



Metra

2012 PROPOSED Program & Budget Book

October 2011

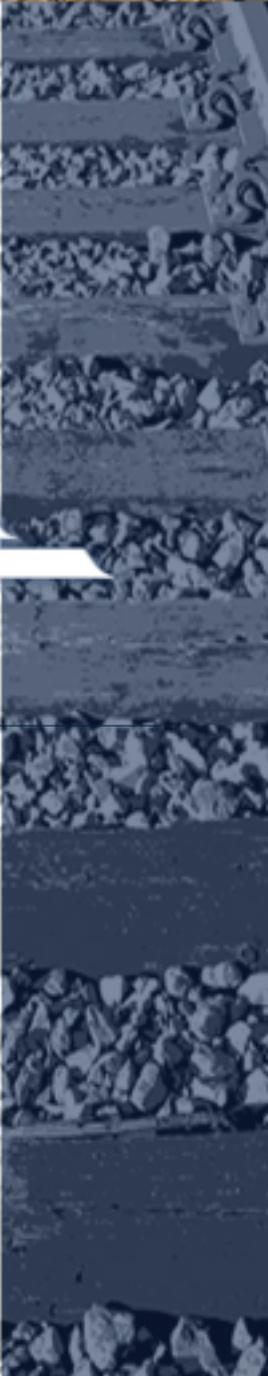
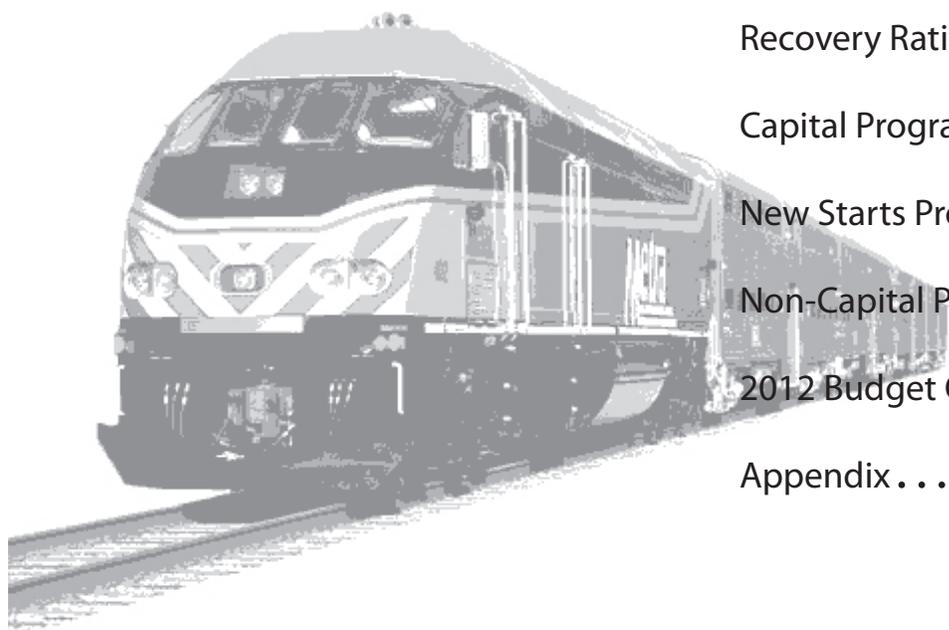


Table of Contents

System Overview	4
Board of Directors	5
Chairman’s Letter	6
CEO’s Letter	8
Staying on Track	10
Effective Stewardship	14
Maintaining Our System	22
Ridership	26
Fares	28
Recovery Ratio	31
Capital Program	32
New Starts Program	37
Non-Capital Programs	38
2012 Budget Overview	42
Appendix	49



System Overview

Metra is the largest commuter rail system in the nation geographically, serving a six-county region of more than 3,700 square miles. This complex system is comprised of 11 rail lines operating over more than 1,100 miles of track, 800 bridges and 2,000 signals.

More than 700 trains serve Metra's 241 stations, including five stations in the Chicago Central Business District, each weekday. The railroad uses more than 1,000 pieces of rolling stock, storing and maintaining this equipment at 24 rail yards and seven maintenance facilities. Metra also oversees and maintains more than 400 station platforms and provides more than 90,000 parking spaces.

Since Metra assumed railroad operations for Northeastern Illinois in 1985, ridership has grown by 35.6 percent, for an average annual growth rate of 1.3 percent. Train miles have increased by 32.3 percent since 1985. In 2011, we project that Metra will have provided 81.7 million rides, a 0.3 percent increase from 2010 ridership levels.

Metra by the Numbers

- 241 Stations
(5 downtown and 236 outlying)
- 90,238 Parking Spaces
- 1,155 Miles of Track
- 487.7 Route Miles
- 821 Bridges
- 572 Grade Crossings
- 24 Coach Yards
(6 downtown, 18 outlying)
- 11 Substations
- 5 Tie Stations
- 12 Fuel facilities

Board of Directors

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Lake County





Chairman's Letter

This past year has been one of change and new beginnings for Metra's leadership and the agency as a whole. Change is never easy but the Board and Metra's staff remain committed to working together with the leaders of this region to ensure that our rail system continues to provide the safe and reliable transportation that our riders depend upon.

The leadership change at this agency has created its own set of challenges but has also brought fresh ideas to the table. Our new leadership team is engaging Metra's Board of Directors more than ever before and providing more information so that we have the facts that we need to guide this agency and make responsible decisions. The result is better policy, advocacy and governance.

I feel strongly that how we've emerged from this crisis is due to the abilities of our employees. Throughout the turmoil of the past two years, Metra employees have continued to do an exemplary job of operating this railroad and deserve our respect. They answered management's call and worked together to identify cost efficiencies while preserving safety and service. Despite rumors to the contrary, outside auditors found no widespread fraud or abuse at the agency. Metra's employees have every reason to hold their heads high.

Metra is moving forward and taking the steps necessary to refresh our mission to provide exemplary service to the six county region with transparency and accountability. We are communicating honestly and openly with riders, government officials and employees and using the information we gather to optimize our financial and physical resources.

The safety of our riders and employees will continue to be our guiding star as we navigate through the financial and physical challenges ahead. Safety has been and will always be the first consideration in policy and operational decisions.

Metra is committed to changing how we manage our budget and the previous practices used to balance it. We have communicated honestly and openly with the public throughout the 2012 budget process. The board has heard our customers' opinions on fare increases and service cuts. We have concluded that the practice of sacrificing capital dollars to cover our operating deficit is not sustainable. The risks to our ability to provide safe and reliable service over the years to come are too great.

The Metra Board understands that our nation's slow recovery from this recession has placed pressure on everyone's bottom line. However, we are obligated by the RTA Act to balance our budget. For 2012, we have concluded that this requires a significant fare increase. We have also concluded that—in the future—it is in our customers' best interests to have moderate,

regular fare increases instead of the painful, sporadic increases like the one we face today.

As I stated at the beginning of this letter, change is hard for everyone. We know we are making decisions that will have a significant impact on our riders, but we are carrying out our deliberations openly and transparently so the public and our stakeholders understand the hard choices confronting us.

We understand that Metra has a responsibility to every community and each individual we interact with to act with respect and integrity. We believe in focusing on the passenger experience, because the quality of our service is reflected not just by what we put into it, but what our riders get out of it. We know we make a difference every day to every one of our customers.

Metra plans to remain a vital part of this region's transportation infrastructure providing value to our riders and the communities we serve.

We invite you to review this 2012 Program and Budget document to learn more about our plans.

Sincerely,

Larry A. Huggins

Acting Chairman
Metra Board of Directors



CEO's Letter

When I arrived at Metra in February, my mission was to put Metra's administration and finances back on the right track and return a sense of integrity and ethics to the agency. I was heartened to see that our outside auditors found no widespread fraud or abuse at the agency. But there was an overall lack of transparency that we have worked hard to address this year through increased engagement with our Board of Directors, our employees, our riders, elected officials and other stakeholders.

As part of my team's goal to create a more open and transparent Metra, one where our Board and the public have the information they need to understand and guide our actions, we have approached the creation of this budget from the ground up. We openly solicited cost cutting suggestions from the staff and I am pleased to report that dozens of useful suggestions were brought forth. Combined with a line-by-line analysis of each department's budget, these have yielded millions of dollars in a variety of cuts and savings in administrative and operating costs.

For 2012, we are cutting our professional service contracts, reducing printing costs, changing the way signal crews are deployed, introducing a new warranty tracking system and covering some expenses with new federal grants. We will continue to aggressively hunt for further cuts. We know we cannot solve our budget shortfall with administrative cuts alone, but we also know we can't request more from our riders' wallets without demonstrating that we are doing all we can to keep costs in line.

We are well aware that the fare increases we are proposing for 2012 are difficult for our riders. While several trends are contributing to the widening gap between operating expenses and revenues, Metra has a structural deficit that has been growing for years but, up until now, has been addressed only with half-measures. In the future, we will consider regular yet more modest fare increases to ensure a balanced budget instead of funding operating deficits by depleting our capital program. Our riders want reliable service not just for today, but for years to come.

Capital dollars are scarce and growing more so. Earmarks appear to be a funding vehicle of the past and less discretionary money is available. Given these challenges, we must focus the limited state and federal capital dollars available to us on maintaining a state of good repair for now and into the foreseeable future. This means that Metra will not likely be able to fund new lines, line extensions and increase frequency of service for some time into the future.

CEO's Biography

In February 2011, the Metra Board of Directors named Alexander D. Clifford to be the commuter rail agency's Executive Director and Chief Executive Officer. Clifford came to Metra from the Los Angeles County Metropolitan Transportation Authority (LACMTA) where he had most recently served as Executive Officer, High-Speed Rail representing the agency's interests in the development of high speed rail corridors in California. In his tenure at LACMTA, he also oversaw the installation of a Universal Fare System and the Advance Transportation Management System on all Metro buses.

Does that mean that Metra cannot grow and expand? No. However, such plans must be carried out strategically and must be addressed in a comprehensive capital plan. That plan is currently under development and should enter the public process some time next year. Through a comprehensive strategic capital plan, we will identify our growth and expansion needs across the six-county region and begin the process of prioritizing such projects for future funding opportunities.

Although our proposed budget for 2012 bridges our projected shortfall in operating revenues with a significant fare increase, we know that we must continue to improve our oversight of the agency to keep costs in check. We have instituted a reorganization of staff to streamline internal processes based on a logical structure and sound management principles. We are filling key vacancies and working on succession planning. The new management team is doing more to use data and metrics to drive performance and efficiency. To assist them, we are working to replace outdated technology and updating policies and procedures. Everything we do is driven by the desire and the need to improve the customer experience and offer the safest, most reliable train service possible.

We believe we are making significant progress at Metra, although we admit there is still work to be done. We know we are making decisions that will have a significant impact on our riders, and we are committed to making sure that scarce taxpayer dollars are spent wisely and efficiently and that our riders continue to receive the quality of service that they expect and deserve.

Sincerely,

Alex Clifford

Metra CEO



Staying on Track

Metra provides a vital transportation link for more than 300,000 people each weekday. Since 1985, Metra has invested about \$6 billion to rebuild and maintain the region's passenger rail network.

Funding for public transit is provided within two broad categories: Operations and Capital. In the six-county region of northeast Illinois served by Metra, operations funding is provided through system-generated revenues—primarily fares—and subsidized through a regional sales tax. Capital funding is provided through a variety of federal programs as well as state and local funding sources, including bond programs.

Under the provisions of the RTA Act, the RTA system, which includes Metra, CTA and Pace, is required to recover 50 percent of its operating expenses through fares and other revenues. While the recovery ratio for the entire RTA system is mandated at 50 percent, the RTA sets individual recovery ratios for each of the operating agencies as part of the budgeting process. The RTA revenue recovery ratio mark for Metra is 53.0 percent in 2012. Metra's recovery ratio for 2012 is budgeted at 54.7 percent.

Sales tax receipts have lagged behind projections for the past several years and are far below what was projected when the RTA sales tax was last revised in 2008. Yet costs, particularly for diesel fuel, continue to rise. The absence of a comprehensive state capital program and the postponed renewal of the federal transportation funding authorization have forced Metra to limit capital expenditures to maintenance of its infrastructure and rolling stock.

There is hope that the economy—and in turn sales tax receipts—will recover and that new capital funding programs will be enacted on the federal

and state levels to help Metra maintain the level of service that its customers expect. Current projections, however, indicate that Metra will continue to receive lower levels of funding for both operations and capital in 2012. As a result, Metra has been faced with difficult decisions to resolve its operating deficit.

For 2011, Metra used a provision of the 2008 revision of the RTA Act that included five years of credits (not cash) that were allocated by the RTA to the region's transit operators to give them time to adjust fares and service to match funding levels. Metra included \$41 million in the 2011 budget to meet the RTA revenue recovery ratio target. For 2012, the RTA has elected to reserve these credits at the regional level and they are not included in Metra's 2012 budget. In addition to these credits, it was also necessary for Metra to transfer funds from capital to operations for the past several years to fund Metra operations in lieu of fare increases in those years. In 2011, \$60 million was transferred from capital to operations.

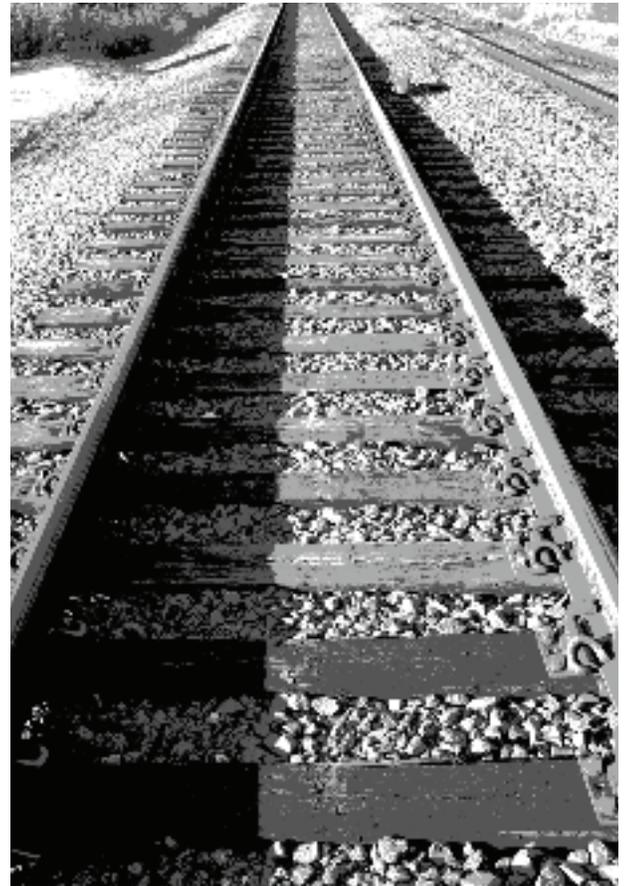
The Metra Board of Directors has supported the Metra staff position that continued transfers of funds from capital to operations is not a sustainable practice and will not take place in 2012. While it helped the agency put off fare increases and avoid service cuts, it added greatly to the existing and critical shortfall in capital investment. Continued reliance on these transfers would jeopardize Metra's ability to continue to maintain its infrastructure and fleet at a high level.

With these concerns in mind, when drafting the fiscal year 2012 budget Metra staff identified a number of cuts and efficiencies to administrative and operations costs. On the administrative side,

we made \$1.5 million in cuts, including professional service contracts and lobbyist contracts, as well as cuts to recruiting expenses, outside litigation and printing costs. For operations, \$9.7 million in cost savings were identified through locking in diesel fuel prices at an average price of \$3.08 per gallon for 75 percent of 2012 fuel supplies, changes in the deployment of signal crews that would cut overtime, and the implementation of a comprehensive warranty tracking system for our Mechanical Department.

In funding, the 2012 Budget proposes a Board action to temporarily reduce the amount of farebox capital financing by \$5 million (from \$10 million to \$5 million). Between administration, operations, and funding, Metra staff actions have resulted in a total of \$16.2 million in cuts and savings for the 2012 budget. Additionally, there was a \$1.4 million savings versus the 2011 budget due to the elimination of the Office of Inspector General line item. Effective July 1, 2011, Metra was placed under the jurisdiction of the Office of Executive Inspector General for the Agencies of the Illinois Governor along with the other service boards and the RTA.

Metra identified cuts and efficiencies where it could control costs, but there are a number of areas where costs are outside Metra's control. For the 2012 budget these include a new Federal Railroad Administration (FRA) mandate covering hours of service for our trains crews; the removal of freight work from a locomotive shop that we shared with the Union Pacific Railroad; and increased costs for snow removal. We will also see increased costs associated with the elimination of a project administration grant; an increase to our claims reserve; and a projected 10 to 15 percent rise in our insurance premiums. In total, these items increased Metra's 2012 operating budget by \$38.1 million versus the 2011 budget.



While Metra is committed to pursuing its examination of all administrative and operation functions to reduce costs, without new revenue sources there is a \$53.6 million gap between operating revenues and expenses for 2012.

In June 2011, Metra staff began outlining the challenges related to its 2012 budget to the Board of Directors and began to outline options for service reductions and fare increases. With input from the public through an online survey and input from the Metra Board and its Citizens Advisory Board, service reductions for 2012 were rejected. Customers re-

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Staying on Track, continued

sponding to the survey indicated that Metra service is a great value, both in terms of time and money.

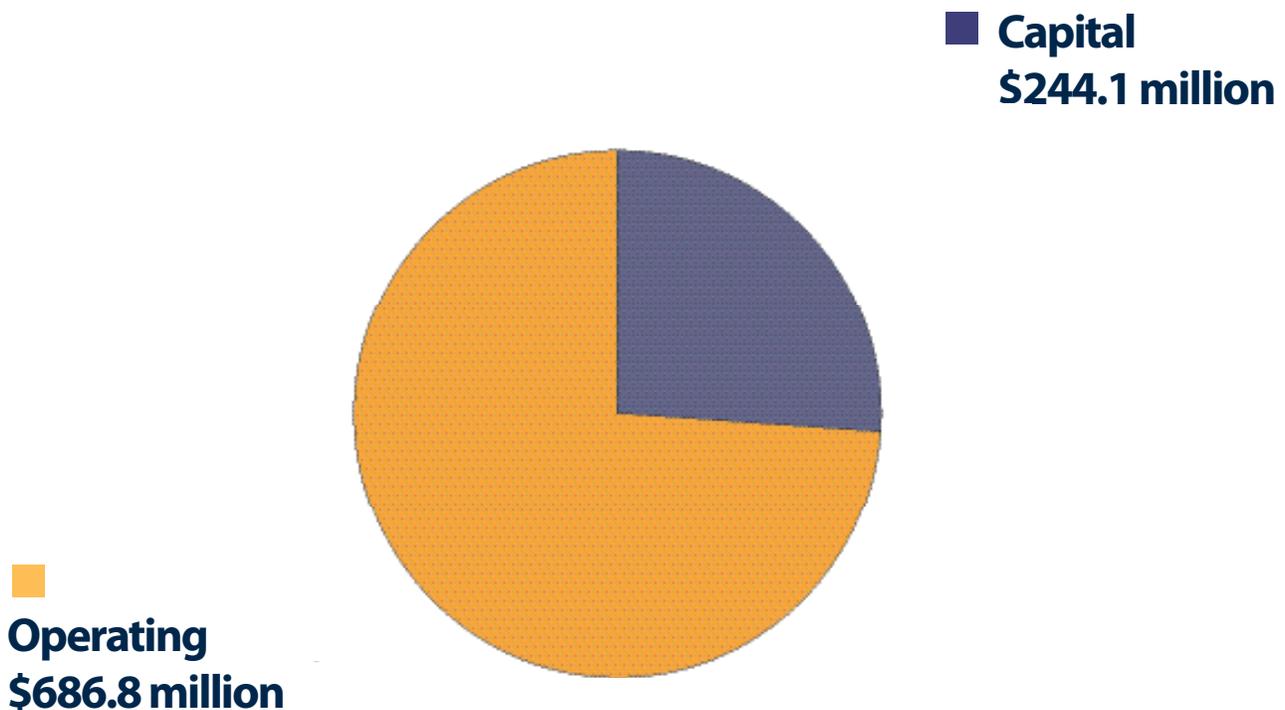
This has left Metra with a fare increase and expense reductions as the only viable option to bridge its budget shortfall. Metra has developed a plan to increase fares overall by an average of 25.1 percent for 2012. Metra fares have not kept pace with inflation and throughout the agency's history have increased at irregular intervals. The last overall fare increase

took place in 2008 and a restructuring of one-way fares, weekend tickets and onboard penalty fares occurred in 2010.

Metra's proposal for 2012 includes a revision of its overall policies regarding its fare structure. Metra staff with the support of the Board of Directors has outlined the following principles to be used in the development of this and future fare increases.

Table 1

Uses of Funds - Total \$930.9 million



Metra Fare Principles are:

- Consider regular fare adjustments that ensure a balanced budget, keep pace with inflation, and avoid significant, infrequent fare increases;
- No longer divert capital-eligible funds to the operating budget;
- Acknowledge the total cost and the total value of providing services;
- Maintain a fair pricing structure that maximizes revenues;
- Review fare media to improve fare collection and simplify overall collection activities and reconciliation;
- Minimize on-train transactions and overall transaction costs;
- Recognize that convenience has a value;
- Equalize fare differentials by zone over time;
- Evaluate fare policies of sister agencies and peers.

More detail regarding these proposed fare increases can be found in the Fares section of the Proposed 2012 Program & Budget on page 28.

For 2012, Metra's total budget for operations and capital is \$930.9 million. As shown in Table 1, page 12, this total includes \$686.8 million for operations and \$244.1 million for capital. There will be no funds transferred from the Metra capital program in 2012 to offset a sales tax shortfall needed to fund operations.





Effective Stewardship

As this agency navigates the sluggish economic recovery and diminishing capital resources, we are reaffirming the goals that have helped us create the current Metra system. These include: maintaining financial stability through cost containment and efficient deployment of operating assets, continuing the aggressive pursuit of an equitable share of federal, state and local funding, and, most importantly, maintaining safe, reliable and quality service to our riders and the region.

Metra is also working to increase transparency in its dealings with the public by providing more, and more accurate, information to its customers and the public at large. In 2011, we began an unprecedented dialogue with our riders, which we plan to continue in 2012.

Through the Metra website, we increased the amount of information available regarding our day-to-day operations, adding on-time performance reports and service-related statistics. We also deployed the technologies available to solicit customer feedback on issues such as Quiet Cars, proposed schedule changes, and the 2012 budget process through online surveys. The added information and feedback tools have been very well received. More than 7,000 people responded to the survey on our 2012 budget proposals.

We also worked to improve how we communicate with our riders in other ways. In May, Metra discontinued the practice of giving construction time allowances on our train schedules for routine projects. Time allowances are now only granted for large-scale projects. For these projects, special revised schedules are printed and distributed to passengers. Information regarding routine proj-

ects is posted on Metra's website and customers are also informed of delays through service alerts. This new policy will impact Metra's on-time performance calculations and will give our passengers more accurate information.

Metra has been working with the RTA and the other service boards to develop more formal and statistically accurate methods to track and evaluate the region's transit performance. A direct result of this is the development of a customer satisfaction survey that includes a common scale for recording responses, a set of customer satisfaction questions and a common set of demographic questions. A survey will be conducted in November 2011, using this common methodology as well as questions unique to each service board. The survey will be distributed onboard Metra trains and made available online through Metra's website. The results of this survey will be used by Metra and the RTA as part of its performance measurement and monitoring program. Survey results will also be used by Metra, where feasible, to tailor service refinements and ongoing marketing efforts.

Metra also kept the public and its riders informed regarding emissions testing. A series of stories in the *Chicago Tribune* in 2011 questioned the quality of air in our stations and on our trains. Metra responded quickly to these concerns through a series of meetings with stakeholders and regulatory agencies and comprehensive testing of air quality on its trains and at its stations.

Metra found that there are federal standards for many, but not all, of the chemicals and other components of diesel exhaust. Metra meets all existing standards. However, there is no federal standard for

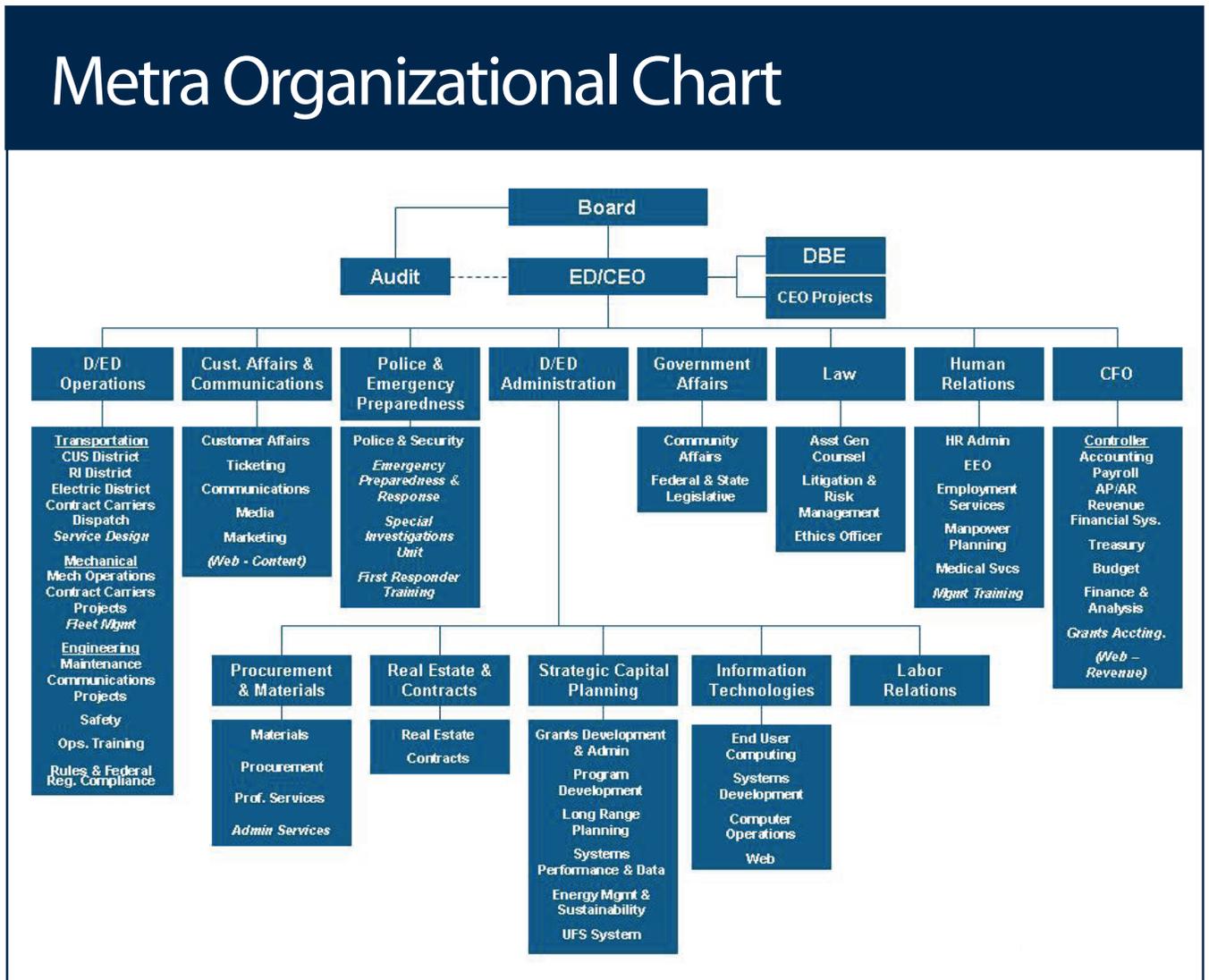
the black carbon particulate emissions, also known as soot, that were the subject of the *Tribune* article.

Metra performed two rounds of testing on its rail cars and in its downtown stations to better identify problem areas. Metra also switched its locomotives to ultra low sulfur diesel fuel, decreasing its overall black carbon emissions by approximately 8 percent. In addition, Metra tested higher-grade filters for its

rail cars as well as hoods over air intakes. The result of these tests was for Metra to switch to the higher-grade air filters.

Metra will continue to work with Amtrak, the owner of Chicago Union Station, and the building owners above the tracks at our downtown stations to inspect and maintain ventilation systems so that they continue to work as intended.

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Effective Stewardship, continued

Internal Process Improvement

Due to serious abuses uncovered in the executive director's office in 2010, the Metra Board tasked the accounting firm Blackman Kallick to perform a risk assessment and control analysis. The Metra Board also acted quickly, through ordinance, to establish an Office of Inspector General (OIG) and charged it with investigating any allegations of fraud, waste, abuse and mismanagement by the Metra Board, employees and contractors. The firm of Hillard Heintze LLC, was engaged to create this office and act as interim OIG.

In addition, the Board formed a financial practices and reporting review committee, a compensation committee, and an executive committee to review governance and oversight of the executive director's office. Ordinances were also passed to formalize policies on special contributions to employee 401(k) plans, non-contract employment conditions, nepotism and whistle-blowing.

While Blackman Kallick and Hillard Heintze's uncovered no evidence of widespread abuse or fraud at the agency, their activities identified several key areas for improvement within Metra relating to organizational structure, the hiring and promotion process, information technology, compensation and benefits, employee discipline, leadership, Metra police, strategic planning and ethics. Metra's new management team has made significant progress in following up on these recommendations.

Organizational Issues

- The CEO's office updated the organizational structure reflected in the chart on page 15.
- A staff committee has been formed to review non-contract classification and compensation and will be reporting its findings in 2012.
- The Human Resources Department is in the process of developing an RFP for a comprehensive non-contract classification and compensation study.
- A staff committee has been formed and will continue work in 2012 on revision of the non-contract employee handbook.
- Work has also begun on succession planning, risk assessment, audit and controls.

Process, Hiring, Promotions

- Metra has drafted policies to formalize and ensure that a fair and competitive process is place for all hiring and promotions.
- The Finance and Operations departments will continue analysis of high-overtime groups to determine the cost-benefit of hiring new employees versus paying overtime.
- Established policies for non-contract salary and equity adjustments.
- Established more rigorous review and sign-off policies for all manual overtime entries by contract employees.

Metra Police

- Management is reviewing existing policies regarding filling long-term vacancies through overtime.
- Management is reviewing the department's organizational structure and external security contracts and will return to the board with recommendations.

Information Technology

- Management is developing an RFP to replace current financial systems. Auditors found many of the existing systems to be outdated. The RFP will comply with best practices for information technology systems.

Compensation and Benefits

- Management is reviewing health and pension benefit programs to reduce costs.
- Human Resources is investigating enhancements to employee wellness programs.
- Blackman Kallick has been engaged by Metra to complete its risk assessment of the agency and the development of internal audit and controls strategies.

Discipline/ Ethics

- Managers are being trained on progressive discipline procedures to ensure consistency in implementation.
- The CEO has directed that he will review all leniency reinstatements.
- Metra employees are required to complete the Illinois Office of Inspector General's ethics training course.

Leadership

- Reorganization under the new leadership team and the retirement and/or departure of several of the agency's top-level managers has left Metra with a number of key vacancies to fill. Metra plans to fill most of these by Spring 2012.

Strategic Planning

- Metra is in the process of revising its strategic capital plan and will conduct an assessment of needs across the six-county region and identify high-priority projects and funding strategies.
- Metra's executive leadership and the board of directors will update its mission, goals and core values statement.

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Effective Stewardship, continued

Illinois Inspector General

Effective July 1, 2011, the State Officials and Employees Ethics Act (5 ILCS 43/1-1, et seq.) as amended applies to Metra's board members and employees. This amendment designates the Office of Executive Inspector General for the Agencies of the Illinois Governor (the OEIG) to serve as executive inspector general for Metra and the other regional transit boards (RTA, CTA and Pace). On that date, responsibilities for inspector general activities were transferred from Metra's inspector general, Hillard Heintze LLC, to the OEIG. The OEIG is accepting all complaints of misconduct relating to Metra and conduct investigations. The OEIG is also conducting all pending investigations, including those initiated by Hillard Heintze.

Complaints regarding misconduct, fraud or abuse by Metra employees and its board of directors should be directed to the OEIG, which can be contacted through its website, www.inspectorgeneral.illinois.gov, its toll-free hotlines (866-814-1113), TTY (888-261-2734), via fax (312-814-5479) or via mail OEIG, ATTN: Complaint Division, 32 W. Randolph St., Ste 1900, Chicago, IL 60601.

Citizens Advisory Board

In 2011, Metra launched a reconstituted Citizens Advisory Board (CAB). The board is composed of 12 residents of the region Metra serves appointed by members of the Metra Board and suburban mass transit districts. CAB is intended to reflect the geographic, ethnic and economic diversity of the six-county region. The CAB members are appointed to two-year terms and serve without compensation.

The function of the CAB is to meet with the Metra Board quarterly and provide counsel on how Metra's policies, programs and services impact their constituencies. The RTA Act provides for the establishment of the CAB, which had existed at Metra but in recent years had become inactive. Metra and its Board hopes that the new CAB members will increase the dialogue between Metra and the riders it serves.

RTA Transit Priority Initiatives

The RTA's long-term objectives in the region are to increase mobility, provide more accessible transit, modernize technology and provide better customer service. In light of very real financial challenges, the RTA has launched a series of key priority initiatives with the service boards to advance a collective vision for the region's transit system and establish a strategic, coordinated means of identifying areas for cost savings and greater efficiency.

Goals outlined in the priority initiatives include developing a strategic capital approach focused on reducing overall operating expenditures; harnessing the Authority's and service boards' purchasing power to achieve cost savings and improved efficiency; pursuing opportunities to maximize the use of the transit system; improving the customer experience; and creating a unified marketing, outreach and government affairs agenda.

Metra is working closely with the RTA, CTA, and Pace to achieve many of the priority initiatives. The following are some examples of how Metra is implementing these initiatives:

Impact of Capital Projects on Operating Costs

Each service board has been asked to include a formal estimate of the operating cost impacts of 2012 capital projects in their 2012 budget as a means of identifying cost savings and efficiencies. Metra continuously considers the impact of capital projects on operating costs. As stated previously, Metra does not plan to transfer any capital eligible dollars to operating in 2012. Metra intends to further investigate return-on-investment criteria for future capital programs.

Unexpended Capital Funds

The RTA is working with the service boards to review grants with unexpended funds and determine if these funds can be reassigned to other, potentially higher priority projects within each agency's budget. Metra regularly reviews project progress and the remaining grant funds to ensure that all grants are being used to their fullest potential.

Capital Investment Decision Tool

A task force comprised of the RTA and the service boards is working to test the Capital Investment Decision Tool, a computerized method for planning yearly budgets and prioritizing projects. The computer software is expected to be fully implemented for use by all agencies in 2012. Metra is also working with the RTA, CTA, and Pace on the update of the Capital Condition Assessment, which has been very useful to Metra, and will help better manage our capital assets. This update is critical to effectively utilizing the Capital Investment Decision Tool.

Joint Procurement of Energy Management System Software

Metra has been working with the RTA, CTA, and Pace on developing a potential procurement document for the purchase of energy management system software. This software would be designed to track commodity consumption (electricity, natural gas and fuel) and evaluate potential savings for Metra and the other agencies.

Improve the Transit Benefit Program

The RTA hopes to streamline the Transit Benefit Program and transition the transit voucher to a credit/debit card system. The RTA will solicit private vendor proposals to implement and administer the program in fall 2011, with the intention of introducing the new program in 2012. The new program will also be accompanied by a broad marketing effort to increase program visibility and participation. While Metra has continually championed the RTA's Benefit Program, Metra plans to work even more closely with the RTA given that this will significantly enhance the purchase of tickets through Metra's Ticket-by-Internet program.

Grow the Reverse Commute

Metra has been working with the RTA and Pace to identify potential areas for increased reverse commute focus in specific communities along its rail lines. In the Union Pacific West Line corridor, Elmhurst and Wheaton are being evaluated as possible markets for service refinements as well as increased corporate outreach. Also, Metra continually works with Pace and business/civic groups, such as TMA Lake-Cook and the DuPage Mayors and Managers Conference,

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Effective Stewardship, continued

to identify, develop and promote coordinated services that provide “last mile” connections for reverse and suburb-to-suburb commuters. Metra encourages and supports other connecting options for suburban employees, such as Pace’s Metra Feeder vanpool program, which enables Metra’s reverse-commute passengers to park Pace vans at or near suburban Metra stations overnight and use them to reach job sites in the morning.

Improve Regional Real-time Travel Information

Since September 2009, Metra has been publishing service advisories online and via “My Metra” account e-mail and Twitter alerts. In March 2010, Metra’s mobile website was launched and now draws 25 percent of the Metra’s website usage. Automated audio train announcements have been installed at a majority of Metra’s system stations. These announcements inform Metra riders of when each train is arriving at a station based on the location of the train. Next train arrival announcements have been implemented at nine of the Metra Electric District Stations. The remaining stations will have the automated audio train announcements by early 2012. Metra is working with the RTA, CTA, and Pace to provide web-based, on-time arrival information by July 1, 2012, as required by Illinois Public Act 97-0085.

Downtown Connections

Metra is working with the RTA to improve signage at downtown Metra stations to provide coordinated interagency service and connection information to enhance the customer experience. Through on-site tours with RTA, we have identified potential

improvements. We will continue to work with the RTA and other transit services on collateral materials such as the downtown visitor guide maps, connections guides and other popular passenger informational materials. Metra works with RTA and the other service boards on joint outreach initiatives, targeting specific populations such as central business district (CBD) commercial property managers, hotel concierges and sales staff, to raise awareness about Chicago’s vast network of coordinated transit services and to promote ridership among local commuters as well as visitors and convention attendees.

Regional Open Standards Fare System

Metra will be working with the RTA, CTA, and Pace to implement an “account-based” regional fare payment system to provide fare acceptance via personal credit, debit and pre-paid cards on all fixed-route services. RTA secured CMAQ funding to develop a Regional Interagency Fare Model in order to evaluate interagency fare products. Metra will be working with the RTA, CTA, and Pace on the development of this model. Metra is also awaiting the outcome of the CTA’s Open Fare Payment Collection System procurement expected in Fall 2011. According to Illinois Public Act 97-0085, a policy regarding transfer fares on all fixed-route public transportation services provided by CTA, Metra, and Pace must be developed by January 1, 2013, and a regional fare system must be implemented by January 1, 2015. There will be many technology, infrastructure, and financial challenges for Metra to overcome to implement a regional fare system.

Metra will continue to work with the RTA, CTA, and Pace on these interagency projects. It is important to note that it is unlikely that these efforts will result in

cost savings that will significantly bridge the budget gaps anticipated in 2012. However, as difficult decisions need to be made about service cuts and fare increases, it is increasingly important

that we demonstrate our commitment to improving the customer experience and to creating efficiencies within the regional transit system.



Maintaining Our System

Many of today's riders did not use commuter rail when Metra was first created, and therefore have no memory of the deteriorated condition of the rail system we inherited. Century-old infrastructure had seen a bare minimum of preventive maintenance. Outdated rail facilities and yards hampered our efforts to maintain our equipment and provide on-time service. Over the past 26 years Metra has spent approximately \$6 billion to renew its capital assets. These projects have created the safe and reliable service that our riders have come to expect.

The renewal and expansion of our capital assets reached a high point in January 2006 with the completion of three New Starts projects: the extension and expansion of the SouthWest Service (SWS) to Manhattan, the extension of the Union Pacific West (UP-W) Line to Elburn and the expansion of service on the North Central Service (NCS). Each of these projects was completed on time and under budget.

However, Metra's efforts to move forward with plans for further expansion of the regional rail system are deferred at this point. There is not an identified source of local funding to match New Starts funds. Metra's expansion plans include four projects: the STAR Line, the SouthEast Service (SES) and upgrades on the UP West (UP-W) and UP Northwest (UP-NW) lines.

Metra has continually emphasized the necessity of new capital funding sources that will enable investment in the system to uphold our current levels of service and reliability while keeping our system in a state of good repair. Federal funding marks have also fallen short of projections in 2011 and are now projected to fall below previously budgeted pro-

jections by as much as 36 percent throughout the five-year period.

The state of good repair is defined as providing sufficient capital investment whereby operations can be sustained on a daily basis. It is achieved when infrastructure components are replaced on a schedule consistent with their life expectancy. This state of investment ensures on-time performance without interruption due to non-budgeted capital expenditures. It addresses all life-cycle investments from preventive maintenance to rehabilitation to regularly scheduled replacement of capital assets, in order to avert operational deficiencies and always maintain compliance with Federal Railroad Administration regulations.

Exclusive of State of Illinois bond funding, Metra's cumulative five-year capital program investment is nearly \$800 million and is a small component of Metra's estimated \$7.3 billion in total capital needs over the next 10 years as identified in the RTA's 2010 Capital Asset Inventory.

Metra's 2012 core capital program totals \$155 million. The core program includes federal formula and fixed-guideway funds of \$136.3 million, Homeland Security funds of \$5 million, federal CMAQ funds of \$4 million, RTA Capital Assistance of \$4.7 million and Metra capital farebox funds of \$5 million. Federal Homeland Security and CMAQ funds, totaling \$9 million, are restricted to specific projects. Metra's core capital program in 2012 also contains approximately \$50 million in financial commitments to ongoing projects.

The Positive Train Control (PTC) project has been programmed at \$28.5 million in 2012. PTC systems are integrated command, control, communications, and information systems for controlling train movements

and are designed to improve operational safety and to prevent the type of head-on collision experienced by Metrolink in southern California in 2008. PTC is a federally unfunded mandate.

Also, technological investments necessary to replace Metra's financial systems are programmed for \$12 million in 2012. Auditors found many of the existing systems to be outdated. Management is developing a request for proposals (RFP) to replace current financial systems. The new systems will increase process efficiency, improve sharing of information and enable Metra's management team to develop metrics that drive performance and efficiency.

At current funding levels, approximately \$55 million remains for the 2012 capital program to address needs across all asset categories. Metra has, therefore, pushed more than \$100 million of 2012 projects into future program years. No federal capital-eligible dollars for preventive maintenance will be transferred to operations in 2012.

Additional Challenges

In July 2011, Governor Pat Quinn signed Illinois Public Act 97-0085, requiring the RTA, Metra, CTA and Pace to develop and implement the following:

- A universal fare payment system that will allow credit cards, debit cards and prepaid cards to pay for all the region's fixed-route transit services by January 1, 2015. The RTA, Metra, CTA and Pace are required to report to the Governor annually on their progress in developing a universal fare system beginning in 2012. This system is an unfunded mandate by the State of Illinois.
- Web-based, real-time vehicle arrival information must be made available for use by all riders as of

July 1, 2012. This represents an unfunded mandate by the State of Illinois.

- A study prepared and submitted to the Governor and the General Assembly on the feasibility of providing wireless Internet services (WiFi) on all service operated by Metra, CTA and Pace by January 1, 2012. Metra is required to install WiFi on trains by January 1, 2012 but only if a no-cost to Metra option can be identified.
- Metra is required to conduct a study of the feasibility of installation of automated external defibrillators on all its trains by no later than July 2012, and is committed to begin installing at least two defibrillators per train starting in 2012.

It was estimated in 2009 that Metra will need \$7.37 billion from 2010 through 2020 to keep our railroad in a good state of repair. Optimistically Metra might receive a little over \$2 billion over the same period from federal formula funds and approved state bond funds. That leaves a funding gap of over \$5 billion. Reauthorization of federal transportation legislation and future state bond programs are essential funding mechanisms for Metra to maintain a state of good repair, meet legislative and regulatory mandates to incorporate new technologies and expand service to meet the region's future transportation needs. Metra staff will continue to work with local, state and national leaders to pursue additional capital funding sources. We will also actively pursue grant opportunities where applicable.



Maintaining Our System, continued

State Bond Program

The Illinois General Assembly passed a bond program in 2009 that will provide up to \$1.1 billion to supplement Metra's core capital program.

Our first expenditure under the State of Illinois Bond Program is the replacement of 160 Highliner cars used on our Metra Electric District. We have long stated that this project is our top priority. The cars in this fleet date back to 1971 and can no longer be rebuilt or refurbished. The new cars will include bathrooms and modern propulsion systems. In August 2010, the Metra Board approved a \$585.1 million contract with Sumitomo Corporation of America for this purchase. The first cars of this order are expected to be delivered starting in 2013.

The remainder of the state capital program will be used to address a backlog of infrastructure projects, including a number of station projects across the region, and to partially fund the installation of the federally mandated PTC on our rail system.

American Recovery and Reinvestment Act (ARRA)

An additional \$140.9 million in capital funding was also made available to Metra in 2009 through the American Recovery and Reinvestment Act (ARRA), more popularly known as the federal economic stimulus program. Federal stimulus dollars are being put to use on projects as far-ranging as the remanufacture of 40 locomotives and the replacement of bridges on the UP North Line and Metra Electric District. ARRA funds have also been used to restore the Winnetka Station, to complete various station parking and platform projects, install signal system improvements on the BNSF Line and to help create the new 35th Street/ Lovana S. "Lou" Jones/ Bronzeville Station on the Rock Island Line.

Chicago Region Environmental and Transportation Efficiency (CREATE)

The Chicago Region Environmental and Transportation Efficiency (CREATE) Program is a partnership between the State of Illinois, the City of Chicago, freight railroads, Metra and Amtrak, to remove and reduce train congestion throughout Chicagoland and the Midwest region. This congestion impacts all modes of transportation, forcing more trucks on to the highways, limiting access to airports and reducing railroad capacity.

The CREATE program's Englewood Flyover is a grade-separation project south of Chicago Union Station that eliminates one of the most delay-prone intersections in the entire Metra system. It separates Metra commuter trains from Amtrak passenger trains traveling on the Norfolk Southern (NS) corridor. ARRA funding of \$126 million was obligated by IDOT in 2011 for the Englewood Flyover project. The State of Illinois Bond Program provides \$17 million for CREATE projects through 2014.

Metra Proposed State of Illinois Capital Bond Program (in \$000's)*

Capital Assets	2010	2011	2012	2013	2014	2010-2014 Total
Highliner Cars Replacement, MED (160)	\$118,800	\$466,300	\$0	\$0	\$0	\$585,100
Renew Bridges	\$0	\$8,525	\$19,125	\$70,000	\$53,850	\$151,500
Positive Train Control	\$0	\$30,000	\$28,000	\$35,000	\$67,000	\$160,000
CREATE Program	\$0	\$2,000	\$5,000	\$5,000	\$5,000	\$17,000
Yard Improvements	\$0	\$0	\$2,000	\$21,775	\$27,575	\$51,350
Stations	\$38,200	\$23,500	\$35,000	\$39,050	\$0	\$135,750
Total Bond Program	\$157,000	\$530,325	\$89,125	\$170,825	\$153,425	\$1,100,700

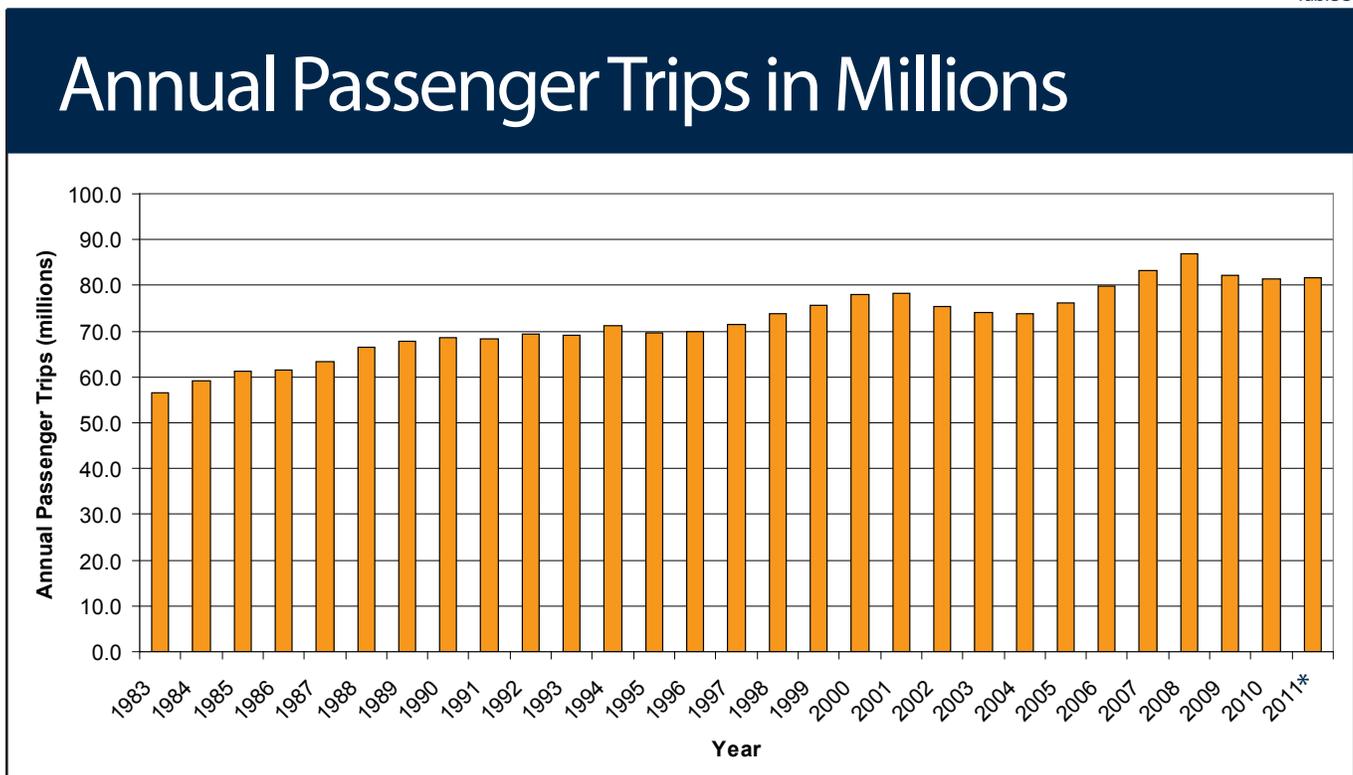
**Use of Bond funding is subject to the release of funds and prioritizing of projects by the State of Illinois in order to meet cash flow requirements.*

Ridership

Metra's customer base is comprised primarily of city and suburban residents who use our system to travel to work in downtown Chicago. Overall ridership has declined from record levels in 2008 due to the global economic downturn. However, employment levels stabilized in 2011. This coupled with soaring gas prices and increased parking rates in Chicago's Central Business District (CBD) allowed Metra 2011 ridership to remain stable compared to 2010 levels. Given the current economic environment, Metra is projecting ridership of 81.7 million in 2011.

Ongoing uncertainties about the economy and the impact on the region's employment will continue to pose the biggest challenge to increasing ridership. External influences such as the economy and fuel prices will continue to impact Metra's efforts to attract new riders and maintain existing ridership levels. However, secondary markets, such as reverse commute and recreational travel, are Metra's fastest-growing markets and present the greatest opportunity for growth. Metra is committed to growing ridership across all market segments. Metra's strategy is to position our service as the preferred mode of travel for select trips in terms of reliability, efficiency and convenience. To deliver on the strategy, Metra needs to adequately maintain its infrastructure to ensure reliable service. Ongoing capital projects and funding through the State of Illinois Bond program will help Metra achieve this goal.

Table 3



*2011 is Projected year-end ridership





Fares

Facing a \$100 million structural deficit for 2012-2013, Metra formed a multi-departmental team to look at Metra's existing fare structure and develop a strategy to meet its revenue needs. This team developed a set of principles outlined earlier in this document (page 13) to guide a restructuring of the fare system and develop a fair pricing structure that generates the revenues necessary to maintain service levels and balance the agency's budget.

Metra implemented fare adjustments in 2010 to simplify on-board fare collection by rounding its one-way fares to the nearest quarter. At the same time, Metra raised its weekend fare from \$5 to \$7, the first increase in the history of the ticket. Metra also increased the on-board purchase penalty from \$2 to \$3. Metra's last overall fare increase was a 10 percent increase implemented in February 2008.

Analysis of Metra's past fare practices showed increases at irregular intervals that remained well below inflation levels and did not reflect the realities of Metra's operating environment. Soaring fuel costs and reduced revenues from regional sales tax receipts have compounded a growing gap between revenues and operating costs.

Given these significant financial considerations, Metra will impose an increase averaging 25.1 percent across all full and reduced fare media in 2012. In the future, the agency intends to consider regular fare adjustments that keep pace with inflation and avoid infrequent, significant fare hikes. Even with the 2012 increase, Metra fares will remain well below the rate of inflation and those of its peer agencies across the country while still providing a significant value to riders compared to the cost of driving. Table 4 compares Metra's current monthly fares and its proposed fare increase (see Appendix) against the average monthly fare of its peer agencies.

In addition to the proposed 2012 fare increase, Metra will also adopt a series of new ticket policies. These policies were developed following a thorough review of our peer agencies' ticket policies. In 2012, the following changes to the ticket policies will go into effect:

- The length of time a one-way ticket will be considered valid has changed from one year to 14 days;
- Refunds will no longer be given for one-way tickets;
- The ten-ride ticket discount will be reduced from 20% to 10%, and therefore refunds on this ticket will be given with up to nine rides used and will be refundable for up to 3 months from the date of purchase;
- The monthly ticket will only be valid through the end of the month;
- Refunds on ten-ride and monthly fare media will include handling fees, including \$5 for ten-ride tickets and \$10 for monthly tickets;

- Young adult fares (12-17 years old) on weekends and holidays will be eliminated; and
- All ticket prices will be rounded to the nearest quarter.

Under the new ticket policies, the Metra subsidies on Link-up and PlusBus passes will end. These passes provide our riders with the convenience of not needing to purchase and carry a separate CTA or Pace fare card for connecting travel to or from Metra service. Metra currently subsidizes Link-up and PlusBus passes by \$6 and \$8.54, respectively. Riders will now pay the full price for these fare media.

Seniors Ride Free

On Feb. 14, 2011 Governor Quinn signed into law Public Act 096-1527 which effectively ended the Seniors Ride Free program. Effective Sept. 1, 2011, free ride eligibility was restricted to low-income seniors enrolled in the Illinois Circuit Breaker Program. Persons with disabilities who qualify for the Circuit Breaker Program will also continue to receive free rides. All other seniors age 65 and over as well as persons with disabilities are eligible for an RTA Reduced Fare Permit and pay a reduced rate for Metra service.

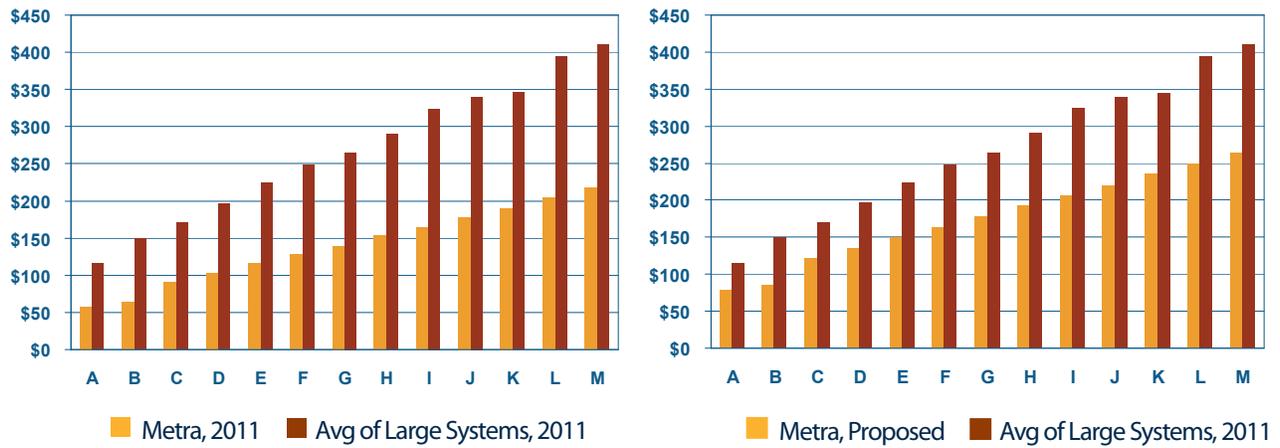
Fare campaign

Complete fare collection is essential in maintaining a balanced budget. To aid in that, Metra has introduced new and improved programs to enhance fare collection.

One example is the “Be Fair, Pay the Fare” campaign. It asks riders to keep their ticket visible for the entire trip, and alert the conductor before they depart the train if their ticket has not been collected. Metra has engaged with its conductor union in a collaborative effort to develop strategies for improved fare collection. It is management’s belief that the overwhelming majority of conductors collect fares properly. We are working to change the behavior of the few who are not. In addition, trained observers have been performing random audits on all Metra trains to ensure onboard personnel properly collect all fares.

Metra vs. Peer Agency Fares

Monthly Fares, 2011 and Proposed



"Avg. of Large Agencies" includes:

Zones A-H = Long Island Rail Road (LIRR), Metro-North Railroad (MNRR), New Jersey Transit (NJT), Massachusetts Bay Transp. Authority (MBTA), and Southeastern Pennsylvania Transp. Authority (SEPTA);

Zones I-K = LIRR, MNRR, and MBTA

Zones L-M = LIRR, MNRR, and NJT

Recovery Ratio

The recovery ratio represents the ratio of Metra system revenues to expenses, less certain exclusions, that must be achieved within the statutory provisions of the RTA Act. For 2012, Metra is excluding \$38 million from this calculation. With this exclusion, Metra's budget achieves a recovery ratio of 54.7 percent in 2012.



Capital Program

The 2012 Core Capital program is funded through federal Fixed Guideway and federal formula funds, as well as Metra farebox capital funds. The supplemental capital program includes Homeland Security funding, federal CMAQ (Congestion Mitigation and Air Quality) funding and State of Illinois capital bond program funds.

The 2012-2016 Metra Capital Program documents included in the Appendix show funding available from current sources.

Rolling Stock

Metra's fleet consists of 146 locomotives, 839 bi-level cars and 171 electric-propelled Highliner cars.

Rail car rehabilitation costs Metra \$650,000 per car versus \$2.5 million for a new gallery car. Rehabilitation of rail cars also represents a significant cost savings for Metra, while extending the life of the equipment and improving service for our riders. For Metra to maintain a state of good repair for its rail fleet, rail cars must undergo rehabilitation every 15 years, meaning that 56 rail cars per year must go through our rehabilitation program. Without a state capital program, Metra has been able to rehabilitate only 23 cars per year since 2005, resulting in an 18- to 19-year rehabilitation cycle. Our locomotives must be rehabilitated every ten years to maintain good repair. Currently, the limits on available capital funding have forced that cycle to be extended from ten to 15 years.

Through the State of Illinois Bond Program, Metra has initiated the replacement of Highliner cars used on the Metra Electric District. A total of \$585.1 million has been programmed through this program for the purchase of 160 Highliner cars.

Remanufacturing locomotives provides a significant cost-savings for Metra while extending the life of this equipment by an estimated 25 years. The cost of remanufacturing a locomotive is \$1.7 million versus \$4 million for a new locomotive. The 2012-2016 capital program provides \$56.3 million for locomotive rehabilitation.

Our five-year core capital program calls for such additional rolling stock projects as the rehabilitation of commuter cars at \$85.6 million and major fleet component overhaul at \$44.2 million.

Track & Structure

Track and structure is the foundation of the Metra system. Without the continual renewal of track components, retaining walls and bridges, Metra's reliable on-time service would deteriorate and the wear and tear on our rail cars and locomotives would increase. Since Metra was formed, we have spent more than \$1 billion on track and structural replacement.

ARRA-funded improvements include \$40.1 million toward the reconstruction of 22 bridges on the Union Pacific North Line.

To maintain a state of good repair, Metra has established a continual cycle of inspection and renewal for its track and structures. We currently replace 80,000 ties and 35 rail crossings per year. Ballast and track resurfacing is performed on a 4-year cycle, and since 1980, 83 bridges on the Metra system have been replaced.

Track and structure project highlights in the 2012-2016 core capital program include nearly \$115

continued...



Capital Program, continued

million for bridge replacement and renewal and retaining wall rehabilitation. The State of Illinois Bond Program includes \$151.5 million for bridge renewal through 2014. Additionally, \$33.8 million is programmed for the replacement of ties and ballast, nearly \$11.4 million for railroad crossing replacement, and nearly \$16 million for rail replacement and renewal.

Signal, Electrical and Communications

Signal, electrical and communications systems are vital to safe railroad operations. Since Metra's formation, we have invested \$554.3 million to upgrade our signal systems. The Metra system has 572 grade crossings, of which 148 are interconnected with traffic signals. The 2012-2016 Program includes nearly \$20 million for signal improvements.

The 2012-2016 core program also includes \$41.1 million to upgrade interlockings, which will improve operational efficiency and enable increased capacity on our system; nearly \$35 million in electrical systems improvements; \$6 million in communications improvements; and \$97.3 million for the further installation of communications-based Positive Train Control (PTC) plus \$160 million that is programmed through 2014 in the State of Illinois Bond Program toward this federal mandate.

Facilities & Equipment

Metra has 24 rail yards and seven maintenance facilities. When Metra took over commuter rail operations in Northeastern Illinois, most of these facilities were

out of date and inefficient. To date, \$473.3 million has been spent to modernize our rail yards and shops.

The majority of these capital expenditures occurred more than a decade ago, and additional capital investments must be made. Equipment and vehicles have reached the end of their useful life and must be replaced. Upgrades and expansions are also necessary to accommodate future system needs. The five-year core program includes more than \$76 million for Metra's support facilities and equipment. These projects can have an immediate impact on Metra's operating budget since operating costs increase when equipment doesn't run at optimum efficiency.

The State of Illinois Bond Program will provide nearly \$51.3 million in resources for yard improvements along our system through 2014.

Another significant investment in this category is the Financial Systems Replacement project. The 2012 program includes \$12 million for Metra to begin implementation of an Enterprise Resource Planning system that will be compliant with current financial system "Best Practices" and improve Metra's revenue collection accounting. This system will: (a) support electronic data interchange; (b) be fully scalable and upgradeable; (c) use integrated and highly flexible analytical reporting tools and; (d) support microcomputer/network based software productivity tools.

Stations and Parking

Station and parking improvements are some of the most visible capital improvements to our customers. We have invested \$967 million since 1985 to improve our stations and parking facilities.

continued...



Capital Program, continued

Table 5

The 2012-2016 core capital and State of Illinois Bond program allocate \$218.5 million for station and parking improvements. Of that total, the State of Illinois Bond Program will provide resources for engineering and construction of station improvements throughout the Metra system in the amount of approximately \$135.7 million.

Preventive Maintenance

Optimally, the Capital program is the result of proactive strategic decisions driven by available resources, worthy investments, asset preservation and system longevity.

The potential adverse effects of diverting capital-eligible funds to operations repetitively include: unscheduled repairs that can result in service delays; deteriorated structural conditions that can result in slow orders; deteriorated yard conditions that can result in inefficient maintenance; electronics obsolescence that can result in slow orders; and vehicles and equipment utilized beyond their useful life, which can yield slow response time.

In recent years, Metra has relied on funds designated for preventive maintenance to plug holes in its operating budget. For 2012 and beyond, capital eligible funds will no longer be diverted to operating expenses.

Metra Stations: State Bond Program

Station	Rail Line	Total	Construct. Starts	Notes
Naperville	BNSF	\$1,700,000	2011	
Flossmoor	MED	5,000,000	2011	(a)
Cicero	BNSF	6,500,000	2012	(a)
Hazel Crest	MED	5,500,000	2012	(a)
Elmhurst Deck	UP-W	2,500,000	2010	
Geneva Deck	UP-W	3,500,000	2011	
Fox River Grove	UP-NW	2,000,000	2011	
New Auburn Park Station	RID	11,500,000	2013	(b)
New Peterson/Ridge Station	UP-N	5,000,000	2013	(c)
Burr Oak	MED-BI	4,500,000	2013	
91st Street	RIDB	9,000,000	2013	
115th Street	RIDB	9,000,000	2013	
63rd Street	MED	8,000,000	2013	
Calumet	MED	5,500,000	2013	(e)
River Forest	UP-W	5,500,000	2012	
59th Street	MED	8,000,000	2013	
Healy	MWD-N	4,500,000	2012	
Hickory Creek	RID	4,000,000	2012	
Downers Grove Main St.	BNSF	4,000,000	2013	
Cumberland	UP-NW	4,500,000	2013	
New Romeoville Station	HC	2,000,000	2013	(d)
Hubbard Woods	UP-N	6,900,000	2013	
Ashland Avenue	MED-BI	4,000,000	2013	
Racine Avenue	MED-BI	4,000,000	2013	
Blue Island Vermont St.	RID	3,150,000	2013	
Mayfair	MWD-N	3,000,000	2013	
Grayland	MWD-N	3,000,000	2012	

Total	135,750,000
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Total 2010 Bond \$ Received	38,200,000
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Total 2011 Bond \$ Request	23,500,000
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- (a) - Engineering currently underway.
- (b) - Senator Collins to secure additional funds required to fully fund station construction costs.
- (c) - \$10 million in State budget. Representative Osterman to secure additional funds required to fully fund station construction costs. Representative Osterman will also need to secure land. \$10M Funding received thru DECA.
- (d) - City designing project- New Station, (Metra - Platforms Only)
- (e) - To be constructed after Flossmoor Station completed.

New Starts Program

Since its formation, Metra has remained focused on its fundamental mission to preserve, modernize and expand commuter rail service throughout the six-county metropolitan region. Metra has consistently made the investments required to enhance system reliability, operational performance and cost efficiency.

In 2006, Metra marked the successful completion of three New Starts Projects: the capacity expansion and extension of the SouthWest Service (SWS) to Manhattan, the extension of the UP West Line to Elburn and the capacity expansion of the North Central Service (NCS). All three projects were completed on schedule and within budget.

Four Metra New Starts projects were authorized in the most recent Federal Transportation Act: the Safe, Accountable, Flexible, Efficient Transportation Equity Act, a Legacy for Users (SAFETEA-LU). Identified as the Metra Connects program, the projects include the Suburban Transit Access Route (STAR Line), stretching from O'Hare Airport to Joliet; the South-East Service (SES) Line, a new rail line serving southeastern Cook and Will counties; the extension and capacity expansion of the UP Northwest Line (UP-NW); and infrastructure improvements to expand capacity on the UP West Line (UP-W).

Three of the four Metra Connects projects (UP-W, UP-NW, and SES) have completed Alternative Analysis (AA) studies. The STAR Line AA is anticipated to be completed in early 2012. In order for any of these four projects to move forward into preliminary engineering, the next step in the New Starts process, it is necessary for Metra to develop a financial plan that can successfully demonstrate sufficient capacity to build, operate and maintain the expansions while at the same time continuing to operate and maintain the existing system.

In March 2011, Illinois Governor Pat Quinn signed legislation establishing the Southeast Commuter Rail Transit District. The creation of this entity allows the local communities along the proposed line to apply for public and private funds, acquire property for stations and enter into public private partnerships to build and maintain the line and its facilities. It is an important step in demonstrating local commitment to this new service. Metra will continue to work with the District, especially to explore alternative funding strategies for the proposed SouthEast Service.

Status

The financial demands on the existing Metra system are considerable, but Metra remains committed to exploring opportunities for system expansion, new lines, extended lines, new stations and increased frequency of service. In 2012, Metra will embark on a strategic planning process. This exercise will examine the capital needs of the existing system as well as the costs and benefits of system expansion projects including the Metra Connects program and other potential projects. These costs and benefits will be balanced against the financial capacity of the agency to help Metra's Board of Directors and senior management prioritize future investment and chart a course for the future. Metra continues to work with our regional and federal partners to actively investigate and pursue alternate funding sources to supplement our capital program and bring expansion and enhancement projects to fruition.

Non-Capital Programs

Capital projects are just one way that Metra is working to improve its value to the residents of the six-county region. Listening to its riders, pursuing the benefits of new technologies that improve performance and customer service, and workforce training are ways that Metra seeks to add value and meet its goal of providing safe, reliable and affordable transportation. In 2012, Metra will continue to pursue and implement programs that keep costs in line and take advantage of potential revenue sources.

Website

In 2009, Metra launched a redesigned website that is more customer-oriented, providing train service alerts via e-mail and Twitter as well as the ability to purchase monthly passes and 10-ride tickets online with credit cards. The site's customizable "My Metra" feature also enables users to create accounts tailored to their train schedules and enables them to automate recurring ticket purchases.

As of August 2011, more than 73,000 customers had signed up for "My Metra" accounts, and the site averaged more than 52,000 unique visits daily. More than 10,000 tickets were also processed through the website in August 2011. This activity demonstrates that the website has become a primary destination for information and interaction with Metra.

In 2010, Metra's new mobile website became operational, giving riders with web-enabled phones another option to access the information they need to easily use Metra. The mobile website currently accounts for more than 25 percent

of Metra's website traffic.

Enhancements to the Procurement section of the site were also made in 2010, enabling business users to set up a "My Metra for Business" account to view and receive current information on Metra's procurement opportunities. Improvements were also made to the Human Resources and DBE pages on the site.

The website continued to expand its purpose in 2011 to more fully engage passengers with online surveys and to better inform the general public about issues that impact Metra and its customers. The website now includes on-time performance reports and other operational data as well as senior-level reports to Board of Directors.

The website also began to generate revenue through the inclusion of banner advertising in 2011.

In February 2010, Metra expanded its credit card acceptance program to allow for ticket purchases at stations where an agent is on duty. Credit card purchasing also became available through electronic vending machines at key stations along the Metra Electric District. By the end of 2011, Metra intends to install electronic vending machines at all its downtown stations.

Employee Training

Metra's skilled workforce is one of our most valued assets; but as our workforce ages, it is clear that we must continue to train and develop new employees to meet the specific needs of the rail industry. The continuation of our apprentice programs, regardless of the constraints of our current economic environment, is critical to Metra's ability to operate service at existing levels.

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Currently, more than 50 percent of our skilled mechanical employees are age 50 or older and most are eligible to retire by 60 under the rules of the Federal Railroad Retirement System. With such a scenario in mind, Metra has for the past several years invested in an apprenticeship program to train machinists, carmen, electricians and sheet metal workers. This program focuses on general aspects of these trades as well as functions specific to the railroad industry. We began training 22 apprentices in December 2009 and have budgeted for an additional 20 apprentices in 2011. The 2011 apprentice program was delayed due to budget issues. There are 40 apprentice positions budgeted for 2012.

An equally significant number of Metra's operations employees, including conductors and engineers, are also nearing retirement age. Training programs for these professions are also ongoing.

Metra employees, after the completion of the initial training programs, are required to complete additional training at regular intervals. Metra is using technology to streamline some of these processes. In September 2009, Metra entered into an intergovernmental agreement with Western Illinois University's Center for the Application of Information Technologies (CAIT) to provide computer-based training courses for employees throughout the Metra system.

Under the agreement, CAIT is working with Metra's Workforce Education and Training team to create interactive online courses and assist Metra in the creation of a comprehensive online training management system. This partnership

allows Metra to implement a centralized database and to host a variety of computer-based and online courses. The new system improves Metra's ability to track and document employee training. The online training will increase Metra's flexibility in scheduling training sessions for its employees and cut costs by eliminating the need to staff training classes.

Safety First

The safety of our employees, passengers and the general public is Metra's number one priority. Metra's ongoing efforts to improve safety throughout our system include numerous programs which incorporate education, engineering, and enforcement activities.

In 2012, Metra will continue its partnership with Operation Lifesaver, a national organization created in 1986 to educate people of all ages on the dangers of disobeying railroad warning devices and trespassing along the railroad right-of-way. Metra has partnered with Operation Lifesaver since 1992 and offers free train safety presentations to schools, professional drivers, bus companies, community organizations, and emergency responders.

Metra will continue its Safety Poster Contest in 2012, with particular emphasis on the region's schoolchildren. In its sixth year, Metra's Safety Poster Contest is a key part of our ongoing effort to increase public awareness of railroad safety practices. The winning designs will be distributed as posters to more than 2,000 schools in Northeastern Illinois and will be featured in Metra's Safety Calendar and on monthly passes.





Non-Capital Programs, continued

Metra's exceptional safety record has been recognized throughout the railroad industry, receiving numerous safety awards and accolades over the years. We continue to keep safety at the forefront of our operation, ensuring that our employees have the safest possible work environment, as well as operating the safest commuter rail agency in the nation.

MetraMarket

In September 2008, Metra and U.S. Equities broke ground on the \$43 million MetraMarket project, which transformed an underutilized area at the Ogilvie Transportation Center to create a new retail and dining destination in Chicago's West Loop. In November 2009 the Chicago French Market opened its doors, featuring more than 25 individual vendors offering fresh meats, produce, flowers, baked goods and a wide variety of prepared foods.

Quiet Cars

After soliciting feedback from riders through its onboard newsletter, *On the Bi-Level*, Metra began a pilot program to test the Quiet Car concept on its Rock Island Line trains in January 2011. Following a successful test, the Quiet Car program was expanded to all of the Metra lines in June 2011.

The Quiet Cars, identified with decals and signage, are the second car from the locomotive and the second car from the other end of the train on all morning and evening rush hour trains with six or more cars. If there are fewer than six cars on the train, only the second car from the locomotive is designated as a Quiet Car. On Metra's Electric District, only the third car from the south end of the train is designated as quiet.

Quiet Cars provide passengers with the option of riding in a car where cell phone calls and other conversations are discouraged. Passengers are also required to mute all electronic devices. Metra expects the Quiet Car policies to be largely enforced by peer pressure, with conductor intervention as necessary.

The Quiet Car program is one way for Metra to respond to our customers and provide service enhancement with minimal expense.

Non-Farebox Revenue

Revenue partnerships to support operating expenditures increased in 2011 as Metra continues to identify and pursue various advertisers, partnerships and sponsorships to increase non-ridership revenue. In addition to the traditional advertising at stations and on platforms, our advertising partner now provides "wrapped" train cars as part of its portfolio to some of our largest advertisers. Metra also directly offers a variety of other advertising opportunities, from our commuter newsletter to Ticket-By-Mail inserts to redesigning our train schedules to include space for paid advertisers. Additionally, outreach initiatives will pursue corporate as well as various public and private foundation grants to fund the existing public safety outreach program. In late 2011, Metra contracted with a broker to sell online advertising space for its website.

Unrelated to advertising revenue opportunities, Metra continues to generate revenue from property, such as income from parking locations that we own and right-of-way usage from other railroads.

2012 Budget Overview

Metra is proposing a 2012 Operating Budget and 2013-2014 Financial Plan that meet the RTA's revenue recovery ratio and deficit funding requirements. To meet the mandated revenue recovery ratio for 2012, eliminate the transfer of capital funds to the operating budget, and provide for much higher diesel fuel prices and other mandated new costs, Metra is proposing raising passenger fares by an overall 25.1 percent

For 2011, Metra expects to be over its operating deficit target and below its budgeted revenue recovery ratio mark. Metra is covering the 2011 operating deficit shortfall resulting primarily from higher than budgeted diesel fuel costs by reducing expenses in other areas and by using higher-than-anticipated sales tax receipts. The RTA has indicated that Metra can finish 2011 with a revenue recovery ratio mark of 53.0 percent and still be considered in substantial compliance with its 2011 budget targets.

The RTA's projection of funding available in 2012 is 6.1 percent higher than 2011 budgeted funding. For 2013, the RTA estimates that available funding will also increase by 2.5 percent over 2012. For 2014, the RTA estimates that available funding will also increase by 2.5 percent over the prior year. The lag in growth in Metra's statutory 85 percent sales tax proceeds, the core component of Metra's operating funding, is illustrated on page 47.

The 2012 Operating Budget and 2013-2014 Financial Plan are based upon terms of contractual agreements and reasonable estimates from currently available information. The following additional information about revenues and expenses is provided.

Revenue

Passenger Revenue

Base Passenger revenue is expected to increase over the 2011 Forecast by 2.1 percent. The entire increase consists of the anticipated revenues from the elimination of the Senior Ride Free Program on September 1, 2011. The new passenger revenue is the estimated gain from this group now purchasing discounted fare tickets. The balance of passenger revenue growth is the proposed 25.1 percent fare increase that would take effect on February 1, 2012. The fare increase, the first since 2008 for monthly and ten-ride ticket purchasers, and the first since 2010 for one-way ticket purchasers, 25.1 percent overall with different percent increases by ticket type and zone combination purchased. The proposed ticket prices by ticket type and zone combination is detailed in the Appendix.

Reduced Fare Reimbursement

Reduce Fare Reimbursement is budgeted at the same level as for 2011.

Capital Credits, Leases, etc...

The 2012 Budget for Capital Credits, Leases, etc. has been reduced by elimination of the project administration grant in 2012. The elimination of the capital grant will also increase operating expense. Partially offsetting the lower capital credit budget are slightly higher revenues in lease, joint facility,

continued...



2012 Budget Overview, continued

advertising, and miscellaneous revenues.

Base Operating Expenses

The 2012 Budget for the majority of operating expenses, excluding high-volatility items such as diesel fuel, security, health insurance, the RTA Pension Plan, credit cards/web site and electricity, as well as the Apprentice Training Program, is 6.0 percent higher than the 2011 Forecast. After factoring out specific new costs starting in 2012 totaling \$13.6 million, the net increase in base operating expense is 3.0 percent. The new costs consist of the elimination of the project administration grant, increased train and engine crew costs related to hours of service restrictions, additional claims and insurance costs, increased snow removal, and higher costs at the Union Pacific related to the carrier moving freight work out the main locomotive shop that services Union Pacific passenger equipment.

For the period 2013 through 2014, expenses are estimated to increase in accordance with the terms of current contracts and agreements, or with projections of market indices, as applicable. Staff will continue to look at all aspects of Metra operations, including those of the contract carriers, for cost efficiencies. All parties are expected to cut or contain costs wherever possible.

High-Volatility Items

Diesel Fuel

Diesel fuel expense has been growing dramatically since the fourth quarter of 2010. Diesel fuel is expect-

ed to be over budget in 2011 by \$17.6 million or 29.9 percent. The average diesel fuel price is estimated to be \$3.06 for 2011. Metra locked in 75 percent of the diesel fuel gallons at an average price of \$3.08 per gallon for 2012. Using an estimated price of \$3.22 per gallon for the remaining 25 percent of diesel fuel to be purchased at market prices, an overall average price of \$3.12 per gallon is budgeted for 2012. With the diesel fuel price lock in effect for the twelve months of 2012, projected annual average prices for diesel fuel in 2013 and 2014 are \$3.40 and \$3.60 per gallon, respectively. Metra's annual diesel expense over time is shown on Table 6, page 45.

Security

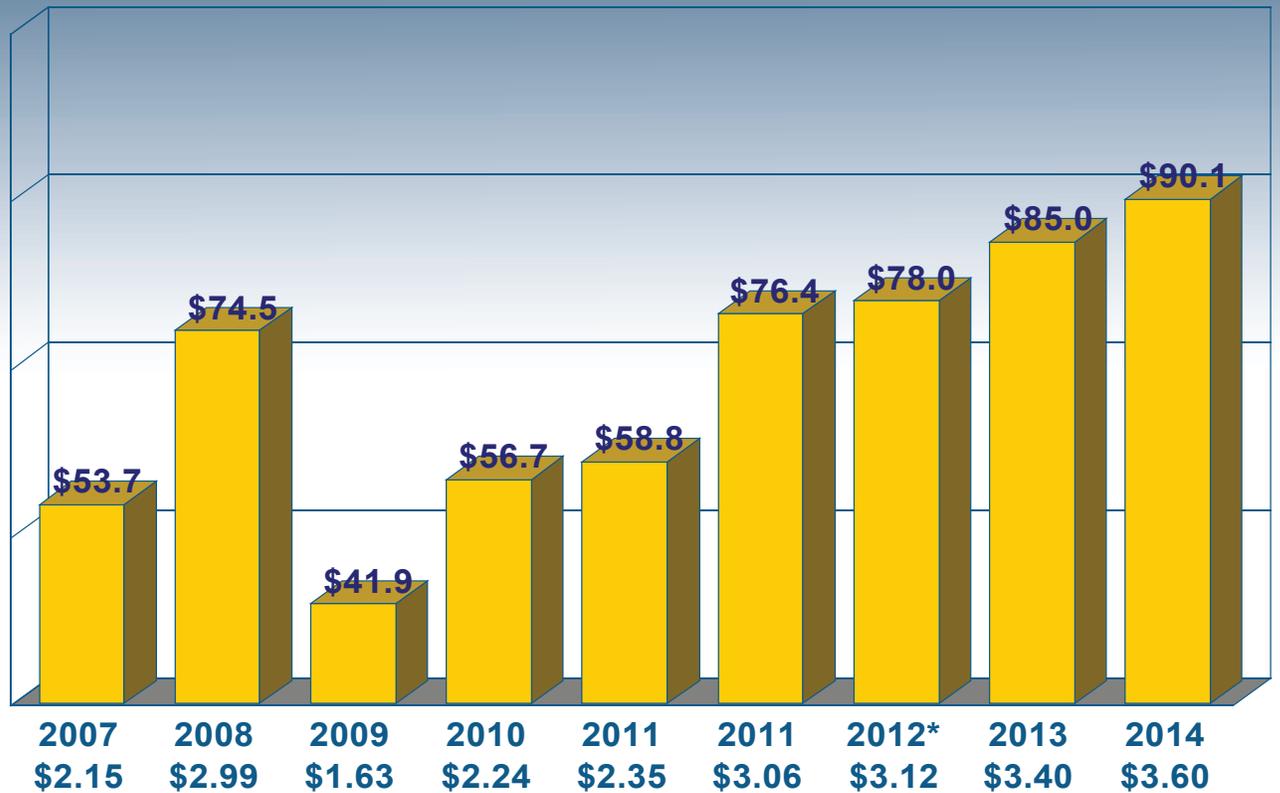
For 2012, the budget for security has been set at \$17.7 million, which is 6.6 percent higher than the 2011 estimate of \$16.6 million. Security expenses are expected to increase from 2012 levels in 2013 and 2014 by \$0.6 million for each year.

Health Insurance

Health insurance costs in 2011 are projected to be \$2.9 million or 3.8 percent lower than budget. The premium for contract health insurance, which is a national plan covering all contract employees at Metra and all of the freight railroads, was slightly lower than budgeted for 2011. The expense for 2011 was also positively impacted by vacancies in the contract and non-contract worker ranks which remained open to save money during the year. A preliminary provision for contract worker health insurance is an increase of 7.0 percent. Staff will not receive final 2012 health insurance premium information until November 2011. Health insurance for non-contract

Annual Diesel Fuel Expense

\$ in Millions



**Includes fixed price purchasing agreement for 75% of supply, at an average price of \$3.08 per gallon.*



2012 Budget Overview, continued

employees is estimated to grow by 3 percent in 2012. The overall increase in health insurance costs for 2012 is assumed to be 6.2 percent over 2011, with annual growth rates of 7.0 percent in both 2013 and 2014.

RTA Pension

Metra's annual contributions to the RTA Pension Plan are determined by a third-party actuary. Metra's share of the minimum required annual contribution for 2012 is approximately \$700,000 greater than was required in 2011. The required contributions for 2013 and 2014 will likewise be determined by the actuary and were estimated to increase almost \$300,000 each year.

Credit Card and Website Charges

Metra currently is estimating charges for 2012 at \$5.3 million, assuming higher credit cards usage to purchase tickets. Subsequent years assume a slightly higher level of customer participation and increases in costs for systems and related support areas totaling \$100,000 for 2013 and \$200,000 for 2014.

Electricity

For 2012, Metra is budgeting motive power and electric utility costs to increase by \$0.1 million, or 0.6 percent, over the 2011 estimate. 2013 and 2014 are expected to increase by 3.3 percent and 2.1 percent, respectively.

Apprentice Training Program

Like the rest of the railroad industry, Metra is facing a wave of retirements and needs skilled replacements to ensure safe and reliable service. The apprentice program was delayed in 2011 in an effort to meet our budget challenges. However, a full year is budgeted in this category for 2012. Subsequent years assume a steady increase of \$200,000 in each year for 2013 and 2014.

Summary

Table 10 presents Metra's 2012 Preliminary Budget and Table 11 summarizes Metra's 2012 Preliminary Budget and 2013-2014 Financial Plan. The Metra Preliminary Budget and Financial Plan are presented in a manner consistent with its financial statements, with adjustments in format made, as appropriate, for illustrative purposes. Revenues are recognized when earned and expenses are recorded in the period in which goods and services are used. Metra's 2012 Projected Cash Flow Summary is included in the Appendix. Sales tax funding is summarized in Table 7.

Summary of Metra 85% Sales Tax and New Transit Funding

2008 – 2014 Actual/Estimated
vs. RTA Projections made in 2007
(\$ in millions)

Year	Actual/Estimated	RTA Projections	Decrease	Cumulative
2008	\$287.1	\$310.7	\$(23.6)	\$(23.6)
2009	\$309.0	\$369.0	\$(60.0)	\$(83.6)
2010	\$319.9	\$374.0	\$(54.1)	\$(137.7)
2011	\$332.6	\$384.1	\$(51.5)	\$(189.2)
2012	\$337.5	\$396.0	\$(58.5)	\$(247.7)
2013	\$345.9	\$408.3	\$(62.4)	\$(310.1)
2014	\$354.6	\$420.9	\$(66.3)	\$(376.4)

Appendix

Metra Operating Budget Comparisons	50
Calculation of 2012–2014 Farebox Recovery Ratios	50
Metra 2012 Budget by Carrier & Type of Expense	51
2012 Budget Summary & 2013–2014 Financial Plan	52
2012 Projected Cash Flow Summary.	53
Metra Capital Program Sources 2012–2016	54
Proposed Capital Program 2012	55
2012 Capital Program: Project Element Descriptions	56
Metra 2012–2016 Core Capital Program	64
Metra 2012–2016 Capital Program	65
Physical Description	66
Operating Characteristics as of 2011	67
Commuter Stations by Fare Zone	68
Forecasted Ridership & Vehicle Miles: 2011–2014	69
Ticket Sales by Ticket Type: July 2010–June 2011	70
Ridership Related Statistics: July 2010–June 2011	71
Proposed 2012 Adult Fares	72
Proposed 2012 Special User Fares	73
FY 2012 Budget Presentations - County Boards	74
FY 2012 Budget Presentations - Metra Public Hearings	75
Commuter Rail Board Ordinance No. MET 11-	76
Metra’s Title VI Policy	76
Citizens Advisory Board	77

Metra Operating Budget Comparisons

2011 Budget, 2011 Forecast & 2012 Budget (\$ in 000's)

	2011 Budget	2011 Forecast	2012 Budget
Revenues			
Total Revenue	\$297,300	\$296,400	\$353,600
Expenses			
Operating Expenses	\$634,202	\$649,802	\$686,800
Funded Deficit	\$336,902	\$353,402	\$333,200

Table 9

Calculation of 2012 - 2014

Farebox Recovery Ratios (\$ in 000's)

	2012	2013	2014
System Generated Revenues	\$ 353,600	\$ 376,000	\$ 387,200
Additions to Recovery Ratio Revenues	\$ 1,600	\$ 1,700	\$ 1,800
Farebox Recovery Ratio Revenue	<u>\$ 355,200</u>	<u>\$ 377,700</u>	<u>\$ 389,000</u>
Total Operating Expenses	\$ 686,800	\$ 718,200	\$ 747,400
Exclusions from Recovery Ratio Expenses	\$ (38,000)	\$ (38,500)	\$ (39,000)
Farebox Recovery Ratio Expenses	<u>\$ 648,800</u>	<u>\$ 679,700</u>	<u>\$ 708,400</u>
Farebox Recovery Ratio	54.7%	55.6%	54.9%

Metra 2012 Budget by Carrier & Type of Expense (\$ in 000's)

	NIRCRC	BNSF Railway	Union Pacific	NICTD / South Shore	Total Metra
Revenues					
Passenger Revenue	\$133,400	\$59,000	\$101,400	\$3,800	\$297,600
Reduced Fare Subsidy	1,500	700	1,200	0	3,400
Capital Credits, Leases, etc.	52,200	0	100	300	52,600
Total Revenues	<u>\$187,100</u>	<u>\$59,700</u>	<u>\$102,700</u>	<u>\$4,100</u>	<u>\$353,600</u>
Operating Expenses					
Transportation	\$87,000	\$20,400	\$60,300	\$2,800	\$170,500
Maintenance of Way	64,100	3,900	35,800	1,100	104,900
Maintenance of Equipment	57,600	16,600	37,700	1,600	113,500
Subtotal - Operations	<u>\$208,700</u>	<u>\$40,900</u>	<u>\$133,800</u>	<u>\$5,500</u>	<u>\$388,900</u>
Administration and Regional Services	\$30,900	\$7,000	\$20,600	\$1,500	\$60,000
Risk Mgmt, Insur, Claims & Related	10,400	3,400	4,100	500	18,400
Downtown Stations	7,600	5,300	1,600	0	14,500
Subtotal - Base Operating Expenses	<u>\$257,600</u>	<u>\$56,600</u>	<u>\$160,100</u>	<u>\$7,500</u>	<u>\$481,800</u>
Diesel Fuel	\$31,800	\$13,900	\$32,300	\$0	\$78,000
Security	13,500	1,200	2,900	100	17,700
Health Insurance	50,000	7,800	17,900	1,300	77,000
Credit Card and Metra Web Site	2,900	600	1,700	100	5,300
RTA Pension	6,500	0	0	0	6,500
Electricity	12,400	1,500	3,700	600	18,200
Subtotal - High Volatility Items	<u>\$117,100</u>	<u>\$25,000</u>	<u>\$58,500</u>	<u>\$2,100</u>	<u>\$202,700</u>
Apprentice Training Program	\$2,300	\$0	\$0	\$0	\$2,300
Total Operating Expenses	<u>\$377,000</u>	<u>\$81,600</u>	<u>\$218,600</u>	<u>\$9,600</u>	<u>\$686,800</u>
Total Funded Deficit	<u>\$189,900</u>	<u>\$21,900</u>	<u>\$115,900</u>	<u>\$5,500</u>	<u>\$333,200</u>
Recovery Ratio - RTA Calculation					54.7%
Recovery Ratio Additions					\$1,600
Recovery Ratio Exclusions					\$38,000

2012 Budget Summary and 2013 - 2014 Financial Plan (\$ in 000's)

	2012 Budget	2013 Plan	2014 Plan
REVENUES:			
Passenger Revenue	\$ 297,600	\$ 319,000	\$ 329,100
Reduced Fare Subsidy	3,400	3,400	3,400
Capital Credits, Leases, etc.	<u>52,600</u>	<u>53,600</u>	<u>54,700</u>
Total Revenues	<u>\$ 353,600</u>	<u>\$ 376,000</u>	<u>\$ 387,200</u>
EXPENDITURES:			
Transportation	\$ 170,500	\$ 177,000	\$ 183,000
Maintenance of Way	104,900	108,500	112,400
Maintenance of Equipment	113,500	117,300	121,000
Subtotal - Operations	<u>\$ 388,900</u>	<u>\$ 402,800</u>	<u>\$ 416,400</u>
Administration & Regional Services	\$ 60,000	\$ 62,200	\$ 64,100
Risk Mgmt, Insur, Claims & Related	18,400	19,000	19,600
Downtown Stations	<u>14,500</u>	<u>15,000</u>	<u>15,500</u>
Subtotal - Base Operating Expenses	<u>\$ 481,800</u>	<u>\$ 499,000</u>	<u>\$ 515,600</u>
Diesel Fuel	\$ 78,000	\$ 85,000	\$ 90,100
Security	17,700	18,300	18,900
Health Insurance	77,000	82,400	88,200
RTA Pension	6,500	6,800	7,100
Credit Card and Internet Charges	5,300	5,400	5,600
Electricity	<u>18,200</u>	<u>18,800</u>	<u>19,200</u>
Subtotal - High Volatility Items	<u>\$ 202,700</u>	<u>\$ 216,700</u>	<u>\$ 229,100</u>
Apprentice Training Program	\$ 2,300	\$ 2,500	\$ 2,700
Total Operating Expenses	<u>\$ 686,800</u>	<u>\$ 718,200</u>	<u>\$ 747,400</u>
Total Funded Deficit	<u>\$ 333,200</u>	<u>\$ 342,200</u>	<u>\$ 360,200</u>
Recovery Ratio	54.7%	55.6%	54.9%

Table 12

2012 Projected Cash Flow Summary

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
BEGINNING BALANCE	\$50,100												
OPERATING REVENUE	\$27,665	\$46,450	\$48,609	\$62,927	\$48,288	\$40,898	\$38,391	\$36,292	\$32,723	\$33,335	\$32,789	\$30,738	\$348,600
CAPITAL FAREBOX REVENUE	417	416	416	417	416	416	417	417	417	417	417	417	5,000
TOTAL OPERATING REVENUE	\$28,082	\$47,262	\$49,025	\$63,344	\$48,704	\$41,314	\$38,808	\$36,709	\$33,140	\$33,752	\$33,206	\$31,155	\$353,600
RTA SALES TAX	\$27,929	\$29,198	\$32,461	\$19,380	\$18,882	\$22,155	\$22,587	\$23,441	\$24,566	\$23,030	\$23,475	\$23,068	\$290,162
STATE PTF	3,708	3,971	3,726	3,785	3,744	3,766	3,549	3,284	3,711	3,767	3,879	4,025	44,715
RTA SALES TAX / STATE PTF	\$31,637	\$33,169	\$36,187	\$23,165	\$22,626	\$25,921	\$25,936	\$26,725	\$28,267	\$26,797	\$27,354	\$27,093	\$334,877
CAPITAL GRANTS:													
FTA	\$12,923	\$12,923	\$12,923	\$12,923	\$12,923	\$12,923	\$12,923	\$12,923	\$12,923	\$12,923	\$12,923	\$12,923	\$155,077
RTA	886	887	887	886	887	887	887	887	886	886	887	887	10,640
IDOT	827	807	807	807	807	807	966	56,767	56,767	28,867	967	965	150,161
SUBTOTAL	\$14,636	\$14,617	\$14,617	\$14,616	\$14,617	\$14,617	\$14,776	\$70,577	\$70,576	\$42,676	\$14,777	\$14,776	\$315,878
TOTAL CASH RECEIPTS	\$74,355	\$75,048	\$78,944	\$66,682	\$66,641	\$71,282	\$72,773	\$127,432	\$129,149	\$100,832	\$70,944	\$70,273	\$1,004,355
OPERATING EXPENSES	\$89,002	\$86,406	\$58,143	\$54,838	\$57,848	\$57,005	\$88,230	\$58,557	\$56,093	\$56,835	\$56,352	\$57,491	\$686,800
CAPITAL FAREBOX EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	\$89,002	\$86,406	\$58,143	\$54,838	\$57,848	\$57,005	\$88,230	\$58,557	\$56,093	\$56,835	\$56,352	\$57,491	\$686,800
CAPITAL PROJECTS:													
FT/ARTA/IDOT	\$17,136	\$14,616	\$14,616	\$14,616	\$14,616	\$14,617	\$14,777	\$70,577	\$70,577	\$42,677	\$14,777	\$14,776	\$318,378
METRA	1,867	1,867	1,867	1,867	1,867	1,867	1,865	1,867	1,867	1,866	1,866	1,867	22,400
TOTAL CAPITAL PROJECTS	\$19,003	\$16,483	\$16,483	\$16,483	\$16,483	\$16,484	\$16,642	\$72,444	\$72,444	\$44,543	\$16,643	\$16,643	\$340,778
TOTAL CASH DISBURSEMENTS	\$78,005	\$72,889	\$74,626	\$71,321	\$74,331	\$73,489	\$74,872	\$131,001	\$128,537	\$101,378	\$72,985	\$74,134	\$1,027,578
ENDING BALANCE	\$46,450	\$48,609	\$52,927	\$48,288	\$40,898	\$38,391	\$36,292	\$32,723	\$33,335	\$32,789	\$30,738	\$27,093	\$26,877

Metra Capital Program Sources 2012-2016

(\$ in 000s)

	2012	2013	2014	2015	2016	Total
Federal						
Formula/Fixed Guideway	\$136,310	\$138,900	\$141,540	\$144,230	\$146,970	\$707,950
*CMAQ	4,000	2,500	2,500	2,500	2,500	14,000
Homeland Security	5,000	5,000	5,000	5,000	5,000	25,000
Total Federal	\$145,310	\$146,400	\$149,040	\$151,730	\$154,470	\$746,950
Metra						
Farebox Capital Financing	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$45,000
RTA						
Capital Assistance	4,700	0	0	0	0	4,700
Core Program Subtotal	\$155,010	\$156,400	\$159,040	\$161,730	\$164,470	\$796,650
**State of Illinois Bonds	\$89,125	\$170,825	\$153,425	\$0	\$0	\$413,375
Grand Totals	\$244,135	\$327,225	\$312,465	\$161,730	\$164,470	\$1,210,025

*2012 CMAQ funding amount excludes \$1 million matching funds from both Metra and RTA.

**Use of Bond funds subject to the release of funds and prioritizing of projects by the State of Illinois in order to meet cash flow requirements. 2010 and 2011 programmed \$687.325 million in bond funds, bringing the total to \$1.1 billion.

Proposed Capital Program 2012

PE	Description	RR	Source	Amount
Rolling Stock				
4507	LOCO REHAB (PHASED)	MET	f	\$16,500,000
4602	TRACTION MOTORS-REBUILD	MET	f	700,000
4307	CAR REHAB (PULLMAN CARS)	MET	f	2,100,000
4509	CAR REHAB (AMERAIL CARS-P3)	MET	f	10,000,000
4606	TRACTION MOTORS	MED	f	750,000
4607	AIR BRAKE REBUILDS	MET	f	5,000,000
4508	WHEEL REPLACEMENT	MET	f	2,800,000
Rolling Stock Sub-Total				\$37,850,000

PE	Description	RR	Source	Amount
Track & Structure				
4615	TIES AND BALLAST	BNS	f	\$1,000,000
4616	TIES AND BALLAST	MED	f	1,500,000
4617	TIES AND BALLAST	MWD	f	2,500,000
4618	TIES AND BALLAST	RID	f	1,000,000
4619	TIES AND BALLAST	UPR	f	1,500,000
4620	RAIL INSPECTION	MET	f	100,000
4621	RAIL GRINDING	MET	f	40,000
4622	RAIL GRINDING	UPR	f	100,000
4625	UNDERCUTTING & SURFACING	MET	f	500,000
4626	UNDERCUTTING & SURFACING	UPR	f	500,000
4627	RAIL AND SWITCHES	BNS	f	550,000
4228	ROW IMPROVEMENTS	MET	f	300,000
4027	RAIL	NCS	mt	650,000
4633	RAIL	UPR	f	1,000,000
4623	CROSSINGS (ROAD & TRACK)	MET	f	1,000,000
4624	CROSSINGS (ROAD & TRACK)	MWD	f	275,000
4634	CROSSINGS (ROAD & TRACK)	UPR	f	1,000,000
4635	BRIDGE IMPROVEMENTS	BNS	f	675,000
4636	BRIDGE IMPROVEMENTS	MET	f	800,000
4637	BRIDGE IMPROVEMENTS	UPR	f	300,000
2112	NORTH LINE BRIDGES (PHASED)	UPR	f	11,000,000
4241	RETAINING WALL REHAB	BNS	f	270,000
3332	WOODDALE GRADE SEPARATION (PHASED)	MWD	f	100,000
4648	ROW FENCING	UPR	f	100,000
4640	BRIDGE FILL Z92	MWD	f	500,000
Track & Structure Sub-Total				\$27,260,000

PE	Description	RR	Source	Amount
Signal, Electrical & Communications				
3446	FIBER OPTIC CABLE	BNS	f	\$8,000,000
4038	S. CHICAGO SIGNAL REPLACEMENT	MED	f	500,000
3337	LAKE STREET INTERLOCKER (PHASED)	UPR	f	2,000,000
4659	SIG BATTERY REPLACEMENT	MET	f	100,000
4642	547 ELEC. DISTRIBUTION ROOM UPGRADE	MET	f	300,000
4649	DC SWITCHGEAR REPLACEMENT	MED	f	665,000
4650	RECTIFIER REPLACEMENT	MED	f	475,000
4658	VENTILATION SYSTEM UPGRADE	RID	f	650,000
4254	TRACTION POWER SUB AUGMENTATION	MED	f	2,500,000
4662	CONSTANT TIME WARNING DEVICES	MET	f	2,000,000
4552	A-2 INTERLOCKER	MET	f	1,500,000
2938	A-5 INTERLOCKER	MWD	f	6,300,000

PE	Description	RR	Source	Amount
4343	POSITIVE TRAIN CONTROL	MET	f	22,800,000
4343	POSITIVE TRAIN CONTROL	MET	mt	2,700,000
4343	POSITIVE TRAIN CONTROL	MET	rta	3,000,000
Signal, Electrical & Communications Sub-Total				\$53,490,000

PE	Description	RR	Source	Amount
Facilities & Equipment				
4665	EQUIPMENT & VEHIC--ENG	MET	f	\$500,000
4666	EQUIPMENT--OFFICE	MET	f	1,400,000
4668	EQUIPMENT & VEHIC--MECH	MET	f	200,000
4368	ACCOUNTING SYSTEM UPGRADES	MET	f	2,500,000
4669	FINANCIAL SYSTEM REPLACEMENT	MET	f	10,800,000
4669	FINANCIAL SYSTEM REPLACEMENT	MET	rta	1,200,000
Facilities & Equipment Sub-Total				\$16,600,000

PE	Description	RR	Source	Amount
Stations & Parking				
4667	ADA PLATFORMS	MET	f	\$3,000,000
AH-560	CMAQ PROJECTS	MET	fc	4,000,000
AH-560	CMAQ PROJECTS	MET	mt	500,000
AH-560	CMAQ PROJECTS	MET	rta	500,000
Stations & Parking Sub-Total				\$8,000,000

PE	Description	RR	Source	Amount
Support Activities				
2990	MATL HANDLING ADDITIVE	MET	mt	\$200,000
3689	CAPITAL PROJECT OVERSIGHT	MET	f	500,000
4495	ENGINEERING ASSET ASSESSMENT	MET	f	1,000,000
4689	HOMELAND SECURITY	MET	zz	5,000,000
4696	UNANTICIPATED CAPITAL	MET	mt	950,000
4698	PROJECT ADMINISTRATION	MET	f	800,000
4699	CONTINGENCIES	MET	f	360,000
4694	INFRASTRUCT ENGINEERING	MET	f	3,000,000
Support Activities Sub-Total				\$11,810,000

PE	Description	RR	Source	Amount
Preventive Maintenance				
3910	PREVENTIVE MAINTENANCE	MET	f	0
Preventive Maintenance Sub-Total				0

Grand Totals For Uses **\$155,010,000**

Fund Sources	Amount
Federal Formula and Fixed Guideway	f \$136,310,000
Metra	mt \$5,000,000
RTA	rta \$4,700,000
Homeland Security	zz \$5,000,000
Congestion Mitigation & Air Quality	fc \$4,000,000
Grand Total for All Sources	\$155,010,000

Note: RTA Match \$1.7M at 10% and \$3M at 20%

2012 Capital Program: Project Element Descriptions

ROLLING STOCK

PE 4307 CAR REHABILITATION (PULLMAN CARS), MET

This project includes the upgrading and rehabilitation of the Pullman series railcars. Such components as replacement of diaphragms and buffers, replacement of all weather-stripping, repair of heating and lighting systems, application of new air conditioning units, replacement of all windows and door systems, and body repairs will be accomplished to ensure the cars attain their useful service life.

PE 4507 LOCOMOTIVE REHABILITATION, MET

This project funds the second mid-life rehabilitation of fourteen (14) locomotives delivered between 1989 and 1992. The project includes such components as rebuilding of the diesel engine, overhaul of the traction motors and alternators, replacement of air compressors and batteries, overhaul and modification of electrical systems, and body repair and modifications. This rehabilitation is required to ensure continued reliable service and is part of an ongoing program to rehabilitate locomotives.

PE 4508 WHEEL REPLACEMENT, MET

This project will implement the Federal Railroad Administration (FRA) mandated replacement of wheel sets on Metra's fleet of locomotives and commuter cars. The replaced wheels will be used on vehicles being operated on all carriers and railroads in the Metra system as part of an ongoing program to overhaul major components on Metra's fleet. Compliance with FRA rules and regulations is an operational requirement for our railroad.

PE 4509 CAR REHABILITATION (AMERAIL CARS PHASE 3), MET

This project includes the upgrading and rehabilitation (mid-life overhaul) of thirty (30) commuter rail cars built by Morrison-Knudsen/Amerail. These cars were built in 1996 and 1997 and their major components are beginning to wear out. The mid-life rehabilitation of these cars is required to ensure the cars attain their useful service life.

PE 4602 TRACTION MOTORS-REBUILD, MET

This project funds the overhaul of traction motors and traction alternators for locomotives. This project also involves the overhaul of auxiliary generators and head-end-power alternators. The overhauled equipment will be used on locomotives being operated on railroads owned or operated by Metra. These traction motors and alternators were originally placed in service between 1974 and 2003. These motors are showing signs of deterioration. A basic overhaul is required to return these motors to an acceptable level of performance.

PE 4606 TRACTION MOTORS, MED

This project will overhaul the following components that are used on Highliner cars operated on the Electric District: motor-alternators, interlocks, traction motors, high speed circuit breakers, couplers, and replacement of air compressors. These components are showing signs of deterioration. A basic overhaul or replacement is required for acceptable performance levels. This is part of an ongoing program to overhaul and replace such equipment.

PE 4607 AIR BRAKE REBUILDS, MET

This project will implement the Federal Railroad Administration-mandated rebuilding or replacement of air brakes on Metra's fleet of locomotives, commuter cars, and electric cars. The rebuilt air brakes will be used on vehicles being operated on all carriers and railroads in the Metra system. This project is part of an ongoing program to overhaul major components on Metra's fleet in compliance with FRA rules and regulations that define the required conditions under which railroad vehicles may be operated.

TRACK AND STRUCTURE

PE 2112 NORTH LINE BRIDGES, UPR

This project includes the replacement of 22 bridges on the Union Pacific North Line in Chicago, from Fullerton Avenue on the south end to Balmoral Avenue on the north end. These bridges are over 100 years old. They are showing signs of increased deterioration and have reached the end of their useful life. These bridges cannot be repaired economically and must be replaced in order to provide uninterrupted commuter service.

PE 3332 WOOD DALE GRADE SEPARATION, MWD

This project consists of a feasibility study and a possible grade separation whereby Irving Park Road and Wood Dale Road will no longer intersect the Milwaukee District West Line at grade. In addition, there may be some adjustments required for vehicular and pedestrian access to the Wood Dale commuter station.

PE 4027 RAIL, NCS

This project consists of the installation of rail, ties and ballast, undercutting, and other capital improvements on the North Central Service (NCS) commuter rail line. The installation allows for more frequent commuter train service and will reduce conflicts between inbound and outbound passenger and freight trains by creating holding sites for trains to pass each other.

PE 4228 ROW IMPROVEMENTS, MET

This project consists of cutting and removal of trees and bushes that hinder or block the right-of-way. Maintenance of Way crews will also spray weeds along the right of way. Uncontrolled vegetation can damage the roadbed and cause the track to shift. Also included is the burial of overhead cables in select locations to avoid hindrance by trees and brush in areas where vegetation cannot be easily controlled.

PE 4241 RETAINING WALL REHABILITATION, BNSF

This project will provide for the rehabilitation of retaining walls on the BNSF commuter line. Retaining wall sections at intermittent locations along the right-of-way will be rehabilitated. This work typically includes complete reconstruction with steel sheet piling, concrete panels, or bin wall to prevent retaining wall deterioration that can result in destabilization of the roadbed, and in turn, lead to track shifting.

PE 4615 TIES AND BALLAST, BNSF

PE 4616 TIES AND BALLAST, MED

PE 4617 TIES AND BALLAST, MWD

PE 4618 TIES AND BALLAST, RID

PE 4619 TIES AND BALLAST, UPR

These projects consist of the replacement of cross ties, switch ties and ballast. In order to maintain proper track gauge and surface, it is necessary to replace ties and ballast periodically. This improves the riding quality of the trains and reduces the incidence of slow orders, which adversely affect adherence to train schedules. These projects represent part of an ongoing program to replace ties and ballast throughout the commuter territory.

PE 4620 RAIL INSPECTION, MET

This project provides for the inspection of new rail, welding, turnouts, and other special track work items as this material's manufacture is completed at the steel mills. Firms specializing in the inspection of rail will be hired to perform this function.

PE 4621 RAIL GRINDING, MET

PE 4622 RAIL GRINDING, UPR

These projects consist of on-site grinding of rail that has been recently installed at various locations. This includes second-hand rail, corrugated rail, and in-track welded rail. Grinding removes mill scale and corrects irregularities from field and plant welding. Experience has disclosed that rail corrugation will appear if the rail grinding is not performed. This happens under both freight and commuter operations throughout the country. Corrugation reduces the useful life of the rail and accelerates the deterioration of the rolling stock. Grinding creates a uniform rail profile and prevents corrugation.

PE 4623 CROSSINGS (ROAD & TRACK), MET

PE 4624 CROSSINGS (ROAD & TRACK), MWD

PE 4634 CROSSINGS (ROAD & TRACK), UPR

These projects provide for the renewal of rail-highway grade crossings at various locations on the Metra commuter lines, the Milwaukee District, and the Union Pacific Commuter Lines. The specific crossings to be renewed will be based on the stage of deterioration at each crossing. The work will include, but not be limited to, replacement of cross ties, crossing material, and ballast, as well as the surfacing of the track.

PE 4625 UNDERCUTTING & SURFACING, MET

PE 4626 UNDERCUTTING & SURFACING, UPR

Track undercutting provides for the removal of all fouled track ballast, which is then cleaned and returned to the trackbed. The major functions of ballast are to hold ties in place, prevent lateral deflections of the rail, and distribute track loading. When the ballast is fouled, the load spreading capability is lost. Soggy ballast also freezes in winter, causing additional stress on the rail and tie systems. Undercutting is necessary when the ballast section has become so contaminated that normal ballasting and surfacing will no longer hold proper surface of the track. The results of undercutting are a smooth, well-aligned track surface, extended tie and ballast life, and reduced ongoing maintenance expense.

PE 4627 RAIL AND SWITCHES, BNSF

This project will provide for the installation of rail and switches on the BNSF commuter line. The project also includes the renewal of switch points at various locations along the BNSF railroad, the replacement of switch machines, and the replacement of turnouts. The high density of freight and commuter traffic, including extensive express service, requires close monitoring

and periodic replacement of switches and switch machines. Turnouts must be inspected and replaced frequently to protect against derailment. While minor defects in switch points and turnouts can be remedied with field welding, their replacement over time is required to ensure reliable operations.

PE 4633 RAIL, UPR

This project provides for the replacement of rail on the Union Pacific Commuter Lines. Specific locations are to be determined. In the course of installing the rail, a portion of the ties, ballast, and other track material is typically replaced as well. Rail replacement provides assurance of continued safe operations, reduction of maintenance costs, and a smoother, quieter ride for commuters.

PE 4635 BRIDGE IMPROVEMENTS, BNSF

PE 4636 BRIDGE IMPROVEMENTS, MET

PE 4637 BRIDGE IMPROVEMENTS, UPR

These projects fund the improvement of bridges along the BNSF Railway, the Metra system, and the Union Pacific commuter rail lines. These improvements can include such rehabilitation items as timber wingwalls and fencing, cracked bearing blocks, and cracked bridge seats on abutments. Specific improvements will be determined based on a survey of field conditions.

PE 4640 BRIDGE FILL, Z92, MWD

This project consists of removal of an existing bridge at the Chicago Gravel Company (M.P. 34.2) on the Milwaukee District West Line. The steel structure will be removed and will be replaced with earth fill. Utility lines will be relocated and/or modified as necessary.

PE 4648 ROW FENCING, UPR

This project consists of the materials and labor necessary to erect fencing along the railroad right-of-way on the Union Pacific commuter rail lines. Specific locations are determined based on field conditions and are subject to change in the course of consultation with local officials.

SIGNAL, ELECTRICAL and COMMUNICATIONS

PE 2938 A-5 INTERLOCKER RENEWAL

This project consists of the modernization and upgrade of the A-5 interlocker at Pacific Junction in Chicago, Illinois. This is the point where the Milwaukee district main line diverges into the West and North lines.

Under this project, signal system components will be replaced. The interlocker control will be upgraded to a solid state system. Additionally, the control point will be shifted from the A-5 Tower to Metra's Consolidated Control Facility (CCF) at 1501 S. Canal Street, Chicago.

PE 3337 LAKE STREET INTERLOCKER, UPR

This project consists of the modernization and upgrading of the Lake Street interlocker, at the north end of the Ogilvie Transportation Center (OTC). It will replace track, trackbed, switches, switch machines, switch heaters, dwarf signals, and signal cable for the remaining facilities. In addition, in a future year, the interlocking control machine in Lake Street Tower will be replaced by modern solid state equipment.

PE 3446 FIBER OPTIC CABLE, BNSF

This project consists of the installation of fiber optic cable at various locations along the BNSF railroad lines. This cable will be used along with Vital Harmon Logic Controllers to provide a signal communications and control system for interlockings and crossings. This project also includes the installation of Illinois Commerce Commission (ICC) mandated constant warning time equipment at several grade crossings. In addition, the signals for Positive Train Control will be upgraded by inclusion of radios and transponders.

PE 4254 TRACTION POWER SYSTEM AUGMENTATION, MED

This project consists of converting four tie stations into electrical substations with substantially greater power, and installing a new prefabricated substation at 31st Street. The tie stations will be converted to substations by adding 12 Kilovolt (KV) switchgear, transformers, and rectifiers. The new equipment will be housed in prefabricated metal buildings. With these improvements, Metra's new Electric District Highliner cars will possess the electrical power required to accelerate faster, and provide sufficient traction power to allow them to increase their maximum operating speed.

PE 4343 POSITIVE TRAIN CONTROL, MET

This project consists of the development and installation of a federally mandated Positive Train Control (PTC) system that integrates new technology with existing train control and operating systems to enhance train operations. This system will help prevent track authority violations, speed limit violations, and unauthorized entry into work zones. The system will monitor and ensure the train crew's compliance with all operating instructions, while a screen-based display will provide the train crew with additional operating information. The system will

also query wayside devices for broken rails, proper switch alignment, and signal aspects in real time to provide improved train operation.

PE 4552 A-2 INTERLOCKER, MWD, UPR

This project consists of the rehabilitation or rebuilding of signal equipment and the replacement of track at or immediately adjacent to the A-2 interlocker at Western Avenue on the Milwaukee District Joint West and North railroad lines and adjacent to the Union Pacific Railroad California Avenue yard. This will include the rebuilding of air-powered switch machines, changing relays, replacing cable in the control tower, rewiring the control machine, and various rail improvements such as replacing the rail and plates on frogs and switches. In addition, ties will be replaced as needed and the track will be surfaced.

PE 4642 ELECTRICAL EQUIPMENT REPLACEMENT, MET

This project consists of the replacement of damaged electrical equipment at 547 West Jackson. This project will also include repairing the electrical system, leaking ceiling, damaged walls and floors, and replace the rusted equipment. This also includes painting the room.

PE 4649 DC SWITCHGEAR REPLACEMENT, MED

This project is for the replacement of the DC switchgear at the Brookdale Substation. The equipment was damaged by fire and is kept in service by the station electricians but this method is unreliable. Replacement parts are not available.

PE 4650 RECTIFIER REPLACEMENT, MED

This project is for the replacement of the rectifiers at the Cheltenham Substation. The rectifiers are

35 years old and they have long exceeded their useful life. Replacement parts are not available.

PE 4658 VENTILATION SYSTEM UPGRADE, RID

This project is for replacement of the damaged ventilation units at the 47th Street location. It also involves building access, platforms, and stairways in order to readily maintain existing HVAC equipment.

PE 4659 SIGNAL BATTERY REPLACEMENT, MET

This project consists of the replacement of signal batteries that have reached the end of their useful life. They can no longer provide the backup power for signals required during commercial power failures. These new batteries will mitigate service disruptions due to commercial power failures.

PE 4662 CONSTANT WARNING TIME DEVICES, UPR

This project will install Constant Warning Time Devices for the crossing at Nagle Avenue on the UPR, along with a number of adjacent crossings. This project is mandated by the ICC and the list of crossings for CWTDS has been developed by the ICC. The UPR, ICC, and IDOT will all be contributing to the project. Due to the nature of this work, multiple crossings will be implemented in overlapping phases.

FACILITIES AND EQUIPMENT

PE 4368 ACCOUNTING SYSTEM UPGRADES, MET

This project will provide funding for Metra to implement additional phases of the Revenue Accounting System project and to incorporate any enhancements that are necessary after

implementation. This project will provide additional funding for its conductor-handheld pilot project. Any projects that are required to coordinate with RTA Universal Fare initiatives will also be funded from this project. This project will provide funding for Metra to scope and prepare an RFP for replacement of its current financial systems.

PE 4665 EQUIPMENT & VEHICLES – ENGINEERING, MET

PE 4668 EQUIPMENT & VEHICLES – MECHANICAL, MET

These projects provide for the purchase and rehabilitation of vehicles and equipment to be utilized by Metra's Engineering and Mechanical Departments. The vehicles and equipment purchased will replace various pieces of obsolete or inadequate support vehicles and equipment used to help service and maintain Metra's fleet at the various yards. This includes but is not limited to: supervisory vehicles for supervision of field work, small pickup trucks, various forklift trucks, and car movers. The existing equipment has surpassed its useful life.

PE 4666 EQUIPMENT – OFFICE, MET

This project involves the purchase of new and replacement support equipment for use throughout the Metra system. Obsolete support equipment needs to be replaced in order to increase productivity and efficiency and decrease repair costs. Such equipment can include: general office equipment, copiers, personal computers, servers, mainframe processors, peripheral equipment, printers, and network devices.

PE 4669 FINANCIAL SYSTEMS REPLACEMENT, MET

This project will provide funding for Metra to implement an Enterprise Resource Planning

(‘ERP’) system that will be compliant with current financial system “Best Practices”. This system will: (a) support electronic data interchange; (b) be fully extensible and upgradeable; (c) use integrated highly flexible analytical reporting tools and; (d) support microcomputer/network based software productivity tools.

STATIONS and PARKING

AH-560 CMAQ PROJECTS

This project will provide for CMAQ (Congestion Mitigation and Air Quality) projects that will be administered by Metra or through Metra on behalf of our partner municipalities for station and parking projects and improvements.

PE 4667 ADA PLATFORMS & RAMPS, MET

This project is part of Metra’s ongoing effort to bring commuter rail stations into compliance with the requirements of the Americans with Disabilities Act (ADA) of 1990. This document identifies, at each key station, the specific work that will be done to bring the key stations into compliance. At these stations, existing platforms will be rehabilitated in order to allow deteriorated tactile surfaces to be replaced with the ADA-compliant “truncated dome” type surfaces. The work will include, but is not limited to, rehabilitation work at the stations.

SUPPORT ACTIVITIES

PE 2990 MATERIAL HANDLING ADDITIVES, MET

This project funds the procurement and handling of materials for capital projects. The additive amounts will reflect Metra’s costs. The handling of materials for capital projects has always been recognized as a capital expenditure, as reflected by its inclusion in the additives identified in Metra’s annual cost allocation plan, approved by the Federal Transit Administration. These expenses are charged to most individual projects but to ensure that all material handling costs are capitalized, Metra will utilize this project.

PE 3689 CAPITAL PROJECT OVERSIGHT, MET

This project funds capital project oversight activity by augmenting existing staff to: provide standard and ad hoc reports utilizing the Grant Management System; coordinate Metra’s quality assurance oversight activities; direct updates of project management and quality assurance plans; and, assist in training Metra and third-party personnel in plan implementation. Grant activity, management, and reporting requirements have exceeded the capabilities of current staff. Utilization of consultant resources to is an effective means of meeting these requirements.

PE 4495 ENGINEERING ASSET MANAGEMENT, MET

This project funds the initial phases of a Metra’s comprehensive asset assessment. This phase will primarily inventory the age and condition of capital assets generally categorized by rolling stock; track and structure; signal, electrical and communications equipment; facilities and equipment; and, stations and parking facilities throughout the system. Within

each category, there are several asset types for which condition rating/useful life standards will be assessed and actual age will be recorded. The resulting data will assist in capital project prioritization decisions.

PE 4689 HOMELAND SECURITY, MET

This project provides for the further expansion of security throughout Metra's operating territory for the benefit of our passengers. This project also enhances the ability for Metra's assets to be secure from the threat of domestic or international terrorism. Funding will be provided by United States Department of Homeland Security.

PE 4694 INFRASTRUCTURE ENGINEERING, MET

This project funds various engineering responsibilities for capital projects. Metra's Engineering Department as well as consultant engineers will provide support to capital projects. The associated professional consultant services will include design engineering and or construction management in the areas of civil, structural, electrical, mechanical, signal, communications, and environmental engineering.

PE 4696 UNANTICIPATED CAPITAL, MET

This project provides for the utilization of funds from Metra's fund balance for emergencies or unforeseen capital expenditures to ensure operational efficiency. Emergencies and unexpected needs arise throughout the course of the year which require immediate attention prior to the availability of the next fiscal year budget.

PE 4698 PROJECT ADMINISTRATION, MET

This project funds the activities associated with the administration of capital grants and the projects in those grants. This includes only those labor, fringe and overhead costs covered by Metra's cost

allocation plan. Examples of the types of activities associated with the administration of capital grants are budget revisions, requisitions, quarterly reports, and reconciliation of expenses done at project closeout.

PE 4699 CONTINGENCIES, MET

This project can fund both emergencies and unanticipated capital needs that arise throughout the course of the program year. These items require immediate attention prior to inclusion in the budget for the forthcoming program year. Contingencies are necessary to fund emergency and other activities to prevent project and service delays.

Metra 2012-2016 Core Capital Program (\$ in 000's)

Description	2012	2013	2014	2015	2016	Total
Rolling Stock						
Locomotive Improvements	\$17,200	\$10,950	\$20,000	\$10,950	\$700	\$59,800
Car Rehabilitation	12,100	15,000	19,500	19,500	19,500	85,600
MU Car Improvements	750	750	750	500	500	3,250
Fleet Component Overhaul	7,800	8,800	9,000	9,200	9,400	44,200
HVAC Refrigerant Conversion	0	500	500	500	500	2,000
Sub-Total	\$37,850	\$36,000	\$49,750	\$40,650	\$30,600	\$194,850
Track & Structure						
Ties and Ballast	\$7,500	\$5,300	\$5,500	\$5,500	\$10,000	\$33,800
Rail	3,440	4,590	4,190	4,760	3,710	20,690
Crossings (Road and Track)	2,275	2,275	2,275	2,275	2,275	11,375
Bridges	12,775	29,725	24,900	16,575	30,900	114,875
Retaining Wall Rehabilitation	270	0	1,070	0	770	2,110
Structural Upgrades	1,000	100	300	100	200	1,700
Sub-Total	\$27,260	\$41,990	\$38,235	\$29,210	\$47,855	\$184,550
Signal, Electrical & Communications						
Signal System Upgrades	\$600	\$4,000	\$4,650	\$7,250	\$3,250	\$19,750
Interlockings	11,800	8,800	9,300	6,100	5,100	41,100
Electrical System Improvements	4,590	175	7,950	10,085	11,585	34,385
Communications Improvements	0	500	500	4,500	500	6,000
Positive Train Control	36,500	32,700	11,850	8,150	8,150	97,350
Sub-Total	\$53,490	\$46,175	\$34,250	\$36,085	\$28,585	\$198,585
Facilities & Equipment						
Yard Improvements	\$0	\$0	\$2,000	\$5,155	\$2,000	\$9,155
Building Improvements	0	0	700	1,700	1,700	4,100
Equipment and Vehicles	2,100	2,800	2,800	2,800	2,800	13,300
Financial Systems Replacement	14,500	10,000	10,000	10,000	5,000	49,500
Sub-Total	\$16,600	\$12,800	\$15,500	\$19,655	\$11,500	\$76,055
Stations & Parking						
Stations and Parking	\$3,000	\$4,000	\$6,225	\$21,700	\$31,150	\$66,075
CMAQ/Community Initiatives	5,000	3,000	3,000	3,000	3,000	17,000
Sub-Total	\$8,000	\$7,000	\$9,225	\$24,700	\$34,150	\$83,075
Support Activities						
Material Handling	\$200	\$200	\$200	\$200	\$200	\$1,000
Homeland Security	5,000	5,000	5,000	5,000	5,000	25,000
Project Administration/Contingencies	2,110	1,660	2,030	2,230	1,730	9,760
Engineering and Management	4,500	5,575	4,850	4,000	4,850	23,775
Sub-Total	\$11,810	\$12,435	\$12,080	\$11,430	\$11,780	\$59,535
Grand Total	\$155,010	\$156,400	\$159,040	\$161,730	\$164,470	\$796,650

Metra 2012 - 2016 Capital Program

Core and State of Illinois Bond Programs (\$ in 000s)

Description	Core Program		State Bond Program
	2012	2013 - 2015	2010 to 2014
Rolling Stock			
Highliner Car Replacement	\$ -	\$ -	\$ 585,100
Locomotive Improvements	\$ 17,200	\$ 42,600	\$ -
Car Rehabilitation	\$ 12,100	\$ 73,500	\$ -
MU Car Improvements	\$ 750	\$ 2,500	\$ -
Fleet Component Overhaul	\$ 7,800	\$ 36,400	\$ -
HVAC Refrigerant Conversion	\$ -	\$ 2,000	\$ -
Sub-Total	\$ 37,850	\$ 157,000	\$ 585,100
Track & Structure			
Ties and Ballast	\$ 7,500	\$ 26,300	\$ -
Rail	\$ 3,440	\$ 17,650	\$ -
CREATE	\$ -	\$ -	\$ 17,000
Crossings (Road and Track)	\$ 2,275	\$ 9,100	\$ -
Bridges	\$ 12,775	\$ 104,100	\$ 151,500
Retaining Wall Rehabilitation	\$ 270	\$ 1,440	\$ -
Structural Upgrades	\$ 1,000	\$ 700	\$ -
Sub-Total	\$ 27,260	\$ 159,290	\$ 168,500
Signal, Electrical & Communications			
Signal System Upgrades	\$ 11,300	\$ 33,550	\$ -
Interlockings	\$ 3,500	\$ 19,100	\$ -
Electrical System Improvements	\$ 2,190	\$ 25,595	\$ -
Communications Improvements	\$ -	\$ 6,000	\$ -
Positive Train Control	\$ 36,500	\$ 67,700	\$ 160,000
Sub-Total	\$ 53,490	\$ 151,945	\$ 160,000
Facilities & Equipment			
Yard Improvements	\$ -	\$ 9,155	\$ 51,350
Building Improvements	\$ 500	\$ 6,100	\$ -
Equipment and Vehicles	\$ 1,400	\$ 8,900	\$ -
Financial Systems Replacement	\$ 14,700	\$ 35,300	\$ -
Sub-Total	\$ 16,600	\$ 59,455	\$ 51,350
Stations & Parking			
Stations and Parking	\$ 3,000	\$ 58,575	\$ 135,750
Community Initiatives	\$ 5,000	\$ 20,000	\$ -
Sub-Total	\$ 8,000	\$ 78,575	\$ 135,750
Support Activities			
Material Handling	\$ 200	\$ 800	\$ -
Homeland Security	\$ 5,000	\$ 20,000	\$ -
Project Admin/Contingencies	\$ 2,110	\$ 6,690	\$ -
Engineering and Management	\$ 4,500	\$ 19,275	\$ -
Sub-Total	\$ 11,810	\$ 46,765	\$ -
Grand Total	\$ 155,010	\$ 653,030	\$ 1,100,700

Physical Description

Table 17

Carrier/Line	Location of Outlying Terminal	Downtown Terminal	Number of Stations			Accessible Stations				Rolling Stock			Track Miles	Route Miles
			Illinois	Out of State	Total	Partial	Full	Loco-motives	Trailer Cars	Cab Cars	Electric Propelled			
BNSF Railway	Aurora, IL (Kane Co.)	Chicago Union Station	25	0	25	6	13		26	134	31	0	144.0	37.5
Union Pacific	Kenosha, WI (Kenosha Co.)	Ogilvie Transportation Ctr.	24	1	25	1	20						107.5	51.6
Northwest Line	Harvard, IL (McHenry Co.)	Ogilvie Transportation Ctr.	21	0	21	2	16						161.1	63.1
McHenry Branch	McHenry, IL (McHenry Co.)	Ogilvie Transportation Ctr.	1	0	1	1	0						8.0	7.4
West Line	Elburn, IL (Kane Co.)	Ogilvie Transportation Ctr.	18	0	18	3	13						144.2	43.6
Total			64	1	65	7	49		52	260	62	0	418.2	162.3
Electric District	University Park, IL (Will Co.)	Millennium Station	32	0	32	0	13						86.0	31.5
Blue Island Branch	Blue Island, IL (Cook Co.)	Millennium Station	7	0	7	0	1						5.0	4.4
South Chicago Branch	Chicago, IL (Cook Co.)	Millennium Station	8	0	8	0	7						11.3	4.7
Total			47	0	47	0	21		0	0	0	171	102.3	40.6
Heritage Corridor	Joliet, IL (Will Co.)	Chicago Union Station	5	0	5	0	4		3	11	3	0	78.0	37.2
Milwaukee District	Fox Lake, IL (Lake Co.)	Chicago Union Station	20	0	20	3	14						97.0	49.5
North Line	Elgin, IL (Kane Co.)	Chicago Union Station	21	0	21	0	20						102.8	39.8
West Line														
Total			41	0	41	3	34		36	105	48	0	186.4	83.9
North Central Service	Antioch, IL (Lake Co.)	Chicago Union Station	15	0	15	0	15		6	21	6	0	85.0	52.8
SouthWest Service	Manhattan, IL (Will Co.)	Chicago Union Station	12	0	12	0	12		6	32	5	0	59.3	40.8
Rock Island District	Joliet, IL (Will Co.)	LaSalle Street Station	14	0	14	2	11						84.0	40.2
Main Line	Blue Island, IL (Cook Co.)	LaSalle Street Station	12	0	12	5	5						13.3	6.6
Beverly Branch														
Total			26	0	26	7	16		17	91	30	0	97.1	46.8
Downtown Stations			5	0	5	0	5							
System Totals*			240	1	241	23	169		146	654	185	171	1,155.1	487.7

*South Shore (NICTD) is not included.

Operating Characteristics as of 2011

Carrier/Line	Revenue Trains			Train Miles Jul10-Jun11	Car Miles Jul10-Jun11	Average Scheduled Speeds			On-Time Performance #	
	Weekday	Sat	Sun/Hol			Weekday Peak	Weekday Off-Peak	Weekend/Holiday	2010 Average	Jan-Jun 11 Average
BNSF Railway	94	28	18	948,961	6,964,051	35.1	31.2	29.2	95.2%	94.5%
Union Pacific	70	26	18	755,545	4,328,240	30.7	29.4	30.6	95.0%	93.6%
Northwest	65	24	15	940,340	6,288,265	33.9	32.7	34.0	96.6%	95.1%
West	59	20	18	699,052	4,734,548	32.0	31.1	31.2	94.5%	92.0%
Total	194	70	51	2,394,937	15,351,053				95.4%	93.6%
Electric District	79	46	20	726,776	3,764,696	23.9	23.0	23.1	97.1%	96.1%
Blue Island	37	30	0	154,824	519,355	32.3	29.5	29.3	97.9%	98.2%
So Chicago	54	48	20	227,985	890,368	20.2	20.2	20.6	98.6%	97.7%
Total	170	124	40	1,109,585	5,174,419				97.8%	97.1%
Heritage Corridor	6	0	0	57,144	265,836	35.2	--	--	88.5%	91.5%
Milwaukee District	60	24	20	767,013	4,721,368	32.2	30.9	31.8	94.3%	90.6%
West	58	24	18	661,349	4,472,337	29.6	29.4	29.8	96.0%	93.3%
Total	118	48	38	1,428,362	9,193,705				95.1%	91.9%
North Central Service	22	0	0	296,386	1,319,674	34.1	33.8	--	93.2%	91.7%
SouthWest Service	30	6	0	243,637	1,781,039	27.2	27.5	28.7	94.2%	92.6%
Rock Island District	69	20	16	703,681	5,010,311	29.5	29.7	29.0	96.3%	94.3%
System Totals/Averages*	703	296	163	7,182,693	45,060,088	31.5	29.8	29.7	95.9%	94.3%

* South Shore (NICTD) is not included.

Due to changes in calculation methodology, on-time performance figures from May 2011 onward are not exactly comparable to prior months' figures.

Table 19

Commuter Stations by Fare Zone

ZONE	BNF	ELECTRIC MAIN LINE	ELECTRIC BLUE ISLAND	ELECTRIC SOUTH CHICAGO	HERITAGE	MILWAUKEE NORTH	MILWAUKEE WEST	NORTH CENTRAL SERVICE	ROCK ISLAND MAN	ROCK ISLAND BRANCH	SOUTHWEST SERVICE	UNION PACIFIC NORTH	UNION PACIFIC NORTHWEST	UNION PACIFIC WEST
A (0.0-5.0)	CUS*	0.0 Millennium			CUS*	0.0 CUS*	0.0 CUS*	0.0 CUS*	0.0 LaSalle		CUS*	0.0 OTC*	0.0 OTC*	0.0
	Hales St	1.8 Van Buren			Western Ave	2.9 Western Ave	2.9 Western Ave	2.9 35th St/Lou Jones	3.1			Cybound	2.9 Cybound	2.9 Kedzie
	Western Ave	3.8 Museum Campus/ 14th St												
		18th St McCormick Place 27th St												
B (5.1-10.0)	Cicero	7.0 47th St		Stony Island		6.4 Grand/Cicero	6.5		Gresham			Revswood Rogers Park	6.5 Irving Park 9.4 Jefferson Park Gladstone Park	7.0 Oak Park 9.1 River Forest 10.1
	LaVergne	9.1 53rd St		Bryn Mawr		8.2 Hanson Park	7.7							
	Berwyn	9.6 56th St		South Shore		9.0 Galewood	8.6							
	Harlem Ave	10.1 59th St		Windsor Park		Mars Mont Clare	9.1 9.5							
C (10.1-15.0)	Congress Park	13.1 95th St		79th St										
	LaGrange Rd	13.8 103rd St		83rd St										
	Stone Ave	14.2 107th St		87th St										
		111th St Kensington		93rd St										
D (15.1-20.0)	Western Springs	15.5 Riverside		Summit		10.2 Elmwood Park	10.2		11.4 96th St	10.9 Brainerd	10.6 Wrighthead	11.0 Norwood Park	11.4 Maywood	10.5
	HIGHLANDS	16.4 Ivanhoe	State St		Forest Glen	11.6 River Grove	11.4		Washington Hls	12.0 91st St	11.3 Ashburn	12.0 Edison Park	12.6 Melrose Park	11.3
	Hinsdale	16.9 147th St	Stewart Ridge		Edgebrook	11.8 Belmont Ave	13.0		14.8	95th St	11.7	13.3 Park Ridge	13.5 Bellwood	12.6
	W. Hinsdale	17.8 Haney	W. Pullman		Morton Grove	14.3 Franklin Park	13.2			96th St	12.3	14.4 Deer Road	15.0 Berkeley	14.3
E (20.1-25.0)	Clermont Hills	18.3 Ashland Ave				Manheim	14.0			103rd St	12.8			
	Westmont	19.5 Burr Oak								107th St	13.3			
										111th St	13.8			
										115th St	14.3			
F (25.1-30.0)	Fairview Ave	20.4 Hazel Crest	Willow Springs			10.2 Elmwood Park	10.2		15.6 Vermont St	15.7 123rd St	15.2 Oak Lawn	15.2 Kenilworth	15.2 Des Plaines	17.1 Elmhurst
	Main St	21.2 Calumet			Golf	11.6 River Grove	11.4		Robbins	17.2 Prairie St	15.8 Chicago Ridge	16.8 Indian Hill	15.8 Cumberland	18.6 Villa Park
	Belmont	22.6 Homewood			Glen/N.Glenview	17.4 Wood Dale	19.1		Midlothian	18.4 Vermont St	16.5 Worth	18.2 Winnetka	16.6 Mt Prospect	20.0 Lombard
	Lisle	24.5 Flossmoor	Lemont		Deerfield	24.2 Roselle	23.9				16.5 Worth	18.7 Palos Heights	17.7 Hubbard Woods	19.9
G (30.1-35.0)	Naperville	28.5 Olympia Fields			Lake Forest	28.4 Schaumburg	26.5		27.2 Hickory Creek	27.5	17.9th St	28.9 Fort Sheridan	25.7 Palatine	27.5 Winfield
		21.1th St				Harcor Park	28.4		29.5 Mokena	29.6		Lake Forest	28.3	28.6 West Chicago
		Matteson				Bartlett	30.1							
	Route 59	31.6 University Park	Lockport						New Lenox	34.0		Lake Bluff	30.2 Barrington	
H (35.1-40.0)	Aurora	37.5							31.6 Prairie View	34.0		Great Lakes	31.9	
									33.0			North Chicago	33.7	
									36.9 Joliet	40.2		Waukegan	35.9 Fox River Grove	37.3 Geneva
									40.7					38.6
I (40.1-45.0)														
J (45.1-50.0)														
K (50.1-55.0)														
M (60.1-65.0)														

* CUS=Chicago Union Station, # OTC=Ogwie Transportation Center

Forecasted Ridership and Vehicle Miles 2011-2014

	2010 Actual	2011 Year-End Projected*	2012 Forecast	2013 Forecast	2014 Forecast
Passenger Trips 1					
BNSF Railway	16,286,000	16,377,000	16,200,000	16,443,000	16,690,000
Union Pacific	28,183,000	28,111,000	27,807,000	28,224,000	28,648,000
Electric District	10,039,000	10,000,000	9,892,000	10,040,000	10,191,000
Heritage Corridor	695,000	699,000	692,000	702,000	713,000
Milwaukee District	13,599,000	13,859,000	13,709,000	13,915,000	14,124,000
North Central Service	1,585,000	1,604,000	1,587,000	1,611,000	1,635,000
SouthWest Service	2,451,000	2,505,000	2,478,000	2,516,000	2,553,000
Rock Island District	8,554,000	8,506,000	8,415,000	8,541,000	8,669,000
System Total**	81,393,000	81,662,000	80,780,000	81,992,000	83,222,000
Year-to-Year Change		0.3%	-1.1%	1.5%	1.5%
Passenger Miles 2					
BNSF Railway	372,404,000	374,954,000	370,904,000	376,468,000	382,115,000
Union Pacific	597,969,000	592,588,000	586,188,000	594,980,000	603,905,000
Electric District	184,338,000	184,307,000	182,316,000	185,051,000	187,827,000
Heritage Corridor	19,211,000	19,250,000	19,042,000	19,327,000	19,617,000
Milwaukee District	315,794,000	315,202,000	311,798,000	316,474,000	321,222,000
North Central Service	48,214,000	48,942,000	48,414,000	49,140,000	49,877,000
SouthWest Service	45,361,000	46,093,000	45,595,000	46,279,000	46,974,000
Rock Island District	179,211,000	176,881,000	174,971,000	177,596,000	180,260,000
System Total**	1,762,502,000	1,758,217,000	1,739,228,000	1,765,316,000	1,791,796,000
Year-to-Year Change		-0.2%	-1.1%	1.5%	1.5%
Revenue Car Miles					
BNSF Railway	6,293,000	6,228,000	6,259,000	6,255,000	6,255,000
Union Pacific	14,949,000	14,811,000	14,860,000	14,848,000	14,848,000
Electric District	4,864,000	4,779,000	4,800,000	4,795,000	4,795,000
Heritage Corridor	266,000	264,000	265,000	265,000	265,000
Milwaukee District	8,974,000	8,906,000	8,938,000	8,929,000	8,929,000
North Central Service	1,320,000	1,302,000	1,308,000	1,308,000	1,308,000
SouthWest Service	1,769,000	1,762,000	1,769,000	1,769,000	1,769,000
Rock Island District	4,647,000	4,676,000	4,697,000	4,693,000	4,693,000
System Total**	43,082,000	42,728,000	42,897,000	42,863,000	42,863,000
Year-to-Year Change		-0.8%	0.4%	-0.1%	0.0%

*Based on January-June actuals

**South Shore (NICTD) is not included.

¹ - Based on Ticket Sales and Free Trips

² - Based on Ticket Sales but does not include Free Trips

Note: Line estimates beginning in August 2010 may be affected by the implementation of a new revenue accounting system, which provides more precise line breakdowns than our previous systems were able to provide for passenger trips and passenger miles.

Columns may not add exactly to System Totals due to rounding.

Ticket Sales by Ticket Type - July 2010-June 2011

Carrier/Line	Between Chicago, IL (Cook County) and...	Monthly	Ten-Ride	Regular One-Way	Conductor One-Way	Weekend	Link-Up	PlusBus
BNSF Railway	Aurora, IL (Kane County)	242,100	351,200	899,700	469,500	189,100	18,300	8,100
Union Pacific	Kenosha, WI (Kenosha County)	105,900	266,500	559,400	706,900	197,000		
	Harvard, IL (McHenry County)	130,500	229,200	753,700	687,300	211,300		
	Elburn, IL (Kane County)	102,300	174,400	528,000	422,500	160,400		
	Total	338,600	670,100	1,841,100	1,816,700	568,700	18,500	2,400
Electric District	University Park, IL (Will County)	125,500	177,300	974,900	270,700	97,000		
	Blue Island, IL (Cook County)	2,000	4,600	30,900	11,800	1,300		
	So Chicago	7,000	23,100	118,500	28,900	1,200		
	Total	134,400	205,000	1,124,200	311,500	99,600	13,800	600
Heritage Corridor	Joliet, IL (Will County)	12,900	11,200	8,500	11,800	0	400	25
Milwaukee District	Fox Lake, IL (Lake County)	83,400	178,400	424,100	409,500	143,400		
	Elgin, IL (Kane County)	91,800	125,500	481,900	460,000	147,000		
	Total	175,200	303,900	906,100	869,500	290,400	26,000	5,000
North Central Service	Antioch, IL (Lake County)	23,600	31,500	54,100	148,200	0	600	50
SouthWest Service	Manhattan, IL (Will County)	41,200	46,900	73,500	101,700	4,800	1,500	50
Rock Island District	Joliet, IL (Will County)	130,800	166,400	480,300	308,300	73,700	8,500	400
System Totals*		1,098,900	1,786,100	5,387,500	4,037,100	1,226,300	87,700	16,700

*South Shore (NICTD) is not included.

Note: Line estimates beginning in August 2010 may be affected by the implementation of a new revenue accounting system, which provides more precise line breakdowns than our previous systems were able to provide. Also, columns may not add exactly to System Totals due to rounding.

Table 22

Ridership Related Statistics - July 2010-June 2011

Carrier/Line	Passenger Loads (conductor counts)											Annual Passenger Trips *	Annual Passenger Miles **	Annual Passenger Revenue	Avg Rev Per Psngr Trip	Avg Trip Length (miles)			
	Weekday Average			Avg Saturday	Avg Sunday	Avg Week	Passenger Loads (conductor counts)			Annual Passenger Trips *	Annual Passenger Miles **						Annual Passenger Revenue	Avg Rev Per Psngr Trip	Avg Trip Length (miles)
	Peak	Reverse	Midday				Evening	Total	Reverse										
BNSF Railway	50,500	3,800	6,800	4,500	65,500	15,000	8,900	351,400	16,377,200	374,953,900	\$48,812,000	\$2.98	22.9						
Union Pacific	21,600	5,700	4,900	2,800	35,000	10,500	7,000	192,500	9,704,100	173,729,100	\$26,150,400	\$2.69	17.9						
Northwest	29,300	2,700	5,100	2,900	39,900	12,400	7,200	219,100	10,587,000	253,930,900	\$32,193,500	\$3.04	24.0						
West	22,500	1,600	3,400	1,800	29,400	7,900	6,100	161,000	7,819,700	164,927,500	\$22,662,600	\$2.90	21.1						
Total	73,400	10,000	13,400	7,500	104,300	30,800	20,300	572,600	28,110,800	592,587,500	\$81,006,500	\$2.88	21.1						
Electric District	22,200	800	3,800	1,700	28,600	6,500	3,500	153,000	9,012,500	173,463,400	\$24,421,300	\$2.71	19.2						
Blue Island	1,800	200	300	100	2,400	700	0	12,700	206,400	3,091,100	\$504,100	\$2.44	15.0						
So Chicago	3,300	500	1,100	300	5,300	2,000	900	29,400	781,100	7,752,100	\$1,249,700	\$1.60	9.9						
Total	27,300	1,500	5,200	2,100	36,300	9,200	4,400	195,100	10,000,000	184,306,600	\$26,175,100	\$2.62	18.4						
Heritage Corridor	2,600	0	0	0	2,600	0	0	13,000	699,200	19,249,700	\$2,181,400	\$3.12	27.5						
Milwaukee District	15,800	3,100	2,900	1,600	23,400	5,400	3,700	126,100	6,943,300	154,759,900	\$21,029,300	\$3.03	22.3						
West	17,800	1,200	2,600	1,300	22,800	5,600	3,900	123,500	6,915,500	160,441,800	\$20,759,900	\$3.00	23.2						
Total	33,600	4,300	5,500	2,900	46,200	11,000	7,600	249,600	13,858,800	315,201,700	\$41,789,200	\$3.02	22.7						
North Central Service	4,500	300	500	200	5,600	0	0	28,000	1,609,800	48,942,500	\$5,651,800	\$3.51	30.4						
SouthWest Service	8,300	200	800	400	9,700	300	0	48,800	2,678,200	46,093,200	\$6,729,600	\$2.51	17.2						
Rock Island District	25,400	600	3,200	1,200	30,300	3,900	2,700	158,100	8,328,200	176,881,500	\$24,169,500	\$2.90	21.2						
System Totals***	225,400	20,700	35,500	18,800	300,400	70,200	43,800	1,616,600	81,662,000	1,758,216,700	\$236,515,100	\$2.90	21.5						

Note: Line estimates beginning in August 2010 may be affected by the implementation of a new revenue accounting system, which provides more precise line breakdowns than our previous systems were able to provide. Also, columns may not add exactly to System Totals due to rounding.

* Includes free trips

** Does not include free trips

*** South Shore (NICTD) is not included.

Proposed 2012 Adult Fares

Ticket	A	B	C	D	E	F	G	H	I	J	K	M
Monthly	78.25											
A Ten-Ride	24.75											
One-Way	2.75											
Monthly	85.50	78.25						Weekend: \$7.00				
B Ten-Ride	27.00	24.75						On-Board Surcharge: \$3.00				
One-Way	3.00	2.75										
Monthly	121.00	85.50	78.25									
C Ten-Ride	38.25	27.00	24.75									
One-Way	4.25	3.00	2.75									
Monthly	135.25	121.00	85.50	78.25								
D Ten-Ride	42.75	38.25	27.00	24.75								
One-Way	4.75	4.25	3.00	2.75								
Monthly	149.50	135.25	121.00	85.50	78.25							
E Ten-Ride	47.25	42.75	38.25	27.00	24.75							
One-Way	5.25	4.75	4.25	3.00	2.75							
Monthly	163.75	149.50	135.25	121.00	85.50	78.25						
F Ten-Ride	51.75	47.25	42.75	38.25	27.00	24.75						
One-Way	5.75	5.25	4.75	4.25	3.00	2.75						
Monthly	178.00	163.75	149.50	135.25	121.00	85.50	78.25					
G Ten-Ride	56.25	51.75	47.25	42.75	38.25	27.00	24.75					
One-Way	6.25	5.75	5.25	4.75	4.25	3.00	2.75					
Monthly	192.25	178.00	163.75	149.50	135.25	121.00	85.50	78.25				
H Ten-Ride	60.75	56.25	51.75	47.25	42.75	38.25	27.00	24.75				
One-Way	6.75	6.25	5.75	5.25	4.75	4.25	3.00	2.75				
Monthly	206.50	192.25	178.00	163.75	149.50	135.25	121.00	85.50	78.25			
I Ten-Ride	65.25	60.75	56.25	51.75	47.25	42.75	38.25	27.00	24.75			
One-Way	7.25	6.75	6.25	5.75	5.25	4.75	4.25	3.00	2.75			
Monthly	220.75	206.50	192.25	178.00	163.75	149.50	135.25	121.00	85.50	78.25		
J Ten-Ride	69.75	65.25	60.75	56.25	51.75	47.25	42.75	38.25	27.00	24.75		
One-Way	7.75	7.25	6.75	6.25	5.75	5.25	4.75	4.25	3.00	2.75		
Monthly	235.00	220.75	206.50	192.25	178.00	163.75	149.50	135.25	121.00	85.50	78.25	
K Ten-Ride	74.25	69.75	65.25	60.75	56.25	51.75	47.25	42.75	38.25	27.00	24.75	
One-Way	8.25	7.75	7.25	6.75	6.25	5.75	5.25	4.75	4.25	3.00	2.75	
Monthly	263.50	249.25	235.00	220.75	206.50	192.25	178.00	163.75	149.50	135.25	121.00	78.25
M Ten-Ride	83.25	78.75	74.25	69.75	65.25	60.75	56.25	51.75	47.25	42.75	38.25	24.75
One-Way	9.25	8.75	8.25	7.75	7.25	6.75	6.25	5.75	5.25	4.75	4.25	2.75

Proposed 2012 Special User Fares

Ticket	A	B	C	D	E	F	G	H	I	J	K	M
Monthly	43.75											
A Ten-Ride	12.50											
One-Way	1.25											
Monthly	52.50	43.75										
B Ten-Ride	15.00	12.50										
One-Way	1.50	1.25										
Monthly	70.00	52.50	43.75									
C Ten-Ride	20.00	15.00	12.50									
One-Way	2.00	1.50	1.25									
Monthly	78.75	70.00	52.50	43.75								
D Ten-Ride	22.50	20.00	15.00	12.50								
One-Way	2.25	2.00	1.50	1.25								
Monthly	87.50	78.75	70.00	52.50	43.75							
E Ten-Ride	25.00	22.50	20.00	15.00	12.50							
One-Way	2.50	2.25	2.00	1.50	1.25							
Monthly	96.25	87.50	78.75	70.00	52.50	43.75						
F Ten-Ride	27.50	25.00	22.50	20.00	15.00	12.50						
One-Way	2.75	2.50	2.25	2.00	1.50	1.25						
Monthly	105.00	96.25	87.50	78.75	70.00	52.50	43.75					
G Ten-Ride	30.00	27.50	25.00	22.50	20.00	15.00	12.50					
One-Way	3.00	2.75	2.50	2.25	2.00	1.50	1.25					
Monthly	113.75	105.00	96.25	87.50	78.75	70.00	52.50	43.75				
H Ten-Ride	32.50	30.00	27.50	25.00	22.50	20.00	15.00	12.50				
One-Way	3.25	3.00	2.75	2.50	2.25	2.00	1.50	1.25				
Monthly	122.50	113.75	105.00	96.25	87.50	78.75	70.00	52.50	43.75			
I Ten-Ride	35.00	32.50	30.00	27.50	25.00	22.50	20.00	15.00	12.50			
One-Way	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.50	1.25			
Monthly	131.25	122.50	113.75	105.00	96.25	87.50	78.75	70.00	52.50	43.75		
J Ten-Ride	37.50	35.00	32.50	30.00	27.50	25.00	22.50	20.00	15.00	12.50		
One-Way	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.50	1.25		
Monthly	140.00	131.25	122.50	113.75	105.00	96.25	87.50	78.75	70.00	52.50	43.75	
K Ten-Ride	40.00	37.50	35.00	32.50	30.00	27.50	25.00	22.50	20.00	15.00	12.50	
One-Way	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.50	1.25	
Monthly	157.50	148.75	140.00	131.25	122.50	113.75	105.00	96.25	87.50	78.75	70.00	43.75
M Ten-Ride	45.00	42.50	40.00	37.50	35.00	32.50	30.00	27.50	25.00	22.50	20.00	12.50
One-Way	4.50	4.25	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.25

FY2012 Budget Presentations - County Boards

Date & Time	Board	Location
Tuesday, November 1, 2011 10:00 a.m.	Cook County Board	Cook County Board of Commissioners County Building 118 N. Clark Street, 5th Floor Chicago, Illinois
Tuesday, October 25, 2011 10:00 a.m.	DuPage County Board	DuPage County Board DuPage County Administration Bldg County Board Room 421 N. County Farm Road Wheaton, Illinois
Tuesday, October 18, 2011 10:00 a.m.	Kane County Transportation Committee	Kane County Board Kane County Government Center County Board Room 719 Batavia Avenue, Building A Geneva, Illinois
Tuesday, November 8, 2011 9:45 a.m.	Kane County Board	Kane County Board Kane County Government Center County Board Room 719 Batavia Avenue, Building A Geneva, Illinois
Tuesday, November 8, 2011 9:00 a.m.	Lake County Board	Lake County Board Lake County Court House County Board Room 18 N. County Street Waukegan, Illinois
Tuesday, November 1, 2011 9:00 a.m.	McHenry County Board	McHenry County Board County Board Room 667 Ware Road Woodstock, Illinois
Thursday, October 20, 2011 9:30 a.m.	Will County Board	Will County Board Will County Board Office 302 N. Chicago Street Joliet, Illinois

FY2012 Budget Presentations - Metra Public Hearings

Wednesday, November 2, 2011 4:00 p.m. - 7:00 p.m.

Kane County	Geneva City Hall City Council Chamber 22 S. First Street, Geneva, Illinois
McHenry County	Woodstock City Hall City Council Chambers 121 W. Calhoun Street, Woodstock, Illinois
Suburban Cook (North)	Arlington Heights Village Hall Board Room 33 South Arlington Heights Road, Arlington Heights, Illinois
Suburban Cook (South)	Homewood Village Hall Village Board Room 2020 Chestnut Road, Homewood, Illinois

Thursday, November 3, 2011 4:00 p.m. - 7:00 p.m.

City of Chicago	Metra 547 W. Jackson Boulevard 13th Floor Board Room Chicago, Illinois
DuPage County	Clarendon Hills Village Hall Village Board Room 1 N. Prospect Avenue Clarendon Hills, Illinois
Lake County	Grayslake Village Hall Village Board Room 10 South Seymour Grayslake, Illinois
Will County	Joliet City Hall Council Chambers 150 West Jefferson Street Joliet, Illinois

Commuter Rail Board Ordinance No. MET 11-24

Be It Ordained:

1. The Board of Directors of the Commuter Rail Division of the Regional Transportation Authority (“Commuter Rail Division”) hereby releases the Preliminary 2012 Operating and Capital Program and Budget, 2013-2014 Financial Plan, and the 2012-2016 Capital Program for Public Hearings and public discussion.
2. The Board of Directors of the Commuter Rail Division also authorizes said Public Hearings to be held in the City of Chicago, Suburban Cook County, DuPage County, Kane County, Lake County, McHenry County, and Will County with times and locations as specified in the Legal Notice. This is in compliance with Section 3B.10 of the Regional Transportation Authority Act, (70 ILCS 3615/3B.10).

October 14, 2011

Metra’s Title VI Policy

In accordance with Metra’s responsibilities under Title VI of the Civil Rights Act of 1964, and pursuant to 49 CFR 21.9(d), it is Metra’s goal to ensure that no one is denied participation in, or denied the benefits of, or is otherwise discriminated against in the provision of public transportation by commuter rail because of race, color or national origin.

Metra is in compliance with Title VI of the Civil Rights Act of 1964 and 49 CFR 21.9(d).

Any information regarding Metra’s Title VI policy/ procedures can be requested from Metra’s Office of DBE Administration at 312-322-6323.

Metra has established a Title VI complaint procedure for anyone who believes he or she has been discriminated against in violation of this policy. Complaints related

to Title VI can be filed with Metra’s Office of DBE Administration:

547 W. Jackson Blvd.
Office of DBE Administration
ATTN: Title VI Complaint Officer
Chicago, IL 60661

Citizens Advisory Board

Jeffrey Berman - Chairman

Appointed by Director James C. LaBelle,
representing Lake County

Patricia Mahon - Vice Chairman

Appointed by former Director Edward W. Paesel,
representing Suburban Cook County

Thomas Brabec

Appointed by the Chicago South Suburban Mass
Transit District

Timothy M. Calcagno

Appointed by former Director James Dodge,
representing Suburban Cook County

Christian Gutierrez

Appointed by former Chairman Carole R. Doris,
representing DuPage County

Sue Klinkhamer

Appointed by former Director Caryl J. Van Overmeiren,
representing Kane County

Jamy L. Lyne

Appointed by Director Jack E. Partelow,
representing Will County

Gary L. McClung

Appointed by Director Arlene J. Mulder,
representing Suburban Cook County

Robert J. Nunamaker

Appointed by Director Jack Schaffer,
representing McHenry County

George Pearce

Appointed by Director William A. Widmer III,
representing Suburban Cook County

Pamela Pelizzari

Appointed by the Chicago West Suburban Mass
Transit District

Ernest Sawyer

Appointed by Director Larry A. Huggins,
representing City of Chicago



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