customer convenience and amenities. The use of current technologies, such as the Internet, to communicate with our customers enhances the CTA's ability to respond to their concerns.

2001 marks the continuation of an ongoing effort to provide a safe, pleasant environment for our customers – at the farebox, on the platform, at the bus stop, and in the office.

## AT THE FAREBOX

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

### More AFC Vending Machines

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

Making AFC as viable an option for bus riders as it is for our rail customers will keep the CTA moving in the right direction – making our bus service a convenient option for travel throughout Chicagoland.

### Smart Card Technology

A smart business invests in technologies that make the business more attractive to customers. In 2000, the CTA's pilot Smart Card program distributed approximately 3,500 rechargeable cards. In addition, our seniors and disabled customers are also participating in our pilot program.

Over the next year, the CTA will evaluate the use of smart cards. The smart card of the future could offer a wide range of convenience options for CTA customers.



### Fare Stability

Fuel costs soared in 2000, significantly increasing our operating expenses. But the CTA, thanks in large part to an increased level of ridership and more efficient operations, was able to provide the same level of service **without a fare increase.**

The CTA has held the line on fare increases since 1992. In fact, by introducing a new bonus system and 1-day and 7-day passes, the CTA actually reduced many fares in 1998. The CTA's challenge in 2001 and beyond will be to continue to carefully control operating costs, minimizing the need for future fare increases.

## ON THE STATION PLATFORM

In the most recent Customer Satisfaction Survey, our customers told us cleanliness was a big factor in making their trips enjoyable. However, merely picking up the trash and sweeping steps is not enough. CTA riders wanted more and the CTA came through.

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

### Subway Cleaning

**Cleaning and maintaining** our subway stations, keeping them clean and bright, and making our subway stations a more pleasant environment for our customers is a priority.

### Improved Communications

The CTA and the City of Chicago are working together to provide better **audio-visual communication** for subway patrons.

# Sustaining The Momentum



## AT THE BUS STOP

1999 saw a marked improvement over 1998's traffic safety record for our bus system, building on a long track record of passenger safety and security. One area of our bus service needed improvement, and it could be clearly identified by merely looking out the window. Many CTA buses had badly etched glass and graffiti scrawled over the bus windows.

The CTA's staff answered the call, taking action to keep our buses clear of these offensive and damaging actions.

### Operation Clearview

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

The CTA's bus fleet realized the effects of this innovative program in 2000, giving virtually all CTA bus riders a clear picture of the CTA's commitment to a better riding experience.

### Benches and Shelters

The CTA's customers have told us they want more shelters and seating at bus stops.

Working in conjunction with the City of Chicago, the CTA will work to implement a joint program, providing more benches and more bus shelters. The CTA will also analyze and address the need for shelters in our suburban service area, and at Chicago locations not covered by the aforementioned program.

## IN THE OFFICE

Many of the changes affecting service reliability occur not on the streets or rails of the CTA's system, but instead, in the office. Gathering the data necessary to make informed decisions about planning or operational issues greatly affects the way in which service is delivered to the customer at the bus stop or on the rail station platform.

For large organizations like the CTA, recent technological advances have made it possible to coordinate the systematic storage and retrieval of large amounts of information across departmental boundaries. Many firms have realized significant cost savings as a result of relatively new tools and techniques such as relational databases, knowledge management and data warehousing. In 2001, the CTA will take the first step towards consolidating and coordinating our vital data into a single, enterprise-wide system.

### Enterprise Resource Plan (ERP)

Adopting a proactive approach to identifying our customer's needs requires the CTA to acquire, analyze and warehouse data from a number of sources – both internal and external. An ERP provides the methods and technology to integrate the different systemic, conceptual and technological perspectives represented in this data into a single decision support/information system.

When fully implemented, the CTA will be better able to quantify the impact of shifts in resources or customer demand, reducing delays and providing significant long-term cost savings.

The CTA's long-range planning and development process will be enhanced by a more accurate view of the costs incurred in today's operating environment, a benefit only a true ERP system can provide. Adding the ERP to the CTA's arsenal of management tools will increase our ability to adapt to the needs of today's business world.





# Improving The Product

The most obvious way to revitalize the CTA, retain a high level of customer loyalty, and attract new riders to our system is to improve the quality of our service.

However, the CTA's challenge is to find ways to improve service today – as well as tomorrow. By recognizing that today's unsatisfied customer means tomorrow's ridership loss, the CTA has initiated several administrative and planning improvements that will be expanded and enhanced through additional expenditures in the 2001 Budget. Efficient business practices can ensure that we make the best use of our resources.

## EVALUATING SERVICE STANDARDS

Service standards are the qualitative and quantitative criteria by which a transit agency measures its ability and effectiveness in delivering service. Each agency's standards vary on issues such as passenger load and maintenance schedules, depending on the operating environment and the available resources. The CTA is currently in the process of evaluating the service standards we use and the procedures we follow.

The CTA looks forward to the day when our standards of service will be the standard by which other transit systems are measured. One of our primary goals is to perform at a level guaranteeing every CTA rider a more pleasant, amenable, convenient, reliable and cost-effective commute.

## MEASURING OUR PERFORMANCE

Even the best intentions and the most thorough effort cannot guarantee a customer's loyalty. Every business must look to the marketplace for a true measure of its success.

Over the past 5 years, the CTA has commissioned a series of surveys to ascertain our customers' views about the CTA's services. Each of these surveys enabled the CTA to keep pace with the changing demands of our customers.

### Customer Satisfaction

These biennial surveys document customer trends, identifying specific problems in particular areas of our service. They let us know what works and what doesn't work – from a customer's point of view.



The initial survey was conducted by the RTA in 1995; serving as a benchmark to evaluate future performance and improvement on a biennial basis. The CTA's subsequent surveys were conducted in 1997 and 1999, with our next effort scheduled for late 2001. This survey tool has become a primary measurement of our customers' needs.

### Corridor Planning Studies

Concentrating on geographic areas served by CTA rail lines, a series of corridor planning studies have revealed patterns of transit usage in particular geographic areas, thus enabling improvements in bus routing and bus and rail scheduling.

### Traveler Behavior & Attitude

This series of surveys goes beyond our customer base; surveying not only transit riders, but also non-riders. They explore factors which lead people to other modes of travel.

Every market research project has been instrumental in our effort to revitalize CTA service. The increases in ridership realized by the CTA over the past 2 1/2 years have occurred because we have recognized the importance of our customers' needs and have taken steps to address them. These surveys are valuable tools in identifying areas that need attention.

# Improving The Product



costs to the bottom line. To better serve our customers, the CTA **decided all stations and entrances should be open whenever rail service is provided.**

## ◆ In-Service Improvements

The CTA is currently looking at every way to improve service. Rail passengers indicated that they would feel more secure if they were able to communicate directly with CTA staff onboard the train. The CTA responded by implementing a **rail intercom system**, connecting passengers in every rail car with the train operator.

## ◆ Preventive Maintenance

The CTA's bus and rail maintenance groups are receiving added funding in 2001 to fully implement a preventive maintenance program. This program will not only save money in unscheduled repair costs on every vehicle, but also

improve the reliability of our entire fleet. Having more reliable buses and trains in service allows the CTA to provide a better level of service than ever before.

## ◆ Responsive Fleet Management

Every CTA bus rider has experienced the frustration of waiting at a bus stop, only to see 3 or 4 buses arrive at the same time. This traffic scenario, known as **bus bunching**, is the subject of several CTA initiatives aimed at reducing service problems through improved field management of traffic and schedules.

Working with our bus operators and their union representatives, the CTA is looking to implement several real-time service improvements, including a **Bus Operator Empowerment Plan** designed to allow individual operators more flexibility to respond to traffic situations as they occur.

## IMPROVING SERVICE

People are choosing to ride the CTA for a reason – we're providing better, more reliable service on a daily basis. The numbers show that more people are turning to CTA buses and trains as a convenient and practical way to travel.

The CTA has been able to improve service by reviewing policies and procedures and updating or revising them to better serve our customers.

### ◆ Full Time Access to Stations

In 2000, one improvement to the CTA's service involved the **reopening of all part-time entrances** to CTA stations.

Previously, as a cost-cutting measure, some stations had limited access to platforms through certain entrances, at certain times – particularly at subway stations in downtown Chicago. Our automated fare equipment allows the CTA to reopen these entrances without adding



# Improving The Product

## DELIVERING SPECIAL SERVICES

Riding the wave of improvements initiated by the Americans With Disabilities Act of 1991 (ADA), the CTA provides approximately 4,150 trips every day to our mobility-impaired customers.

The CTA is moving forward with a program of improvements designed to expand our service capabilities for mobility-impaired customers.

### More Accessible Bus Routes

More bus routes will become fully accessible, as new buses equipped with lifts are added to our fleet, replacing older equipment without lifts. The CTA will continue to improve our main line service, making it a more viable option for our customers with disabilities.

The CTA will be 96% accessible by the end of 2003. Until then, we will continue our commitment to ensuring that bus lifts will be in working order before the bus is placed in service.

### More Accessible Stations

By the end of 2001, 62 CTA rail stations will be accessible to our customers with disabilities.

### Elevator/Escalator Repairs

In 2001, as part of our **Facilities Maintenance Program**, the CTA will pay special attention to the physical plant in each of our facilities – developing and implementing a comprehensive repair and/or replacement plan for elevators and escalators.

The CTA has 84 elevators and another 142 escalators in service; many of them outdated and failing to meet current standards. The CTA is striving to make our facilities fully ADA-compliant, in accordance with Federal regulations. The benefits of this plan will improve service for all CTA customers.

Delivering a cost-effective, high quality special services program requires an ongoing commitment to meet the special needs of our customers with disabilities. With the 2001 Budget, the CTA reaffirms its commitment to ensure that our customers with disabilities join us for the ride to a new and better CTA.





# Improving The Product



## THE CTA'S MOST IMPORTANT ASSET – OUR EMPLOYEES

At the heart of the CTA's renaissance is the effort put forth by employees throughout the organization. Change, especially organizational change, seldom happens without a firm commitment from the individuals affected. Our long-time employees have contributed to our success by offering ideas and adapting to change. We're also doing all we can to attract, develop and retain employees and managers with the best possible education, skills and training, in order to enhance our ability to deliver the quality of service our customers expect.

The 2001 Budget reflects this commitment by management, using the following tools and techniques. Each is designed to maximize the effectiveness of CTA staff, and also its diversity, enabling the CTA to reflect the population it serves.

### Performance Agreements for CTA Employees and Managers

CTA managers enter into performance agreements; detailing the annual goals and objectives for their departments. This tool enables both managers and employees to recognize and focus on the CTA's key priorities.

### Recruitment, Retention & Training of CTA Staff

The CTA's emphasis on customer service requires a skilled, dedicated workforce in order to succeed. A new century has brought with it a tight labor market; competition is fierce as employers attempt to attract and retain the best array of talent available.

The CTA has adopted several initiatives designed to attract and retain a diverse and talented workforce.

### [www.transitchicago.com](http://www.transitchicago.com)

The CTA's presence on the Internet opens up a new avenue to attract and recruit potential employees, as well as improve communications with our customers.

Employment opportunities are now posted on the CTA's website, as well as information on service and fares, bids/procurement opportunities, a gift shop,

our current budget and CIP, and a host of other pages. Each is intended to provide visitors with a synopsis of the CTA, our service, our history and our mission.

### Neighborhood Job Fairs

CTA's human resource staff has attended numerous job fairs held throughout the Chicagoland area showing prospective employees the benefits of a career working for a public service, customer-oriented agency.

This effort is critical to the CTA's future as our workforce diversifies – mirroring the clientele we serve, and providing new, fresh insights into the needs of our customers and the tools and techniques available to address those needs.

### Professional Recruitment

Management and professional positions require special skills, experience and education. The best and brightest of these are the target audience for the CTA's recruiting efforts.

## Conclusion

The CTA is in motion, moving to a state of good repair and improved customer satisfaction. An infusion of funding, some fresh ideas and hard work have enabled us to make substantial progress over the last few years.

- ▲ Ridership has increased;
- ▲ Fares have remained stable;
- ▲ Renovation of the Blue Line (Douglas Branch) has begun;
- ▲ New buses have been added to our fleet;
- ▲ More buses and rail cars have been rehabbed, revitalizing our fleet; and
- ▲ Preventive maintenance programs have been implemented to improve reliability.

As we move forward in 2001, we will continue to build on these initiatives, working to sustain the momentum, rebuild our system and continually improve the product.

But even with all we have accomplished, there is much that still needs to be done. Over the next five years, we need to spend \$4.6 billion to sustain the momentum we have achieved and continue to make necessary improvements. Right now, we only have \$2.8 billion available, so we must look to secure an additional \$1.8 billion.

Our future plans include the long-awaited capacity expansion of the Brown Line, new rail stations and bus garages to replace aging structures, and more buses and rail cars so that we can continue to build a fleet that is modern, accessible, air-conditioned and reliable.

Responsible fiscal planning and a willingness to prioritize and to make the tough decisions have produced a fare structure which allows the CTA to live within its means, while still continuing the policy initiatives and administrative programs designed to keep the CTA moving in the right direction. In keeping our base fare at \$1.50 per ride since 1992, the CTA still is the most economical transportation option in Northeastern Illinois.



But tomorrow's challenges – rising costs and the ambitious scope of our capital program – will require even more creativity and commitment on our part, if the CTA is to sustain the momentum of today's success. As the CTA drives into the next century, we must intensify our efforts to give our customers the on-time, clean, safe and friendly service they deserve.



# CTA SALUTES ITS FINEST

Bus Operator Champion John Durnell  
(Archer Garage)



Bus Maintenance Team  
Champions  
(l to r) Arthur Laski,  
Philbert McGuire, and  
Paul Kearney  
(77th Street Garage)



Rail Operator Champion  
Kim Mitchell  
(Howard Terminal)



AFC  
Technician  
Champion  
Andrew  
Gasior  
(901 W.  
Division)



Rail Maintenance Team  
Champions  
(l to r) Gene Jolliff,  
James Perkins,  
and Dan Keller  
(Rosemont Shop)



Rail Cleanliness  
Champion  
Tyrone Pope  
(98th Street  
Shop)

Rail  
Customer  
Assistant  
Champion  
Jarrod Davis  
(Forest  
Park  
Terminal)





## 2000 Operating Budget Performance



*We will create a pleasant  
environment  
for our  
customers and ourselves.*

**Courteous**

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## **2000 Operating Budget Overview**

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Budget year 2000 started on an even keel and continued without any major external disruptions. This allowed CTA staff to focus on improving the quality of the day-to-day service we provide to our customers. Several improvements were made in our bus and rail service including enhancements in on-time performance and the appearance of our fleet and rail stations.

More important, gains in ridership were once again realized, marking the third consecutive year customers showed their satisfaction with our service. Greater numbers of customers than ever before are now using CTA passes that allow unlimited rides for specific periods of time. Since the decline in ridership was reversed in 1998, almost 30 million additional trips have been taken on CTA buses and trains, for an average of a million more each month.

A customer satisfaction survey conducted by the Northwest Research Group showed an increase in the number of customers that were "very satisfied" with the service CTA is providing. Increased ridership also confirms that the public is choosing to ride CTA.

The following highlights our accomplishments for 2000:

- Completed the rehabilitation of 306 2600 rail cars
- Accepted delivery of 80 new low floor buses
- Power washed subways
- Completed Operation Clearview (replacement of etched glass and application of a vandal shield) for the entire bus fleet
- Activated two-way intercom system on all trains
- Completed installation of pre-recorded passenger announcement systems on all trains
- Added security staff to enhance patrols of rail stations
- Created Office of Inspector General to investigate fraud and inefficiencies
- 3,000 employees completed the "Transit Ambassador" customer service training program
- Taxi Access trips expanded for mobility impaired customers
- Better matching of service to the needs of our customers
- Improvements made to 74 bus routes and 6 rail lines through a series of service enhancements. Some of these include:
  - Four routes added on University of Chicago campus and Hyde Park area
  - Route 169 to UPS facility added
  - Routes 82, X21 and 54B extended
  - Route 34 owl service increased to every 30 minutes
  - Route 6 changed to express service
  - Extended rail service on the Brown Line downtown on Saturday evenings and Sunday
- Rehabilitation of 100 buses completed
- Reopened Grand Avenue Station and 14 auxiliary station entrances
- Retrofitted 80 buses with air conditioning

In addition, the CTA has looked at ways to continue to improve service for our customers using cost-efficient and innovative initiatives.

For example, the CTA's remaining 73 articulated buses which have been in service since 1982, are becoming increasingly costly to maintain. Since the CTA needs high-capacity buses to meet service demands, the CTA will acquire 100 articulated buses from Seattle King County Metro in Washington state. The 60-foot buses, which have seats for 70 passengers and are accessible to persons with disabilities, will enhance service on heavy-volume routes. By utilizing these buses, CTA will also be able to achieve operating efficiencies that will result in a reduction of expenses in the near future.

Over the last three years, CTA's inventory has been reduced by approximately \$30 million. This has resulted in costs savings estimated at \$2 million. This is based on investment income derived from having CTA funds in the bank versus having supplies stored on shelves. Streamlined warehouse operations have also led to significant labor savings.

Despite increased diesel fuel and natural gas prices, CTA is able to present a forecast for the current year that conforms to the funding mark set by the Regional Transportation Authority (RTA). The recovery ratio, measuring the amount of operating expenses that CTA has to fund from revenues, is forecast at 52.62% and is slightly higher than the ratio mandated by RTA. Our forecast for 2000 has operating expenses and system generated revenues at \$843.1 million and \$441.0 million, respectively.

### ***Operating Expenses***

Labor expense is estimated at \$610.9 million. This is below budget by \$2.2 million and is primarily due to vacancies that resulted from attrition and the inability to recruit timely replacements due to the tight labor market. Health insurance cost, especially prescription drug costs, increased significantly. This cost is offset by the lower labor cost due to the vacancies. The current labor contract that covers approximately 90% of our employees expired at the end of 1999. Negotiations are still under way between Management and the Union for a new collective bargaining agreement.

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

Soaring fuel prices added \$5.3 million to our total expense line. Our 2000 budget assumed an average price per gallon of \$0.67. As of this writing, the CTA was paying \$1.22 per gallon—almost twice the average price used in developing the budget. At this time, no price relief is expected in the near future.

Power expense for the rail system is forecast at \$0.4 million more than the budget level of \$20.1 million due to a higher demand rate. However, this expense is still 13.0% lower than historical cost as a result of the 1999 electricity deregulation.



The Provision for Injuries and Damages represents the expense for claims and litigation for injuries and damages that occur on CTA property, or with CTA vehicles. The 2000 forecast is \$30.0 million and equals budget.

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

Security coverage is strategically deployed throughout our system to provide 24-hour coverage, seven days a week. This service is provided by the Chicago, Evanston and Oak Park Police departments, the Wells Fargo Guard Service and National K-9 Security service. The forecast is \$0.9 million below the budget of \$21.0 million. This lower expense is due to credits received from 1999.

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

### **Revenues**

System Generated revenues are estimated at \$441.0 million and compare favorably to budget by \$2.0 million. Public funding through RTA is forecast at \$402.1 million and is on par with budget.

Revenues from Fares are forecast at \$363.7 million and compare unfavorably to budget by \$4.7 million. The lower fare revenues were a result of higher customer use of the valued-priced passes. Since 1997, combined bus and rail ridership has increased by 26.7 million, or 6.4%. Bus ridership has increased by 13.6 million, or 4.7% and rail ridership has surged by 13.1 million, or 10.1%. However, an increasing number of our customers are using pass rather than cash or single ride products. Pass usage tends to reduce the average revenue CTA realizes per trip.

Reduced Fare Reimbursement is below budget by \$0.4 million due to CTA providing a lower percentage of the total region's rides. The reduced fare revenue is the State reimbursement to CTA for providing discounted fares to the disabled, elderly and student customers.

Contributions from Local Governments are on par with budget at \$5.0 million.

Revenues from Advertising, Charter and Concessions exceeded budget by \$5.0 million due to increased wrapping of train and bus exteriors, and more advertisements at platforms and rail stations.

Investment Income is forecast at \$9.9 million, \$0.9 million higher than budget. This is due to in part to a higher investment rate and a higher cash balance from prepaid fares.

Other revenues are also forecast higher than budget due to sales of surplus property.

CTA projects a balanced budget as required by law. Public Funding Required For Operations equals the funding mark of \$402.1 million set by RTA. The Recovery Ratio, which measures the amount of operating expenses CTA has to fund from revenues it generates, is forecast at 52.62% -- this exceeds the required ratio by 0.12 percentage points.

## 2000 Operating Budget Summary

(In Thousands)	2000 Budget	2000 Projected	(Unfav)/Fav Variance	(Unfav)/Fav % Variance
<b>Operating Expenses</b>				
Labor	\$ 613,122	\$ 610,876	\$ 2,246	0.37%
Material	64,745	68,667	(3,922)	(6.06%)
Fuel -- Revenue Equipment	15,382	20,687	(5,305)	(34.49%)
Electric Power -- Revenue Equipment	20,066	20,470	(404)	2.10%
Provision for Injuries and Damages	30,000	30,000	-	-
Purchase of Security Services	21,007	20,140	867	4.13%
Purchase of Paratransit	27,360	27,402	(42)	(0.15%)
<b>Other Expenses</b>				
Utilities	16,287	16,886	(599)	(3.68%)
Maintenance and Repair	11,865	11,406	459	3.87%
Advertising and Promotion	2,899	2,581	318	10.97%
Contractual Services	16,657	13,912	2,745	16.48%
Provision for Passenger Security	5,133	5,079	54	1.06%
Leases and Rentals	8,058	8,406	(348)	(4.32%)
Travel, Training, Seminars and Dues	621	622	(1)	0.16%
Warranty and Other Credits	(16,323)	(16,884)	561	(3.44%)
General Expenses	4,203	2,881	1,322	31.45%
<b>Total Other Expenses</b>	<b>49,400</b>	<b>44,889</b>	<b>4,511</b>	<b>9.13%</b>
<b>Total Operating Expenses</b>	<b>\$ 841,082</b>	<b>\$ 843,131</b>	<b>\$ (2,049)</b>	<b>(0.24%)</b>
<b>System Generated Revenue</b>				
Fares and Passes	\$ 368,389	\$ 363,679	\$ (4,710)	(1.28%)
Reduced Fare Subsidy	34,220	33,858	(362)	(1.06%)
Advertising, Charter, & Concessions	16,989	21,989	5,000	29.43%
Investment Income	8,991	9,910	919	10.22%
Contributions from Local Governmental Units	5,000	5,000	-	0.00%
All Other Revenue	5,367	6,569	1,202	22.40%
<b>Total System Generated Revenue</b>	<b>\$ 438,956</b>	<b>\$ 441,005</b>	<b>\$ 2,049</b>	<b>0.47%</b>
Public Funding Required for Operations	\$ 402,126	\$ 402,126	\$ -	0.00%
Public Funding Available through RTA	\$ 402,126	\$ 402,126	\$ -	0.00%
Recovery Ratio *	52.51%	52.62%	0.11%	0.21%
Required Recovery Ratio	52.50%	52.50%	0.00%	0.00%
<b>Fund Balance</b>	-	-	-	-



# 2001 Operating Budget



*We will seek out and encourage employees who*

***Innovative*** *initiate change, improvement, learning and advancement of our goals.*

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## **2001 Operating Budget Overview**

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A robust economy, changing demographics, revitalization of City neighborhoods, investment in our fleet and infrastructure with an eye on programs important to our customers, such as fare simplification, contributed to an ever-increasing ridership. Since 1998, CTA has concentrated on delivering service that is on-time, clean, safe and friendly. Our ridership numbers confirm that our programs are working.

In calendar year 2001, consistent with the objectives set forth above, we will continue implementing the following goals established in 2000: rebuilding the system, improving the product and sustaining the momentum. CTA has put in motion many initiatives that are aimed at achieving these goals.

The 2001 budget will further CTA's goal of rebuilding the system with the start of the Douglas Line reconstruction. Our goal of improving the product got underway in 2000 with the start of the rehabilitation of our bus and rail fleet. This goal will be further strengthened with the projected receipt of new buses scheduled for this fall and next year. Solutions aimed at reducing bus bunching are also a high priority to ensure that our customers get to their destinations on time. Finally, our goal of sustaining the momentum will continue with an emphasis on developing the most up to date systems. In 2001 we will begin the task of replacing many of our outdated systems with a new enterprise resource planning system (ERP).

The following are some of the highlights of the 2001 budget:

- Base fare remains at 1992 level
- Rehabilitation of 168 2600 rail cars
- Delivery of 225 new low floor buses
- Expansion of special services and taxi access trips for mobility impaired customers
- Implementation of preventive maintenance program for facilities
- Perform detail cleaning of all rail cars twice a year
- Implement vehicle accident reduction program
- Launch bus bunching reduction initiative
- Start implementation of ERP system
- Implement elevator and escalator rehab program
- Begin training program to transition some special services customers to mainline service
- Start bus operator empowerment program
- Rehabilitate 225 buses

CTA's proposed 2001 budget is in compliance with the budget mark established by RTA. The budget estimates operating expenses and total revenues at \$869.2 million, \$28.1 million, or 3.3% more than the 2000 budget.

Total revenues are composed of revenues CTA generates and public funding. System generated revenues are \$450.1 million, \$11.1 million, or 2.5% more than the 2000 budget. Public funding from RTA is \$419.0 million. This is \$16.9 million, or 4.1% higher than the 2000 budget.

## **Operating Expense Discussion**

Labor expense is estimated at \$627.4 million. This is \$14.3 million, or 2.3% more than the 2000 budget. The increase is primarily due to higher health insurance and workers compensation costs, and wage rate increases. The business community is estimating significant increases in health care cost for next year. The current labor contract that covers approximately 90% of our employees expired at the end of 1999. Negotiations are still under way between Management and the Union for a new collective bargaining agreement. The top operator hourly rate is \$20.01.

Material expense is estimated at \$64.8 million. The 2001 budget is basically at the 2000 budget level. This is due to the implementation of the bus and rail vehicle rehabilitation programs that have helped control and defray future operating expenses.

CTA uses approximately 22 million gallons of fuel annually. The 2001 budget provides for 21.6 million gallons of fuel at \$1.00 per gallon. Our buses average 3.1 miles per gallon.

Power expense for the rail system is estimated at \$20.5 million. This mirrors the 2000 forecast and is \$0.4 million more than the 2000 budget due to a slightly higher demand charge. No increases in rates are projected due to the electric deregulation that reduced rates and opened up the electricity market to competition.

The Provision for Injuries and Damages represents the expense for claims and litigation for injuries and damages that occur on CTA property or with CTA vehicles. The 2001 budget is \$30.0 million and equals the 2000 budget.

CTA currently provides our riders with disabilities two types of service: special services and taxi access (TAP). Funding for paratransit services is increased by \$2.5 million, or 9.0% as CTA strives to increase service for our customers who are unable to use mainline service.

Special service trips are provided by three carriers that deliver door-to-door service for our customers. The 2001 budget provides for 1,129,949 trips at an estimated cost of \$25.00 per trip. This represents an increase in service of 3.0% over the 2000 budget. The average trip cost is estimated to increase by \$1.21, or 5.1% partly due to an annual cost of living adjustment based on the Chicago consumer price index.

TAP trips are provided by taxi companies as an alternative for our customers with disabilities. In the 2001 budget, CTA has provided for 138,270 trips –a 28.8% increase over the 2000 budget. A cost of living increase of 3.0%, as well as, the proposed fare increase has been taken into consideration in developing this budget.

Security coverage is provided by the Chicago, Evanston and Oak Park Police departments, Wells Fargo Guard Service and National K-9 Security. The 2001 budget maintains the existing coverage but also provides matching funds for the Oak Park and Evanston police departments to increase service. The 2001 budget is equal to \$22.9 million, \$1.9 million, or 8.9% more than the 2000 budget. This is primarily due to inflation.



Other Services is \$52.1 million and includes utilities, rents, maintenance and repair, advertising, commissions, consulting, insurance, overhead allocated to capital jobs and other general expenses. Increases in outsourcing charges for the technology department and higher natural gas prices account for the increase in expense.

### **Revenues**

System Generated revenues are estimated at \$450.1 million. This is \$11.2 million higher than the 2000 budget.

Higher ridership is the primary driver for the increased fare revenues. Revenues from Fares are estimated at \$371.1 million and are \$2.7 million higher than the 2000 budget. Ridership is estimated at 455.0 million and is 15.0 million higher than the 2000 budget. Bus ridership is 309.0 million -- 6.7 million higher. Rail ridership is 146.0 million -- 8.3 million more. This will mark the fourth consecutive year of ridership increases.

Reduced Fare Reimbursement is \$33.9 million and is \$0.3 million lower than the 2000 budget due to CTA providing a slightly lower share of reduced fare trips in the region. The reduced fare revenue is the State reimbursement to the service boards for providing a discounted fare to the disabled, elderly and student customers.

Contributions from Local Governments are budgeted at \$5.0 million. This is the same as the 2000 budget and is the amount required by the RTA Act.

Revenues from Advertising, Charter and Concessions have increased significantly from the 2000 budget as CTA aggressively seeks revenue gains from utilizing the exterior of bus and rail cars, and open spaces on platforms and rail stations.

Investment Income is estimated at \$8.9 million, which is, slightly less than the 2000 budget. This is due to a slightly lower cash balance.

Other revenues of \$9.2 million are \$3.8 million higher than the 2000 budget due to sales of surplus properties. This category also includes revenues from parking, rental properties, and miscellaneous.

CTA projects a balanced budget as required by law. Public Funding Required For Operations equals the funding mark of \$419.0 million set by RTA. The Recovery Ratio, which measures the amount of operating expenses CTA has to fund from revenues it generates, is forecast at 52.10% -- this exceeds the required ratio by 0.31 percentage points.

## 2001 Operating Budget - Summary

(In Thousands)

	<u>1999</u> <u>Actual</u>	<u>2000</u> <u>Budget</u>	<u>2000</u> <u>Projected</u>	<u>2001</u> <u>Budget</u>
<b>Operating Expenses</b>				
Labor	\$ 583,052	\$ 613,122	\$ 610,876	\$ 627,446
Material	73,424	64,745	68,667	64,802
Fuel - Revenue Equipment	12,481	15,382	20,687	21,600
Power - Revenue Equipment	16,570	20,066	20,470	20,492
Provision for Injuries and Damages	31,000	30,000	30,000	30,000
Purchase of Security Services	20,299	21,007	20,140	22,864
Purchase of Paratransit	27,214	27,360	27,402	29,825
<b>Other Expenses</b>				
Utilities	15,501	16,287	16,886	17,279
Maintenance and Repair	11,105	11,865	11,406	11,636
Advertising and Promotion	1,009	2,899	2,581	1,981
Contractual Services	13,584	16,657	13,912	21,642
Provision for Passenger Security	2,610	5,133	5,079	5,082
Leases and Rentals	8,512	8,058	8,406	8,309
Travel, Training, Seminars, and Dues	550	621	622	709
Warranty and Other Credits	(13,948)	(16,323)	(16,884)	(16,728)
General Expenses	1,992	4,203	2,881	2,212
<b>Total Other Expenses</b>	<u>40,915</u>	<u>49,400</u>	<u>44,889</u>	<u>52,122</u>
<b>Total Operating Expenses</b>	<u>\$ 804,955</u>	<u>\$ 841,082</u>	<u>\$ 843,131</u>	<u>\$ 869,151</u>
<b>System Generated Revenue</b>				
Fares and Passes	\$ 365,952	\$ 368,389	\$ 363,679	\$ 371,102
Reduced Fare Subsidy	16,840	34,220	33,858	33,880
Advertising, Charter, & Concessions	16,820	16,989	21,989	22,055
Investment Income	8,887	8,991	9,910	8,887
Contributions from Local Government Units	5,000	5,000	5,000	5,000
All Other Revenue	7,050	5,367	6,569	9,222
<b>Total System Generated Revenue</b>	<u>\$ 420,549</u>	<u>\$ 438,956</u>	<u>\$ 441,005</u>	<u>\$ 450,146</u>
Public Funding Required for Operations	\$ 384,406	\$ 402,126	\$ 402,126	\$ 419,005
Public Funding Available through RTA	\$ 384,810	\$ 402,126	\$ 402,126	\$ 419,005
Recovery Ratio	52.41%	52.51%	52.62%	52.10%
Required Recovery Ratio	51.90%	52.50%	52.50%	51.79%
Fund Balance	-	-	-	-

# 2001 Department Budget Summary

(In Thousands)

	<b>1999</b>	<b>2000</b>	<b>2000</b>	<b>2001</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
Authority Governance	\$ 718	\$ 733	\$ 748	\$ 937
Office of the President	785	783	754	832
Office of Inspector General	651	1,711	1,318	1,777
General Counsel	12,233	13,209	13,150	13,912
<b>TRANSIT OPERATIONS</b>				
EVP Transit Operations	375	433	369	374
Customer Service	1,836	1,448	1,662	1,394
<b>BUS OPERATIONS</b>				
VP Bus Operations	667	669	712	811
Scheduled Transit Operations - Bus	205,246	213,142	211,756	223,623
Bus Garages	112,946	110,439	120,745	119,153
Bus Heavy Maintenance	29,717	31,959	31,034	31,338
Engineering & Technical Service - Bus	2,172	2,204	2,218	2,437
<i>Total Bus Operations</i>	<u>350,748</u>	<u>358,413</u>	<u>366,465</u>	<u>377,362</u>
<b>RAIL OPERATIONS</b>				
VP Rail Operations	469	396	508	533
Scheduled Transit Operation - Rail	74,598	75,356	71,469	79,642
Rail Terminals	65,477	58,027	58,500	54,363
Rail Heavy Maintenance	10,513	6,060	5,180	6,796
Rail Car Appearance	1,359	9,110	7,032	9,538
Engineering & Technical Services - Rail	1,832	2,121	1,469	2,568
<i>Total Rail Operations</i>	<u>154,248</u>	<u>151,070</u>	<u>144,158</u>	<u>153,440</u>
<b>SAFETY, SECURITY, &amp; TRAINING</b>				
VP Safety, Security, & Training	195	203	156	190
Security Services	21,429	22,525	21,458	24,399
System Safety & Environmental Affairs	1,541	1,712	1,485	1,782
Communication Power/Control	5,303	6,395	6,529	7,009
Training & Instruction	8,545	9,514	9,211	9,916
<i>Total Safety, Security, &amp; Training</i>	<u>37,013</u>	<u>40,349</u>	<u>38,839</u>	<u>43,298</u>
<b>PLANNING</b>				
Sr VP Planning	350	358	546	497
Planning	3,878	4,210	3,679	4,695
Facility & ADA Planning	734	886	892	954
<i>Total Planning</i>	<u>4,962</u>	<u>5,454</u>	<u>5,117</u>	<u>6,146</u>
<b>ADMINISTRATION &amp; PARATRANSIT</b>				
Administration & Paratransit	260	320	200	258
Operations Support Services	581	1,494	691	998
Paratransit Operations	28,018	28,338	28,539	30,877
<i>Total Administration &amp; Paratransit</i>	<u>28,859</u>	<u>30,152</u>	<u>29,430</u>	<u>32,132</u>
	<u><b>\$ 578,041</b></u>	<u><b>\$ 587,319</b></u>	<u><b>\$ 586,040</b></u>	<u><b>\$ 614,146</b></u>
<b>CONSTRUCTION, ENGINEERING &amp; FACILITIES</b>				
EVP Construction, Engineering & Facilities	\$ 240	\$ 250	\$ 309	\$ 355
Real Estate	7,455	7,814	7,188	7,659
Engineering, Construction & Maintenance	3,972	3,586	3,358	4,562



# 2001 Department Budget Summary

(In Thousands)

	1999 Actual	2000 Budget	2000 Projected	2001 Budget
<b>CONSTRUCTION, ENGINEERING &amp; FACILITIES (Continued)</b>				
<b>MAINTENANCE</b>				
VP Maintenance	\$ 47	\$ 184	\$ 113	\$ 271
System Maintenance Support	47,774	51,011	49,034	51,573
Power & Way Maintenance	26,353	25,786	26,193	26,421
Rail Station Appearance	17,690	17,682	19,483	18,695
Facility Maintenance	29,822	28,526	28,953	30,283
<i>Total Maintenance</i>	121,686	123,189	123,776	127,243
	<b>\$ 133,353</b>	<b>\$ 134,839</b>	<b>\$ 134,631</b>	<b>\$ 139,819</b>
<b>MANAGEMENT &amp; PERFORMANCE</b>				
EVP Management & Performance	\$ 438	\$ 339	\$ 412	\$ 398
Communications	6,031	7,496	6,798	7,592
Government & Community Relations	558	1,073	972	1,295
DBE Program/EEO/Contract Compliance	758	628	832	1,458
<b>FINANCE</b>				
Sr VP Finance/Treasurer	376	379	320	479
Accounting Operations	1,882	2,139	2,113	2,310
Treasury	9,942	9,834	9,829	11,296
Comptroller	1,933	2,822	2,371	2,931
Capital Investment	344	341	440	486
<i>Total Finance</i>	14,477	15,515	15,073	17,502
<b>HUMAN RESOURCES</b>				
VP Employee Services	602	609	402	1,061
Personnel Services	1,912	2,076	2,204	2,297
Benefit Services	1,250	1,712	1,250	1,867
Medical Services	1,267	1,565	1,307	1,523
<i>Total Human Resources</i>	5,031	5,962	5,163	6,748
<b>EMPLOYEE RELATIONS</b>				
VP Industrial Relations	836	1,044	798	1,270
Program Compliance	685	606	754	680
<i>Total Employee Relations</i>	1,521	1,650	1,552	1,950
<b>TECHNOLOGY DEVELOPMENT</b>				
Sr VP Technology Development	1,298	345	1,066	176
Research & Development	730	635	807	1,080
Management Information Systems	13,227	14,103	15,722	17,431
Revenue Equipment Tech. & Maint.	12,137	11,521	12,213	12,705
<i>Total Technology Development</i>	27,392	26,604	29,808	31,392
<b>PURCHASING/WAREHOUSING</b>				
VP Purchasing/Warehousing	94	148	151	471
Quality Assurance	1,783	1,909	1,642	1,956
Purchasing	2,900	2,826	2,830	3,118
Purchasing & Warehousing Programs	428	753	554	655
Purchasing & Warehousing Business Systems	937	1,681	1,792	1,888
Warehouse/Stockroom	11,343	12,072	9,992	12,945
<i>Total Purchasing/Warehousing</i>	17,485	19,389	16,961	21,033
	<b>\$ 73,691</b>	<b>\$ 78,656</b>	<b>\$ 77,571</b>	<b>\$ 89,368</b>
Non - Departmental	5,483	23,832	28,919	8,359
<b>TOTAL CTA</b>	<b>\$ 804,955</b>	<b>\$ 841,082</b>	<b>\$ 843,131</b>	<b>\$ 869,151</b>

# 2001 Department Budget by Line-Item

(In Thousands)

	<u>Labor</u>	<u>Material</u>	<u>Other Services*</u>	<u>Fuel/Power/ Provisions</u>	<u>Total</u>
Authority Governance	\$ 918	\$ 3	\$ 16	\$ -	\$ 937
Office of the President	750	11	71	-	832
Office of Inspector General	1,631	12	134	-	1,777
General Counsel	8,924	70	4,919	-	13,912
<b>TRANSIT OPERATIONS</b>					
EVP Transit Operations	240	6	127	-	374
Customer Service	1,368	6	21	-	1,394
<b>BUS OPERATIONS</b>					
VP Bus Operations	348	2	461	-	811
Scheduled Transit Operations - Bus	223,623	-	-	-	223,623
Bus Garages	72,638	24,511	404	21,600	119,153
Bus Heavy Maintenance	23,105	8,093	140	-	31,338
Engineering & Technical Service - Bus	2,281	58	98	-	2,437
<i>Total Bus Operations</i>	<u>321,995</u>	<u>32,665</u>	<u>1,102</u>	<u>21,600</u>	<u>377,362</u>
<b>RAIL OPERATIONS</b>					
VP Rail Operations	482	21	30	-	533
Scheduled Transit Operation - Rail	79,642	-	-	-	79,642
Rail Terminals	37,852	16,358	153	-	54,363
Rail Heavy Maintenance	7,002	(352)	147	-	6,796
Rail Car Appearance	9,061	-	476	-	9,538
Engineering & Technical Services - Rail	2,216	286	66	-	2,568
<i>Total Rail Operations</i>	<u>136,255</u>	<u>16,314</u>	<u>872</u>	<u>-</u>	<u>153,440</u>
<b>SAFETY, SECURITY, &amp; TRAINING</b>					
VP Safety, Security, & Training	183	1	5	-	190
Security Services	1,696	10	22,694	-	24,399
System Safety & Environmental Affairs	1,616	37	129	-	1,782
Communication Power/Control	6,673	45	292	-	7,009
Training & Instruction	9,485	198	233	-	9,916
<i>Total Safety, Security, &amp; Training</i>	<u>19,654</u>	<u>290</u>	<u>23,354</u>	<u>-</u>	<u>43,298</u>
<b>PLANNING</b>					
Sr VP Planning	482	6	9	-	497
Planning	4,420	57	218	-	4,695
Facility & ADA Planning	938	10	6	-	954
<i>Total Planning</i>	<u>5,840</u>	<u>72</u>	<u>233</u>	<u>-</u>	<u>6,146</u>
<b>ADMINISTRATION &amp; PARATRANSIT</b>					
Administration & Paratransit	193	1	64	-	258
Operations Support Services	992	5	0	-	998
Paratransit Operations	1,024	26	29,827	-	30,877
<i>Total Administration &amp; Paratransit</i>	<u>2,209</u>	<u>31</u>	<u>29,892</u>	<u>-</u>	<u>32,132</u>
	<u>\$ 487,561</u>	<u>\$ 49,384</u>	<u>\$ 55,600</u>	<u>\$ 21,600</u>	<u>\$ 614,146</u>
<b>CONSTRUCTION, ENGINEERING &amp; FACILITIES</b>					
EVP Construction, Engineering & Facilities	\$ 338	\$ 5	\$ 12	\$ -	355
Real Estate	1,526	25	6,108	0	7,659
Engineering, Construction & Maintenance	4,239	169	155	0	4,562
<b>CONSTRUCTION, ENGINEERING &amp; FACILITIES (Continued)</b>					
<b>MAINTENANCE</b>					
VP Maintenance	\$ 269	\$ -	\$ 3	\$ -	271
System Maintenance Support	16,126	1,646	13,309	20,492	51,573
Power & Way Maintenance	22,814	2,937	670	0	26,421
Rail Station Appearance	16,201	1,641	853	0	18,695

\* Includes Purchase of Paratransit and Purchase of Security Services

# 2001 Department Budget by Line-Item

(In Thousands)

	<u>Labor</u>	<u>Material</u>	<u>Other Services*</u>	<u>Fuel/Power/ Provisions</u>	<u>Total</u>
Facility Maintenance	19,468	4,019	6,797	0	30,283
<i>Total Maintenance</i>	<u>74,878</u>	<u>10,242</u>	<u>21,632</u>	<u>20,492</u>	<u>127,243</u>
	<b>\$ 80,981</b>	<b>\$ 10,441</b>	<b>\$ 27,907</b>	<b>\$ 20,492</b>	<b>\$ 139,819</b>
<b>MANAGEMENT &amp; PERFORMANCE</b>					
EVP Management & Performance	\$ 376	\$ -	\$ 21	\$ -	\$ 398
Communications	3,321	370	3,901	-	7,592
Government & Community Relations	854	1	441	-	1,295
DBE Program/EEO/Contract Compliance	1,351	12	96	-	1,458
<b>FINANCE</b>					
Sr VP Finance/Treasurer	382	1	95	-	479
Accounting Operations	2,288	6	16	-	2,310
Treasury	6,006	1,993	3,264	-	11,296
Comptroller	2,344	36	551	-	2,931
Capital Investment	468	7	10	-	486
<i>Total Finance</i>	<u>11,488</u>	<u>2,044</u>	<u>3,936</u>	<u>-</u>	<u>17,502</u>
<b>HUMAN RESOURCES</b>					
VP Human Resources	936	5	120	-	1,061
Personnel Services	2,205	16	76	-	2,297
Benefit Services	1,161	5	701	-	1,867
Medical Services	570	1	952	-	1,523
<i>Total Human Resources</i>	<u>4,872</u>	<u>27</u>	<u>1,849</u>	<u>-</u>	<u>6,748</u>
<b>EMPLOYEE RELATIONS</b>					
VP Industrial Relations	1,079	10	181	-	1,270
Program Compliance	625	8	46	-	680
<i>Total Employee Relations</i>	<u>1,704</u>	<u>18</u>	<u>227</u>	<u>-</u>	<u>1,950</u>
<b>TECHNOLOGY DEVELOPMENT</b>					
VP Technology Development	127	12	38	-	176
Research & Development	850	3	227	-	1,080
Management Information Systems	6,953	467	10,011	-	17,431
Revenue Equipment Tech. & Maint.	10,162	1,092	1,450	-	12,705
<i>Total Technology Development</i>	<u>18,092</u>	<u>1,574</u>	<u>11,726</u>	<u>-</u>	<u>31,392</u>
<b>PURCHASING/WAREHOUSING</b>					
VP Purchasing/Warehousing	460	-	11	-	471
Quality Assurance	1,870	41	45	-	1,956
Purchasing	2,977	101	41	-	3,118
Purchasing & Warehousing Programs	633	1	22	-	655
Purch. & Wrhse. Business Systems	1,076	8	804	-	1,888
Warehouse/Stockroom	11,374	346	1,226	-	12,945
<i>Total Purchasing/Warehousing</i>	<u>18,388</u>	<u>497</u>	<u>2,148</u>	<u>-</u>	<u>21,033</u>
	<b>\$ 60,446</b>	<b>\$ 4,541</b>	<b>\$ 24,346</b>	<b>\$ -</b>	<b>\$ 89,368</b>
Non - Departmental	(13,798)	339	(8,181)	30,000	8,359
<b>TOTAL CTA</b>	<b>\$ 627,446</b>	<b>\$ 64,802</b>	<b>\$ 104,811</b>	<b>\$ 72,092</b>	<b>\$ 869,151</b>

\* Includes Purchase of Paratransit and Purchase of Security Services



# Department Budgeted Positions

	<b>1999 Budgeted Positions</b>	<b>2000 Budgeted Positions</b>	<b>2001 Budgeted Positions</b>
Authority Governance	12	12	15
Office of the President	6	6	6
Office of Inspector General	11	17	19
General Counsel	127	129	129
<b>TRANSIT OPERATIONS</b>			
EVP Transit Operations	2	2	2
Customer Service	42	26	26
<b>BUS OPERATIONS</b>			
VP Bus Operations	3	4	4
Scheduled Transit Operations - Bus	4,006	4,016	4,077
Bus Garages	1,295	1,296	1,296
Bus Heavy Maintenance	500	490	491
Engineering & Technical Service - Bus	31	33	33
<i>Total Bus Operations</i>	<u>5,835</u>	<u>5,839</u>	<u>5,901</u>
<b>RAIL OPERATIONS</b>			
VP Rail Operations	13	4	5
Scheduled Transit Operation - Rail	1,397	1,383	1,373
Rail Terminals	778	597	601
Rail Heavy Maintenance	237	238	237
Rail Car Appearance	-	189	193
Engineering & Technical Services - Rail	30	30	39
<i>Total Rail Operations</i>	<u>2,455</u>	<u>2,441</u>	<u>2,448</u>
<b>SAFETY, SECURITY &amp; TRAINING</b>			
VP Safety, Security, & Training	2	2	2
Security Services	27	32	32
System Safety & Environmental Affairs	23	23	23
Communication Power/Control	80	92	92
Training & Instruction	150	149	149
<i>Total Safety, Security, &amp; Training</i>	<u>282</u>	<u>298</u>	<u>298</u>
<b>PLANNING</b>			
Sr VP Planning	3	4	4
Planning	67	63	68
Facility & ADA Planning	5	13	13
<i>Total Planning</i>	<u>75</u>	<u>80</u>	<u>85</u>
<b>ADMINISTRATION &amp; PARATRANSIT</b>			
Administration & Paratransit	6	4	3
Operations Support Services	16	15	16
Paratransit Operations	17	17	17
<i>Total Administration &amp; Paratransit</i>	<u>39</u>	<u>36</u>	<u>36</u>
	<u><b>8,730</b></u>	<u><b>8,722</b></u>	<u><b>8,796</b></u>
<b>CONSTRUCTION, ENGINEERING &amp; FACILITIES</b>			
EVP Construction, Engineering & Facilities	3	2	3
Real Estate	22	23	23
Engineering, Construction & Maintenance	98	99	99

# Department Budgeted Positions

	<b>1999</b>	<b>2000</b>	<b>2001</b>
	<b>Budgeted</b>	<b>Budgeted</b>	<b>Budgeted</b>
	<b>Positions</b>	<b>Positions</b>	<b>Positions</b>
<b>CONSTRUCTION, ENGINEERING &amp; FACILITIES (Continued)</b>			
<b>MAINTENANCE</b>			
VP Maintenance	2	2	4
System Maintenance Support	261	257	258
Power & Way Maintenance	455	455	454
Rail Station Appearance	313	317	318
Facility Maintenance	316	318	327
<i>Total Maintenance</i>	<u>1,347</u>	<u>1,349</u>	<u>1,361</u>
	<b><u>1,470</u></b>	<b><u>1,473</u></b>	<b><u>1,486</u></b>
<b>MANAGEMENT &amp; PERFORMANCE</b>			
EVP Management & Performance	3	3	3
Communications	46	51	53
Government & Community Relations	4	8	11
DBE Program/EEO/Contract Compliance	15	15	23
<b>FINANCE</b>			
Sr VP Finance/Treasurer	3	3	3
Accounting Operations	44	45	38
Treasury	103	103	103
Comptroller	46	47	53
Capital Investment	34	34	34
<i>Total Finance</i>	<u>230</u>	<u>232</u>	<u>231</u>
<b>HUMAN RESOURCES</b>			
VP Human Resources	4	2	4
Personnel Services	26	27	28
Benefit Services	-	15	16
Medical Services	19	6	8
<i>Total Human Services</i>	<u>49</u>	<u>50</u>	<u>56</u>
<b>EMPLOYEE RELATIONS</b>			
VP Industrial Relations	10	12	14
Program Compliance	8	8	8
<i>Total Employee Relations</i>	<u>18</u>	<u>20</u>	<u>22</u>
<b>TECHNOLOGY DEVELOPMENT</b>			
VP Technology Development	3	4	1
Research & Development	11	11	14
Management Information Systems	113	96	95
Revenue Equipment Tech. & Maint.	140	140	140
<i>Total Technology Development</i>	<u>267</u>	<u>251</u>	<u>250</u>
<b>PURCHASING/WAREHOUSING</b>			
VP Purchasing/Warehousing	2	1	3
Quality Assurance	39	28	27
Purchasing	44	44	43
Purchasing & Warehousing Programs	-	11	10
Purchasing & Warehousing Business Systems	10	13	14
Warehouse/Stockroom	207	208	210
<i>Total Purchasing/Warehousing</i>	<u>302</u>	<u>305</u>	<u>307</u>
	<b><u>934</u></b>	<b><u>935</u></b>	<b><u>956</u></b>
<b>TOTAL CTA</b>	<b><u>11,290</u></b>	<b><u>11,294</u></b>	<b><u>11,407</u></b>

Pension

12

12

15

# 2002-2003 Operating Financial Plan



*We will provide transit service  
with the highest  
**Professional** standards  
of quality  
and safety for our  
customers and ourselves.*

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## **Operating Financial Plan 2002-2003 Overview**

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The Chicago Transit Authority's (CTA) two-year financial plan conforms to the public funding Mark and Recovery Ratio mandated by the Regional Transportation Authority (RTA). CTA is able to provide an expense and revenue projection that provides for a balanced budget based on the public funding set by RTA. However, CTA will have difficulty achieving the recovery ratio mandated in 2002 and 2003 without a modification to the formula, new revenues, or expense reductions.

The public funding mark established by RTA is sufficient to balance CTA's budget in 2001 and 2002. CTA has diligently worked to streamline operations and has thus been able to hold the line on expense growth. As a result, CTA has been able to present a balanced budget each year that conforms to the funding mark and still achieves ridership growth. The irony is that CTA may be forced to reduce service or increase revenues, even though it can achieve a balanced budget, because it cannot achieve the recovery ratio mandated by RTA.

The RTA Act provides for some expenses to be excluded from the recovery ratio calculation. For example, a portion of CTA's security and labor expense is excluded from this calculation. One possible solution to this problem is to expand the list of exclusions from this calculation. For example, paratransit expense is estimated at \$31.9 million in CTA's 2003 projection. However, the revenue CTA receives for providing this service only funds 5.9% of our cost.

The following discussion summarizes the assumptions used in CTA's two-year financial plan.

### **ECONOMIC OVERVIEW**

Although the U.S economy continues to grow, rising fuel prices and the effect it may have on inflation may derail the economy from continuing to sustain this growth. Indications are somewhat mixed as to whether the economy will remain on course. In addition, the Federal Reserve continues to be ever vigilant and prepared to respond to any inflationary indicators with a tightening of credit. Technological advancements that automate manual processes resulting in increased productivity may offset the impact of higher energy costs. Venture capital investment should continue to supply money for the new economy, which should keep the technology sector on track.

### **OPERATING EXPENSES**

The 2002 and 2003 financial projections show operating expenses of \$890.5 million and \$919.7 million, respectively. The 2002 financial projection represents an increase of 2.5% over the 2001 budget proposal. The 2003 financial projection represents an increase of 3.3% over the 2002 projection. The increase in expenses is primarily due to higher projected labor costs.

#### **Labor**

Labor costs for the 2002 and 2003 financial projections are expected to rise by 2.6% and 3.7%, respectively. Projected labor rate increases and higher health insurance expenses are the primary drivers of the projected increase. CTA's contract with the various labor unions expired on December 31, 1999 and contract negotiations are still



on going. However, a settlement with the various unions for more than what has been assumed in this plan would adversely affect CTA's financial projection.

### **Material, Fuel & Power**

Material cost for the 2002 and 2003 financial projections are expected to rise by 2.5% annually to cover inflation. The 2001 Budget provides for a 40% fuel cost increase over the 2000 Budget, because fuel prices continue to be high and extremely volatile. The 2002 and 2003 financial projections hold fuel costs steady at \$21.6 million per year, the same fuel cost budgeted for 2001. The price per gallon assumed in this projection remains at \$1.00. Power costs are expected to remain steady at \$20.5 million for the 2002 and 2003 financial projections.

### **Provision for Injuries and Damage**

Funding of the Provision for Injuries and Damage will remain constant at \$30.0 million based on the most recent actuarial study.

### **Purchase of Paratransit, Security & Other Services**

The Purchase of Paratransit costs have increased significantly because of increased efforts by CTA to meet consumer demand. Spending by the CTA for Paratransit increased by \$2.5 million, or 9.0% in the 2001 Budget. In addition, the CTA proposes increased spending for Paratransit's 2002 and 2003 financial projections of \$0.9 million and \$1.2 million, respectively. Due to market consolidation in the security services industry, the CTA expects to incur a 5% increase in the cost of Security for the 2002 and 2003 financial projections. Other Services cost will increase by 2.5% for the 2002 and 2003 financial projections due to inflation.

## **REVENUE**

The CTA garners revenues from the system and from public funding. System Generated Revenues include Fares & Passes, Reduced Fare Subsidies, Advertising Charter & Concessions, Investment Income, Contributions from Local Governments and Other. System Generated Revenues are estimated to be \$461.9 million and \$477.1 million for the 2002 and 2003 financial projections, respectively.

### **Fares & Passes**

Due to increased ridership, Fare & Pass revenue is expected to increase modestly for the 2002 and 2003 financial projections. Fare & Pass revenue is projected to grow less than half of 1% for 2002 and a little over 1% for 2003. While ridership has increased, the average fare per ride has decreased slightly, reflecting the success of the pass fare media. No fare increase has been built into the 2002 and 2003 financial projections. Ridership is estimated at 457.4 million and 460.2 million for the 2002 and 2003 projection. The average fare is estimated to remain at the current 2000 level of \$0.815.

### **Advertising, Charter & Concessions**

These revenues are derived from advertisements placed on revenue vehicles (trains & buses) and stations, along with lease income from concessions. CTA experienced a large increase in this revenue for 2001 due to increased advertisements on the exterior of buses and trains. This benefit has been projected into the base rate of revenue expected to be garnered in 2002 and 2003. These revenue figures are \$22.8 million and \$23.6 million for 2002 and 2003 financial projections, respectively.

## **Investment Income**

Investment rates and cash balances are expected to remain stable for the 2002 and 2003 financial projections. The expected revenue for each year is estimated to be \$8.9 million.

## **PUBLIC FUNDING**

Public funding CTA receives for its operations flow through RTA. The public funding consists of two primary revenue sources: sales tax and public transportation funds. Sales tax levy is set at 1.0% in Cook County and 0.25% in the Collar counties. These funds are allocated to the three service boards (CTA, METRA and PACE) based on a formula set in the RTA legislation. CTA receives 100% of the City of Chicago sales tax distribution pool and 30% of the Cook County.

The public transportation funds are funded through the State of Illinois general revenue fund and are equal to 25% of sales tax. RTA has full discretion in how these funds are allocated to the three service boards. (For a more in depth discussion see Appendix III).

The Public Funding Available for Operations represents the funding "Mark" issued by RTA, based upon the Illinois Bureau of Budget's projection for 2001. Wharton Economic Forecasting Association (WEFA) produces sales tax estimates for 2002 and 2003 by applying various factors to the 2001 Illinois Bureau of Budget sales tax estimate. WEFA has projected annual sales tax revenue growth for the City of Chicago of 5.4% and 4.7% for 2002 and 2003, respectively. In suburban Cook County from which the CTA receives 30% of the sales tax revenues, WEFA has forecasted sales tax revenue growth of 5.2% and 4.5% for 2002 and 2003, respectively. The funding mark assigned to the CTA by RTA for 2001 and 2002, however, shows growth rates of 2.3% in 2001 and 3.2% in 2002.

## **RECOVERY RATIO**

The RTA Act requires the Region to fund 50.0% of its expenses through revenues generated by the RTA and the three Service Boards. RTA assigns each service board a recovery ratio when it issues the funding marks on September 15<sup>th</sup> of each year. The budgets submitted by each service boards must be balanced and meet the required recovery ratio before RTA can approve them (i.e., expenses equal system generated revenues and public funding). In order to meet the mandated recovery ratio, revenue projections for 2002 and 2003 have been enhanced to a point, which may be difficult to achieve.

## **ACCOUNTING NOTES**

The CTA's ongoing operations are accounted for on a proprietary fund basis. Operations are financed and operated similar to private businesses, where the intent is that the costs of providing services to the public should be recovered through user charges. The full accrual method of accounting is used where revenues are recorded when earned and expenses are recorded when incurred. The CTA does not currently have any debt.

## Operating Financial Summary 2002 - 2003

(In Thousands)

	1999 Actual	2000 Budget	2000 Projected	2001 Budget	Financial Plan	
					2002	2003
<b>Operating Expenses</b>						
Labor	\$ 583,052	\$ 613,122	\$ 610,876	\$ 627,446	\$ 643,965	\$ 667,853
Material	73,424	64,745	68,667	64,802	66,422	68,083
Fuel - Revenue Equipment	12,481	15,382	20,687	21,600	21,600	21,600
Power - Revenue Equipment	16,570	20,066	20,470	20,492	20,500	20,500
Provision for Injuries and Damages	31,000	30,000	30,000	30,000	30,000	30,000
Purchase of Security Services	20,299	21,007	20,140	22,864	24,007	25,208
Purchase of Paratransit	27,214	27,360	27,402	29,825	30,720	31,949
<b>Other Expenses</b>						
Utilities	15,501	16,287	16,886	17,279	17,668	18,063
Maintenance and Repair	11,105	11,865	11,406	11,636	11,898	12,164
Advertising and Promotion	1,009	2,899	2,581	1,981	2,026	2,071
Contractual Services	13,584	16,657	13,912	21,642	22,129	22,624
Provision for Passenger Security	2,610	5,133	5,079	5,082	5,196	5,313
Leases and Rentals	8,512	8,058	8,406	8,309	8,496	8,686
Travel, Training, Seminars, and Dues	550	621	622	709	725	741
Warranty and Other Credits	(13,948)	(16,323)	(16,884)	(16,728)	(17,104)	(17,487)
General Expenses	1,992	4,203	2,881	2,212	2,262	2,312
<b>Total Other Expenses</b>	<b>40,915</b>	<b>49,400</b>	<b>44,889</b>	<b>52,122</b>	<b>53,294</b>	<b>54,488</b>
<b>Total Operating Expenses</b>	<b>\$ 804,955</b>	<b>\$ 841,082</b>	<b>\$ 843,131</b>	<b>\$ 869,151</b>	<b>\$ 890,508</b>	<b>\$ 919,681</b>
<b>System Generated Revenue</b>						
Fares and Passes	\$ 365,952	\$ 368,389	\$ 363,679	\$ 371,102	\$ 372,770	\$ 376,887
Reduced Fare Subsidy	16,840	34,220	33,858	33,880	33,880	33,880
Advertising, Charter, & Concessions	16,820	16,989	21,989	22,055	22,827	23,626
Investment Income	8,887	8,991	9,910	8,887	8,900	8,900
Contributions from Local Government Units	5,000	5,000	5,000	5,000	5,000	5,000
All Other Revenue	7,050	5,367	6,569	9,222	5,500	9,000
Required Revenue Increase	0	0	0	0	13,050	19,850
<b>Total System Generated Revenue</b>	<b>\$ 420,549</b>	<b>\$ 438,956</b>	<b>\$ 441,005</b>	<b>\$ 450,146</b>	<b>\$ 461,927</b>	<b>\$ 477,143</b>
Public Funding Required for Operations	\$ 384,406	\$ 402,126	\$ 402,126	\$ 419,005	\$ 428,581	\$ 442,538
Public Funding Available through RTA	\$ 384,810	\$ 402,126	\$ 402,126	\$ 419,005	\$ 428,581	\$ 442,538
Recovery Ratio	52.41%	52.51%	52.62%	52.10%	52.17%	52.17%
Required Recovery Ratio	51.90%	52.50%	52.50%	51.79%	52.17%	52.17%
<b>Fund Balance</b>	-	-	-	-	-	-

Note: Current projections indicate that additional revenue may be required to achieve a 52.17% recovery ratio. CTA currently does not anticipate requiring a passenger fare increase in 2002 and 2003. CTA will make an exhaustive effort to avoid any fare increase or service reductions and will evaluate all other alternatives including legislative relief for changes in the recovery ratio calculation to exempt certain costs.

# 2001 - 2005 Capital Improvement Plan & Program



*We will be dependable for  
our customers and  
fellow  
employees,  
and will maintain the  
highest standards of trust.*

**Reliable**



## The 2001-2005 Capital Improvement Program Overview

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### Chicago Transit Authority 2001–2005 Capital Improvement Program

This 2001-2005 Capital Improvement Program (CIP) seeks to identify and target available capital funds towards recognized capital renewal and improvement needs of the CTA system. The program is funded from four sources:

- The Federal government - Federal Transit Administration (FTA)***
- The State of Illinois – Department of Transportation (IDOT)***
- The Regional Transportation Authority (RTA)***
- Miscellaneous local sources and reprogrammed funds***

Each of these sources provides funding to cover the different projects contained in the typical CTA five-year capital program. Catching up for years of inadequate funding to meet our capital needs, recent funding from *TEA-21* and *Illinois FIRST* will help our rebuilding process. Current CTA estimates place the amount of funds needed to bring our system to a state of good repair in excess of **\$4.6 billion**. At least twice that amount would be required to completely renew our system. Consequently, despite the CTA's recent success in acquiring state and federal assistance for our capital program, we are still faced with a sizeable list of unmet capital needs.

The CTA is projecting total capital funding of **\$2.83 billion** will be available over the next five years, to help bring our system to a state of good repair, whereby:

- No buses over the industry standard retirement age of 12 years. In special circumstances buses may be kept in service 14 years, but extension beyond 14 creates significant maintenance problems that affect service quality. Any such extension should be based on a life-extending rehabilitation of the buses. All buses should be rehabilitated at mid-life, six or seven years of service. This ensures reliability and rider's comfort and can reduce maintenance expenses.***
- All rail cars rehabilitated at mid-life (12-13 years), overhauled at their quarter-life points (6 and 18 years), and either rehabilitated or replaced at the end of their useful life, 25 years. Vehicle life can be extended to 30 years, but extension beyond 30 begins to raise serious maintenance issues and affects the quality of service we can give our riders. Any such extension should be based on a life-extending rehabilitation of the cars.***
- All rail stations in good condition, and able to meet modern standards for passenger comfort, security, reliability, and so on. It is difficult to accomplish this with stations older than 40 years, and nearly impossible with those over 70.***

## The 2001-2005 Capital Improvement Program Overview

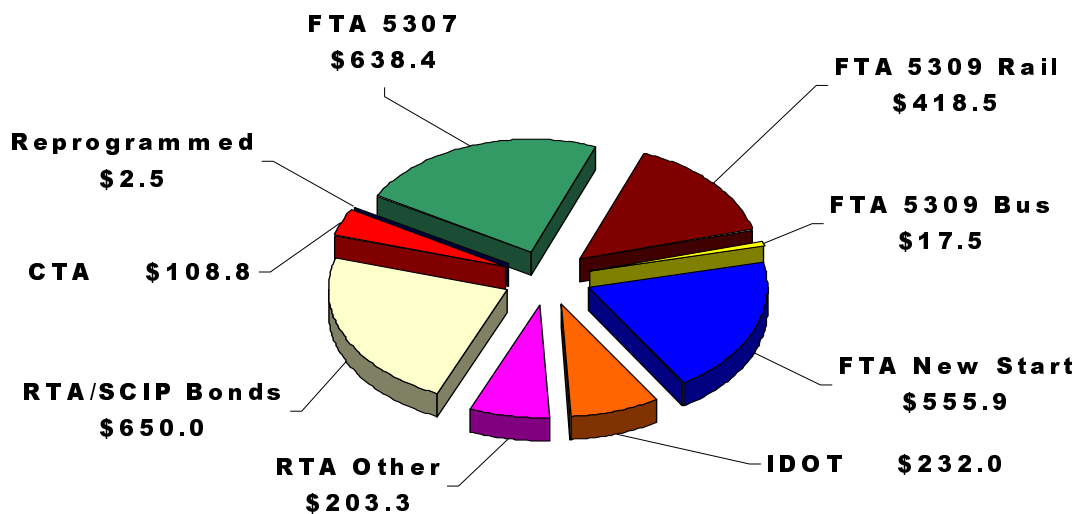
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- ❑ *All rail lines operate at scheduled speeds; no areas are slowed down because of track or structural disrepair. Rail signal systems are fully reliable and meet modern standards of performance.*
- ❑ *Service management systems are fully reliable and incorporate modern features. Such systems are used to send information between CTA's Control Center and its vehicles and stations, and are especially important in dealing with emergencies and service problems.*
- ❑ *All maintenance facilities are designed and kept in good condition, to permit buses and trains to be maintained efficiently and effectively. CTA cannot ensure a quality ride if it lacks the wherewithal to maintain its vehicles. As with stations, 40 years is a desirable standard for replacing maintenance facilities, but CTA's experience is that with suitable maintenance and reinvestment, such buildings can effectively serve for as much as 70 years.*
- ❑ *Certain categories of capital funds can be used to help ensure the adequate maintenance of assets such as buses and rail cars. CTA has judiciously taken advantage of this provision in order to budget for essential services while keeping the bulk of its capital funds committed to replacing or renewing the equipment and facilities we need to provide transit service. It is important to maintain this level of commitment until additional operating funding becomes available.*

Meeting these standards would significantly improve the comfort and reliability of the services we provide our customers, and yield operational and maintenance benefits for CTA.

## The 2001-2005 Capital Improvement Program Overview

**PRELIMINARY  
FY 2001-2005 CAPITAL IMPROVEMENT PROGRAM  
FUNDING SOURCES**  
*(millions of dollars)*



### Sources of Funds

The funding levels used in preparing the CIP are consistent with capital program marks developed by the Regional Transportation Authority (RTA) in consultation with CTA, Metra and Pace. These include **\$1.63 billion** from the Federal Transit Administration (FTA), **\$232 million** from the State of Illinois, **\$853.3 million** from the RTA (including **\$650 million** of SCIP Bonds administered by the RTA and backed by the State of Illinois), **\$108.8 million** from the CTA and **\$2.5 million** from reprogrammed funds. Total available funding is **\$2.83 billion**. This is presented in the figure, *Preliminary FY 2001-2005 Capital Improvement Program Funding Sources*. The federal funds are consistent with *TEA-21*, and the local and state funds with the RTA financial structure after passage of *Illinois FIRST*.

## The 2001-2005 Capital Improvement Program Overview

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### CTA In Motion in 2001: Continuing to...

#### Rebuild our System, Sustain our Momentum and Improve our Product

Using the capital program marks as a foundation, the CTA has developed a program of capital projects for the **2001–2005 Capital Improvement Program**. The CTA's 2001-2005 capital budget continues to work towards the goals and objectives outlined in the 2000-2004 CIP:

- ❑ ***Initiating New Starts projects intended to rehabilitate deteriorated rail infrastructure (Blue Line - Douglas Branch) and expand capacity to accommodate growth in ridership (Brown Line - Ravenswood); rebuilding the system, starting with the portions of our rail system most in need.***
- ❑ ***Funding the procurement/replacement of vehicles as needed; replacing our bus and rail fleets and providing safe and reliable transportation to our customers.***
- ❑ ***Renewing our rail right-of-way (ROW), eliminating ROW slow zones that increase travel times; working to place our rail system in a state of good repair and increasing the reliability of our service***
- ❑ ***Funding the implementation of preventive maintenance programs for our bus and rail fleets; improving our product – on-time, clean, safe and friendly transit service***
- ❑ ***Upgrading maintenance facilities and providing the necessary equipment to keep CTA's buses and trains running; sustaining the momentum reflected in our increased ridership and customer satisfaction***

Since 1995, the CTA's capital program has benefited from numerous market research studies, most recently, the 1999 update to our ongoing Customer Satisfaction Survey program. These customer feedbacks allow CTA to measure our progress over time towards improving our service. The views of both customers and non-riders allow us to analyze our service with an eye towards improving our product and retaining existing customers while attracting new riders. The 2001-2005 capital program provides much of the funding necessary to begin to adequately address our customers' concerns over the next five years.

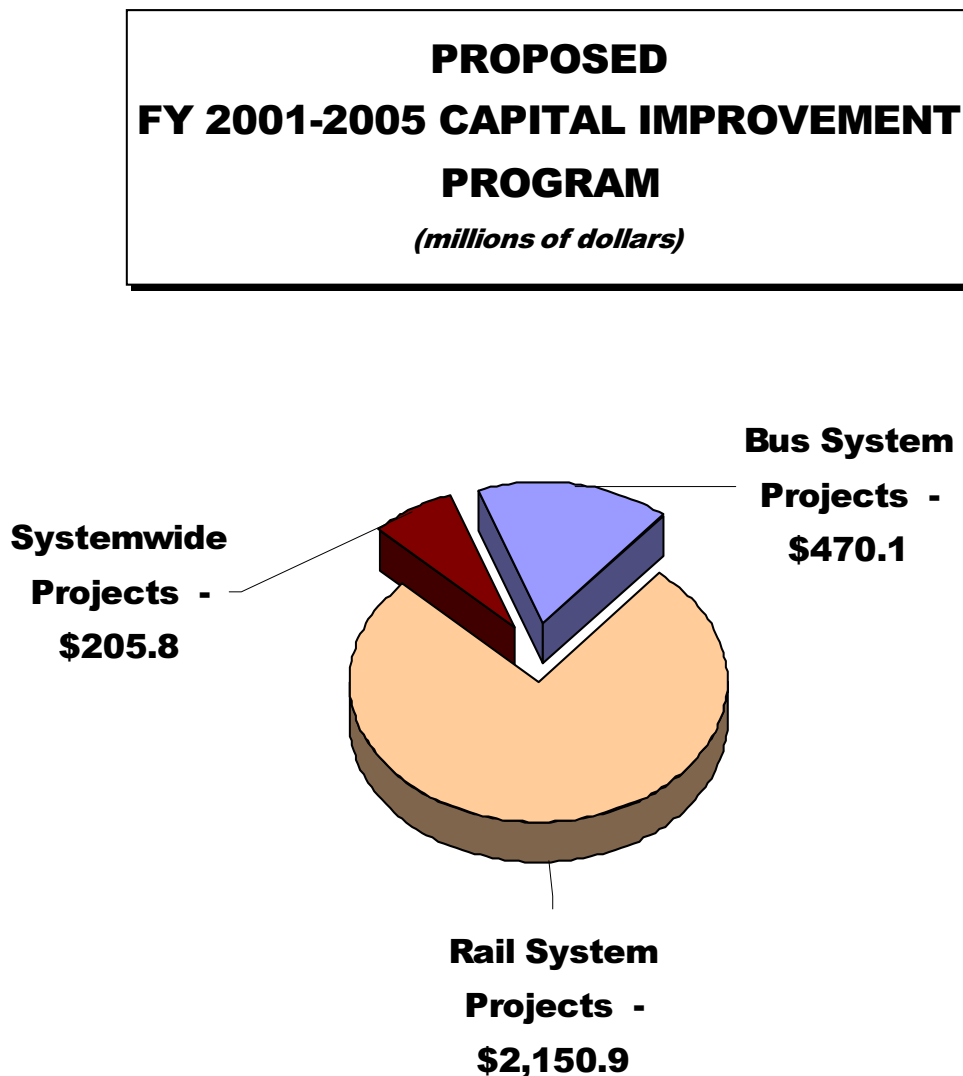


## The 2001-2005 Capital Improvement Program Overview

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### Uses of Funds

The figure titled *Proposed FY 2001-2005 Capital Improvement Program* shows the proposed program, by the general category of asset being improved or replaced. Each project in the Program is listed in the table *Proposed FY 2001-2005 Capital Improvement Program*. A detailed description of each project can be found in the *Proposed 2001 Annual Budget and Department Detail and 2001-2005 Capital Program* volume of the CTA's 2001 budget documentation.



Over 100 projects comprise the CTA's 2001-2005 capital program. Each project is evaluated in terms of the needs of our customers, the program requirements of our transit operations and maintenance activities and the operating efficiencies it contributes to our system. These capital projects for 2001 will address the most pressing needs of CTA's bus and rail systems, passenger facilities and systemwide support networks, as constrained by the level of projected funding.

# The 2001-2005 Capital Improvement Program Overview

## CHICAGO TRANSIT AUTHORITY

Proposed FY 2001-2005 Capital Program (thousands of dollars)

Proj. #	Title	Funded	2001	2002-2005	5 Year Funding	Outyear	Project Total
<b>BUS PROJECTS</b>							
<b>Rolling Stock</b>							
021.803	Perform Bus Maintenance Activities (TC)	0	3,120	20,000	23,120	0	23,120
021.804	Perform Mid-Life Bus Overhaul	0	5,099	13,328	18,426	0	18,426
021.808	Perform Bus Overhaul for TMC Buses	13,792	6,798	3,151	9,949	0	23,741
031.043	Purchase Artic Buses	33,826	35,381	34,000	69,381	0	103,206
031.045	Replace Buses - 490 TMC	0	0	66,600	66,600	67,980	134,580
031.049	Replace Buses - 467 Flx	0	600	126,090	126,690	0	126,690
101.005	Replace Bus Fareboxes	731	0	39,000	39,000	0	39,731
201.008	Purchase Up To 7 Hybrid Electric Buses (CMAQ)	100	3,000	0	3,000	0	3,100
	<b>Sub-Total</b>	<b>48,449</b>	<b>53,997</b>	<b>302,169</b>	<b>356,166</b>	<b>67,980</b>	<b>472,595</b>
<b>Stations &amp; Passenger Facilities</b>							
042.821	Improve Bus Turnarounds	0	618	2,663	3,281	0	3,281
090.021	Install Bike Racks on Buses	0	2,500	0	2,500	0	2,500
172.009	Rehab Bus Bridge - 69th/Dan Ryan	250	2,318	0	2,318	0	2,568
172.010	Rehab Bus Bridge - 95th/Dan Ryan	250	2,318	0	2,318	0	2,568
	<b>Sub-Total</b>	<b>500</b>	<b>7,753</b>	<b>2,663</b>	<b>10,416</b>	<b>0</b>	<b>10,916</b>
<b>Support Facilities &amp; Equipment</b>							
073.056	Reconstruct Bus Garage	400	0	56,017	56,017	0	56,417
081.023	Upgrade Bus Washers and Trash Collection - Forest Glen	714	0	5,835	5,835	0	6,549
084.810	Purchase Equipment - Bus	0	1,563	2,959	4,522	0	4,522
	<b>Sub-Total</b>	<b>1,114</b>	<b>1,563</b>	<b>64,811</b>	<b>66,374</b>	<b>0</b>	<b>67,489</b>
<b>RAIL PROJECTS</b>							
<b>Acquisitions/Extensions</b>							
194.115	CTA Ravenswood Line New Start	11,740	11,000	289,000	300,000	0	311,740
194.117	Rehab CTA Douglas Branch New Start	18,659	95,795	298,861	394,656	0	413,315
194.817	Rehab CTA Douglas Branch Debt Service	0	10,500	52,000	62,500	0	62,500
194.917	Rehab CTA Douglas Branch Initial-Rehab Non-New Start	3,850	0	3,713	3,713	0	7,563
	<b>Sub-Total</b>	<b>34,249</b>	<b>117,295</b>	<b>643,574</b>	<b>760,869</b>	<b>0</b>	<b>795,118</b>
<b>Miscellaneous</b>							
053.004	Rail Service Management System	0	0	3,183	3,183	40,575	43,757
124.101	Improve SCADA Operational System	800	824	424	1,248	0	2,048
124.102	Implement SCADA Radio Back-Up System	0	824	0	824	0	824
202.201	North-South Rail Capacity Study	0	773	0	773	0	773
	<b>Sub-Total</b>	<b>800</b>	<b>2,421</b>	<b>3,607</b>	<b>6,028</b>	<b>40,575</b>	<b>47,402</b>
<b>Electric, Signal, Communications</b>							
121.016	Replace Substation and Subway Power Distribution	0	0	15,235	15,235	0	15,235
121.017	Replace Skokie Power Distribution	500	0	5,835	5,835	0	6,335
121.840	Substation Renovation Program	0	2,060	11,807	13,867	18,639	32,505
161.018	Replace Signal System And Rail - Congress & Dearborn Subway	4,000	0	102,416	102,416	0	106,416
161.022	Implement Workers Ahead Warning System / 63 Locations	2,222	0	1,698	1,698	0	3,920
	<b>Sub-Total</b>	<b>6,722</b>	<b>2,060</b>	<b>136,990</b>	<b>139,050</b>	<b>18,639</b>	<b>164,411</b>
<b>Track &amp; Structure</b>							
171.133	Repair Track and Structure Defects (TC)	0	3,729	0	3,729	0	3,729
171.035	Renew Structure - Logan Square Connector - O'Hare/Blue Line	43,412	5,263	4,658	9,921	0	53,333
171.107	Rehab Structure - South Loop	14,670	0	5,305	5,305	0	19,975
171.215	Replace Flange Angles - North Main Line	1,500	4,447	10,737	15,184	0	16,684
171.216	Replace Flange Angles - Ravenswood	3,000	6,270	23,051	29,321	0	32,321
173.022	Rehab Viaducts & Retaining Walls - Purple Line	0	0	32,277	32,277	0	32,277
173.023	North Main Line Concrete Structures & Stations	0	670	91,786	92,456	51,689	144,145
181.040	Replace Ties - North Main Line	1,900	3,542	18,736	22,278	0	24,178
181.041	Replace Ties - State Subway	0	0	2,251	2,251	32,460	34,711
181.045	Upgrade Track - Addison to O'Hare - O'Hare	1,003	(0)	28,892	28,892	0	29,894
181.810	Renew R.O.W. - Systemwide	9,977	2,251	9,977	12,228	0	22,205
182.040	Replace Ties - Ravenswood	3,000	3,013	6,259	9,272	0	12,272
186.025	Renew Dan Ryan Special Work	0	1,545	16,391	17,936	0	17,936
187.045	Footwalk Renewal	1,000	1,030	8,907	9,937	0	10,937
	<b>Sub-Total</b>	<b>79,462</b>	<b>31,760</b>	<b>259,226</b>	<b>290,986</b>	<b>84,149</b>	<b>454,597</b>
<b>Rolling Stock</b>							
022.901	Perform Rail Car "C" Overhaul	0	17,090	78,008	95,098	0	95,098
022.906	Perform Rail Car Maintenance Activities (TC)	0	6,880	20,000	26,880	0	26,880
132.030	Rehab Up To 598 Rail Cars - Mid-life (2600's)	237,479	109,183	18,000	127,183	0	364,662
132.055	Implement Test Cars For New Technology	0	0	10,609	10,609	0	10,609
132.056	Replace 142 Rail Cars (2200's)	1,000	0	208,406	208,406	0	209,406
	<b>Sub-Total</b>	<b>238,479</b>	<b>133,153</b>	<b>335,023</b>	<b>468,176</b>	<b>0</b>	<b>706,655</b>

# The 2001-2005 Capital Improvement Program Overview

## CHICAGO TRANSIT AUTHORITY

Proposed FY 2001-2005 Capital Program (thousands of dollars)

Proj. #	Title	Funded	2001	2002-2005	5 Year Funding	Outyear	Project Total
<b>Stations &amp; Passengers Facilities</b>							
124.103	Install RTU's at Stations/SCADA	2,600	1,648	0	1,648	0	4,248
141.014	Reconstruct Rail Station and Associated Track Work - Wilson/Howard	2,900	0	34,904	34,904	0	37,804
141.020	Reconstruct Rail Station - Lawrence/Howard	0	1,030	6,556	7,586	0	7,586
141.050	Reconstruct Rail Station - Sheridan/Howard	0	0	2,251	2,251	28,988	31,239
141.051	Reconstruct Rail Station - 95th/Dan Ryan	0	0	5,305	5,305	40,756	46,060
141.052	Reconstruct Rail Station - Howard/Red Line (ADA-2010)	3,800	0	28,750	28,750	0	32,550
141.202	Reconstruct Rail Station - 47th/Dan Ryan	0	0	16,818	16,818	0	16,818
141.203	Reconstruct Rail Station - 63rd/Dan Ryan	0	0	16,818	16,818	0	16,818
141.204	Reconstruct Rail Station - 69th/Dan Ryan	1,000	0	14,853	14,853	0	15,853
141.206	Reconstruct Rail Station - 87th/Dan Ryan	1,000	0	14,853	14,853	0	15,853
141.208	Reconstruct Rail Station - 22nd/Cermak/Dan Ryan	0	0	1,126	1,126	16,233	17,359
141.209	Reconstruct Rail Station - Garfield/Dan Ryan	0	0	1,126	1,126	16,233	17,359
141.225	Reconstruct Rail Station - Belmont/O'Hare	0	0	14,490	14,490	0	14,490
141.228	Reconstruct Rail Station - Irving Park/O'Hare	0	0	14,490	14,490	0	14,490
141.265	Reconstruct Rail Station - Main/Evanston	0	0	16,818	16,818	0	16,818
141.266	Reconstruct Rail Station - Dempster/Evanston	0	0	16,818	16,818	0	16,818
141.269	Reconstruct Rail Station - Oak Park/Congress	0	0	12,388	12,388	0	12,388
141.270	Reconstruct Rail Station - Racine/Congress	0	0	12,051	12,051	0	12,051
141.271	Reconstruct Rail Station - Pulaski/Congress	0	0	12,051	12,051	0	12,051
143.113	Replace Escalators - Subways	0	1,030	13,382	14,412	0	14,412
143.128	Improve Rail Station Public Address Systems	1,500	0	16,391	16,391	0	17,891
143.160	Upgrade Rail Stations	3,868	3,016	13,315	16,332	0	20,199
143.268	Upgrade Rail Station - Forest Park/Des Plaines/Congress	0	0	3,095	3,095	0	3,095
	<b>Sub-Total</b>	<b>16,668</b>	<b>6,724</b>	<b>288,646</b>	<b>295,370</b>	<b>102,211</b>	<b>414,248</b>
<b>Support Facilities &amp; Equipment</b>							
074.062	Upgrade DesPlaines Shop and Car Washer	0	773	8,195	8,968	0	8,968
074.066	Expand 98th Shop Capacity	150	0	1,093	1,093	46,371	47,614
082.041	Upgrade Car Washer - Rosemont	400	1,648	0	1,648	0	2,048
082.047	Upgrade Car Washer - Ashland Yard	500	3,700	0	3,700	0	4,200
084.811	Purchase Equipment - Rail	0	1,563	2,959	4,522	0	4,522
	<b>Sub-Total</b>	<b>1,050</b>	<b>7,684</b>	<b>12,247</b>	<b>19,931</b>	<b>46,371</b>	<b>67,352</b>
<b>SYSTEMWIDE PROJECTS</b>							
<b>Miscellaneous</b>							
052.012	Implement Control Center Projects	45,396	3,180	7,957	11,137	0	56,533
060.810	Implement Computer Systems	0	0	13,512	13,512	32,167	45,679
061.810	Upgrade Office Computer Systems	0	1,288	5,548	6,836	0	6,836
062.026	Implement Maintenance Management Information System	3,657	3,605	0	3,605	0	7,262
062.086	Install Centralized Paratransit Reservation System	0	2,100	0	2,100	0	2,100
062.810	Replace Financial Systems	8,881	5,665	6,365	12,030	0	20,912
085.090	Purchase Material Handling Equipment	0	1,414	477	1,891	0	1,891
102.030	Implement Automated Fare Control (AFC) Projects	2,068	3,142	2,553	5,694	11,188	18,950
110.011	Implement Systemwide Signage Program	11,750	0	12,000	12,000	0	23,750
144.011	New Park and Ride Facility 79th and Perry (Red Line) (CMAQ)	0	573	0	573	0	573
144.012	New Park and Ride Facility 94th and State (Red Line) (CMAQ)	0	238	0	238	0	238
190.033	Implement Quality Assurance Program	2,579	349	1,609	1,957	0	4,536
193.810	Miscellaneous & Unanticipated Capital	0	2,429	8,000	10,429	0	10,429
201.007	Implement University Pass Program (CMAQ)	450	300	0	300	0	750
202.191	Implement Corporate Relocation Assistance Program (CMAQ)	400	200	0	200	0	600
202.192	New Employee Program (CMAQ)	200	100	0	100	0	300
202.205	Program Management	0	4,000	12,000	16,000	0	16,000
202.206	Facility Planning	0	1,097	0	1,097	0	1,097
203.800	Transfer Capital (TC)	0	0	41,412	41,412	0	41,412
	<b>Sub-Total</b>	<b>75,381</b>	<b>29,678</b>	<b>111,433</b>	<b>141,110</b>	<b>43,355</b>	<b>259,847</b>
<b>Support Facilities &amp; Equipment</b>							
070.023	Improve Bus/Rail Facilities (TC)	0	6,624	0	6,624	0	6,624
076.008	Implement Facility Improvements	0	1,298	0	1,298	0	1,298
076.041	Replace/Upgrade Hoists, Escalators, and Elevators	0	2,000	8,618	10,618	0	10,618
076.810	Replace/Repair Roofs - Various Locations	4,756	732	3,155	3,887	0	8,643
084.812	Purchase Facilities Equipment	0	1,563	2,837	4,400	0	4,400
086.057	Purchase Non-Revenue Vehicles	0	3,731	17,754	21,485	0	21,485
	<b>Sub-Total</b>	<b>4,756</b>	<b>15,948</b>	<b>32,363</b>	<b>48,312</b>	<b>0</b>	<b>53,068</b>
	Sub-Total Projects	509,229	410,037	2,192,752	2,602,788	403,279	3,515,296
	Contingencies/Administration	0	19,101	204,947	224,048	0	224,048
	<b>Total Programmed</b>	<b>509,229</b>	<b>429,138</b>	<b>2,397,698</b>	<b>2,826,836</b>	<b>403,279</b>	<b>3,739,344</b>
<b>Deobligated</b>							
076.008	Construct Ancillary Facility (CTA-116-92B)	17,383	(150)	0	(150)	0	17,233
132.048	Convert Rail Cars To One Person Operation (IL-03-0192)	7,059	(225)	0	(225)	0	6,834
172.006	Paint Bridges Yellow & Purple Lines (CTA-135-96B)	500	(375)	0	(375)	0	125
172.006	Protective Coating for Bridges (IL-03-0205)	1,700	(900)	0	(900)	0	800
201.004	Facility Improvement - Fuel Cell Bus (IL-90-X313)	3,000	(850)	0	(850)	0	2,150
	<b>Sub-Total</b>	<b>29,642</b>	<b>(2,500)</b>	<b>0</b>	<b>(2,500)</b>	<b>0</b>	<b>27,142</b>
	<b>Total New Funds</b>		<b>426,638</b>	<b>2,397,698</b>	<b>2,824,336</b>	<b>403,279</b>	<b>3,227,615</b>

## The 2001-2005 Capital Improvement Program Overview

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### The Bus System

#### *CTA's Bus Fleet*

The Chicago Transit Authority operates approximately **1,900 buses**, making **over 27,500 weekday trips on 131 routes**, serving hundreds of thousands of riders on a typical weekday. Each customer who boards a bus at one of the more than **12,200 bus stops** located throughout our service area expects to receive reliable service that is on-time, clean, safe and friendly. The backbone of the bus system is the bus fleet. The system's success depends on the CTA's ability to renew, maintain and operate the bus fleet.

#### *Bus Rolling Stock*

In recent years, the reliability of our bus service suffered as a result of using older vehicles that are beyond their useful lives. Riders were inconvenienced and delayed, as buses failed in service or basic comfort amenities like air conditioners proved to be unreliable. The result for the CTA was increased maintenance costs, questionable reliability and passenger discomfort – clearly realized through a steady decline in ridership in the years prior to 1999.

The 2001 Budget will continue funding bus vehicle needs, budgeting nearly **\$35.4 million** during the coming year; providing funds to purchase new articulated buses to meet the growing demand for bus service. These buses carry more passengers than a standard 40-foot bus - and are used on CTA's most heavily traveled routes.

*In response to recent increases in system ridership and to support a projected increase in demand for service, recent capital programs provided funding to purchase 469 new 40-foot Nova buses.*

*By the end of 2001, a total of 309 new Nova buses will be delivered and placed in service, at a total cost of \$72.5 million.*

*Customer satisfaction surveys tell us clean windows improve the perception of safety and security for our riders.*

*CTA's Operation Clearview is a program that uses protective plastic coatings to minimize damage done to window glass by vandals. Clearview also funds the installation of security video cameras and recorders on buses to catch perpetrators in the act.*

Over the next five years, the CTA plans on spending over **\$265 million** on the purchase of more new lift equipped and air conditioned buses; marking significant progress towards CTA's goal of having our entire fleet air conditioned by the summer of 2003. These buses will primarily be used to replace models that entered service in 1985-1991. Replacing this outdated equipment will increase the comfort of their daily commute for thousands of CTA customers.

Smaller and perhaps less noticeable improvements in our existing buses are also on our capital agenda. The 2001-2005 capital program provides **\$39 million** for replacing old outdated fareboxes to make fare collection and customer boarding even more convenient.

The CTA has also embarked on a program of **preventive maintenance** aimed at reducing costs and improving service. Unscheduled maintenance, required after a failure while in service, disrupts operations and causes dissatisfied customers.



## The 2001-2005 Capital Improvement Program Overview

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CTA is improving reliability through **routine replacement of major mechanical components subject to extensive wear**. With fewer road calls and fewer buses taken out of service due to mechanical problems, CTA bus service will be more reliable as a direct result of the preventive maintenance program.

CTA plans to spend \$15 million in 2001 and \$52 million over the next five years to conduct **mid-life overhauls** on buses. With a projected service life of 12-13 years, CTA's plan calls for **complete rehabilitation of a bus approximately 5-7 years after it enters service**

CTA will also spend over \$76 million dollars for other miscellaneous bus improvements including reconstructing a bus garage, the installation of bus maintenance and bus washing equipment at the Forest Glen bus garage and bus bridges and turnarounds.

The CTA will also be doing our part to promote intermodal transportation by outfitting all CTA buses with **bike racks**. Many CTA customers might ride the bus to their destination, taking their bicycles along, and for example, spend the day enjoying Chicago's lakefront. By spending **\$2.5 million** on this project, the CTA will encourage the use of transit by bicycle riders wishing to avoid the more congested arterial streets within our service area.

## The 2001-2005 Capital Improvement Program Overview

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### The Rail System

CTA's rail system consists of approximately **1,190 rail cars**, traveling over **289 miles of track**, making **1,900 train trips** on **seven routes** serving **142 stations** on a typical weekday. Hundreds of thousands of customers expect CTA's rail system to deliver them to their destination quickly and safely everyday. To meet our customers' expectations, CTA must coordinate the efforts of thousands of employees working together to deliver on-time, clean, safe and friendly service to our customers.

### Rail Rolling Stock

The five-year CIP allocates **\$209.4 million dollars**, to replace our aging 2200 Series rail cars by 2005. The 2200's are the oldest cars in the fleet and replacing them will go a long way towards rebuilding our system and improving rail car accessibility.

CTA's 2001-2005 capital program also sets aside **\$133 million** in FY 2001 for the overhaul and upgrade of CTA's rail fleet; representing the first installment of nearly **\$259.8 million** in projected funding during the next five years.

### A "New Start" for the Blue Line: Rebuilding the Douglas Branch

Using TEA-21 and Illinois FIRST funds, the badly needed reconstruction of the Blue Line's Douglas Branch will begin in 2001. In addition to the funding already received for preliminary planning and design work, over **\$106 million** is budgeted for 2001, and a total of **\$457 million** is projected to be spent through 2005. This project will include the complete reconstruction of the elevated stations and over five miles of elevated structure and trackwork. The purchase and installation of new signal/communications equipment, plus miscellaneous work on the right-of-way and track are also included.

In keeping with our plan to minimize the inconvenience to our customers, the Blue Line's Douglas Branch will remain operational throughout the construction process. CTA's effort to improve reliability, passenger safety and on-time performance for Douglas passengers will hopefully produce a level of customer satisfaction that will surpass the results of the Green Line reconstruction project of 1994-1996.

CTA also plans to **expand capacity on the Brown Line (Ravenswood)**. Over the past few years, ridership on the Brown Line has exceeded not only growth projections, but also the system capacity that can be supported by signal infrastructure. Our capital budget provides **\$11 million** for preliminary planning and design work on the Brown Line in 2001, with **\$11.7 million** having already been budgeted on project planning and design. Current projections estimate an additional **\$320 million** will be allocated to the Brown Line expansion over the next five years, to complete the capacity expansion project.

*By December of 2000, an estimated 306 Series 2600 rail cars will have been thoroughly overhauled at a cost of over \$187 million under the first overhaul phase.*

*Other phases featuring the overhaul of an additional 292 rail cars will be completed or substantially underway by the end of 2001, with an estimated 168 rail cars overhauled and back in service by December, 2001.*

## The 2001-2005 Capital Improvement Program Overview

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Over and above the improvements realized through the Blue Line, Douglas Branch reconstruction project, **\$31.8 million** will be budgeted in 2001, to provide improvements and upgrades to CTA's rail system infrastructure. **Footwalks** – used by maintenance staff and by passengers in case of emergencies – will be replaced/renewed. **Rail ties** will be replaced. **Communications systems** will be enhanced and upgraded with new technology. And perhaps most importantly, the **structural steel elements** used to support CTA's world famous elevated track will be rehabilitated.

The CTA will spend nearly **\$7.7 million dollars** on facility improvements in 2001, including **new car washers** for the **Ashland, Rosemont and Des Plaines Rail Yards**. The Des Plaines facility will undergo an extensive shop upgrade as well. The capacity of the **98<sup>th</sup> Street Rail Yard** will also be studied, using funds projected later in the five-year plan, to explore ways to provide expanded maintenance and repair facilities for the Red Line.

*Several station reconstruction projects will be completed in 2001.*

*Stations serving the Green Line at Indiana, Pulaski, Conservatory and Garfield will be completed, as well as the Western Avenue station on the Blue Line, O'Hare Branch, at a total cost of just over \$37 million.*

In 2001, CTA plans to spend over **\$1 million** to design a new **Lawrence Avenue Station** on the Red Line, Howard Branch. This project is one of the first efforts in a program that will expend **\$243.6 million** over the next five years to reconstruct about **15 rail stations**.

The 2001 Budget will spend an additional **\$5.6 million dollars** to repair and renovate the **elevators and escalators** in CTA stations. Escalators play an important role in the transfer of passengers from station to street and in the downtown area, from one rail line to another. Many of these escalators exceed the average service life of 20 years; others need extensive mechanical overhaul to bring them to a state of good repair.

Unscheduled maintenance has increased over the years and a complete overhaul and/or replacement of these systems is expected to produce cost savings in CTA's operating budget.

Similar problems plague our system's **elevators**. Elevators provide access to our rail system for our customers with disabilities. Many of our elevators are old; making replacement parts hard to find. Some do not meet current ADA standards. Once these projects are complete, CTA customers will find a newly accessible experience awaiting them at their neighborhood rail station.

The 2001 Budget features nearly **\$46 million** allocated to various projects which directly or indirectly support our service delivery. Projects that improve the operation of our Control Center, upgrade our financial systems and provide critical management information and operational support to our bus and rail fleets.

CTA's more visible needs are also addressed in this section; represented in our 2001 Budget by items such as the repair/replacement of roofs at one of the more than **400 facilities/buildings** used by CTA. Overall, the five-year CIP will expend over **\$189.4 million** to fund various systemwide projects like these.

## The 2001-2005 Capital Improvement Program Overview

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### Looking Ahead

CTA is making progress towards our goal of providing on-time, clean, safe and friendly service, but much remains to be done to bring our system to a state of good repair. The 2001-2005 Capital Improvement Program projects **\$2.8 billion** will be available over the next five years to help the CTA continue its renewal, but that will only be the first step. As long as projects such as the installation of emergency equipment in subways or the reconstruction and expansion of our maintenance facilities remain unfunded, CTA will lack complete capacity to provide quality service to our customers.

Completely rebuilding our system means addressing over **\$1.8 billion** in unfunded capital needs over the next five years, as well as additional needs that develop over the following five-year period, as currently serviceable assets reach the end of their useful lives. The CTA must work ceaselessly to bridge the funding gap between today's needs and tomorrow's increasing demands for service, resulting from ridership gains and further wear and tear on our system. FY 2001 represents the second year of funding under Illinois FIRST; a program which has helped advance our efforts to renew our bus fleet and initiate or expand preventive maintenance programs.

With every dollar of new capital funding obtained, with every capital dollar spent, and with each project completed, the CTA comes closer to realizing this goal. And when one of the new Nova buses stops to pick up passengers, or a fully overhauled 2600 Series rail car pulls into a newly rebuilt station, our customers will experience the results of our capital program. They will see firsthand that the CTA is moving in the right direction; providing quality, affordable transit services that link people, jobs and communities.

# Appendices



*We will focus on getting  
the job done and will  
derive  
personal  
satisfaction from  
the service we provide.*

**Results-Oriented**

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## Creation of Agency

### Transit in Chicago: The first 100 years

The Chicago Transit Authority, an independent government agency, was formed when the Illinois General Assembly passed the Metropolitan Transit Authority Act in 1945. In the same year, the City of Chicago passed an ordinance granting the CTA the exclusive right to own and operate a unified local transportation system. Voters in a referendum passed the Act and Ordinance on June 4, 1945.

In the years between the two World Wars, the viability of privately owned and operated mass transportation in Chicago was in doubt. At the time, two of the three transit companies in Chicago were facing bankruptcy as repeated restructuring efforts failed. Cash shortages were causing the delay of essential capital investment.

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

### Chicago Surface Lines

1859 marked the beginning of mass transportation in Chicago. Early service was horse-drawn. In 1882, the Chicago City Railway obtained the exclusive rights to operate San Francisco-style cable cars in Chicago. Cable cars gave way to innovations in electric traction. Electric-powered streetcars replaced the last cable and horse-drawn cars in 1906.

Streetcar lines operated along most major streets in Chicago. On February 1, 1914, five streetcar companies united under a single management: the Chicago Surface Lines. At its peak, the Chicago Surface Lines operated along 1,100 miles of tracks; it was the largest and most heavily used streetcar system in the world.

### Chicago Motor Coach Company

Buses were first used in Chicago in 1917 with the creation of the Chicago Motor Bus Company. Bus use was limited to Chicago's boulevards and parks. The Chicago Motor Coach Company succeeded the company in 1922.

### Chicago Rapid Transit Company

The Chicago and South Side Rapid Transit Railroad Company opened on June 6, 1892, bringing elevated train service to Chicago. At the turn of the century, four separate transit railroads operated in Chicago. The first trains, powered by steam, were quickly converted to electricity. Elevated tracks were built along available right-of-ways often above alleys and less heavily used streets.

The opening of the Loop "L" in 1897 connected rapid transit lines serving the north, south, and west sides of Chicago. The rapid transit companies formed a cost-saving trust in 1911 and later, in 1924, merged creating the Chicago Rapid Transit Company. To ease traffic congestion, the US Department of Interior, the Public Works Administration, and the City of Chicago financed the State Street Subway that opened in 1943 and the Dearborn Street Subway that opened in 1951.

### Massive Modernization by CTA

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

## Chicago Transit Authority Transit Facts

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### 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 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, subject to the approval by the City Council and the Governor. The Governor, subject to the approval of the State Senate and the Mayor of Chicago appoints three.
  - In 1974, the Regional Transportation Authority (RTA) was created by state legislation. The RTA serves as CTA's fiscal oversight agency.
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### Service Area & Population

- 220 square miles of Chicago and 38 nearby suburbs. This service area has 3.7 million people.
- 

### Ridership

- 455 million trips projected in 2001
  - Over 1.5 million trips per weekday.
- 

### Bus Service

- 1,878 buses make 21,000 weekday trips over 131 routes
  - Routes cover 1,935 miles, with over 12,200 bus stops.
- 

### Train Service

- 1,190 train cars make over 1,900 weekday trips on seven routes.
  - There are 289 miles of track, including yard track, with 142 stations
- 

### Paratransit Service

- The CTA contracts with three carriers and nineteen taxicab companies that provide door to door service for riders with disabilities.
  - 1,268,219 trips projected in 2001
-

## FUNDING SOURCES & ALLOCATION

All public funding CTA receives for both operating and capital needs is funneled through the RTA. RTA receives funding from several sources for both operating and capital expenses for the region. Under the Regional Transportation Act, as amended in 1983, some of the funds are allocated to the Service Boards based on a formula included in the RTA Act. Other funds are allocated based on RTA's discretion. The sources and allocations are outlined below.

### Sales Tax Revenue

RTA has authority to levy a sales tax (¾% in Cook County & ¼% in the five collar counties) and a tax on automobile rentals. At this time, RTA has levied only the sales tax. In addition, the RTA receives from the Occupation and Use Tax Replacement Fund, a sum equal to the amount generated by a ¼% sales tax in Cook County.

The 2001 budget for sales tax revenue for the Region is \$669.0 million. Sales tax revenue is distributed by legislative formula per the RTA Act. The first fifteen-percent is allocated to RTA to fund RTA's budget. The remaining 85% is distributed by formula as follows:

	Chicago Tax Revenue	Suburban Cook Tax Revenue	Collar County Tax Revenue
CTA	100%	30%	0%
Metra	0%	55%	70%
Pace	<u>0%</u>	<u>15%</u>	<u>30%</u>
Total:	100%	100%	100%

RTA may distribute at its discretion any funds remaining from the initial 15% sales tax distribution that is in excess of RTA's funding needs.

### Federal Assistance (Federal Transit Administration)

RTA is the region's recipient of federal assistance, which previously included both operating and capital funds. RTA's 2001 budget for federal funds is \$498.0 million, none of which is allocated for operating purposes. Capital funds are allocated based on the approved capital program.

### State Assistance

The State of Illinois also provides both operating and capital funds to the RTA. The operating funds come from the State's Public Transportation Fund (PTF) which is provided each month in an amount equal to 25% of the net revenue realized from the RTA sales tax. RTA has the option to use PTF funds for capital purposes if it so desires. RTA's 2001 Budget includes \$168.0 million in PTF funds. PTF funds are allocated among the Service Boards based on RTA's discretion. RTA must adopt a balanced budget reflecting at least a 50% revenue recovery ratio before it can receive the State PTF funds.

The capital funds from the State overwhelmingly come from the proceeds of Transportation Bonds; a small amount of General Revenue Funds (GFR) is also available. These are limited to capital purposes. They are primarily used for the local share of federally-funded capital projects and they are approved on a project-specific basis. RTA's 2001 Budget includes \$ 75.7 million in state bond proceeds, and \$4.3 million in General Revenue Funds.

Operating funds in the form of Additional State Assistance (ASA) are provided in the budget as well as reimbursements for reduced fare. The RTA 2001 budget includes \$ 48.0 million for ASA and \$40.0 million for reduced fare reimbursements. The reduced fare reimbursements are allocated to the three service boards based on reduced fare ridership.

### **Service Board Fund Balance**

Service Boards are funded to their approved budget levels. If they require less funding during the year, this difference goes into their fund balance. This fund balance may be used for other projects or to fund operating expenses in future years. In 2001 CTA will use \$7.0 million of its fund balance for capital projects.

### **Capital Financing**

CTA's capital needs are funded primarily by three agencies: the Federal Transit Administration (FTA) of the United States Department of Transportation; the Illinois Department of Transportation (IDOT); and the Regional Transportation Authority (RTA). Funds are also provided from other local units of government who receive FTA/IDOT/RTA grants and contract with CTA for performance of work.

Previously, FTA funds came from two programs, authorized by 49 U.S.C. Chapter 53, Sections 5309 and 5307 (formerly Sections 3 and 9, respectively, of the Federal Transit Act). On June 9, 1998, the Transportation Equity Act for the 21 Century (TEA-21) was signed into law which amended 49 U.S.C. TEA-21 provides a six-year reauthorization of the Federal Transit Program. FTA grants can pay for up to 80% of the cost of a capital project, with the remaining 20% usually funded by IDOT or the RTA.

Through the passage of **Illinois FIRST**-a Fund for Infrastructure, Roads, Schools and Transit, (a five year public works program)-CTA secured the local matching funds necessary to obtain federal funding through TEA-21. Transit was allocated \$2.0 billion dollars for bus, rail, and other mass transit infrastructure needs under Illinois FIRST in Northeastern Illinois. CTA expects to receive approximately \$2.8 billion from both state and federal sources to spend on capital needs for the period 2001-2005.

TEA-21 established two new competitive transit programs. The Clean Fuels Formula Program (Section 3008) and the Job Access and Reverse Commute Program (Section 3031) in addition to retaining Federal funding established by both Sections 5309 and 5307.

- Section 3008, "New Clean Fuels" authorizes funds for purchase or lease of clean fuel vehicles and related facilities, to improve existing facilities for clean fuel buses, and to repower, retrofit, or rebuild pre-1993 engines under certain conditions.
- Section 3037, "Job Access and Reverse Commute Grants" authorizes grants for both reverse commute projects, defined as transportation for suburban job opportunities along with transportation to welfare recipients (individuals who receive or received aid under a State program funded under part A of Title IV of the Social Security Act) and eligible low-income individuals (those with family incomes at or below 150% of the poverty line).

- Section 5309, "Capital Investment Program" authorizes grants for Fixed Guideway Modernization projects, with funds allocated by statutory formula, and Bus projects, which are at the discretion of FTA, within the levels authorized and appropriated by Congress. Congress often earmarks Bus funds, thereby reducing FTA discretion. Finally, New Starts are authorized in this section, with annual Congressional appropriation and allocation to special projects.
- Section 5307, "Urbanized Area Formula Program" authorizes grants for any capital, operating or planning purpose (with operating use subject to a cap). Funds are allocated by statutory formula, to all qualifying urbanized areas in the country, with the amount based on Congressional authorization and appropriation. The FTA program also includes two new sources of funds, authorized in late 1991 under the Intermodal Surface Transportation Efficiency Act (ISTEA). These are:
  - The Surface Transportation Program (STP), funded from the Highway Trust Fund, but with local flexibility to fund either transit or highway projects. Programming decisions are made by IDOT and local municipalities. CTA has never directly received STP funds.
  - The Congestion Mitigation and Air Quality Improvement Program (CMAQ), to fund transit, highway, or non-traditional projects with the specific intent to improve the Chicago region's air quality. Programming decisions are made by the Chicago Area Transportation Study (CATS) and IDOT. CTA has been successful in pursuing CMAQ funds, having received over \$54.0 million from 1992 to 2000.

The CTA can also receive grants from IDOT and RTA, not tied to federal funding. Until the passage of **Illinois FIRST**, however, most of these funds were needed to match federal funds so as not to lose the opportunity of 80% federal grants. Transit funding under Illinois FIRST approximately equals anticipated federal funding, meaning a significant number of non-federal funds will exist. Non-federal funds come from several sources:

- RTA bonds backed by RTA revenues; RTA "Strategic Capital Improvement Program (SCIP)" bonds backed by State of Illinois funds guaranteed to RTA for this purpose;
- RTA "Discretionary" funds, the use of RTA revenues for capital expenditures not tied to bonded debt;
- IDOT Series B Transportation Bonds,
- IDOT General Revenue Funds;
- Occasionally, CTA will run an operating surplus which can be carried forward for capital projects in later years; and,
- Proceeds from innovative lease transactions.



## **Procedures**

Each year, the local agencies involved in public transportation grant programs (primarily the City of Chicago, RTA and the three service boards - CTA, Metra and Pace) estimate the availability of Federal, State and local capital grant funds for the next five years, and how funds should be allocated among the agencies. (For example, CTA is allocated 50% of the \$1.3 billion in SCIP debt capacity authorized in Illinois FIRST, and is usually allocated 58% of FTA, RTA Discretionary and IDOT funding.) Each agency then develops a capital program to use the expected funds to the best advantage. Precise allocations of FTA/IDOT/RTA funds for 2001 are still subject to adjustment based on final agreements in this area as well as pending decisions regarding CMAQ and STP (flexible) funds. The funding marks used in this document are the best presently available.

Capital grants take the form of contractual agreements between CTA and its respective funding agencies. Each grant agreement stipulates the work to be accomplished and corresponding budget. The usual practice is to fund several different items of work in each grant (CTA calls these work items "job orders"). The CTA cannot encumber or spend any funds on a capital project until written approval is received from each funding agency participating in that project. Approval generally takes the form of an executed grant agreement.

Most of CTA's capital projects are funded by a mix of FTA, IDOT and RTA funds, in separate grant agreements. The rules governing budget detail, oversight, prior approval of certain actions, etc., vary from agency to agency. This results in a very complex administrative burden, as project activities must be reconciled with multiple sets of requirements. Managing these requirements is important because the grant agreements give each funding agency broad powers of oversight, inspection and audit over all project activities, and the potential to disallow costs and require reimbursement, with interest, from the CTA.

Procedures for funding capital differ significantly from those used for operating expenses. Whereas operating funds do not carry from year-to-year (though the CTA can retain a favorable budget balance for other purposes), capital grant agreements do not expire at year-end, but continue in force for several years. Because the grants are project-specific, rather than time-specific (i.e., limited in duration), and because capital projects often take years to complete, any given year's capital spending consists of expenditures from many grants, which may have originated either recently or several years ago.

## THE ANNUAL BUDGET PROCESS

### **The Budget & Financial Plan Process**

The RTA Act requires the RTA Board to adopt a consolidated annual budget and two-year financial plan. The budgetary process contains three phases: budget development, budget adoption, and budget execution and administration.

### **Budget Development**

Budget development begins each year in the middle of June with the Budget Call from the RTA. The Budget Call outlines the required budget information for the RTA, and provides economic assumptions from the Wharton Econometric Forecasting Associates (WEFA).

The RTA's sales tax forecast is based on the most recent Sales Tax Revenue estimate provided by the State Bureau of the Budget (BOB). The BOB is required to submit to the Regional Transportation Authority by July 1 of each year an estimate of Sales Tax Revenues to be received by the CTA (Authority) for the next fiscal year.

The RTA uses this estimate and the sales tax growth rates as provided by WEFA to prepare the annual budget funding "Mark" and to estimate sales tax for the two years of the financial plan.

### **Budget Adoption**

By the middle of August, the Authority is required to submit macro-level budgets and financial plans to the RTA.

By September 15, the RTA Board is required to set operating funding "Marks" for the Authority. The "Marks" include estimates of available operating funding for the budget and financial plan, estimated cash flows and a required recovery ratio (the ratio or percentage of operating expenses that must be recovered from system-generated revenue) for the budget. Upon issuance of the Budget "Mark," the Authority revises its expenses and revenues to conform to the "Marks."

The Authority then makes its budget document available to the public. The statute requires documents be available for public inspection 21 days prior to public hearings. After the public hearings, the budget is presented at the November Cook County Board meeting. Then the Authority Board incorporates any changes and adopts the budget and two-year financial plan. By November 15, the Authority is required to submit to the RTA their detailed budget and financial plan that conforms to the Budget Marks set by the RTA on September 15th. The RTA Board adopts the proposed budget and plan upon the approval of nine of the RTA's thirteen directors. The RTA is required to adopt the budget by December 31 if the budgets meet the RTA's six criteria. If the RTA Board does not approve the budget, the RTA Board cannot release any funds for the periods covered by the budget and financial plan except the proceeds of sales taxes due by formula to the Authority.

### **Budget Execution & Administration**

After the proposed budget and financial plan are adopted, the budget execution and administration phase begins.

Detailed budgets of revenues and expenses calendarized for the 12 months of the budget year are forwarded to the RTA. The Authority's actual monthly financial performance is measured against the monthly budget and reported to the RTA Board.

### **Amendment Process**

During this monitoring, changes may be required to the Authority's budget. The RTA might revise its sales tax forecast, which would mean less public funding. This in turn would require reduced spending to meet the revised funding “Mark” and Recovery Ratio.

When the RTA amends a revenue or expense item of the budget because of changes in economic conditions, governmental funding, a new program, or other reasons, the Authority has 30 days to revise its budget to reflect these changes. Depending on the type of request, the proposed amendment may be presented to one or more committees of the RTA Board for approval. The RTA’s Finance Committee, however, must approve all amendments before they are recommended to the RTA Board. The RTA Board ultimately approves or disapproves all proposals. The budget may need to be amended if the Authority is found not in compliance with the budget for a particular quarter based upon its financial condition and results of operations. The RTA Board, by a vote of nine members, may require the Authority 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 any money except the sales taxes that are due under the allocation formula. The funds the RTA can withhold include Public Transportation Fund (PTF), discretionary sales tax and 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.

## ACCOUNTING SYSTEM & BUDGETARY CONTROL

The Chicago Transit Authority ("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.

As such, the operations of the CTA are accounted for on a proprietary fund basis. This basis is used when operations are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, and the periodic determination of revenues earned, costs incurred, and net income is appropriate.

The accounts of the CTA are reported using the "flow of economic resources" (cost of services) measurement focus and the accrual basis of accounting. Under the "flow of economic resources" measurement focus, all assets and liabilities are included on the balance sheet. Fund equity consists of contributed capital and accumulated deficit. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

In 1995 the CTA changed its financial reporting to a 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.

Management of the Authority is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the Authority 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 generally accepted accounting principles. 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 cost and benefits requires estimates and judgments by management.

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

As a recipient of federal, state, and RTA financial assistance, the Authority is also responsible for ensuring that the internal control system is adequate 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 Authority, as well as an annual audit by an independent accounting firm.

The results of the Authority's prior year-end audit provided no instances of material weaknesses in the internal control system or significant violations of applicable laws and regulations. The CTA is required by the Regional Transportation Act to submit for approval an annual budget to the RTA prior to the commencement of each fiscal year.

The Metropolitan Transportation Authority Act requires that no maintenance in excess of budget be made without

approval of the Chicago Transit Board.

The budget is prepared on a basis consistent with generally accepted accounting principles, except for the exclusion of certain expenses which do not qualify under the Act for public funding, principally depreciation expense and pension expense in excess of actual pension contributions.

The RTA funds the budgets of the Service Boards, rather than the actual Operating Expenses in excess of System-Generated Revenue. Favorable variances from budget remain as deferred operating assistance to the CTA, and can be used in future years with RTA approval. All annual appropriations lapse at fiscal year end.

The RTA monitors the CTA's performance against the budget on a quarterly basis, and if in the judgment of the RTA, this performance is not substantially in accordance with CTA's budget for such period, the RTA shall so advise the CTA. The CTA must, within the period specified by the RTA, submit a revised budget to bring the CTA into compliance with the budgetary requirements. The RTA must approve any amendments to the CTA's budget requiring additional public funding, or a reduction to the recovery ratio. Budget amendments resulting in transfers between departments, or major budget line items, are also permitted.

The Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget appropriated by the Chicago Transit Board, and approved by the Regional Transportation Authority. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established for Public Funding Required. The Authority also maintains a Position Control System, that allows the monitoring and controlling of the number of employees versus budgeted positions for every job that is not part of scheduled transit operations (which are controlled by hours, not positions).



## HISTORICAL FINANCIAL SUMMARY

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
	Projected	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<b>Operating Expenses (In millions)</b>										
Labor	610.8	583.1	575.4	573.7	570.2	541.2	550.0	573.3	563.6	543.2
Material	68.7	73.4	73.3	50.8	57.3	66.9	70.1	61.5	63.3	63.2
Fuel -- Revenue Equipment	20.7	12.5	11.1	15.1	17.5	14.8	15.9	15.5	15.7	16.7
Electric Power-Revenue Equipment	20.5	16.6	20.8	23.6	23.5	20.6	17.3	21.3	21.3	22.2
Provision for Injuries & Damages	30.0	31.0	42.0	32.1	30.0	30.0	34.1	27.4	22.4	66.3
Passenger Security	27.4	20.3	18.7	14.4	11.6	12.3	15.1	11.3	10.4	11.7
Paratransit	20.1	27.2	27.1	26.1	24.9	23.3	21.4	18.6	16.7	14.9
All Other Expenses	44.9	40.9	46.0	45.2	35.0	40.3	41.2	31.9	37.5	29.7
	843.1	805.0	814.4	781.0	770.0	749.4	765.1	760.8	750.9	767.9
<b>System Generated Revenue (In millions)</b>										
Fares / Passes	363.7	365.9	363.5	360.3	357.1	341.9	363.6	355.0	352.3	321.2
Reduced Fare Reimbursements	33.9	16.8	17.4	17.0	17.3	19.3	21.6	20.4	24.5	31.5
Other	43.4	37.8	68.4	30.0	26.8	31.9	18.4	17.9	16.3	18.6
	441.0	420.5	449.3	407.3	401.2	393.1	403.6	393.3	393.1	371.3
<b>Public Funding Required for Operations (In millions)</b>										
Operating Deficit	402.1	384.4	365.1	373.5	368.8	356.3	361.5	367.5	357.8	396.6
Loan Payment RTA	-	-	-	3.7	3.7	3.7	10.0	-	-	-
Damage Reserve Plan Payment	-	-	-	-	-	5.0	5.0	5.0	-	-
	402.1	384.4	365.1	377.2	372.5	365.0	376.5	372.5	357.8	396.6
<b>Passenger Trips (In millions)</b>										
Bus	302.8	300.2	291.7	289.3	303.3	307.3	332.7	327.8	371.3	393.1
Rail	143.1	141.7	132.4	129.9	124.1	119.3	122.9	118.2	120.0	134.9
	445.9	441.9	424.1	419.2	427.4	426.6	455.6	446.0	491.3	528.0
<b>Vehicle Miles (In millions)</b>										
Bus	67.0	66.0	64.9	69.0	70.8	72.3	73.1	73.3	74.2	74.0
Rail	56.0	54.6	53.3	51.2	48.4	45.6	50.9	56.4	55.3	56.5
	123.0	120.6	118.2	120.2	119.2	117.9	124.0	129.7	129.5	130.5
<b>Active Passenger Equipment</b>										
Bus	1,878	1,878	1,872	1,961	1,976	2,041	2,079	2,081	2,170	2,170
Rail	1,192	1,192	1,160	1,152	1,152	1,192	1,230	1,236	1,204	1,214
	3,070	3,070	3,032	3,113	3,128	3,233	3,309	3,317	3,374	3,384

## HISTORICAL FINANCIAL SUMMARY

	2000 Projected	1999 Actual	1998 Actual	1997 Actual	1996 Actual	1995 Actual	1994 Actual	1993 Actual	1992 Actual	1991 Actual
Fare Structure (At year end)										
Full Fare										
Bus	1.50	1.50	1.50	1.50	1.50	1.50	1.25	1.25	1.25	1.20
Rail	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.25
Children, Students, Elderly & Handicapped										
Bus	0.75	0.75	0.75	0.75	0.75	0.60	0.60	0.60	0.55	0.40
Rail	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.65	0.45
Transfer Charge - Full Fare	0.30	0.30	0.30	0.30	0.30	0.25	0.30	0.30	0.30	0.25
Transfer Charge - Reduced Fare	0.15	0.15	0.15	0.15	0.15	0.10	0.15	0.15	0.15	0.15
Number of Employees (At year end) (In thousands) <sup>3</sup>	11.2	11.3	11.3	11.4	12.6	12.6	12.8	13.0	13.1	13.1
OPERATING LABOR HOURS (In million)	20.1	20.4	20.1	20.9	20.8	20.7	21.6	21.9	22.3	23.2
TOP BUS OPERATOR HOURLY WAGE RATE (At year end)	20.01	20.01	19.19	18.72	18.35	18.35	17.60	17.30	17.00	15.90

## 2001 OPERATING BUDGET STATISTICS SUMMARY

The following summarizes some of the key highlights of the FY2001 operating statistics for Bus and Rail Operations, as well as, other areas within the CTA.

### MAINLINE SERVICE

In FY2001, CTA expects ridership to continue on an upward trend. Average weekday daily ridership, Saturday, and Sunday for both bus and rail are estimated to increase by 1.2% from the 2000 Projection.

Bus and rail vehicle miles are estimated to increase by 0.4% and 0.8%, respectively, from the 2000 projection as a result of CTA implementing the new service standards and some new service. At the same time, Bus passenger trips per vehicle mile are expected to increase by .4% to 4.58 trips per mile. Rail passenger trips per vehicle mile are projected to decrease by .1% to 2.61.

For FY2001, Bus STO hours are projected to increase by 0.9% while Bus miles per STO hour will approximate 2000 at 8.7. Rail STO hours are forecast to decline by 2.8%, however, rail miles per STO hour should increase 3.7%. The lower rail STO hours are due to achievement of some operating efficiencies in FY 2001. Bus trips per STO hour will approximate 2000 at 39.7 and rail trips per STO should increase by 3.5%.

The Bus Division operates 137 bus routes with 11,600 bus stops. The Rail Division operates seven routes with 144 rapid transit stations. The number of ADA Accessible Stations is unchanged at 50.

The average fare per trip in FY2001 is \$0.82 per trip.

### EXPENSES

In FY2001, total operating hours are estimated to increase 1%, while total non-operating hours are estimated to increase 11.8%. Bus operating expense per mile is projected to increase 3.2% to \$5.59 per mile and operating expense per trip is estimated to increase 9.6% to \$1.22 per trip. At the same time, rail operating expense per mile is projected to decrease by 1.7% to \$2.74 per mile, while operating expense per trip is estimated to decline by 4.4% to \$1.05 per trip. The change in bus and rail is due to the increase in wage rates and health insurance costs. Rail expense per trip declines due to a combination of ridership growth and operating efficiencies

On December 31, 1999 CTA's collective bargaining agreement expired. CTA and the Unions representing its employees are negotiating a new collective bargaining agreement. The top operator rate for FY2001 will be negotiated. Bus Operator labor expense is estimated to increase by 2.8% to \$3.31 per mile. However, Rail STO labor expense per mile is expected to increase by 2.3% to \$1.42 per mile.

The cost of maintaining vehicles are estimated to increase in FY2001 -- bus maintenance expense per mile decreased by 1.4% to \$2.18 per mile and rail maintenance expense per mile decreased by 3.9% to \$1.29.

Capital expenditures for FY2001 are forecast at \$467.9 million, an increase of 94.2% from 2000 projected. The number of Capital Job Orders will increase to 695 from 740 in FY2000.

## **SECURITY**

Security expense per Mile is forecast to increase 5.8% and security expense per trip will approximate 2000 at \$0.05 in FY2001.

## **PARATRANSIT OPERATIONS**

For FY2001, Paratransit expense is estimated at \$29.8 million an 8.3% increase over the 2000 actual. Average cost per trip in FY2001 is estimated to increase to \$23.52 per trip, an increase of 3.4%. The number of Paratransit trips provided is estimated at 1,129,947 and TAP trips are estimated at 138,270.

## Operating Statistics

	1997 Actual	1998 Actual	1999 Actual	2000 Projected	2001 Budget
<b>Service</b>					
Average Daily Ridership					
Weekday	1,369,813	1,379,919	1,433,295	1,450,497	1,483,528
Saturday	785,107	804,884	796,705	806,265	834,988
Sunday	501,415	508,618	511,312	517,448	543,829
Passenger Trips:					
Bus	289,252,527	291,740,232	300,258,262	302,232,205	308,961,433
Rail	129,957,253	132,390,362	141,682,673	137,767,795	146,030,880
Total	419,209,780	424,130,594	441,940,935	440,000,000	454,992,313
Vehicle Miles:					
Bus	69,008,700	64,888,800	66,001,000	66,244,291	67,500,000
Rail	51,193,200	53,341,800	54,564,729	54,201,051	56,000,000
Total	120,201,900	118,230,600	120,565,729	120,445,342	123,500,000
Passenger Trips per Vehicle Mile:					
Bus	4.19	4.50	4.55	4.56	4.58
Rail	2.54	2.48	2.60	2.54	2.61
Vehicles Required for Service:					
Annual Average Number of Buses	1,610	1,533	1,559	1,600	1,653
Annual Average Number of Rail Cars	910	926	926	926	926
Vehicles Owned by CTA (at Fall Fleet Assignment):					
Number of Buses	1,961	1,874	1,878	1,878	1,927
Number of Rail Cars	1,152	1,180	1,190	1,192	1,190
Miles per Average Vehicles Required:					
Bus	42,863	42,328	42,335	41,403	40,835
Rail	56,256	57,605	58,925	58,532	60,475
Average Age of Vehicles (at year end):					
Buses	7.4 years	8.6 years	9.3 years	8.5 years	8.5 years
Rail Cars	13.6 years	15 years	16 years	17 years	18 years
STO Hours:					
Bus	7,904,801	7,474,130	7,567,420	7,638,240	7,744,095
Rail and Agents	3,414,799	2,779,528	2,713,574	2,638,325	2,607,774
Miles per STO Hour:					
Bus	8.7	8.7	8.7	8.7	8.7
Rail and Agents	14.6	19.2	20.1	20.5	21.5
Trips per STO Hours:					
Bus	36.6	39.0	39.7	39.6	39.9
Rail and Agents	38.1	47.6	52.2	52.2	56.0



## Operating Statistics

	1997	1998	1999	2000	2001
	Actual	Actual	Actual	Projected	Budget
<b>Bus Operations</b>					
Number of:					
Runs Scheduled	1,080,800	1,102,680	1,114,560	1,098,720	N/A
Runs Filled	1,038,859	1,090,551	1,106,758	1,091,029	N/A
Road Calls	18,355	17,158	18,000	15,966	16,000
Bus Routes	139	129	129	129	137
Bus Stops	12,800	12,210	12,200	12,200	11,600
Passenger Trips per Bus Stop	22,598	23,894	24,611	24,773	26,635
<b>Rail Operations</b>					
Number of:					
Rail Routes	7	7	7	7	7
Rapid Transit Stations	140	140	140	142	144
Passenger Trips per Station	928,266	945,645	1,012,019	970,196	1,014,103
ADA Accessible Stations	0	0	14	14	61
<b>Expenses</b>					
Operating Hours	20,975,101	20,064,947	20,227,218	20,191,753	20,390,388
Non-Operating Hours	1,583,660	1,076,555	1,032,145	1,103,867	1,250,946
Top Operator Pay	\$18.72	\$19.19	\$20.01	\$20.01*	\$20.01*
Operating Expense per Mile					
Bus Operations	\$4.96	\$5.14	\$5.29	\$5.41	\$5.59
Rail Operations	\$2.19	\$2.74	\$2.86	\$2.79	\$2.74
Operating Expense per Trip					
Bus	\$1.18	\$1.14	\$1.16	\$1.10	\$1.22
Rail	\$1.16	\$1.10	\$1.10	\$1.10	\$1.05
Bus Operator Labor Exp. per Mile	\$2.96	\$3.02	\$3.13	\$3.22	\$3.31
Bus Maintenance Exp. per Mile	\$1.96	\$2.08	\$2.12	\$2.15	\$2.18
Bus Maintenance Exp. per Vehicle	\$68,973.51	\$72,021.72	\$74,582.27	\$75,923.14	\$76,800.00
Number of Buses Overhauled	0	120	150	500	200
Rail STO Labor Expense per Mile	\$1.71	\$1.39	\$1.49	\$1.39	\$1.42
Rail Maintenance Expense per Mile	\$1.21	\$1.30	\$1.19	\$1.24	\$1.29
Rail Maintenance Expense per Vehicle	\$53,776.63	\$58,766.39	\$53,593.17	\$56,322.79	\$57,800.00
Number of Rail Cars Rehabbed	0	0	130	170	170
Capital Expenditures	\$186,128,738	\$131,905,855	\$182,703,946	\$265,401,227	\$396,889,361
No. of Capital Job Orders in Progress	818	647	694	740	695
<b>Revenue</b>					
Average Fare per Trip	\$0.86	\$0.86	\$0.83	\$0.84	\$0.82
Public Funding per Trip	\$0.88	\$0.86	\$0.88	\$0.87	\$0.92
<b>Safety</b>					
Accidents per 100,000 Miles (Vehicle and Passenger):					
Bus	6.39	6.71	6.71	6.65	6.55
Rail	0.28	0.26	0.26	0.26	0.23

\* Please note this expense is estimated since bargaining agreement has not been finalized.

## Operating Statistics

	1997 Actual	1998 Actual	1999 Actual	2000 Projected	2001 Budget
<b>Security</b>					
Security Expense per Mile	\$0.13	\$0.16	\$0.17	\$0.17	\$0.19
Security Expense per Trip	\$0.04	\$0.04	\$0.04	\$0.05	\$0.05
<b>Paratransit</b>					
Number of Trips Provided By:					
Paratransit	1,097,584	1,103,486	1,064,322	1,097,003	1,129,949
Taxi	86,533	70,311	102,421	107,359	138,270
Number of Routes Offering Mainline Lift Service					
	75	75	75	75	78
Total Paratransit Expense	\$26,072,496	\$27,069,066	\$27,060,000	\$27,360,000	\$29,825,000
Average Cost per Trip	\$22.02	\$23.06	\$23.19	\$22.72	\$23.52

## **COMPARATIVE PERFORMANCE ANALYSIS**

The following profiles operating data for the CTA and seven other comparable transit agencies, using statistics published by the Federal Transit Administration (FTA) in its National Transit Database. The information compiled is for fiscal years ending in calendar year 1998, that is the latest year for which published data are available. Also shown is the five-year history of the CTA's performance using the same measures as in the comparison with other transit systems.

This analysis compares the efficiency and effectiveness of CTA's operation to its peer group in terms of Financial, Operations, Maintenance, and Administration measurements. Before drawing conclusions from the data, however, one should be cautioned that a more thorough evaluation might be appropriate to determine the extent to which any apparent differences could be attributed to unusual events during the time period covered, such as unique aspects of a transit system's operating environment, specific management practices, and size of the system, etc.

### **PEER COMPARISON**

The foregoing caveat notwithstanding, the CTA performed well by comparison with the average of the seven other transit systems.

### **FINANCIAL**

The CTA performed well in the financial area. Efficiency measured in terms of cost per vehicle mile and vehicle hour was substantially more favorable than the average peer group: 18.21% lower on a per mile basis and 20.81% lower on a vehicle hour basis. In terms of effectiveness, CTA's cost was 6.57% higher per passenger than the peer group, but CTA's revenue per passenger was 13.36% higher than the group's average. CTA recovered 44.83% of its operating cost from fare revenue, compared to an average of 42.45% for the group.

### **OPERATIONS**

About 58.4% of all CTA employees were directly involved in transportation service at the end of 1998. This was higher than the 55.3% average for the comparison group. The CTA's safety record is approximately 2.98 accidents per 100,000 miles, significantly lower than the peer group average of 2.57 accidents per 100,000 miles.

In 1998, 90.8% of CTA's operators' salaries paid were for productive platform time. CTA's revenue hours per transportation employee were 16.09% more than the average. Total miles per active revenue vehicle were above the peer group average by .7%.

The passenger related ratios fell short by comparison to the group averages. Some of this is a result of the size of vehicle CTA uses relative to the peer group. Yet, as noted earlier, CTA maintained more efficient cost to service ratios.

## **MAINTENANCE**

Maintenance employees accounted for 33.5% of CTA total employees; this is below the group average of 34.5%. CTA's maintenance cost per vehicle mile was below the group average by \$1.56 per mile, or 53.84% lower than the group average. Vehicle miles per maintenance employee were lower than the group average by 8.51%.

## **ADMINISTRATION**

Active revenue vehicles per administration employee averaged 3.68 at the end of 1998, compared to only 3.01 in the comparison group. Miles and revenue per administrative employee were above the peer group average by 26.72% and 13.07% respectively, while passengers to administrative employee ratio was below the average by 4.79%.

## **CTA'S FIVE YEAR PERFORMANCE**

For all transportation modes, CTA has been fairly consistent over the last five years. Service over the time frame has remained relatively stable. The fleet size has averaged about 3,148 vehicles. Platform time, as a percent of operators' wages, increased 1.99 percentage points since 1994. Maintenance cost per vehicle mile has decreased by 3.85% since 1994 and 1998.

The less favorable ratios in the analysis are related to ridership. A reduction in passengers from 1994-1998 and increased operating costs resulted in a 6.35% increase in cost per passenger. As a result, fare revenue per passenger has increased to offset the ridership cost.

# Comparative Performance Analysis

ALL MODES	Group		CTA vs. Group Avg	COMPARISON GROUP						
	CTA	Avg.*		NYCTA	SEPTA	WMATA	MBTA	LACMTA	MUNI	MARTA
<b>VEHICLES</b>										
Active revenue vehicles	2,929	2,649	10.57%	8,549	2,169	1,801	2,070	2,086	1047	821
Available for maximum service (owned)	3,560	3,121	14.07%	10,123	2,663	2,115	2,523	2,566	839	1,018
<b>FINANCIAL</b>										
<b>Efficiency</b>										
1. Cost per vehicle mile	\$6.68	\$8.17	-18.21%	\$7.44	\$8.49	\$8.08	\$7.32	\$8.38	\$12.36	\$5.09
2. Cost per vehicle hour	\$85.66	\$108.17	-20.81%	\$105.31	\$114.96	\$124.13	\$121.06	\$105.54	\$102.15	\$84.02
<b>Effectiveness</b>										
1. Cost per passenger	\$1.83	\$1.72	6.57%	\$1.34	\$2.25	\$1.92	\$1.73	\$1.79	\$1.36	\$1.63
2. Revenue per passenger	\$0.82	\$0.72	13.36%	\$0.88	\$0.96	\$0.99	\$0.68	\$0.55	\$0.45	\$0.56
3. Fare revenue as a % of operating costs	44.83%	42.45%	2.38 p.pts.	65.94%	42.78%	51.42%	39.24%	30.84%	32.71%	34.22%
<b>OPERATIONS</b>										
<b>Efficiency</b>										
1. Platform time as a % of pay hours	90.79%	0.00%	0 p.pts.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2. Transportation employees as a % of total employees	58.44%	55.33%	3.11 p. pts.	53.48%	53.96%	48.25%	44.09%	61.43%	65.89%	60.18%
3. Revenue hours per transportation employee	1,572	1,354	16.09%	1,318	1,111	1,427	1,642	1,532	1,219	1,228
4. Total miles per active rev. vehicle	40,476	40,194	0.70%	46,407	29,618	43,272	34,811	40,098	27,902	59,249
5. Peak-to-base vehicle ratio	1.90	1.43	32.49%	1.53	1.38	2.58	0.91	1.33	0.69	1.62
6. Total accidents per 100,000 miles	2.98	2.57	15.99%	3.77	2.19	3.03	1.70	2.76	3.72	0.85
<b>Effectiveness</b>										
1. Passengers per revenue vehicle mile	3.65	4.95	-26.27%	5.57	3.77	4.22	4.23	4.69	9.06	3.13
2. Passengers per revenue vehicle hour	46.83	64.31	-27.18%	78.83	51.00	64.76	69.92	59.03	74.93	51.68
3. Passengers per employee	44,877	124,224	-63.87%	55,812	32,235	45,018	55,576	580,905	61,833	38,191
4. Passengers per capita	65.56	85.14	-22.99%	138.72	64.62	100.87	122.41	35.51	60.48	73.34
<b>MAINTENANCE</b>										
<b>Efficiency</b>										
1. Maintenance employees as a % of total employees	33.53%	34.52%	0.99 p. pts	40.27%	37.63%	42.23%	42.52%	23.30%	29.27%	26.45%
2. Maintenance cost per vehicle mile	\$1.34	\$2.90	-53.84%	\$2.07	\$3.53	\$2.75	\$2.58	\$1.21	\$5.78	\$2.35
<b>Effectiveness</b>										
1. Vehicle miles per road call for mechanical failure	6,599	16,345	-59.63%	12,272	4,555	8,962	45,916	4,773	1,134	36,806
2. Vehicle miles per maintenance employee	37,072	40,519	-8.51%	26,370	25,390	58,943	34,207	61,940	25,427	51,355
3. Peak vehicle requirement as a % of active rev. vehicles	81.63%	75.63%	6.00 p. pts	91.45%	61.55%	93.00%	47.63%	79.53%	35.15%	88.67%
<b>ADMINISTRATION</b>										
<b>Efficiency</b>										
1. Active revenue vehicles per admin employee	3.68	3.01	22.22%	3.43	3.05	2.52	2.53	1.96	6.09	1.48
<b>Effectiveness</b>										
1. Miles per administrative employee	150,454	118,731	26.72%	168,814	99,584	122,922	98,689	91,909	148,878	100,319
2. Passengers per administrative employee	558,737	586,871	-4.79%	893,250	383,193	473,761	415,833	380,179	1,276,209	285,675
3. Revenue per administrative employee	\$ 456,129	\$ 403,410	13.07%	\$ 786,788	\$ 364,911	\$ 466,450	\$ 276,137	\$ 204,565	\$ 566,099	\$ 158,920

# Comparative Performance Analysis

	1994	1995	1996	1997	1998	1998 vs. 1994	1998 vs 1997
C T A - ALL MODES							
VEHICLES							
Active revenue vehicles	3,313	3,258	3,167	3,074	2,929	-11.59%	-4.72%
Available for maximum service (owned)	3,309	3,162	3,420	3,318	3,560	7.59%	7.29%
FINANCIAL							
Efficiency							
1. Cost per vehicle mile	\$6.61	\$6.48	\$6.21	\$6.57	\$6.68	1.03%	1.58%
2. Cost per vehicle hour	\$82.33	\$80.17	\$76.06	\$80.10	\$85.66	4.04%	6.93%
Effectiveness							
1. Cost per passenger	\$1.72	\$1.78	\$1.70	\$1.80	\$1.83	6.35%	1.48%
2. Revenue per passenger	\$0.76	\$0.77	\$0.80	\$0.82	\$0.82	7.91%	0.04%
3. Fare revenue as a % of operating costs	44.51%	43.48%	47.12%	45.48%	44.83%	0.32 p.pts.	-0.65 p.pts.
OPERATIONS							
Efficiency							
1. Platform time as a % of pay hours	88.80%	87.40%	88.40%	88.31%	90.79%	1.99 p.pts.	2.48p.pts.
2. Transportation employees as a % of total employees	63.00%	61.40%	59.53%	62.44%	58.44%	-4.56 p.pts.	-4.0 p.pts.
3. Revenue hours per transportation employee	1,308	1,320	1,396	1,326	1,572	20.16%	18.49%
4. Total miles per active rev. vehicle	36,262	36,110	37,386	38,066	40,476	11.62%	6.33%
5. Peak-to-base vehicle ratio	1.88	1.86	1.86	1.90	1.90	1.10%	0.23%
6. Total accidents per 100,000 miles	2.97	3.16	2.51	2.85	2.98	0.46%	4.53%
Effectiveness							
1. Passengers per revenue vehicle mile	3.91	3.7	3.69	3.69	3.65	-6.63%	-1.06%
2. Passengers per revenue vehicle hour	51.84	48.92	48.81	48.58	46.83	-9.67%	-3.60%
3. Passengers per employee	44,080	41,114	42,152	41,768	44,877	1.81%	7.44%
4. Passengers per capita	70.04	65.11	65.49	64.67	65.56	-6.39%	1.38%
MAINTENANCE							
Efficiency							
1. Maintenance employees as a % of total employees	31.10%	31.50%	32.70%	30.69%	33.53%	2.43 p.pts.	2.84p.pts.
2. Maintenance cost per vehicle mile	\$1.39	\$1.34	\$1.25	\$1.25	\$1.34	-3.85%	6.84%
Effectiveness							
1. Vehicle miles per road call for mechanical failure	5,094	5,563	6,205	6,283	6,599	29.55%	5.04%
2. Vehicle miles per maintenance employee	35,743	34,735	35,328	37,318	37,072	3.72%	-0.66%
3. Peak vehicle requirement as a % of active rev. vehicles	74.20%	73.73%	75.50%	77.91%	81.63%	7.43 p.pts.	3.72 p.pts.
ADMINISTRATION							
Efficiency							
1. Active revenue vehicles per admin employee	5.22	4.27	3.87	4.26	3.68	-29.60%	-13.65%
Effectiveness							
1. Miles per administrative employee	189,457	154,150	144,833	162,004	150,454	-20.59%	-7.13%
2. Passengers per administrative employee	750,222	579,437	544,122	608,147	558,737	-25.52%	-8.12%
3. Revenue per administrative employee	\$572,869	\$447,521	\$436,478	\$498,558.63	\$456,129	-20.38%	-8.51%
CPI All Urban Consumers (U.S. city average) <sup>1</sup>	444	456.5	469.9	480.8	488.3	9.98%	1.56%

# Comparative Performance Analysis

	1994	1995	1996	1997	1998	1998 vs. 1994	1998 vs 1997
C T A - BUS MODE							
VEHICLES							
Active revenue vehicles	2,079	2,028	1,975	1,804	1,583	-23.86%	-12.25%
Available for maximum service (owned)	2,079	2,028	1,976	1,882	1,874	-9.86%	-0.43%
FINANCIAL							
Efficiency							
1. Cost per vehicle mile	\$6.99	\$6.99	\$6.88	\$7.29	\$7.69	9.98%	5.48%
2. Cost per vehicle hour	\$72.54	\$72.16	\$69.43	\$73.09	\$76.00	4.77%	3.98%
Effectiveness							
1. Cost per passenger	\$1.56	\$1.64	\$1.55	\$1.67	\$1.64	4.98%	-2.13%
2. Revenue per passenger	\$0.76	\$0.77	\$0.74	\$0.76	\$0.74	-3.18%	-3.80%
3. Fare revenue as a % of operating costs	49.00%	46.85%	47.44%	45.71%	44.93%	-4.07p.pts.	-0.78 p.pts.
OPERATIONS							
Efficiency							
1. Platform time as a % of pay hours	90.40%	88.40%	89.70%	89.25%	91.03%	0.63 p.pts.	1.78 p.pts.
2. Transportation employees as a % of total employees	66.80%	64.30%	61.90%	66.80%	63.92%	-2.88 p.pts.	-2.88p.pts.
3. Revenue hours per transportation employee	1,456	1,463	1,553	1,504	991	-31.93%	-34.11%
4. Total miles per active rev. vehicle	35,567	35,473	34,552	36,609	39,100	9.93%	6.80%
5. Peak-to-base vehicle ratio	1.72	1.68	1.7	1.7	1.2	-30.17%	-29.45%
6. Total accidents per 100,000 miles	4.18	4.29	3.71	4.15	4.60	10.12%	11.03%
Effectiveness							
1. Passengers per revenue vehicle mile	4.56	4.33	4.5	4.43	4.77	4.64%	7.72%
2. Passengers per revenue vehicle hour	47.49	44.81	45.6	44.57	47.35	-0.29%	6.25%
3. Passengers per employee	46,189	42,137	43,818	44,784	47,777	3.44%	6.68%
4. Passengers per capita	48.81	45.06	44.48	42.35	43	-12.36%	1.01%
MAINTENANCE							
Efficiency							
1. Maintenance employees as a % of total employees	27.20%	29.00%	30.80%	26.20%	27.91%	0.71 p.pts.	1.70p.pts.
2. Maintenance cost per vehicle mile	\$1.52	\$1.57	\$1.48	\$1.59	\$1.82	19.44%	14.04%
Effectiveness							
1. Vehicle miles per road call for mechanical failure	3,135	3,433	3,615	3,592	3,493	11.41%	-2.77%
2. Vehicle miles per maintenance employee	37,927	34,172	32,098	39,241	36,473	-3.83%	-7.05%
3. Peak vehicle requirement as a % of active rev vehicles	81.72%	81.71%	80.50%	83.76%	95.45%	13.73 p.pts.	11.69 p.pts.
ADMINISTRATION							
Efficiency							
1. Active revenue vehicles per admin employee	4.8	4.15	3.93	4.02	3.19	-33.64%	-20.73%
Effectiveness							
1. Miles per administrative employee	170,809	147,054	135,719	147,088	124,538	-27.09%	-15.33%
2. Passengers per administrative employee	765,814	625,666	600,865	640,598	584,569	-23.67%	-8.75%
3. Revenue per administrative employee	\$584,869	\$481,742	\$442,952	\$489,964	\$430,139	-26.46%	-12.21%
CPI All Urban Consumers (U.S. city average) <sup>1</sup>	444	456.5	469.9	480.8	488.3	9.98%	1.56%



# Comparative Performance Analysis

	1994	1995	1996	1997	1998	1998 vs. 1994	1998 vs 1997
C T A - RAIL MODE							
VEHICLES							
Active revenue vehicles	1,234	1,230	1,192	1,190	950	-23.01%	-20.17%
Available for maximum service (owned)	1,230	1,134	1,152	1,150	1,190	-3.25%	3.48%
FINANCIAL							
Efficiency							
1. Cost per vehicle mile	\$6.48	\$6.18	\$5.74	\$6.09	\$5.75	-11.34%	-5.67%
2. Cost per vehicle hour	\$119.71	\$112.52	\$100.92	\$104.64	\$94.29	-21.24%	-9.89%
Effectiveness							
1. Cost per passenger	\$2.09	\$2.09	\$2.03	\$2.06	\$2.02	-3.17%	-1.56%
2. Revenue per passenger	\$0.76	\$0.78	\$0.80	\$0.82	\$0.83	9.24%	1.64%
3. Fare revenue as a % of operating costs	36.64%	37.47%	39.36%	39.73%	41.02%	2.11 p.pts.	0.37 p.pts.
OPERATIONS							
Efficiency							
1. Platform time as a % of pay hours	80.20%	81.70%	81.60%	83.56%	89.35%	9.15 p.pts.	5.79p.pts.
2. Transportation employees as a % of total employees	55.40%	55.50%	55.10%	55.60%	49.77%	-5.63 p.pts.	-5.84 p.pts.
3. Revenue hours per transportation employee	953	977	1,064	991	1,485	55.85%	49.82%
4. Total miles per active rev. vehicle	37,433	37,161	42,082	42,834	34,175	-8.70%	-20.22%
5. Peak-to-base vehicle ratio	2.39	2.43	2.32	2.4		-100.00%	-100.00%
6. Total accidents per 100,000 miles	1.25	1.62	1.06	1.11	1.27	1.44%	14.00%
Effectiveness							
1. Passengers per revenue vehicle mile	3.14	2.99	2.86	2.98	2.86	-9.00%	-4.10%
2. Passengers per revenue vehicle hour	75.26	71.62	66.22	66.91	59.37	-21.11%	-11.27%
3. Passengers per employee	39,721	38,788	38,831	36,883	39,972	0.63%	8.38%
4. Passengers per capita	21.14	19.94	20.91	22.23	23	6.96%	1.70%
MAINTENANCE							
Efficiency							
1. Maintenance employees as a % of total employees	39.00%	36.70%	36.30%	37.72%	42.43%	3.43 p.pts.	4.71 p.pts.
2. Maintenance cost per vehicle mile	\$1.18	\$0.99	\$0.93	\$0.81	\$0.97	-17.80%	19.87%
Effectiveness							
1. Vehicle miles per road call for mechanical failure	N/A	N/A	N/A	212,388	120,758	N/A	N/A
2. Vehicle miles per maintenance employee	32,725	35,671	37,795	33,005	33,190	1.42%	0.56%
3. Peak vehicle requirement as a % of active rev. vehicles	61.43%	60.57%	67.30%	70.92%	92.63%	31.20 p.pts.	21.71 p.pts.
ADMINISTRATION							
Efficiency							
1. Active revenue vehicles per admin employee	6.13	4.49	3.79	4.35	3.17	-48.34%	-27.27%
Effectiveness							
1. Miles per administrative employee	229,582	166,819	159,396	186,509	180,332	-21.45%	-3.31%
2. Passengers per administrative employee	713,614	494,385	451,352	552,544	511,909	-28.27%	-7.35%
3. Revenue per administrative employee	\$545,246	\$386,423	\$359,951	\$ 451,355	\$ 425,005	-22.05%	-5.84%
CPI All Urban Consumers (U.S. city average) <sup>1</sup>	444	456.5	469.9	480.8	488.3	9.98%	1.56%

# Comparative Fares

Transit agencies are ranked in descending order of lowest cash bus fare during peak hours.

Bus Rank	Rail Rank	City (System)	Peak Fares (Dollars)			Off-Peak (Dollars)		Passes <sup>1</sup>
			Bus	Rail	Transfer	Full Fare		
1	1	Philadelphia (SEPTA)	1.60	1.60	0.40	Same	D,M,W	
2	17	San Diego (MTDB)	1.50 - 1.75	1.00 - 2.25	Free	Same	M	
2	2	Chicago (CTA)	1.50	1.50	0.30	Same	Accom, M, SV, V	
2	2	Atlanta (MARTA)	1.50	1.50	Free	Same	M,W,WED,SV,V	
2	2	New York City (NYCTA)	1.50	1.50	Free	Same	SV,V	
2		Minneapolis (MTC)	1.50 - 2.00		Free	1.00-1.50	M,31day,SV	
7	6	Los Angeles (LACMTA)	1.35	1.35	0.25	0.75	M,2W,W	
7	6	Baltimore (MDOT)	1.35	1.35	None	Same	M,D,W	
7		Milwaukee (MCT)	1.35		Free	Same	W	
10	2	Pittsburgh (PAT)	1.25 - 3.50	1.25 - 3.50	0.25-0.40	1.25 - 1.60	A,M,6M,SS,W	
10		Oakland (AC Transit)	1.35		0.25	Same	M	
10	8	Buffalo (NFTA)	1.25	1.25	0.25	Same	M	
10	8	Miami (MDTA)	1.25	1.25	0.25	Same	M	
10	8	Denver (RTD)	1.25-2.00	1.25-2.00	Free	0.75	A,D,M,1W	
10	8	Cleveland (GCRTA)	1.25-1.50	1.25-1.50	Free-.25	Same	A,D,FD,M,W,V	
10	8	St. Louis (Bi-state)	1.25	1.25	0.10	Same	D,3D,M,W	
17	14	Portland (Tri-County MTD)	1.15 - 1.45	1.15 - 1.45	Free	Same	A,D,M,V	
18	14	Washington D.C. (WMATA)	1.10 - 2.00	1.10 - 3.25	0.25 - 1.15	1.10 - 2.10	2W,M*,SV*,D,W,	
19		Seattle (Metro)	1.25 - 1.75		Free	1	A,M,3M	
19	13	Newark (NJ Transit)	1.00 - 7.00	1.20 - 7.45	0.45	Same	M,W*,2W,WED	
19	17	Orange County (OCTD)	1.00 - 3.00		Free	Same	D,M	
19		Houston (Metro)	1.00 - 3.50		Free	Same	A,D,M,SV,W	
19		New Orleans (RTA)	1.00		0.25	Same	D,3D,M	
19	17	Dallas (DART)	1.00	1.00	Free	Same	D,M,V	
19	17	San Francisco (Muni)	1.00	2.00	Free	Same	D,3D,M,W	
26		Cincinnati (SORTA)	0.80 - 1.50		0.10	0.65 - 1.25	M, MW, WED, SV	
27	21	Boston (MBTA)	0.60 - 2.50	0.85 - 2.00	0.25	Same	A,M,V	
	14	San Francisco (BART)		1.10 - 4.70	Free	Same	SV	

1 D=Daily; 3D=3 Day; W=Weekly; 2W=2Weeks; WED=Weekend Day Only; M=Monthly;  
 MW=Weekday only; 3M=3 Month; 6M = 6 Month; A=Annual; SS=Summer Student; SV=Stored Value;  
 V=Visitor's Pass; Accom=Accommodation; FD = Family Day Pass(1 adult and up to 3 children)

\* Rail only.

Note: In instances where a range of fares is shown, fares charged are distance or zone related.

## COMPARATIVE FAREBOX RECOVERY RATIO

<u>City (System)</u>	<u>Fare Revenue</u>	<u>Expense</u>	<u>Recovery Ratio<sup>1</sup></u>
Chicago (CTA)	\$365,208	\$814,589	44.83%
<b><u>Peer Group</u></b>			
New York City (NYCTA)	\$1,960,361	\$2,995,818	65.44%
Washington D.C. (WMATA)	\$334,362	\$650,202	51.42%
Philadelphia (SEPTA)	\$263,100	\$656,155	40.10%
Boston (MBTA)	\$230,850	\$623,102	37.05%
Atlanta (MARTA)	\$88,042	\$257,293	34.22%
San Francisco (Muni)	\$97,888	\$309,500	31.63%
Los Angeles (LACMTA)	\$223,274	\$724,308	30.83%
<b><u>Other Selected Transit Systems</u></b>			
San Francisco (BART)	\$163,098	\$296,212	55.06%
New York (PATH)	\$70,853	\$147,475	48.04%
Cleveland (GCRTA)	\$43,309	\$195,714	22.13%

1. Farebox revenue only; CTA's budgeted recovery ratio includes non-fare revenue in addition to fare revenue.

Source: 1998 National Transit Database published by the Federal Transportation Administration.

## Glossary of Terms

<b>ADA</b>	The Americans with Disabilities Act of 1990. Federal Legislation mandates that all new buses and rail lines be wheel chair accessible, and that alternative transportation be provided to customers unable to access the transit system.
<b>AFC</b>	The automated fare collection system.
<b>Block Runs</b>	Runs that are scheduled between Monday and Friday. These runs consist of a ten hour shift at straight pay. Overtime is not a factor.
<b>Bus Trip</b>	A bus one way trip.
<b>Budget Marks</b>	The Regional Transportation Authority Act, as amended in 1983, calls for RTA to advise each of its Service Boards by September 1 <sup>st</sup> of its required revenue recovery ratio for the subsequent year, and the public funding to be available. These figures are referred to as budget marks.
<b>Deferred Operating Assistance</b>	Funds remaining from the prior year or years that can be used to cover shortfalls or capital expenditures in future years. Spending is allowed only after RTA budgetary approval.
<b>Financial Plan</b>	In addition to an annual budget, the Regional Transportation Authority Act, amended in 1983, requires that All transit authorities 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.
<b>Fund Balance</b>	Fund Balance is the cumulative amount that has not been used by which total revenues (including Public Funding) exceed (or are exceeded by) expenses over a series of years. Annual budget surpluses (or deficits) generally add to (or subtract from the Fund Balance. This balance is available to fund current or future operating or capital needs.
<b>Headway</b>	The time span between service vehicles (bus or rail) on specified routes.
<b>Illinois First</b>	A State funded program to maintain and support Illinois Infrastructure, Roads, Schools, and transit.
<b>Infrastructure</b>	The basic installations and facilities on which the continuance and growth of a community depend. For the CTA, this means such facilities as elevated structure, track, repair shops, bus garages, rail terminals, and powersubstations, ect.
<b>Labor Base</b>	This is the Labor expense for time actually worked. It excludes holidays, sick time, and vacation time.
<b>Labor Load</b>	The cost of fringe benefits. The burden includes Insurance, paid time off, FICA, and retirement obligations.

<b>Non Operating</b>	Expenses and Revenues funded with capital.
<b>Off Peak</b>	Non rush hour time periods.
<b>Peak</b>	Rush hour time periods, defined as 06:00 hours through 10:00 hours and 15:00 hours through 19:00 hours.
<b>Platform Time</b>	The period of time which a transit vehicle is in revenue service.
<b>Positive Budget Variance</b>	The favorable difference between Budget and actual revenues and/oexpenses.
<b>Public Funding</b>	Funding received from the RTA for operating or capital purposes.
<b>Purchase of Paratransit Service</b>	The cost of using outside vendors to provide transit to certified disabled riders.
<b>Recovery Ratio</b>	One of the key performanceindicators which measures the amount of operating expense that was recouped from operating revenues.
<b>Reduced Fares</b>	Discounted fare for children age 7 – 11, grade and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except Paratransit Riders.
<b>Run</b>	Rail or Bus Operator’s assigned work for the day.
<b>Service Board</b>	The Regional Transportation Authority Act, as amended in 1983, refers to the CTA, Metra (the commuter rail system), and Pace (the suburban bus system) as service boards.
<b>SPTO</b>	STO personnel that are restricted to weekend work, at a lower pay rate, and who receive no fringe benefits from the CTA.
<b>STO</b>	The portion of labor that represents Scheduled Transit Operations. This classification includes bus operators, motormen, conductors, and customer assistants.
<b>System Generated Revenue</b>	Revenue generated internally by CTA. Includes fares, charter revenue, advertising, investment income, income from local governments per a provision of the Regional Transportation Authority Act, and a subsidy for reduced fare riders per 1989 legislation.
<b>TEA – 21</b>	Federal transportation package whichreauthorized the Federal Transit Program for six years (1998-2003). Grants can pay up to 80 percent of a capital project, with the remaining 20 percent funded from local sources.
<b>Top Operator Rate</b>	The top hourly rate paid to Bus Operators and Rail Motormen, basedn employee seniority within the job, as specified by the union contract.

**Train Trip**

One way train trip from originating terminal to destination terminal.

**Trick**

A part of the daily working schedule of a transit employee. Also considered as a shift.

**Unlinked Passenger Trip  
(Unlinked Trip)**

Each boarding of a transit vehicle by a passenger is defined as an unlinked passenger trip. A single journey by one passenger, consisting of one or more unlinked boardings is considered a linked trip.

**Warranty & Credits**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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*Jeffrey L. Esser*  
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**T**he Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Chicago Transit Authority, Illinois for its annual budget for the fiscal year beginning January 1, 2000.

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

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

