

# CTA: BUILDING A 21ST CENTURY TRANSIT SYSTEM

PRESIDENT'S 2016 BUDGET RECOMMENDATIONS



# CTA FY16 Budget

## Chicago Transit Board

---

### **Terry Peterson, Chairman**

Appointed by: Mayor, City of Chicago

### **Ashish Sen, Vice Chairman**

Appointed by: Governor, State of Illinois

### **Arabel Alva Rosales**

Appointed by: Governor, State of Illinois

### **Andre Youngblood**

Appointed by: Governor, State of Illinois

### **Rev. Charles E. Robinson**

Appointed by: Mayor, City of Chicago

### **Alejandro Silva**

Appointed by: Mayor, City of Chicago

### **Kevin Irvine**

Appointed by: Mayor, City of Chicago

### **Dorval R. Carter Jr., President**

# CTA FY16 Budget

## Table of Contents

---

---

Letter from the President.....	1
CTA Organizational Chart.....	3
Executive Summary.....	5
<b>2015 Operating Budget Performance</b>	
2015 Operating Budget Performance Summary.....	31
2015 Operating Budget Schedule.....	40
<b>President’s 2016 Proposed Operating Budget</b>	
President’s 2016 Proposed Operating Budget Summary.....	41
President’s 2016 Proposed Operating Budget Schedule .....	48
<b>President’s 2017-2018 Proposed Operating Financial Plan</b>	
President’s 2017-2018 Proposed Operating Financial Plan Summary.....	49
President’s 2017-2018 Proposed Operating Financial Plan Schedule .....	53
<b>2016-2020 Capital Improvement Plan &amp; Program</b>	
Introduction .....	55
Uses of Funds.....	67
Sources of Funds.....	86
Competitive Grant Opportunities.....	91
Unfunded Capital Need.....	95
Operating Budget Impact.....	98
Capital Program Acronyms .....	99
<b>Appendices</b>	
History of the Agency .....	101
Transit Facts.....	105
System Map.....	107
Operating Funding Summary.....	109
Debt Administration .....	117
Annual Budget Process.....	139
Accounting Systems and Financial Controls.....	143
Financial Policy.....	147
Economic Indicators .....	151
Operating Statistics.....	157
Performance Management.....	161
Comparative Performance Analysis .....	179
Climate Change Impact on the CTA.....	187
CTA Fare Structure .....	189
Comparative Fare Structure.....	191
Acronyms and Glossary.....	193

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# CTA FY16 Budget

## Letter from the President

---

---

Dear CTA Customers:

Earlier this year, I was honored to receive a phone call from Mayor Rahm Emanuel, asking me to return to Chicago to head the CTA.

I was working at the time as Acting Chief of Staff to U.S. Department of Transportation Secretary Anthony Foxx, where I was involved with all modes of transportation, including roads, aviation, freight and passenger rail, pipelines and more. But the opportunity to return to Chicago to work on one of its most critical assets—public transportation—was impossible to resist.

In fact, this is my third stint at CTA, where I began 31 years ago as a staff attorney. In that time, I've held a number of positions at the local and federal level in transportation. All of these experiences have prepared me to take on the role of CTA President and to lead the nation's second-largest transit agency, which provides more than 1.6 million rides each day.

I thank my predecessor, Forrest Claypool, CTA Board Chairman Terry Peterson and the CTA Board for their efforts to put this agency on sound financial footing and their hard work to carry out Mayor Emanuel's vision to modernize and reinvest in the CTA, creating a world-class, 21<sup>st</sup> century transit system. And I'm committed to building on the sturdy foundation to solidify CTA's position as a transit leader for years to come by closely monitoring costs and seeking efficiencies where it makes sense.

As we contemplate 2016, I am committed to preserving fiscal stability while continuing to provide affordable, reliable transportation to customers.

That's why our 2016 operating budget of \$1,475.2 million is balanced without spending capital dollars on operations – the fifth straight year for CTA.

Very importantly, this budget is balanced without fare increases or service cuts, preserving affordability and service for our passengers, while continuing to find efficiencies and cutting 100 positions from the budget.

The 2016 budget is based on 2015 state funding levels, in the absence of the passage of a state 2016 budget as of October 2015. Throughout 2015, we've continued to have productive conversations with lawmakers about the importance of protecting transit funding, recognizing that access to good transit means access to jobs, education and economic growth for our region.

The 2016 budget also continues the \$5 billion of transit modernization begun under Mayor Emanuel since he took office in 2011. We continue the transformational reconstruction of major rail stations including 95<sup>th</sup> Street and Wilson on the Red Line, the CTA's busiest line, as well as modernization of the CTA's busy Blue Line O'Hare branch and portions of the Purple Line Express and Brown Line as rail ridership continues to grow. We also continue the

# CTA FY16 Budget

## Letter from the President

---

extensive planning work necessary to pursue a complete rebuild of the Red and Purple Lines north of Belmont and to extend the Red Line south from its southern endpoint at 95<sup>th</sup> Street to 130<sup>th</sup> Street.

For bus customers, we've worked with the Chicago Department of Transportation on the completion by the end of 2015 on transformative service projects like Loop Link, which will improve bus speeds and the pedestrian environment in the Loop; and restoring express bus service on two of our busiest three bus routes, to increase bus speeds and improve service to our customers – the start of my efforts to improve the customer experience for bus riders.

Investment in technology continues, with the rollout of 4G wireless service in our entire subway system by the end of 2015; the launch of the Ventra app, which for the first time will allow customers to purchase fares on CTA, Metra and Pace via their smartphones; and the continued expansion of our Bus and Train Tracker service to our customers.

We also continue the extensive rail and bus fleet modernization begun under the Mayor, providing customers with safe, reliable and more comfortable transportation. Today, CTA is well on the path to an almost entirely new bus fleet, with the purchase of 425 new buses and major overhaul of more than 1,000 buses to extend their road life. And about half of our rail cars are five years old or less, now that we have taken delivery and put into service all 714 newest-generation 5000-series rail cars—giving CTA one of the youngest rail fleets in decades.

From Day 1, one of my top priorities has been safety and ensuring best-in-class safety procedures and practices. Transit safety in particular was a major focus of my work at the FTA, where I helped guide the administration to gain safety oversight authority over transit agencies, and where I helped conceive and develop a new safety approach for transit known as the Safety Management System (SMS). Last year, CTA was chosen as the first transit agency in the country to assist the development of this new philosophy, which will develop a uniform approach to upgrade policies and procedures to ensure safer operations for transit operations throughout the country. We continue to work closely with FTA and are making progress of improving safety on every level at CTA.

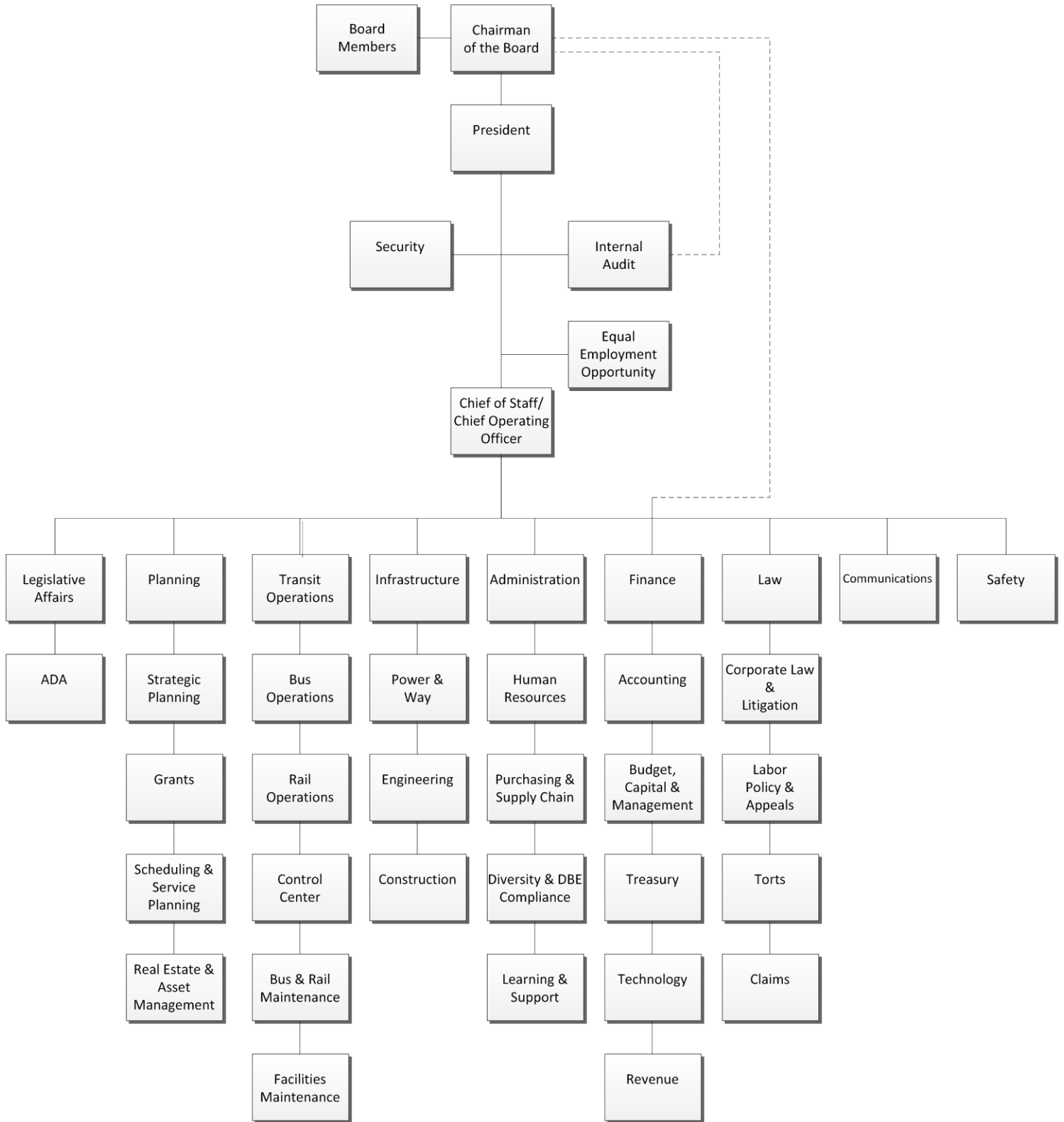
It is an honor to lead CTA and the hard-working, dedicated employees who serve CTA customers. It's also an honor to work for a Mayor who is so focused on transit investment and who understands how integral transit is to the economic fabric of the city.

I look forward to continuing the many improvements the CTA has made thus far, and exploring new and even better ways to provide vital transit services to our customers. We're proud of the progress we've made so far, but we're committed to continuing the work that remains to be done.



Dorval R. Carter, Jr.

# CTA FY16 BUDGET Organizational Chart



**(THIS PAGE INTENTIONALLY LEFT BLANK)**



# CTA FY16 Budget Executive Summary

---

## 2016: Building a 21st Century Transit System

### OVERVIEW

The Chicago Transit Authority (CTA) has been an essential economic driver for the Chicago region for more than 65 years, delivering transportation services that link people, jobs and communities. As the second-largest transit provider in the nation, the CTA provides more than 1.6 million rail and bus rides per day and more than a half a billion rides each year.

In 2015, under the leadership of Chicago Mayor Rahm Emanuel, CTA President Dorval R. Carter Jr. and his predecessor, former CTA President Forrest Claypool, the CTA continued its historic investment into its rail and bus system, working toward the mayor's goal of creating a world-class, 21st century transit system. Key accomplishments include a major overhaul of the CTA's bus and rail fleets, a revitalization of some of the oldest rail infrastructure in the system and continued steps forward on some of the most ambitious projects the CTA has ever taken on. These investments in critical transit infrastructure not only have the immediate impact of improving service across the system, but also have positioned the CTA to be the essential people-mover in Chicago for generations to come.

Riders in 2015 were moving around Chicago more comfortably and reliably than ever before, thanks to a significantly younger rail fleet that includes the completed addition of more than 700 new 5000-series rail cars, 300 new buses and the completion of major overhauls of more than 1,000 buses to extend their road life. These investments lowered maintenance costs and improved service across the entire CTA system.



# CTA FY16 Budget Executive Summary

---

The CTA completed significant improvements to some of its oldest track infrastructure along the Brown and Purple Lines with the Ravenswood Connector Rehabilitation Project and the Purple Express Improvement Project, reducing slow zones, increasing speeds and increasing reliability to customers.

New technology brought CTA riders a more comfortable and enjoyable commute with the installation of a 4G wireless network across 22 miles of subway tunnels and underground facilities. The CTA has worked closely with Metra and Pace in the development and launch of the new Ventra App, the first multi-transit agency app in the nation, which allows riders to purchase fares on all three transit providers via their smartphones.

Job migration continues to shift back towards urban centers where companies can be more connected both culturally and physically with easy access to public transportation. This trend emphasizes the important role of transit systems not just as movers of people – but also as movers of the economy, underscoring the critical need to make transit investments that are essential to creating a successful, economically-thriving city.

Transit investment is also about jobs—good-paying jobs that support families. Major projects undertaken by CTA over the last four years have created more than 6,000 jobs in construction and other good-paying fields for people across the Chicago area.

The CTA has also hired thousands of people to work in jobs that directly serve our customers, including hundreds of new bus drivers and more than 700 new customer assistant positions that were formerly contracted out.

New investments in transit also serve as catalysts for economic development. In 2015, the CTA welcomed the new Cermak-McCormickPlaceGreenLinestation that serves as a critical transportation connection for residents, tourists and businesses alike to the McCormick Place convention center. The more than 100-year old Madison/Wabash stationhouse was demolished to make way for a new, state-of-the-art station at Washington/Wabash that will serve as a gateway to Millennium Park and the Loop. And the Morgan station in the vibrant West Loop neighborhood, opened just three years ago, continues to be a catalyst for new commercial and residential development. In the three years since the Morgan station opened, the number of business licenses issued within 1/2-mile of the station jumped 13 percent and the number of new construction and demolition permits jumped more than 400 percent.



# CTA FY16 Budget

## Executive Summary

---

The CTA moved forward with some of its most ambitious and forward-thinking projects yet, including the Red and Purple Modernization Program (RPM), a transformational, multi-phase investment to completely rebuild the northern sections of the Red and Purple lines. The project will eliminate the CTA's biggest capacity constraint on the Red, Purple and Brown Lines and allow for more trains to meet the demands of growing ridership.

Perhaps most notable of all, the CTA has continued to invest and improve its service to customers amid a challenging political climate that included the lack of a 2016 Illinois state budget. Despite the challenges, the CTA's proposed annual spending plan is balanced and fiscally responsible, holding the line on fares and service levels and reflecting management initiatives and reforms that began in 2011. This includes avoiding the devastating past practice of previous administrations of transferring capital funds – which pay for construction and capital maintenance – to help balance the CTA's operating budget.

The CTA is committed to providing top-notch service to our customers and to contributing to the economic vitality of the Chicago region. The year 2015 was another step forward towards a world-class 21st century transit system.

In May of 2015, Mayor Emanuel announced CTA's new President, Dorval R. Carter Jr. President Carter stepped in at a critical point in CTA's history, during which an unprecedented number of large-scale construction projects were underway or in the planning process.

With more than 30 years of experience in public transit at both the city and federal levels, President Carter came to the CTA in a great position to immediately leverage his experience on the Federal level to identify efficiencies and best practices from across the country that will work at CTA.

### **CAPITAL/CONSTRUCTION**

In 2015 the CTA continued its historic investment in capital projects across its system. From investments that modernize deteriorating infrastructure to the replacement of one of the oldest downtown Loop stations, the CTA continues to invest both in the short and long-term in improving its services for customers.





# CTA FY16 Budget Executive Summary

## ***Cermak-McCormick Station***

The year 2015 welcomed a brand new Green Line station that filled a need for access to rail transit for residents and businesses on the Near South Side. Since 1977, when the previous Cermak station was demolished, a transit service gap existed in a 2.5 mile stretch between Roosevelt and 35th/IIT stations.

The opening of the brand new, ADA-accessible station also brought convenient rail access to McCormick Place, the nation's largest convention center that lies two blocks east. The new \$50 million Cermak-McCormick station, the construction of which was managed by the Chicago Department of Transportation, was a big step forward in Mayor Emanuel's mission to help McCormick Place retain its status as the premiere destination for conventions and meetings in the United States.



*Located just two blocks from the McCormick Place, the new Cermak-McCormick Green Line station features a fully enclosed boarding platform to protect riders from the elements.*

## ***Wilson Station***

In 2015, the CTA continued to make progress on the \$203 million Wilson project to modernize the 91-year-old stationhouse and the adjacent, more than 100-year-old, track structure.



*New track structure being installed near the Wilson Red Line station. The new 2,200 feet of elevated tracks will eliminate slow zones and improve service.*

As part of the first major stage of construction, crews constructed temporary entrances to the station and began reconstruction of the new track structure. When the project is completed by the end of 2017, riders will have a modern, spacious and more accessible station that will be a new transfer point for Red and Purple Line Express trains.

# CTA FY16 Budget

## Executive Summary

---

About 2,200 feet of elevated tracks, signals and supporting infrastructure will also be relocated and reconstructed, eliminating slow zones and improving service reliability for customers, as well as providing a more pleasing street environment on Wilson Avenue and Broadway Street in the heart of Uptown.

### ***95th Terminal***

Construction continued in 2015 on the upcoming 95th Street Terminal on the Red Line that will replace an outdated facility that serves nearly 12,000 rail passenger entries and more than 1,000 CTA and Pace bus trips on an average weekday.

The new facility will greatly enhance the transit experience for thousands of riders in the area and include a pedestrian walkway that will span 95th Street, increasing safety for customers. Once completed, the new terminal will serve the more than 300,000 people who live within walking distance of the CTA bus routes serving the 95th/Dan Ryan Terminal.

### ***Washington/Wabash Loop station***

A major new station project made significant progress in the historic Loop 'L' in 2015. The more than 100-year old Madison/Wabash stationhouse was demolished in preparation for the construction of a new, state-of-the-art station at Washington/Wabash. Scheduled to open in 2017, the new fully-accessible station will serve as a gateway for Millennium Park and the Loop and feature a wide array of sustainable elements. The project is being managed by the Chicago Department of Transportation.

### ***Red and Purple Modernization Phase One***

In 2015, the CTA moved forward with its Red and Purple Modernization Program (RPM), a transformational, multi-phase program to completely rebuild the northern sections of the Red and Purple lines and provide CTA with the ability to add trains to meet the demands of growing ridership on its busiest rail line.



*Clark Junction, built in 1907, is CTA's biggest capacity constraint.*

As part of federal review process, the CTA published environmental assessments for the first phase of the project and held public hearings, gathering feedback from the community in the critical steps towards construction. Once approved by the Federal Transit Administration the project will modernize two of its rail lines for the next 60-80 years.

# CTA FY16 Budget Executive Summary

The \$1.9 billion Phase One of the RPM program includes the Lawrence to Bryn Mawr Modernization Project, which will reconstruct four Red Line stations (Lawrence, Argyle, Berwyn and Bryn Mawr) and more than one mile of adjacent track structure. The second major project within Phase One is the construction of a fifth-track bypass that would allow northbound Brown Line trains to Kimball to travel over Red and Purple line tracks north of Belmont station – where the Red, Brown and Purple lines currently intersect. Due to the inefficient flat junction (where six tracks merge into four) built in 1907, the capacity of the lines can no longer meet growing ridership demand.

Once completed, the bypass would allow up to eight more trains to pass per hour on the Red Line alone and ultimately serve an additional 7,200 passengers per hour on all three affected rail lines.

Phase One also includes work to bring a portion of the Brown Line track structure into a state of good repair, modernization of the signal system on the Red and Purple lines from Belmont to Howard, and power upgrades to accommodate more frequent service.

The CTA will complete preliminary engineering for Phase One of the project in the fall of 2015.

## ***Red Line Extension***

In 2015 the CTA continued its work on the proposed \$2.3 billion Red Line Extension (RLE) project that would extend the Red Line from 95th Street to the vicinity of 130th Street. The proposed 5.3-mile extension would include new stations at 103rd Street, 111th Street, Michigan Avenue and 130th Street. The project would provide a one-seat ride for far South Side residents from 130th Street to downtown. The Red Line Extension would also foster economic development and revitalize communities, improving resident access to jobs and education.

Over the past year, the CTA continued to work with FTA to finalize its Draft Environmental Study (DEIS) for the Red Line Extension project. CTA expects to hold public hearings on the DEIS in the spring of 2016.



*Proposed Red Line Extension route that would feature four new stations and provide rail transit for the Far South Side of Chicago.*

# CTA FY16 Budget Executive Summary

---

## ***Your New Blue***

In February, the CTA received a \$120 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to continue the ongoing Your New Blue project that is improving Blue Line stations, signals, power stations and tracks between the downtown Loop and Chicago O’Hare International Airport.

In March 2015, the CTA Board approved a \$25.6 million contract to renovate five O’Hare branch stations in what is the next major phase of the historic \$492 million Your New Blue modernization project. The station improvements at Addison, Irving Park, Montrose, Harlem and Cumberland will provide customers a safer, more comfortable experience. In all, Your New Blue will revitalize 13 Blue Line stations on the O’Hare branch that serves more than 80,000 customers each day and had more than 25 million rides in 2014.

## ***Peoria Entrance/UIC-Halsted Blue Line station***

In late 2015, the Illinois Department of Transportation (IDOT) completed its work on the Peoria Entrance and pedestrian bridge of the UIC-Halsted station on the Blue Line. The overhaul included the reconstruction of the station entrance, the addition of an elevator, and updates of other features of the stationhouse. The renovation is part of IDOT’s I-90/94 at I-290 Circle Interchange improvements. The addition of an elevator to this station continues CTA’s goal of 100 percent accessibility at stations across the system. The station renovations also improve access to public transportation for students and faculty at the nearby University of Illinois at Chicago.

## ***Ravenswood Connector***

The CTA continued its \$90 million Ravenswood Connector Track and Structure Rehabilitation project in 2015 by completing another major phase in the repairs and upgrades of elevated Brown and Purple line tracks between Armitage and the Merchandise Mart. The extensive repairs eliminated slow zones and improved speeds and reliability of service on both lines along the more than 100-year-old track structure.



*Construction crews replacing track structure as part of the Ravenswood Connector Rehabilitation Project.*

In 2015, the CTA also announced a new phase of improvements along the Ravenswood Connector. The \$50 million Ravenswood Loop Connector Signal Project will replace a 40-year-old signal system to increase speeds and improve safety and reliability on a section of Brown



# CTA FY16 Budget

## Executive Summary

---

and Purple Line Express tracks that carry 80,000 passengers each weekday. The two Ravenswood Loop Connector projects combined will improve service to Brown and Purple Line Express customers on several fronts: modernizing tracks and structure and replacing a signal system installed in 1975.

### ***Purple Express Improvement Project***

A much-needed project to improve track structure on aging Purple Line Express tracks is expected to be completed on time and on budget in 2015. The \$30 million project will improve track infrastructure between Lawrence and Jarvis to provide customers with a faster, smoother and more reliable commute.

The project is the largest single track renewal project in the corridor in 40 years and is part of a continued investment by CTA to eliminate slow zones across the entire rail system. The improvements include the replacement of track ties and the restoration of track alignment as well as partial running rail replacement. The project is being constructed with minimal impacts to service and will provide faster commutes for the more than 3.5 million passenger trips on the line each year.



*One of the main components of the Purple Express Improvement Project is to replace aging track ties that currently require trains to operate through slow zones in order to maintain safety for customers.*



### ***Slow Zone Remediation***

Major projects across the CTA helped reduce slow zones and improve speeds and reliability of service to customers in 2015. Slow zones, or areas of track where train speeds are restricted, occur on sections of track that have exceeded their service life and are in need of repair and replacement. Major initiatives on the Brown and Purple line tracks such as the Ravenswood Connector Rehabilitation Project and the Purple Express Improvement Project are eliminating slow zones, some of which required trains to operate at speeds as slow as 15 mph and result in longer travel times for customers. CTA's investment into replacing or repairing aging tracks results in faster and more reliable service. Through the summer of 2015, the CTA has eliminated more than six miles of slow zones after completing track work and other infrastructure improvements. From June 2014 to June 2015, slow zones have been reduced 31%.



# CTA FY16 Budget Executive Summary

---

## **FLEET MODERNIZATION**

The CTA continued its historic investment to completely overhaul its rail and bus fleet. Since 2011, the CTA has acquired an almost entirely new bus fleet, providing customers with safe, reliable and more comfortable transportation and by fall 2015 about half of its rail cars were five years old or less.

### ***Bus Purchase***

In August of 2015, the CTA announced plans to purchase 125 new buses as part of Mayor Emanuel's plan to modernize the CTA's bus fleet. The new purchase is part of a contract CTA awarded to Nova Bus in January 2013. CTA has already purchased 300 buses as part of that contract and, with another 125 buses approved for purchase in 2015, will add a total of 425 new buses to its bus fleet for CTA customers. Once all the buses are received next year, nearly 85 percent of CTA's bus fleet will be new or overhauled.

### ***5000-Series Rail Cars***

The last of 714 of CTA's newest, state-of-the-art rail cars, the 5000-series, were put into service in 2015 and now currently operate on the Red, Purple, Yellow, Pink and Green lines. The 5000-series cars feature a number of important features including enhancements to safety, design, efficiency, reliability and comfort. The cars also feature improved accessibility including two wheelchair positions, active suspension and additional audio cues to assist passengers in locating train car doors from the platform.



### ***7000-Series Rail Cars***

The CTA in 2015 continued its procurement process for its next generation of rail cars, the 7000-series. The 7000-series purchase will allow for continuous replacement of CTA's aging rail fleet—departing from past practice of waiting as much as 20 years between rail car orders. The project, if all options are exercised, would provide CTA with up to 846 new rail cars.

### ***3200-Series Overhaul***

In 2015, CTA began its overhaul of more than 250 of its second-oldest generation rail cars—the 3200-series that currently operate on the Brown and Orange lines. The approximately \$166 million overhaul is expected to be completed in 2017. The overhauled 3200s will replace

# CTA FY16 Budget Executive Summary

---

many of the cars' major operating systems, including the installation of new air conditioning systems and the rebuilding of the propulsion system, passenger door motors and wheel and axle assemblies.

## **BUS IMPROVEMENTS**

Since 2011, the CTA has acquired an almost entirely new bus fleet, providing customers with safe, reliable and more comfortable service. The CTA made significant progress towards a complete modernization in 2015 with the receiving and purchase of new buses, the completion of an overhaul to aging buses as well as new initiatives to increase bus ridership by improving speeds and reliability of bus service across the CTA system.

### ***Faster Service on Two Busiest Bus Routes***

In August of 2015, Mayor Emanuel and the CTA announced plans to improve speed and performance on two of its busiest routes: Ashland and Western Avenues. The service improvements are part of a three-phase effort including reintroducing rush hour express service, optimizing the spacing of bus stops for local routes and expanding the installation of special transit signals to make it easier for buses to proceed through intersections.



*Mayor Emanuel and CTA President Carter announce a series of speed improvements to two of CTA's busiest bus routes in August 2015.*

The transit-signal priority (TSP) project will upgrade traffic signals on the two routes to provide faster, more efficient bus operations. Through TSP, buses communicate with signal controllers to hold green lights longer or shorten red lights to allow buses to proceed through the light, which improves bus reliability with minimal impacts on overall traffic. The signal work is being spearheaded by the Chicago Department of Transportation (CDOT) and is expected to be completed in 2017.

# CTA FY16 Budget Executive Summary



*Construction to create distinct bus lanes, raised bus station platforms and more was ongoing in 2015 in downtown Chicago.*

## ***Loop Link Transit Project/Union Station***

Construction began on the anticipated Loop Link Transit Project in 2015 that will improve bus service to six high-ridership bus lines and create a new CTA bus terminal at Union Station. The project, underway by the Chicago Department of Transportation (CDOT), is designed to ease congestion, modernize traffic flow and improve connections

to and from the Loop. Once completed, it will make bus travel more reliable and appealing for the roughly 30,000 bus commuters that travel across the corridor and at Union Station each day.

The Loop Link transit improvements include colored pavement markings and enhanced signage clearly delineating the bus lanes; raised station platforms to provide easier level-boarding; early green lights for buses at key intersections to get ahead of traffic; distinct bus stations with large canopies; bus tracker screens, and seating for waiting customers. The Loop Link project is scheduled for substantial completion by the end of 2015.

Construction on the Union Station Transit Center also began in 2015. The new off-street bus-boarding center, just south of Union Station, will improve customer safety and comfort and relieve traffic congestion around the train station that serves 120,000 people each day. The Union Station Transit Center is scheduled to open in 2016.

## ***Bus Transit Management System (BTMS)***

The CTA announced a new technology in 2015 to provide more consistent and reliable bus service to customers across the system. BTMS provides real-time monitoring of bus movements and modern direct communications between bus drivers and CTA's Control Center. The system, which is in the process of being implemented across all CTA buses, will allow buses to more quickly adapt to changing traffic and street conditions, and help avoid the two biggest challenges facing bus service: bus "bunching" and long waits between buses.



# CTA FY16 Budget Executive Summary

---

Through touch-screen terminals on every CTA bus, BTMS allows for improved and expedited two-way communication between CTA bus operators and the CTA's Control Center to ensure proper location, spacing and movement of buses. Testing began early in 2015 and has shown significant improvement to bus service. All of CTA's approximately 1,800 buses will be equipped with BTMS in 2015.

## ***BRT and Bus Service Improvements***

While Bus Rapid Transit (BRT) service was being implemented in the downtown Loop with the Loop Link project, CTA, in 2015, also continued to planning work for the Ashland Bus Rapid Transit project to provide BRT service along CTA's busiest bus corridor.

As the CTA and CDOT continued to perform the necessary planning for that project, the CTA has made a priority to look for other ways to make a positive impact on bus travel speeds in the shorter term, including moving forward with plans to implement Transit Signal Priority (TSP) implementation along Ashland and Western to improve the speed and reliability of bus service on two of the CTA's busiest bus routes.

## ***Electric Buses***

In 2014 the CTA was one of the first of the major U.S. transit agencies to use all electric-powered buses as part of regular service. In 2015, the CTA's electric-powered buses celebrated their one-year anniversary by continuing to provide a cleaner, quieter and more environmentally-friendly ride to customers.



*CTA put its first electric buses into service in 2015.*

Over the past year, the electric buses have met the CTA's expectations and served as a model for efficiency and clean transportation.

The CTA plans to expand the pilot and will be purchasing additional electric buses to move forward with integrating this technology into the fleet.

The CTA is committed to ensuring that all new buses purchased are in compliance with the latest Environmental Protection Agency emission standards. As the CTA continues to modernize its bus fleet, newer, cleaner buses will continue to replace older and less environmentally-friendly buses.



# CTA FY16 Budget Executive Summary

---

## SERVICE AND TECHNOLOGY IMPROVEMENTS

The CTA continues to lead the nation in incorporating technological advancements to provide more consistent and reliable service to its customers. From the installation of its system-wide security cameras to being the first transit agency to introducing a modern fare payment system with Ventra, the CTA has remained ahead of the curve in utilizing latest technologies to provide better service.

The CTA continued those efforts in 2015, preparing for the launch of the first phase of the Ventra App to provide customers direct access to their fare payment on their personal devices; adding 4G wireless service throughout its more than 22 miles of underground subways; as well as continuing to install new bus and train tracker signs to provide customers with real-time data on train and bus arrivals.

### *Ventra App*

A first-of-its-kind in the nation, the anticipated Ventra App enables customers across Chicago to pay for rides on all three transit systems across Chicago—CTA, Metra and Pace—through their smartphones and mobile devices.

The app provides a wide range of functionality never before available on customers' smart phones, including account management, loading of transit value/passes and integrated mobile ticketing on Metra all accessible directly from their personal devices. It will also provide access to real-time transit tracker information for CTA, Metra and Pace all in one place.

Ventra is the nation's largest transit open fare payment system and the first to offer an app that allows customers to travel three regional transit systems. The launch of the Ventra app provides a platform for seamless integration of transportation options for customers across many modes of transportation.



# CTA FY16 Budget Executive Summary

---

---

## ***4G Wireless Network Across CTA***

By the end of 2015, the CTA will be the largest public transit system in the nation with 4G wireless coverage in all subway stations and tunnels. Announced by Mayor Rahm Emanuel in early 2015, the \$32.5 million project funded entirely by T-Mobile, AT&T, Verizon and Sprint, will bring fast 4G service to CTA customers. The result is continuous 4G coverage crossing 22 miles of track from O'Hare airport through the underground tunnels and platforms of the Red and Blue Lines, the CTA's two busiest rail lines.

In addition to providing the millions of Chicago subway riders with faster mobile service throughout their commutes, the network upgrade will also enhance safety by improving the first responder communications throughout the tunnel system.

## ***Bus and Train Tracker Installation***

The CTA in 2015 continued its expansion of its popular Bus and Train Tracker displays. The real-time displays make commuting even easier and more convenient by providing customers with timely information on the next bus and train arrivals. Train tracks signs are installed at every rail station. By the end of 2015, a total of 420 Bus Tracker signs are expected to be installed across the system including approximately 70 at selected rail stations.

## **SAFETY AND SECURITY**

The CTA continued to expand its efforts to improve safety and security for passengers and employees in 2015.

### ***Safety Management System (SMS)***

In November 2014, the Federal Transit Administration (FTA) chose the CTA as the first transit agency in the nation to assist in the development of the Safety Management System, or SMS, which is developing uniform standards to upgrade and ensure safety for transit operations throughout the country. In general, SMS is an integrated collection of guidelines, policies and processes designed to help identify and mitigate risk in transportation by engaging people, process and technology. The SMS ensures a safety culture by using a top down and bottom up approach across CTA to promote safety and the understanding of risk.

In 2015 under the SMS program, the CTA continued on its mission towards becoming an industry leader in all areas of safety. Recent examples of safety improvements include a review of proper berthing of trains at rail stations, a comprehensive retraining program for train operators, the strengthening of bus operator training and a new, upcoming technology that will alert operators if a train has not stopped in the proper location.

# CTA FY16 Budget

## Executive Summary

---

The FTA's SMS program is the result of the most recent federal surface transportation funding bill, MAP-21, which gave the FTA authority for the first time to establish a new safety regulatory framework and performance criteria for all modes of public transportation nationally.

### *System-wide Security Cameras*

The CTA is one of the only major transit agencies in the nation featuring system-wide security cameras to improve safety and security for its passengers. With more than 23,000 cameras on every bus, train and rail station, the extensive camera network has proved to be an invaluable tool for police and their investigations into crimes committed either on or near CTA property and is a contributing factor to decreasing crime on the CTA system.



These cameras also have been successfully used in detecting crime patterns and identifying serial offenders involved in both reported and unreported crimes.

Since the beginning of installation in 2011, the security cameras have aided police in the investigation, arrest and charging of nearly 800 offenders involved in at least 700 incidents of reported crime on or near CTA property.

### **CUSTOMER EXPERIENCE**

Improving customer experience on the CTA is not limited to providing smoother and faster rides. Since 2011, the CTA has expanded digital information screens with bus and train service information, launched a rail-safety reminder campaign, developed an anti-harassment public information campaign and more.

Efforts in 2015 continued on the same path towards increasing customer convenience and comfort. Over the past year, CTA worked to increase accessibility for all its customers, installed new public art displays across its system and added new local concessions in its stations to improve the overall customer experience.

# CTA FY16 Budget Executive Summary

---

---

## ***25th Anniversary of Americans with Disabilities Act***

On July 15, 2015, the Chicago Transit Board adopted a Resolution Recognizing the 25th Anniversary of the Americans with Disabilities Act (ADA) and Acknowledging the Chicago Transit Authority's Accessibility Initiatives. The CTA is committed to continuing its historic investment in converting its more than 100-year-old infrastructure into a modern, 21st century system that meets the needs of all individuals. Since 2011, under the leadership of Mayor Emanuel, the CTA has added elevators and other accessibility elements to five CTA rail stations, with seven more stations slated for upgrades, opened three new, fully accessible rail stations, added more than 700 latest-generation rail cars with new and expanded accessibility features and added LED displays and audio assistance to all rail cars and stations, as well as to 350 bus shelters.

While work continues to make 100 percent of CTA's stations accessible, every rail car and bus across the CTA system are already accessible and able to accommodate the diverse needs of people who have various disabilities.

Several upcoming projects currently under way or in the planning stages will further improve accessibility, including the reconstruction of the Wilson and 95th stations on the Red Line, the Quincy Loop Elevated station accessibility project and the rehabbing of the Illinois Medical District, UIC-Halsted (Peoria Entrance) and Addison stations on the Blue Line where elevator installations will provide access for individuals who use wheelchairs or have limited mobility. Construction of the new, modern and fully accessible Washington-Wabash Loop elevated station is already underway and expected to be completed in 2017. The completion of the new station will replace two formerly inaccessible stations with one accessible station.

CTA's website also provides ongoing updates for all of its projects, programs, policies and committees and has dedicated pages related to specific accessibility programs and accommodations.

## ***Local Businesses in CTA Stations***

In 2015, the CTA welcomed several new, locally owned businesses to stations across its system. The new concessions, featuring a wide variety of merchandise, are part of CTA's strategy to partner with local businesses and expand offerings to rail customers. Since May 2011, the CTA has partnered with almost 40 local businesses, providing CTA customers with additional options for a more pleasant commute. Local businesses include Flacos Tacos, Gino's North Pizzeria, the Churro Factory, Lupitos Juice Bar and the Bagelers among many others.

Revenue generated from retail leases helps boost CTA's non-farebox revenue and provide customers and the surrounding neighborhoods with additional amenities and services that help to boost local neighborhood economies. Since 2011, CTA has added nearly \$15 million in revenue from new concession leases.



# CTA FY16 Budget Executive Summary

---

## ***Expanded Public Art***

The CTA remains home to an impressive collection of artwork installed in its stations, featuring more than 60 works by local, national and international artists. The collection continued to grow in 2015, providing a friendly, inviting atmosphere for all those passing through the more than 50 stations where the art is installed. The pieces include mosaics, sculptures and art glass that contribute to each individual station's identity as well as the communities the stations serve. New works of art are planned for installation over the next few years at several stations as part of the Your New Blue, Wilson Station Reconstruction and the 95th Terminal Improvement projects.



*New art being installed in August 2015 at Sox-35th Red Line station. "Game Changer" features legendary players from the Chicago White Sox by artist Paula Henderson.*

## ***First Day, Free Rides***

For a fifth straight year the CTA offered free rides to students and guardians on the first day of school for Chicago Public Schools as part of Mayor Emanuel's annual "First Day, Free Rides" program. The program, which began in 2011, is designed to encourage higher attendance rates throughout the school year.

In 2015, the CTA also again offered deeply discounted student fares of just 75 cents for bus or train rides on school days, after Mayor Emanuel and the CTA lowered student fares from 85 cents in 2013.

Last year, CTA provided more than 120,000 free student rides on the first day of school and provided about 28 million reduced student rides throughout the academic year.

## ***CTA Customer Campaigns***

The CTA launched a new campaign in 2015 in an effort to promote more courteous behavior among CTA customers. Developed in-house, it is the one of the most recent efforts by the CTA to improve customer communications and passenger comfort.

# CTA FY16 Budget Executive Summary

---

Using feedback from customers across multiple channels including social media and Customer Service feedback, CTA launched the informational campaign to prompt consideration and discussion of the best ways to be courteous and considerate when riding on the CTA's buses and trains. Featuring a series of messages placed on buses and trains, the campaign covers a wide range of discourteous behaviors from littering and eating on buses and trains to not using all the available doors on the train.



While many of the behaviors have an obvious impact to customer experience, the campaign also brings attention to less obvious impacts. For example, customers who crowd around one set of train doors while boarding instead of moving down the platform to other doors can cause delays in service and a discarded newspaper can not only create a mess inside a bus or rail car, it can cause a minor fire at track level.

The CTA also launched in late 2015 an expanded and updated version of its “If It’s Unwanted, It’s Harassment” public awareness campaign. The campaign’s goals are threefold: encourage victims to report harassment; educate victims on the multiple ways they can report; and put potential harassers on notice that CTA takes the issue seriously. The campaign was developed from feedback received from customers, as well as working with local advocacy groups.

Both campaigns received positive reception from riders and media alike, with the Courtesy Campaign winning a National award from the American Public Transportation Association this fall.

## ***Northwestern University Partnership***

In 2015, the CTA announced a unique public-private partnership with Northwestern University to provide University employees, students and faculty with convenient transportation around campus. The University’s “Ryan Field Shuttle” will be replaced with the CTA’s #201 Central/Ridge bus route to provide longer service hours and extended routing for valuable connections between campus, Ryan Field, off-campus parking, Evanston’s central business district, Old Orchard Mall and CTA’s Howard bus and rail terminal.

The new agreement allows the university to reimburse CTA for the cost of \$2 regular bus fares for those who board #201 buses displaying a valid and active Northwestern University-issued ID card.

# CTA FY16 Budget

## Executive Summary

---

---

The partnership is a first-of-its-kind agreement and will benefit the school and surrounding community by providing increased service and connections as well as consolidating redundant local transit options and reducing traffic congestion.

### MANAGEMENT INITIATIVES

President Carter is also focused on investing in the agency's workforce by launching new, important initiatives such as strengthening bus operator training to improve safety as well as increasing access to jobs at CTA by expanding previous initiatives such as the successful second chance program that helps Chicago residents who often face challenges re-entering the workforce.

#### *Strengthen Bus Operator Training*

One of President Carter's first efforts was to develop enhanced, expanded training for bus operators. The new training initiatives include additional route-specific instruction for some routes, increased ride-along evaluations by managers and supervisors to ensure proper adherence to procedures and policies and an increase in the total number of training days for new bus operators, including additional "practicum training," with bus instructors during field instruction.

The changes are in line with the principles of a new safety framework being developed by the Federal Transit Administration (FTA), known as the Safety Management System (SMS).

While the CTA continues to have one of the strongest safety records in the country, new initiatives such as strengthening our bus operator training will help CTA continue on its goal towards having one of the most comprehensive safety programs of any U.S. transit agency.



*Mayor Emanuel, CTA Board President Terry Peterson and former CTA President Forrest Claypool announce an expansion of the successful Second Chance program in 2015.*

#### *Expanded Second Chance Program*

In 2015, Mayor Emanuel was joined by the CTA to announce an expansion of its successful Second Chance program that provides valuable job skills and career opportunities to ex-offenders and victims of abuse who often face challenges re-entering the workforce.

Since May 2011, more than 500 have participated in the program. One hundred have been hired by CTA, and dozens more have moved on to other jobs, thanks to the experience they

# CTA FY16 Budget

## Executive Summary

---

---

received in the Second Chance program. Of the 122 hired by CTA, five have moved up to manager-level positions.

In early 2015, CTA announced that it would offer diesel mechanic training to program participants, which include nonviolent ex-offenders, victims of abuse and others who face barriers to employment. The program teaches a career skill that will see significant demand here in Chicago and across the country over the next decade.

Later that summer, CTA was awarded a \$750,000 FTA Workforce Development Grant that allows the CTA to continue investing in Chicago's residents in need.

Under Mayor Emanuel, the Second Chance program has quadrupled in size, becoming one of the largest programs of its kind in the country. The program has grown to 265 positions for bus and rail car servicers who clean and detail the CTA's more than 1,300 rail cars and nearly 1,800 buses. The program serves individuals who have been convicted of non-violent criminal offenses, as well as victims of abuse and others who face barriers to employment.

### ***Crack Down on Fraudulent Fare Card Use***

The CTA continued its effort to stem unauthorized, excessive use of free and reduced fare cards in 2015. In July, the CTA announced that its verification efforts since November 2014, combined with increased oversight and customer communications, have led to a 48 percent drop in card confiscations from unauthorized users.

As part of the effort the CTA has also continued to review the use of the roughly 600,000 RTA-issued free, reduced-fare and paratransit cards—looking in particular for cards being used at a frequency far above the typical average: 10 or more times a day, at least twice in a 7-day period. Since the November announcement, there has been a 21 percent drop in cards meeting that excessive-use threshold. The review is an important step toward ensuring the program continues to serve qualified senior citizens and persons with disabilities.

The CTA provides more than \$100 million annually of state-mandated free rides and federally mandated reduced-fare rides, and receives only a small percentage of reimbursement from the state; in 2014 the total was around \$28 million. The remainder is paid for from the CTA's annual operating budget.

### **2016: YEAR AHEAD**

The CTA has continued its historic investment and modernization throughout 2015 and is driving forward on the same path in 2016 toward a world-class 21st century transit system. In many ways, the past year has set the stage for some of the biggest service improvements yet to come.



# CTA FY16 Budget Executive Summary

---

## ***Red Ahead Program***

The CTA will continue forward with its Red Ahead program in 2016. The program is a comprehensive plan to maintain, modernize and expand the Red Line, its busiest rail line. The program includes four major improvement projects on the Red and Purple Lines between Linden terminal on the north and the proposed 130th Street terminal on the south. Over 240,000 riders enter stations along this corridor on an average weekday, representing over 40 percent of all current CTA rail station entries. All four projects are mutually beneficial; an improvement in one area of the Red Line benefits the entire Red Line.



*Rendering of upcoming 95th Street Bus and Red Line Terminal.*

## ***95th Street Bus and Red Line Terminal***

Construction on the upcoming 95th Street Bus and Red Line Terminal will continue throughout 2016. The new terminal, one of the largest station projects in CTA history, will replace an outdated facility that serves nearly 12,000 rail entries and more than 1,000 CTA and Pace bus trips each weekday.

The new facility will greatly enhance the transit experience for thousands of riders in the area and include a pedestrian walkway that will span both the north and south sides of 95th street, increasing safety for customers. Once completed, the new terminal will serve the more than 300,000 people who live within walking distance of the CTA bus routes serving the 95th/Dan Ryan Terminal. The station will remain open throughout the construction.

As with the Red Line South Reconstruction in 2013, CTA will promote a high level of participation from a wide-range of contractors, and provide many job opportunities in construction and related industries. CTA has already held numerous outreach events to promote opportunities, and will continue to work with community partners on this important initiative.

# CTA FY16 Budget Executive Summary

## ***Wilson Rehabilitation***

Construction on the Wilson Station rehabilitation will continue throughout 2016. The project, which is modernizing the 91-year-old stationhouse and the station's more than 100-year-old track structure, is expected to be completed in early 2018. Once complete, riders will have a modern, spacious and more accessible station that will be a new transfer point for Red and Purple Line Express trains. About 2,200



*Approximately 2,200 feet of elevated tracks, signals and supporting infrastructure are being relocated as part of the Wilson Rehabilitation.*

feet of elevated tracks, signals and supporting infrastructure are also being relocated and reconstructed as part of the project, eliminating slow zones and improving service reliability for customers, as well as providing a more pleasing street environment on Wilson Avenue and Broadway Street in the heart of Uptown.

## ***Red Line Extension Project***

Additional public meetings will be held in 2016 on the proposed \$2.3 billion Red Line Extension (RLE) project that would extend the Red Line from 95th Street to the vicinity of 130th Street. As public and agency input is received, CTA will continue to develop its Draft Environmental Study (DEIS) for the project.

The 5.3-mile extension would include new stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. The Red Line extension would foster economic development and revitalize communities, providing residents with access to jobs and education.



*Artistic, conceptual rendering of a reconstructed Bryn Mawr station.*

## ***Red Purple Modernization***

In 2016, the CTA is also moving forward with its Red and Purple Modernization Program (RPM), a transformational, multi-phase program to completely rebuild the northern sections of the Red and Purple lines and provide CTA with the ability to add trains to meet the demands of growing ridership on its busiest rail line. As part of the federal environmental review process for RPM, the CTA has submitted Environmental

# CTA FY16 Budget Executive Summary

---

Assessments on both portions of Phase One of the project. Once approved, the CTA will continue work to secure funding for the project and then enter the FTA's Engineering Phase later this year. CTA anticipates construction for RPM could begin as early as 2017.

The RPM project will offer multiple opportunities for Transit Oriented Development (TOD), a planning tool designed to maximize transit investments by promoting related economic development. These TOD opportunities are an outgrowth of Mayor Rahm Emanuel's recently enacted ordinance to accelerate development near public transportation stations. The TOD builds on investments in transit, spurring economic development in our neighborhoods by creating jobs and revitalizing commercial corridors.

In late summer of 2015, the CTA received a \$1.25 million award by the Federal Transit Authority (FTA) to support community development plans for the Red Purple Modernization program. The Transit-Oriented Development Pilot Planning Program award was made available through the FTA's MAP-21, a federal surface transportation bill designed to guide growth and development of the nation's vital transportation infrastructure.

## ***Your New Blue***

The CTA will continue its Your New Blue project in 2016 that is focused on improving Blue Line stations, tracks, signals and power between the downtown Loop and Chicago O'Hare International Airport. In late 2016, major construction projects underway at several stations on the O'Hare Blue Line branch are expected to be completed.



*California is one of 13 stations receiving upgrades as part of the Your New Blue project.*

The station improvements at Addison, Irving Park, Montrose, Harlem and Cumberland include new stairways, repairs to platform canopies, new lighting and painting and the installation of a new elevator at Addison. Once construction completes at the Addison Blue Line station, CTA will have another station fully accessible to customers with disabilities as part of its mission to have 100 percent accessibility across its system.

The improvements at Addison, Irving Park, Montrose, Harlem and Cumberland will provide customers a safer, more comfortable experience. Once the project is completed in 2016, the CTA will have 13 revitalized Blue Line stations on the O'Hare branch that serves more than 80,000 customers each day and more than 25 million annual rides.

# CTA FY16 Budget

## Executive Summary

---

---

In 2016, a Design-Build Contractor will be procured for the Signal and Special Trackwork portion of the Your New Blue project. Final Design by the DBC will be underway in 2016, and long lead items may begin to be procured towards the end of 2016.

The design for the East Lake and Milwaukee substation will be completed during the first quarter of 2016 and construction is forecasted to begin in the third quarter of 2016.

### ***Brown Line Signal Modernization***

Mayor Emanuel and the CTA announced a new phase in 2015 to modernize the one of the most rapidly growing rail lines across the system. The Ravenswood Loop Connector Signal Project will replace a 40-year-old signal system on rail lines serving the Brown and Purple Express lines between the Armitage and Merchandise Mart stations. The project will complement the recent Brown and Purple line projects such as the Ravenswood Connector Rehabilitation project and the Purple Express Improvement Project to help modernize some of CTA's oldest track infrastructure and eliminate slow zones.

The current signal system on the stretch of track was installed in 1975 and contributes to the congestion issues that have developed from the stronger-than-expected ridership growth on the Brown Line in the last decade. The \$50 million project will begin the design phase in the fall of 2015.

Once completed, the project will allow for faster and more reliable service on the Brown and Purple Express lines that carry 80,000 passengers each weekday.

### ***Ventra App***

With the launch of the Ventra app in 2015, residents and visitors of Chicago are now able to pay for rides on all three transit systems across Chicago—CTA, Metra and Pace—through their smart phone devices. While the first phase of the App is fully functional, later phases of the app coming in 2016 will provide additional account management features and an integrated regional trip planner with service information for CTA, Metra and Pace that allows customers to navigate the region from door-to-door using all three transit systems. Eventually customers will also be able to pay for rides on CTA trains and buses through a simple tap of their smart phone devices.

### ***Quincy Station***

Accessibility improvements to the historic Quincy Loop Elevated station are set to begin the construction phase in 2016. The improvements will make repairs to the more than 100-year-old station (which was last renovated in 1983) and make the downtown Loop station accessible to customers with disabilities.



# CTA FY16 Budget

## Executive Summary

---

The project includes the addition of two elevators, the addition of one set of stairs, as well as painting, lighting improvements, and other repairs—while retaining the historic appearance of the station, one of the few surviving original Loop ‘L’ stations.

The Quincy station, which provides more than 2.2 million rides annually on the Brown, Orange, Pink and Purple lines is a major multi-modal transfer point for 10 CTA bus routes and provides connections to Union Station and the LaSalle Street Metra Station. The newly-accessible station is expected to be completed towards the end of 2017.



### ***Washington/Wabash Station***

Construction on the brand-new Washington/Wabash station is expected to be completed in 2017. The new \$75 million station combines the century-old stations on Wabash at Randolph and at Madison. The new station will improve Loop-train travel times, decrease operating costs and increase rail accessibility for all riders.

The station will feature a faceted skeletal steel and glass structure to reinforce the feeling of openness and allow a visual connection to the historical Chicago corridor. It will also feature a wide array of green and sustainable elements including 100 percent LED lighting. Upon completion of work, the modern, brighter and more spacious rail station will serve as a gateway for Millennium Park, Jewelers Row and the eastside of the Loop.

# CTA FY16 Budget Executive Summary

---

---

## **CONCLUSION**

The CTA's 2016 Budget is balanced and fiscally responsible, holding the line on fares while maintaining service levels for all riders. The proposed budget also continues reforms begun in 2011 to avoid the devastating past practice of using capital funds to balance the operating budget. Because of these management initiatives, the CTA will continue to provide riders with an affordable and quick transit option in 2016. Important capital investments and continued initiatives in 2016 will also strengthen the customer experience and help build a 21st Century Transit System that connects people, jobs and communities.

# CTA FY16 Budget

## 2015 Operating Budget Performance

---

### 2015 Operating Budget Performance Summary

#### Overview

The Authority's balanced 2015 Operating Budget delivered enhanced service levels while freezing fares. The 2015 budget included expanded rail service to meet the growing rail ridership. The CTA will provide over half a billion rides in 2015 and continued its efforts to create a world-class transit system and modernize for the future. The CTA also made investments and continued to execute initiatives aimed at generating efficiencies across operations. The start of the year was marked by a record cold and snow in February. That impacted both revenue and expenses at the start of the year. The CTA proactively managed expenses to offset this negative impact in subsequent months.

Major projects continuing during 2015 included the ongoing construction of a new 95<sup>th</sup> Street Terminal, continuation of the reconstruction of the Wilson Red Line station, the Ravenswood connector project, the Your New Blue modernization of the Blue Line O'Hare branch, and major bus and rail fleet upgrades. CTA opened the new Cermak-McCormick Place Green Line station in February 2015.

Three new projects that began construction in 2015 include the Loop Link Bus Rapid Transit, a new CTA bus terminal at Union Station and a new Washington/Wabash CTA rail station. The Washington/Wabash CTA station will replace two century-old stations with a single modern, fully accessible station. These investments are expected to generate fast, safe and reliable access to the city while improving the customer experience.

Extensive investments were made to upgrade both bus and rail fleets. CTA has received 300 new 40-foot clean diesel buses manufactured by Nova Bus, with most of them arriving and put into service in 2015. Each 40-foot bus features modern LED lighting, multiple security cameras and improved fuel economy. A contract option was exercised with plans to purchase 125 additional buses for delivery in 2016 and 2017, for a total of 425 new buses. CTA completed its unprecedented effort to perform mid-life overhauls of over 1,000 buses to make them like-new, expand their life spans, and improve their efficiency.

The full order of 714 "5000 Series" cars, currently in service on the Pink, Green, Red, Purple, and Yellow Lines, has been delivered. The new train cars replaced vehicles that were over 35 years old.

New CTA investments in technology include the upgrade of the subway wireless service to 4G, enhancing Bus and Train Tracker service and increasing the number of security cameras on every CTA bus, train and station to more than 23,000. The 4G service replaces the 10 year old 2G Distributed Antenna System (DAS). The upgraded subway wireless network will improve the customer experience by offering better and more robust services capable of supporting tablets and smartphone capabilities, and it will also address system safety by providing more reliable communication between CTA personnel and emergency

# CTA FY16 Budget

## 2015 Operating Budget Performance

---

responders. This \$32.5 million investment is being made by the four major wireless providers—at no cost to the CTA.

Installation of the Bus Transit Management System (BTMS) was completed in 2015, providing real-time monitoring of bus movements and real-time communications between bus drivers and CTA's Control Center, replacing a decades-old communication system. BTMS provides operating efficiencies by allowing buses to quickly adapt to changing traffic and street conditions, communicate rapidly, and help avoid bus “bunching” and long waits between buses.

CTA expanded testing of the new mobile Ventra app, expected to be launched by the end of the year. The Ventra app, the first multi-transit agency fare payment app of its kind, will provide transit customers with a seamless one-stop shopping experience. With this app, customers will be able to purchase fares for CTA, Metra and Pace, set up funds to auto load to their accounts, and manage unlimited-ride passes and tickets on the go.

A new CTA customer courtesy campaign was executed to promote dialogue about courteous behavior on buses and trains, to improve customer communications and passenger comfort. The campaign featured a series of messages placed on buses and trains, reflecting some of the most commonly heard complaints from riders. As the nation's second-largest transit agency, providing about 1.6 million daily rides, CTA is committed to enhance the customer ride experience.

The CTA made improvements without sacrificing growth in investments. In 2015, the Authority, for the fifth consecutive year, will avoid transferring capital funds to the operating budget. The Authority's aggressive approach to capturing efficiencies and controlling costs contributed to the steady growth in investments.

The CTA provides over \$100 million in rides as a result of state and federal mandates for free and reduced rides. Historically, the State of Illinois has provided about \$28.3 million annually to partially offset this loss. That amount was cut in half for State Fiscal Year 2015 (July 2014 – June 2015) and, as of October 2015, the State Fiscal Year 2016 budget has not been approved. The Authority took proactive measures to maintain a balanced budget in anticipation of this one-time reduction in State funding for the free and reduced fare mandates. CTA has proactively managed labor expenses and other spending levels, while enhancing revenue.

As to **non-personnel costs**, the CTA projects to finish 2015 with lower than planned fuel, power and general operating expenses. CTA's strategic fixed fuel purchase of 90% of projected FY15 usage, for both D1 and D2, generated additional savings due to a milder than expected spring and summer and lower overall consumption. Material costs are projected to be above the budgeted level in 2015. Severe weather during February partially contributed to this negative variance. CTA experienced higher than planned rail

# CTA FY16 Budget

## 2015 Operating Budget Performance

---

car mileage, creating more wear on vehicle parts and leading to more frequent replacements. The retirement of older vehicles was also delayed during 2015, generating a higher materials cost per mile on older fleet.

On the **revenue** side, the CTA ridership in first quarter of 2015 continued to trend with 2014 as extreme cold temperatures and snow once again led to cancelation of classes at Chicago Public Schools for four days. However, a strong summer helped revenue reach or exceed monthly targets since June. Rail passenger trips have grown consistently since June which was a benefit to overall revenue.

In 2015, the CTA continued to work with the State of Illinois and the RTA to closely monitor statutory free rides. Every year, the CTA provides over \$100 million in free and reduced rides to qualifying individuals as a result of state and federal mandates. CTA's efforts to curtail the fraudulent use of free and reduced fare cards led to a significant reduction in unauthorized rides.

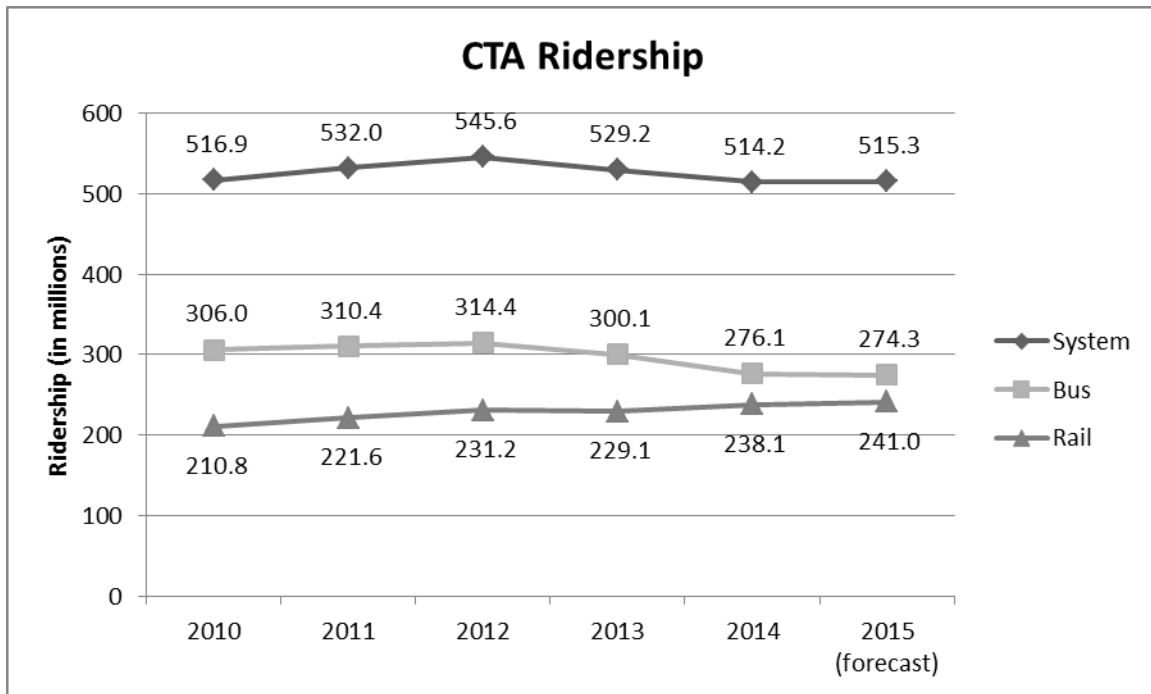
### **Ridership**

Ridership in 2015 is forecasted to be 515.3 million passenger trips, a 0.2 percent increase from the 514.2 million trips in 2014. The bus ridership forecast is for 274.3 million, a 0.7 percent decrease versus 2014, while rail ridership is projected to be 241.0 million trips, a 1.2 percent increase. If rail ridership meets the projected 2015 target, it will be the highest rail ridership total in decades.

Bus ridership was again affected by record-setting cold temperatures in February. Ridership was down nearly one million trips in that month alone. Consumer gas prices also spent much of the year between \$1.00 and \$1.20 per gallon less than in 2014. Despite those challenges, bus ridership managed to post year-over-year gains of at least 1.3 percent from July through August.

# CTA FY16 Budget

## 2015 Operating Budget Performance



Average weekday ridership for 2015 is projected at 1.6 million per day, which is 0.6 percent higher than 2014 weekday ridership. Weekday bus ridership is projected to be down 0.5 percent while rail ridership is projected to be up 1.7 percent.

Average Saturday ridership for 2015 is projected at 1.0 million per day, which is a decrease of 1.6 percent from 2014 Saturday ridership. Average Saturday ridership for bus is projected fall to 1.5 percent while average Saturday ridership for rail is projected to fall 1.8 percent.

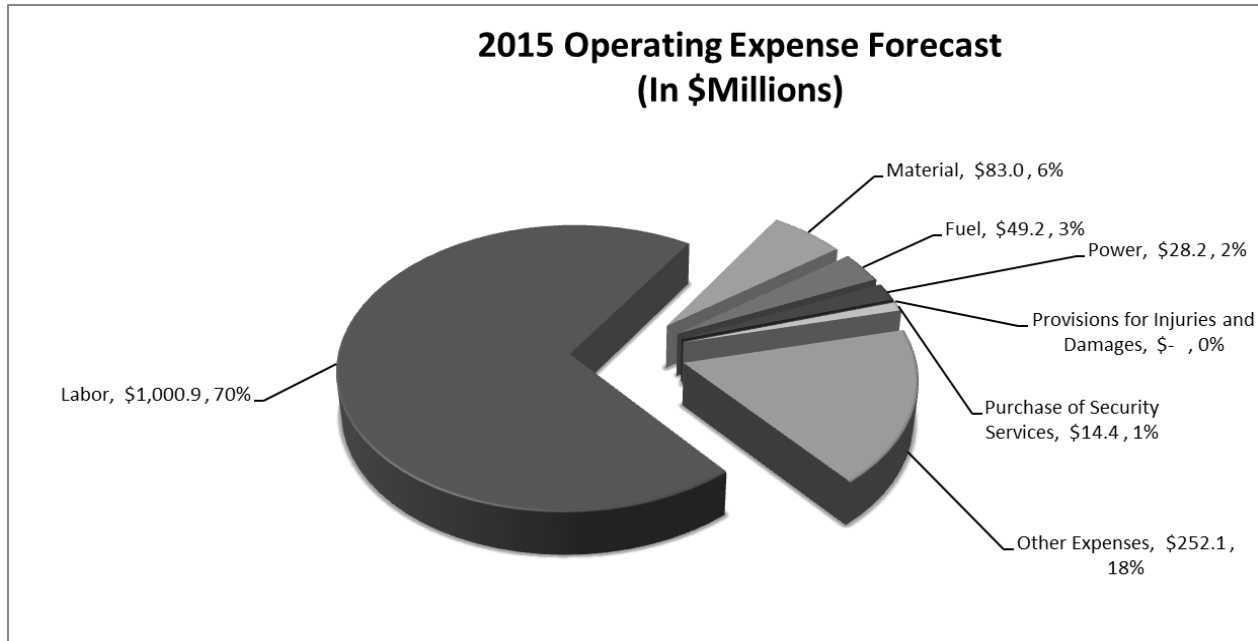
Average Sunday/holiday ridership for 2015 is projected at 0.8 million per day, which is a 0.8 percent decrease from 2014 Sunday/holiday ridership. This was driven by the 1.7 percent decrease in bus ridership and an increase in rail ridership of 0.3 percent.

# CTA FY16 Budget

## 2015 Operating Budget Performance

### Operating Expenses

The FY15 Forecast projection reflects CTA's efforts to manage operating expenses in anticipation of a one-time reduction in State funding for the free and reduced fare mandates. Operating expenses for 2015 are estimated to be at \$1,427.8 million or 1.1 percent favorable to the 2015 budget. The forecasted total is \$27.9 million over 2014 actuals.



The 2015 **labor** expense is projected to be \$1,000.9, which is \$35.0 million or 3.6 percent higher than the 2014 actual labor costs and \$5.0 million below the 2015 budget. The main reason for the increase versus the prior year was due to contractual wage increases and increased service levels. The projected labor expense is favorable versus the budget due to proactive management and lower health care costs.

**Material** spending for 2015 is forecasted to be \$83.0 million or \$2.1 million more than 2014 actual expenses and \$9.7 million more than the 2015 budget. The 2015 budget was based on the 2014 forecast that did not anticipate accelerated material costs due to an older than planned fleet and higher fleet size to support additional peak service. In 2015, CTA experienced more rail car mileage than budgeted. The incremental wear and tear on materials resulted in more frequent replacement of vehicle parts.

Diesel **fuel** expenditures for revenue equipment are forecasted to end the year at \$49.2 million. This is \$10.3 million less than 2014 and \$6.2 million below the original budget. Fixed fuel for the budget was purchased at 90% of the projected usage, with both D1 and D2 blends, at \$3.00 per gallon. The savings versus the budget are due to lower than planned consumption. Fuel consumption was budgeted conservatively at 17.3 million

# CTA FY16 Budget

## 2015 Operating Budget Performance

---

gallons and projected to be 16.5 million gallons by the end of the year. A mild winter and mild summer helped lower consumption because of the reduced need for heating and air conditioning. The CTA also achieved better fuel efficiency than anticipated.

Electric (traction) **power** expenses are projected to end the year at \$28.2 million, a \$5.4 million or 16.0 percent decline versus 2014 actual expenses and a \$1.5 million reduction versus the budget. CTA used a managed block purchase approach to purchase wholesale power for its base load electricity supply for approximately 80% of the projected usage. The decrease in expenses versus prior year and budget is based on a milder winter versus the Polar Vortex experienced in 2014.

**Provision for injuries and damages** represents expenses for claims and litigation for incidents that occur on CTA property, as well as incidents involving CTA vehicles. This amount is suggested by the CTA's actuaries and reviewed annually. It is based on actual claims history and future projections. The amount in the injuries and damages reserve exceeds total projected liabilities. During 2014, CTA reserved \$3.5 million that was not budgeted which generated flexibility for 2015. The Authority does not project an increase in the reserve in 2015.

**Purchase of Security Services** expenses are forecasted to be \$14.4 million, \$0.7 million below 2014 actual expenses and flat to budget. The security services budget consists of expenditures for intergovernmental service agreements with officers from the Evanston, Oak Park and Chicago police departments, as well as contracts with other private security firms. The Public Transportation Section of the Chicago Police Department also provides services to CTA customers during the course of its regular patrols, at an estimated value of \$22 million. These costs are paid for by the City of Chicago as in-kind services rendered to the CTA.

**Other expenses** are projected to be \$252.1 million, 3.8 percent higher than prior year and 3.6 percent under the budget. The increase versus prior year is mainly due to contract escalation rates. The favorability versus the budget is due to controlling costs and lower non-capital grant expenses. This category includes interest on pension obligation bonds, utilities, maintenance and repair contracts, advertising, commissions, consulting, insurance, leases and rentals, and other general expenses. Non-capital grant expense represents a pass-through grant which is offset by an equal amount of grant revenue (classified as Other Revenue).



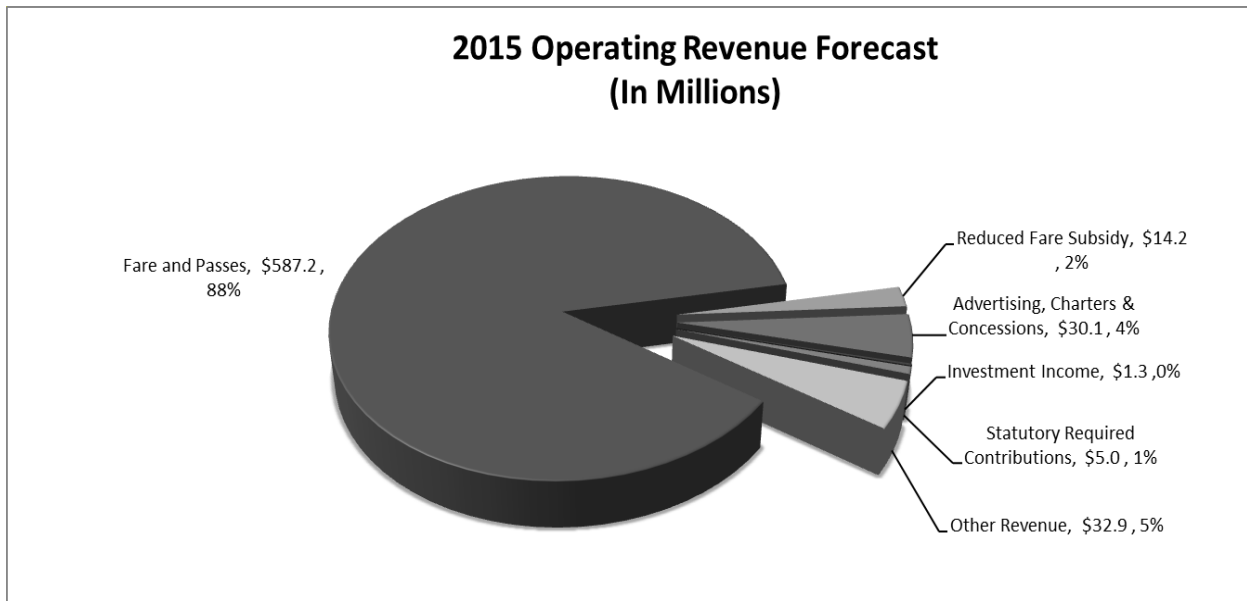
# CTA FY16 Budget

## 2015 Operating Budget Performance

### Operating Revenues

#### *System-Generated Revenues*

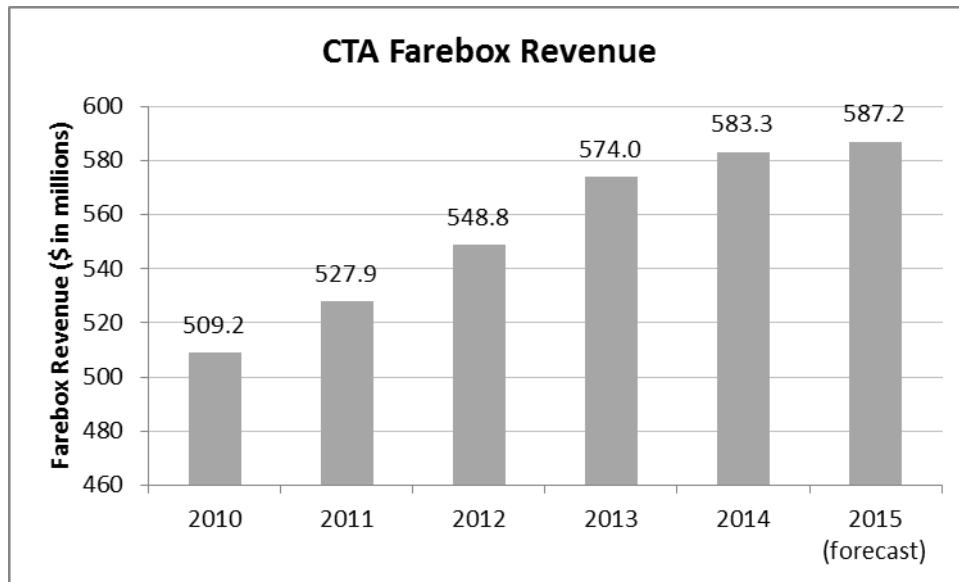
**System-generated revenues** are projected to be \$670.7 million. This is \$16.8 million lower than the original budget of \$687.5 million, and a \$10.0 million decrease over the 2014 actual level.



Regular **fares and passes** make up the majority of system-generated revenues. Revenue from fares and passes is forecast to be \$587.2 million. CTA fares have not changed since an increase in passes and other fare categories on January 14, 2013. Fare and pass revenue is projected to be \$3.9 million more than the 2014 actual amount but lower than the original 2015 budget. Farebox revenue is projected to be lower than budget mainly due to the drop in ridership in winter and spring of 2015, partially due to the extreme weather in the first quarter. The average fare paid in 2015, including cross-platform transfers, is projected to be \$1.14.

# CTA FY16 Budget

## 2015 Operating Budget Performance



The **reduced-fare subsidy** is the State of Illinois' reimbursement to the CTA, Metra and Pace for discounted and free fares given to students, seniors, and people with disabilities. The forecasted total for 2015 is \$14.2 million, reflecting a 50 percent reduction in the historic funding for this program. In addition, the State of Illinois has not passed the fiscal year budget as of the time of this forecast projection. Funding is expected to remain at the 50 percent level for the remainder of 2015 but will not be allocated until a State budget is approved. The CTA continues to work with the other service boards and the RTA to restore this critical piece of funding to its historic levels for an important federal and state mandate.

**Advertising, charters and concessions** revenues in 2015 are projected to be \$30.1 million, which is \$0.13 million more than budget and \$2.6 million more than 2014. The year-over-year growth is due to a boost in advertising sales and concession fees. Vehicle and platform advertisements are expected to bring in \$1.76 million more in revenue compared to 2014. CTA stations now have more than 100 urban panels for digital advertisement, boosting revenues this year and in 2016.

**Investment income** is estimated to be \$1.3 million, which is a significant increase over \$0.4 million in 2014 due to higher yielding securities. Overall, the level of investment income is minimal primarily because of historically low interest rates. Income is also low because the State of Illinois is late in payments of public transportation funds. The delayed payments forces the CTA to keep more cash on hand and thus leaves less available for short-term investments.

# CTA FY16 Budget

## 2015 Operating Budget Performance

---

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

**Other revenues**, which include parking fees, sale of real estate, rentals and sale of CTA merchandise, are projected to be \$32.9 million, which is \$1.4 million lower than the 2015 budget. The main reason for the decrease is a reduction of non-capital grant revenue starting August 2015, offset by related grant expenditures. Parking lot revenue is anticipated to increase by almost \$1 million compared to 2014.

### *Public Funding*

**Public funding** projected for 2015 is \$757.1 million. This funding is comprised of sales tax, discretionary funding from the RTA, and real estate transfer tax (RETT) from the City of Chicago. This is \$0.9 million higher than the original budget, the result primarily of higher than expected sales tax revenues and RETT growth in Chicago due to a higher volume of transactions. Importantly, this number assumes no changes in public funding and the amount the State of Illinois provides to the region and CTA.

# CTA FY16 Budget

## 2015 Operating Budget Performance

### 2015 Operating Budget Schedule

	<u>Budget 2015</u>	<u>Forecast 2015</u>	<u>Favorable/ (Unfavorable) vs. Budget</u>
<b><u>Operating Expenses</u></b>			
Labor	\$ 1,005,919	\$ 1,000,896	\$ 5,023
Material	73,331	83,025	(9,693)
Fuel	55,396	49,222	6,174
Power	29,736	28,210	1,526
Provisions for Injuries and Damages	3,500	-	3,500
Purchase of Security Services	14,427	14,350	77
Pension Obligation Bonds	119,166	115,821	3,345
Contractual Services	104,339	105,201	(861)
Utilities	24,178	23,836	342
Miscellaneous Other Expenses	13,710	7,209	6,501
Other Expenses	261,393	252,068	9,325
<b>Total Operating Expenses</b>	<b>\$ <u>1,443,703</u></b>	<b>\$ <u>1,427,772</u></b>	<b>\$ <u>15,931</u></b>
<b><u>System Generated Revenue</u></b>			
Fare and Passes	\$ 589,212	\$ 587,170	\$ (2,042)
Reduced Fare Subsidy	28,322	14,161	(14,161)
Advertising, Charter & Concessions	30,017	30,146	129
Investment Income	682	1,324	642
Statutory Required Contributions	5,000	5,000	-
Other Revenue	34,286	32,879	(1,407)
<b>Total System Generated Revenue</b>	<b>\$ <u>687,519</u></b>	<b>\$ <u>670,681</u></b>	<b>\$ <u>(16,838)</u></b>
<b><u>Public Funding</u></b>			
<b>Total Public Funding</b>	<b>\$ 756,184</b>	<b>\$ 757,091</b>	<b>\$ 907</b>
<b>Total Revenue</b>	<b>\$ <u>1,443,703</u></b>	<b>\$ <u>1,427,772</u></b>	<b>\$ <u>(15,931)</u></b>
Recovery Ratio*	57.0%	56.4%	
Required Recovery Ratio	54.5%	54.5%	
<b>Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Recovery ratio is calculated by dividing the System-Generated Revenues over Operating Expenses. The calculation includes in-kind revenues and expenses for security provided by the City of Chicago, excludes security expenses, POB debt and includes some grant revenues.

# CTA FY16 Budget

## President's 2016 Proposed Operating Budget

---

### President's 2016 Proposed Operating Budget Summary

#### Introduction

The Proposed 2016 Operating Budget does not contain any fare increases and maintains overall service levels. In addition, for the fifth consecutive year, the budget does not contain a transfer of capital funds for operations. In fact, the budget includes a slight increase in bus service levels with the arrival of two X-Routes, offering faster service on two of CTA's busiest routes- Western and Ashland. The Authority's proposed annual budget is balanced between expenses, system generated revenues, and public funding.

Major assumptions outlined in the 2016 budget include maintaining the 2015 wage rate, contributing to the injuries and damages reserve at or near the recommended level, and the inclusion of debt service for capital bonds issued in 2014. These increases are offset by additional fare and pass revenue driven by increased ridership, higher advertising, charter and concession revenue, and savings in fuel.

Significantly, the budget assumes the historic formulas for State funding to support CTA operations. Nearly 20% of the CTA's budget comes from State sources. As of the time of this budget recommendation, the State of Illinois has not approved a 2016 budget. Any reduction in State funding to the CTA would negatively impact the Authority.

The CTA plans to provide over half a billion rides in 2016 with a continual emphasis on service improvements. Safety and security remain a priority, with investments in cameras, training and campaigns to heighten awareness and reduce crime. Additional investments in bus and rail fleets, stations, track structures and technology continue in 2016.

Overall, the 2016 budget supports management's strategic initiatives, with no fare increases, ongoing capital improvements, improved service levels based on demand, enhanced programs such as the Apprenticeship and Second Chance Programs and increased operating efficiencies.

CTA's Second Chance Program provides valuable job skills and career opportunities to Chicago residents who often face challenges re-entering the workforce. CTA was awarded a Federal Transit Administration (FTA) grant in 2015 to continue its Diesel Mechanics Training Program, part of the Second Chance Program. Program participants include non-violent ex-offenders, victims of abuse and others who face barriers to employment.

CTA continues to make extensive investments, upgrading its bus and rail fleet. The full order of 714 "5000 Series" cars, currently in service on the Pink, Green, Red, Purple, and Yellow Lines, has been delivered and 2016 will be the first full year of service for the full fleet. In addition, the complete overhaul of over 1,000 buses was finished in 2015. CTA expects delivery of 300 new buses by the end of 2015 and then continue with another 125 new buses beginning delivery in 2016. The upgrades to bus and rail fleets provide

# CTA FY16 Budget

## President's 2016 Proposed Operating Budget

---

customers with a more comfortable commute and will reduce the long-term costs of repairs to an aging fleet. Retirement of some of the 2600-Series cars are planned during 2016, reducing material cost per mile while gaining efficiencies with the newer fleet.

Major capital investments and system improvements include the continuation of projects, such as the Your New Blue project, the Red/Purple Modernization (RPM) project, Loop Link, renovation of stations, improvements to power substations, and additional bus and train tracker signs. These investments are generated on growth sustained by more efficient operations attained via technological advancements, energy initiatives, growth in advertising and concessions, and the employment of newer, more efficient rail cars. Due to management's initiatives and the Authority's efforts to control cost and increase revenue, there are no planned transfers of capital funds to the operating budget or fare increases.

### **Ridership**

The CTA estimates system-wide ridership will increase to 518.9 million in 2016, 0.7 percent above the 515.3 million rides forecasted in 2015.

Factors that influence ridership point to growth. The Chicago-area unemployment rate has dropped from as high as 10.4 percent in 2010 to 6.5 percent in 2015. The total number of employed in the Chicago region is 3.8 million in 2015. This is the fifth consecutive year of gains in employment and the highest total since 2008, before the recession.

The costs of other methods of commuting also affect CTA ridership. Gas prices have declined again in 2015, after declining in 2013 and 2014 as well. However, street parking in the Central Business District has reached \$6.50 per hour. Garage parking, meanwhile can cost \$30 per day or more. The CTA's base fares of \$2.00 for bus and \$2.25 for rail and \$100 for an unlimited-ride 30-day pass continue to provide real value for millions of Chicago-area residents.

### **Service & Fares**

The President's 2016 Proposed Budget reflects management initiatives aimed at continuous investments and improvements to service, with no change in the overall fare structure and no change in the base fare for the fifth consecutive year. The CTA continues its strategy to drive operating efficiencies throughout the agency, generating savings on fuel, power and other expenses. In addition, the proposed budget includes a slight increase in overall service levels, including the addition of bus X-routes for faster, more reliable service on two of CTA's busiest routes.

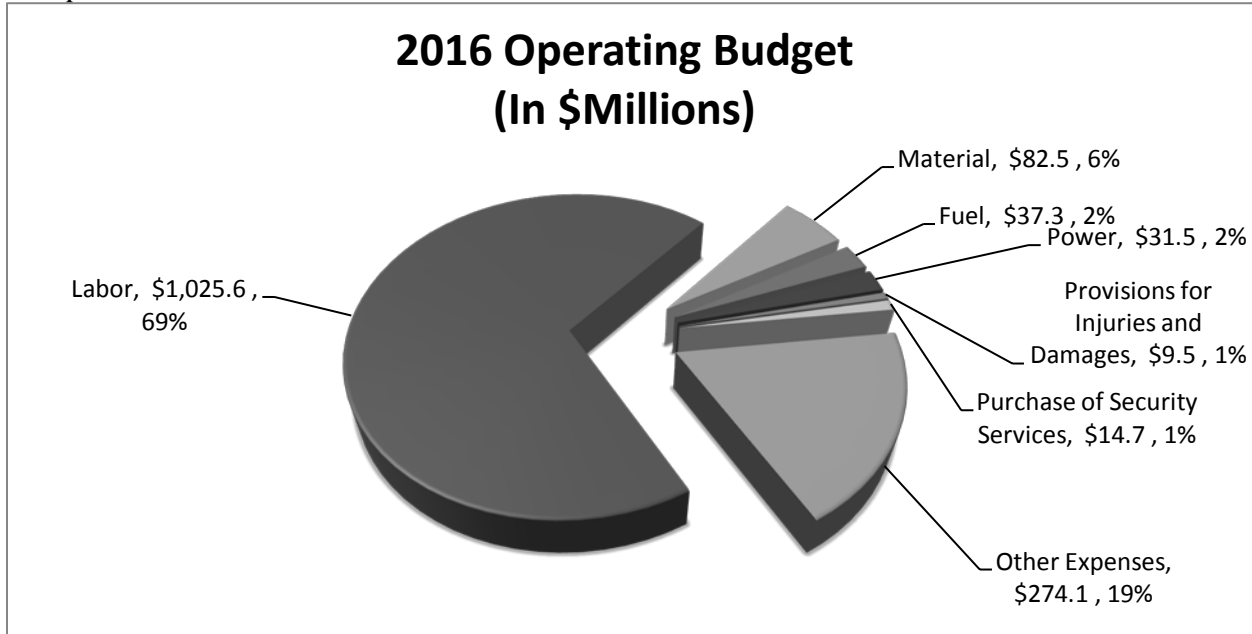


# CTA FY16 Budget

## President's 2016 Proposed Operating Budget

### Operating Expenses

The proposed operating budget is \$1,475.2 million, a \$47.4 million or 3.3 percent increase compared to the 2015 forecast.



**Labor** expenses are budgeted to be \$1,025.6 million, an increase of \$24.7 million from the \$1,000.9 million forecast for 2015. The major factors driving this increase include the full year's impact of prior year's contractual wage increases; a contractual wage rate progression effective December, 2015, and an extra day due to leap year. The fringe rate slightly impacted the labor increase versus the forecast, mainly due to anticipated increases in health care costs.

**Material** expenses are budgeted to be \$82.5 million. This is \$0.5 million lower than the 2015 forecast and \$9.2 million above the 2015 Budget. The 2015 forecast reflects the increased material cost due to an older than planned fleet and increased replacement parts for vehicles coming out of warranty.

The CTA experienced significant winter weather impacts in both 2014 and 2015. Both winters had extreme cold and snow, which creates higher material demand. In addition, peak vehicle requirements have increased in recent years so the Authority is maintaining a higher number of vehicles than in prior years. The last of 714 of CTA's 5000-series rail cars were put into service in 2015 and now currently operate on the Red, Purple, Yellow, Pink and Green lines. The 2016 budget assumes similar material usage patterns as in prior years, benefits of a younger fleet, and slight increases in fleet mileage due to planned service levels. The costs related to continuous maintenance of the bus fleet for the overhaul program are included in the material budget. These costs are assumed flat versus prior year.

# CTA FY16 Budget

## President's 2016 Proposed Operating Budget

---

**Fuel** expenses are budgeted at \$37.3 million, which is \$11.9 million or 24.3% less than the 2015 forecast. The fuel budget will be managed using the CTA's strategic fixed price purchasing policy. Fixed fuel purchase is projected at 80 percent of projected 2016 usage, with both D1 and D2 blends. Fuel prices in 2016 are budgeted at an average \$2.15 per gallon, representing the average price the CTA has locked in for 2016 at the time of budgeting. This includes the price of supply and delivery combined and represents significant savings compared to the \$3.00 per gallon budgeted in 2015.

The CTA's strategy to purchase **electric power** using an actively managed block purchase approach allows the CTA to purchase wholesale power for its base load electricity supply in advance. Electricity consumed above or below the block quantity is settled at the real-time market price. The 2016 proposed budget estimates the cost of electric power for revenue equipment at \$31.5 million, which is \$3.2 million more than the 2015 forecast. The slight increase year over year is due to a ComEd rate increase. The Authority has purchased about 80 percent of its anticipated power usage in advance. Thus only the remaining 20 percent would be exposed to price fluctuations.

The CTA has budgeted a \$9.5 million contribution to the **provisions for injuries and damages** fund in 2016. The recommended provision is determined by the CTA's actuaries based on actual claims history and future projections. It has been determined that the current value of the reserve fund is sufficient and the 2016 projection is below the steady state recommendation.

**Purchase of security services** is budgeted at \$14.7 million, up from a projected \$14.4 million in 2015. The 2016 budget is higher due to slight increases in contract escalation rates. The purchased security services budget covers inter-governmental agreements with the police departments of Chicago, Oak Park, and Evanston, plus some contract security services for the protection of bus garages and other CTA facilities.

**Other expenses** are budgeted to be \$274.1 million, an increase of \$22.1 million or 8.7% over the \$252.1 million forecast for 2015. This increase reflects the initial \$14.3 million 2014 Sales Tax Receipts Revenue Bonds' debt service, additional bus operator training, normal escalation of contractual expenses and additional maintenance support for the CTA's camera systems and support technology. Included in the Other Expenses category is the CTA's pension obligation bond debt, contractual and maintenance services, utilities, insurance, debt service and other miscellaneous expenses. The Other expenses category includes all contractual services and supports the \$13 per hour minimum wage established in 2014 for contractual services.

# CTA FY16 Budget

## President's 2016 Proposed Operating Budget

### Operating Revenues

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

Total Revenue (in thousands)	2016 Budget
Fares and Passes	\$590,541
Reduced Fare Subsidy	28,322
Advertising, Charter & Concessions	32,021
Investment Income	883
Statutory Required Contributions	5,000
All Other Revenue	27,945
<b>Total System Generated Revenue</b>	<b>\$684,712</b>
<b>Public Funding</b>	<b>\$790,495</b>
<b>Total 2015 Revenue</b>	<b>\$1,475,207</b>
<b>Total 2015 Expenses</b>	<b>\$1,475,207</b>

#### *System-Generated Revenues*

**System-generated revenues** include fares and passes, reduced-fare subsidy, advertising and concessions, investment income, statutory required contributions from Chicago and Cook County, and other miscellaneous revenues. In 2016, system-generated revenue is budgeted to be \$684.7 million, representing a \$14.0 million increase when compared to the 2015 forecast.

Revenues from **fares and passes** are budgeted at \$590.5 million in 2016. This is an increase of \$3.4 million over the 2015 forecast. The increase is the result of the growth in ridership, projected at 0.7 percent overall (0.0 percent for bus and 1.4 percent for rail). In accordance with state law, the CTA continues to provide free rides to seniors and people with disabilities participating in the state's Circuit Breaker Program, active military personnel, and veterans with disabilities.

The CTA provides approximately ninety-two million reduced and free-fare trips annually to qualified riders based on federal, state, or local mandates. The foregone revenue from these rides is in excess of \$100 million. The state provides partial support for this mandate, with the **reduced-fare subsidy**. The subsidy is a reimbursement provided to local transit agencies by the Illinois General Assembly. The 2015 subsidy was reduced by 50% and the 2016 subsidy has not been established because the State of Illinois has not yet approved a 2016 Budget. Consistent with guidance from the RTA, the 2016 proposed budget assumes

# CTA FY16 Budget

## President's 2016 Proposed Operating Budget

---

the reduced fare subsidy will return to historic levels for the entirety of the 2016 State Fiscal Year, resulting in a total of \$28.3 million for 2016.

**Advertising, charters and concessions** revenues include advertisements on buses, trains and stations, income from concessions, and other non-farebox revenue. The 2016 budget is \$32 million, which is a \$2 million increase over the 2015 forecast. The CTA will continue to work to expand digital advertising and increase advertising sales.

**Investment income** for 2016 is budgeted at \$0.88 million, an increase of \$200,000 over 2015. Interest rates hovering near zero percent plus the State of Illinois' continued late payment of public transportation funds mean CTA's conservative cash investments will yield minimal income.

**Statutory required contributions** remain unchanged in 2016, budgeted at \$5.0 million. The Regional Transportation Authority Act requires the City of Chicago to contribute \$3.0 million and Cook County to contribute \$2.0 million each year toward CTA operations. These required cash contributions are in addition to in-kind contributions from the City of Chicago. The Chicago Police Department's Public Transportation Section provides approximately \$22.0 million of in-kind security services to the CTA as part of its regular patrols. Meanwhile Cook County provides in-kind services through the Sheriff's Work Alternative Program (SWAP). Under the SWAP program, non-violent offenders in Cook County supplement existing CTA employees to clean bus turnarounds and garages.

All **other revenue** includes non-capital grants, parking charges, rental revenue, third-party contractor reimbursements, and filming fees, among other varied income sources. This category is budgeted in 2016 at \$27.9 million, a decrease of \$4.9 million compared to the 2015 forecast. The decrease is due primarily to a decrease in non-capital grants revenue. Non-capital grants are provided by external sources and add an identical amount of revenues and expenses to the budget. Parking and rental revenue will continue to increase.

### *Public Funding*

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

The RTA retains 15 percent of the sales tax collections authorized in 1983, leaving 85 cents of every dollar to flow directly to the service boards via the formula established by the state legislature. Of these remaining funds, the CTA receives 100 percent of the taxes collected in Chicago and 30 percent of taxes collected in suburban Cook County. Of the funding

# CTA FY16 Budget

## President's 2016 Proposed Operating Budget

---

available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs. Additionally, the 2008 legislation authorized a \$1.50 per \$500 increase in RETT, all of which is collected in Chicago. The CTA receives 100 percent of the increased RETT authorized in 2008 and a 25% state PTF match on the RETT.

Public funding available through the RTA is budgeted to be \$790.5 million in 2015. This includes \$1 million from the Innovation Coordination and Enhancement (ICE) funds which are now distributed to the service boards by formula via the RTA and can be used in the operating or capital budget. The ICE funds will be used to invest in the express bus service debuting on the X9 and X49 routes in 2016. The total public funding level is a \$32.6 million increase over the 2015 forecast or 4.3 percent. The increase represents continued improvement in sales tax receipts anticipated over the next year.

# CTA FY16 Budget

## President's 2016 Proposed Operating Budget

### President's 2016 Proposed Operating Budget Schedule (in thousands)

	<u>Actual 2014</u>	<u>Budget 2015</u>	<u>Forecast 2015</u>	<u>Proposed Budget 2016</u>
<b><u>Operating Expenses</u></b>				
Labor	\$ 965,868	\$ 1,005,919	\$ 1,000,896	\$ 1,025,634
Material	80,963	73,331	83,025	82,534
Fuel	59,476	55,396	49,222	37,259
Power	33,568	29,736	28,210	31,458
Provisions for Injuries and Damages	3,500	3,500	-	9,500
Purchase of Security Services	13,628	14,427	14,350	14,698
Other Expenses	242,910	261,393	252,068	274,123
Pension Obligation Bonds	115,746	119,166	115,821	118,043
Contractual Services	94,334	104,339	105,201	102,012
Utilities	23,059	24,178	23,836	24,058
Miscellaneous Other Expenses	9,771	13,710	7,209	30,011
<b>Total Operating Expenses</b>	<b>\$ 1,399,913</b>	<b>\$ 1,443,703</b>	<b>\$ 1,427,772</b>	<b>\$ 1,475,207</b>
<b><u>System Generated Revenue</u></b>				
Fare and Passes	\$ 583,299	\$ 589,212	\$ 587,170	\$ 590,541
Reduced Fare Subsidy	28,321	28,322	14,161	28,322
Advertising, Charter & Concessions	27,561	30,017	30,146	32,021
Investment Income	422	682	1,324	883
Statutory Required Contributions	5,000	5,000	5,000	5,000
Other Revenue	36,073	34,286	32,879	27,945
<b>Total System Generated Revenue</b>	<b>\$ 680,675</b>	<b>\$ 687,519</b>	<b>\$ 670,681</b>	<b>\$ 684,712</b>
<b><u>Public Funding</u></b>				
<b>Total Public Funding</b>	<b>\$ 739,238</b>	<b>\$ 756,184</b>	<b>\$ 757,091</b>	<b>\$ 790,495</b>
<b>Total Revenue</b>	<b>\$ 1,419,913</b>	<b>\$ 1,443,703</b>	<b>\$ 1,427,772</b>	<b>\$ 1,475,207</b>
Recovery Ratio*	58.5%	57.0%	56.4%	55.4%
Required Recovery Ratio	54.0%	54.5%	54.5%	54.5%
<b>Balance</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	<u>2015 Budgeted Positions</u>	<u>2016 Budgeted Positions</u>
Total CTA without STO**	4,369	4,345
Bus STO positions***	3,733	3,754
Rail STO positions***	1,679	1,770
<b>Total CTA</b>	<b>9,781</b>	<b>9,869</b>

\*Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes in-kind revenues and expenses for security provided by the City of Chicago, excludes security expenses, POB debt services, and includes some grant revenues.

\*\*STO: Scheduled Transit Operations; Excludes Capital positions

\*\*\*STO Full-Time Equivalents



# CTA FY16 Budget

## President's 2017-2018 Proposed Operating Financial Plan

---

---

### President's 2017-2018 Proposed Operating Financial Plan Summary

#### Introduction

CTA's two-year financial plan continues the Authority's strategic initiatives to generate operating efficiencies, enhance the safety culture, increase customer satisfaction, improve service delivery, and build a world-class 21<sup>st</sup> century transit system. Safety continues to be a top priority for the Authority, to protect transit riders and employees. Operator training efforts are projected to grow as CTA deploys aggressive safety initiatives.

The Authority continues its investments and improvements in bus and rail fleets, stations, track structures and technology throughout 2017 and 2018. The financial plan reflects enhanced operations, continuous fixed fuel purchases, managed block purchases of power and slight growth in service levels.

The plan assumes public funding as reported by the RTA and the full level of reduced fare reimbursements from the State of Illinois. At the time of the CTA budget development, the State of Illinois has not approved a 2016 budget. Any reduction in State funding to the CTA would negatively impact the two-year plan. The Authority has built a strong management foundation that is readily able to adapt as circumstances change and will monitor and control expenses and increase revenue to ensure the budget remains balanced.

The 2017-2018 two-year financial plan shows slight ridership and revenue growth, offset by increased debt service, a standard increase in contractual services and increased injuries and damages reserves, meeting the actuarially recommended levels.

The collective bargaining agreement that affects the majority of CTA employees expires at the end of 2015. The labor cost trajectory for the 2017-2018 plan years will be determined, in large part, by the outcome of collective bargaining negotiations and continued efficiency gains. The two-year plan does not reflect any wage rate increases and operating expenses will be managed to increase efficiencies to maintain a balanced budget.

Major capital investments, with operational impacts, will continue throughout 2017 and 2018. Investments in new buses and rail cars, the Red/Purple Modernization project, Red Line Extension project, rehabilitation of Brown Line signals, substation improvements, station renewal projects, Your New Blue, track and structure renewals and facilities state of good repair programs will continue during 2017 and 2018. Procurement for the 7000-Series rail cars is expected by the beginning of 2016.

# CTA FY16 Budget

## President's 2017-2018 Proposed Operating Financial Plan

---

---

### Operating Expenses

Total operating expenses are budgeted at \$1,475.2 million in 2016. Operating expenses are expected to grow 2.3 percent to \$1,508.6 million in 2017 and 3.3 percent to \$1,558.8 million in 2018.

**Labor** expenses, including base salaries, benefits, and payroll taxes, are projected to be \$1,025.6 million in 2016, \$1,035.9 million in 2017 and \$1,047.2 million in 2018. Labor for the two-year plan reflects a 1.0 and 1.1 percent year over year, for 2017 and 2018, respectively. Labor costs are projected to increase based on expected increases in the cost of benefits, such as healthcare.

The financial plan projects **material** expenses to be \$82.5 million in 2016, \$83.4 million in 2017 and \$86.9 million in 2018. This plan will require increased oversight over expenditures and continued capital investment to keep the fleet in a state of good repair. The materials projection assumes similar weather patterns and an improved cost per mile as newer fleets are deployed.

The proposed financial plan projects **fuel** costs to equal \$38.0 million in 2017 and \$40.5 million in 2018. CTA entered into a fixed price agreement in 2015 and 2016 in an effort to gain more control over fluctuations in pricing due to hedging. The plan for 2017-2018 assumes the continuation of CTA's strategic fixed price purchasing policy, with a projected 2.0 and 6.6 percent growth rate year over year, which is a conservative projection. The Authority is continuing its efforts to reduce consumption by exploring alternative bus storage locations during midday and overnight. These locations would be closer to the start and end of the routes, meaning less fuel would be needed to drive to and from bus garages. The CTA saves over two hundred thousand dollars annually because of more efficient fleet storage.

In 2017 and 2018, the CTA projects rail **electric power** costs to be \$31.8 million and \$34.0 million, respectively. As of October 2015, the Authority has entered into forward purchase agreements with its power supplier for 80 percent of the estimated consumption for the year. The amounts reflected in the financial plan are based on additional pre-purchases, the market price required for power to be purchased at spot market prices, and a small contingency for harsh winters.

CTA plans to resume contributions to **provisions for injuries and damages**, with a \$9.5 million reserve payment planned for 2016. The financial plan projects the reserve payment to increase to \$13.0 and 25.0 million in 2017 and 2018, respectively. The amount of actual deposits to the fund may be adjusted based on the annual actuarial valuation of the fund's liabilities. The amount needed to fund this reserve is based on actual experience, the projected future balance in the reserve, and the liabilities projected for the following year.

# CTA FY16 Budget

## President's 2017-2018 Proposed Operating Financial Plan

---

According to the 2017-2018 plans, **purchase of security services** is projected to be \$15.0 million in 2017 and \$15.4 million in 2018. This is a 2.0 - 3.0 percent increase each year, due to annual contractual increases built into the contracts with private security firms and police departments. The inter-governmental agreement (IGA) with the Chicago Police Department caps spending at \$10 million per year, limiting the overall growth rate for security expenses. Security costs dropped in 2013 and 2014 as the CTA shifted its resources from contractual security guards to CTA employees.

**Other expenses** include utilities, advertising, equipment, software maintenance, accounting, engineering, legal fees, banking fees and commissions, interest and principal on the outstanding pension obligation bond, debt service for the 2014 sales tax revenue bond, and other consulting services. Other expenses are budgeted to be \$274.1 million in 2016. The financial plan projects other expenses at \$291.6 million in 2017 and \$309.7 million in 2018. The financial plan includes the payments on the 2014 sales tax revenue bonds of \$14.3 million in additional debt service in 2016 and a total of \$28.6 million during 2017 and 2018.

### Operating Revenues

Overall **operating revenues**, including system-generated revenues and public funding, are projected to increase at a modest rate over the two-year financial plan. From the 2016 budgeted level of \$1,475.2 million, operating revenues are projected to increase 2.3 percent in 2017 to \$1,508.6 million and 3.3 percent in 2018 to \$1,558.8 million.

#### *System-Generated Revenues*

From a base of \$590.5 million, **fare revenue** is projected to increase to \$599.4 million in 2017 and \$616.7 million in 2018. These 1.5 and 2.9 percent year-over-year increases are realistic. Fare revenue is expected to benefit from an improving area labor market and increasing usage of the system by tourists and new residents moving near CTA stations.

The two-year plan assumes the **reduced-fare subsidy** will be continued by the State when fiscal year budget is passed. The plan projects funding will be \$28.3 million in 2017 and 2018. This amount is still a fraction of the nearly \$100 million in actual free and reduced rides provided by the CTA.

The two-year financial plan projects revenue from **advertising, charters, and concessions** to grow at a 5 percent rate in 2017 and 8 percent rate in 2018. This yields a projected \$33.6 million in 2017 and \$36.3 million in 2018. Advertising revenue has been a strong category for growth recently, and is expected to continue to increase over the next few years.

**Investment income** in 2017 and 2018 is expected to do a little bit better than 2013 and 2014. The plan also assumes a slight increase from the historically low interest rates that

# CTA FY16 Budget

## President's 2017-2018 Proposed Operating Financial Plan

---

---

we have seen until now. Investment income is expected to be \$0.93 million in 2017 and 0.98 million in 2018.

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

**Other revenue** is expected to grow by 5 percent in 2017 and 6 percent in 2018 due to an anticipated increase in corporate sponsorship and other types of revenue, such as parking and rental fees. These revenues are derived from parking fees, rental properties, third-party contractor reimbursements, fees from filming, non-capital grants from the federal government and other sources, and other miscellaneous revenues. The planned totals are \$29.3 and \$31.1 million in 2017 and 2018, respectively.

### *Public Funding*

The RTA provides **public funding** marks for the financial plan. The RTA funding plus Real Estate Transfer Tax revenue from the City of Chicago provides the total public funding projections. The RTA marks increase by 2.7 percent in 2017 and 3.5 percent in 2018.

The **recovery ratio** measures the percentage of expenses that a Service Board must pay against the revenue that it generates. System-generated revenues, operating expenses, and certain statutory exclusions are used in the calculation. The RTA Act requires the region to fund 50 percent of its expenses through revenues generated by the three Service Boards—the CTA, Metra, and Pace. The estimated recovery ratios for the CTA in 2017 and 2018 are 54.9 percent and 54.5 percent, respectively—meeting or exceeding the regional requirement.

# CTA FY16 Budget

## President's 2017-2018 Proposed Operating Financial Plan

### President's 2017-2018 Proposed Operating Financial Plan Schedule

	Forecast 2015	Proposed Budget 2016	Plan 2017	Plan 2018
<b><u>Operating Expenses</u></b>				
Labor	\$ 1,000,896	\$ 1,025,634	\$ 1,035,890	\$ 1,047,249
Material	83,025	82,534	83,360	86,860
Fuel	49,222	37,259	38,004	40,525
Power	28,210	31,458	31,773	34,043
Provisions for Injuries and Damages	-	9,500	12,953	25,000
Purchase of Security Services	14,350	14,698	14,992	15,442
Other Expenses	252,068	274,123	291,621	309,684
<b>Total Operating Expenses</b>	<b>\$ 1,427,772</b>	<b>\$ 1,475,207</b>	<b>\$ 1,508,593</b>	<b>\$ 1,558,803</b>
<b><u>System Generated Revenue</u></b>				
Fare and Passes	\$ 587,170	\$ 590,541	\$ 599,399	\$ 616,709
Reduced Fare Subsidy	14,161	28,322	28,322	28,322
Advertising, Charter & Concessions	30,146	32,021	33,623	36,312
Investment Income	1,324	883	927	973
Statutory Required Contributions	5,000	5,000	5,000	5,000
Other Revenue	32,879	27,945	29,342	31,102
<b>Total System Generated Revenue</b>	<b>\$ 670,681</b>	<b>\$ 684,712</b>	<b>\$ 696,613</b>	<b>\$ 718,419</b>
<b><u>Public Funding</u></b>				
<b>Total Public Funding</b>	<b>\$ 757,091</b>	<b>\$ 790,495</b>	<b>\$ 811,980</b>	<b>\$ 840,384</b>
<b>Total Revenue</b>	<b>\$ 1,427,772</b>	<b>\$ 1,475,207</b>	<b>\$ 1,508,593</b>	<b>\$ 1,558,803</b>
Recovery Ratio*	56.4%	55.4%	54.9%	54.5%
Required Recovery Ratio	54.5%	54.5%	54.5%	54.5%
<b>Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Recovery ratio is calculated by dividing System-Generated Revenue over Operating Expenses. The calculation includes in-kind revenues and expenses for security provided by the City of Chicago, excludes security expenses, POB debt services, and includes some grant revenues.

**(THIS PAGE INTENTIONALLY LEFT BLANK)**



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### Five-Year Capital Improvement Program

*"I want Chicago to be the greenest city in the world, and I am committed to fostering opportunities for Chicagoans to make sustainability a part of their lives and their experience in the city."*

*Mayor Rahm Emanuel, 2015*

In line with the goals of the Mayor of Chicago, the Chicago Transit Authority (CTA) plays an important role in enhancing sustainability, fostering economic development, and improving the quality of life in the Chicago region by reducing traffic congestion, improving mobility, and enabling compact development. By providing high-quality transit service, the CTA makes regional transportation patterns more sustainable.

CTA's FY 2016-2020 \$2.3 billion Capital Improvement Program (CIP) funding continues to enhance the quality of life for our customers, neighbors and employees. This projected five-year CIP incorporates significant technological advancements, continues to improve safety and provides dependable public transportation.

Funding for this plan anticipates a multi-year commitment from multiple sources, including the State of Illinois, federal formula funds, federal competitive grants, local funds, Transportation Infrastructure Finance and Innovation Act (TIFIA), Tax Increment Financing (TIF) and CTA funding.

As of October 1, 2015, the next Federal Transportation funding program has not been authorized. The current federal authorization was due to expire in October 2014 and has been extended through October 2015. Congress is working on an authorization bill and passage of the bill is anticipated in 2016, with short-term extensions prior to that authorization. The lack of a long-term Federal Transportation Program inhibits the CTA's ability to plan for major capital projects. Meanwhile, the status of the State's prior promised and future capital funding is uncertain. CTA has not yet received \$221 million of promised State funds from the prior capital program, which was expected in 2015. A new State Capital Transportation program is anticipated at some point. In the meantime, delays in funding put planned-for projects at risk of delay.

This CIP maintains its aggressive plan to improve the nation's second-largest transit system, which provides more than 1.6 million rides each weekday. CTA's capital program for FY 2016-2020 includes funding that will provide safe, convenient, and affordable transportation options that enhance the quality of life for everyone in the Chicago metropolitan region. CTA believes the region's transit riders should have access to a world-class public transportation system with a variety of choices. Public transportation helps increase economic opportunity throughout the city and region.

The CTA continues to provide high-quality transit service, and makes regional transportation more sustainable. Service improvements within this five-year CIP will bring improvements from new technologies to new terminals as well as transit station improvements and

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

public artwork at stations, which will all make a cleaner environment and improve safety and security. The CTA is committed to moving people around the City of Chicago and its neighboring communities efficiently – getting them to and from their destinations safely and on time.

**Your New Blue** – The CTA has embarked on a comprehensive \$492 million renovation project, Your New Blue, to upgrade the Blue Line O’Hare Branch infrastructure that stretches over 19 miles from downtown Chicago to O’Hare International Airport. CTA will provide substantial station, track and infrastructure improvements for more than 80,000 daily riders of the Blue Line O’Hare branch. This project will provide faster, more comfortable and more reliable commutes on both the elevated and subways sections of this branch. Your New Blue will reduce maintenance costs, help modernize the system, insure safety, provide faster service, eliminate slow zones, and update aging stations and track infrastructure.

### **The project consists of five phases:**

*Phase 1* was substantially completed in 2014 and included renovations at Damen, Western, and California stations as well as track work improvements on the Blue Line elevated tracks near Milwaukee Avenue, from south of Logan Square station through Damen station.

*Phase 2* will rehabilitate five rail stations (Addison, Irving Park, Montrose, Harlem and Cumberland) to improve patron access, safety, convenience and help maintain CTA’s infrastructure. An elevator will be installed at Addison station and the station will be modified to allow an existing exit stairway to be relocated, Together with additional ADA upgrades, the station will become fully ADA accessible. Other work under this phase includes repairs to damaged concrete at platform edges, replacement of tactile edging, rehabilitation of deteriorated curtain walls at stationhouses, platforms, and walkways, and modest renewal of stationhouses and platforms.

*Phase 3* will provide upgrades at Milwaukee and East Lake Substations. Both substations will receive building envelope improvements, such as masonry repointing, new doors, a new roof, interior refurbishments and replacement of the electrical equipment that provides 600-volt DC traction power to operate the CTA rail system.

*Phase 4* will implement renovations at six stations: Grand, Chicago, Division, Logan Square, Belmont, and Jefferson Park. It will also mitigate water infiltration and repair track in the Blue Line subways through downtown and Logan Square. The station improvements will improve appearance, convenience, and help maintain CTA’s infrastructure. General categories of improvements include upgrades to street-level entrances, high-efficiency lighting, refurbished fare array, repairing/refinishing surfaces, new doors, and new furniture. The project will address water infiltration issues at platform level at Grand, Chicago, Division, Logan Square and Belmont stations. At Jefferson Park, improvements

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

to the station and its bus turnaround will improve operations and better integrate the facility with the surrounding environment, including accessibility upgrades, repaving, new lighting, and installation of public art.

*Phase 5* covers the geographic footprint of the existing Blue Line O'Hare Branch right-of-way from Jefferson Park station to O'Hare station, a distance of approximately eight miles. This phase will improve overall safety and reliability of the Blue Line by replacing the signal system within this segment as well as special trackwork elements and other associated equipment. The new equipment will provide bi-directional protection and enable a reduction in minimum headways. Phase 5 will facilitate train movements and allow the slow zone, required for safe operation, to be lifted, improving reliability and maintaining safety on the Blue Line overall.

Your New Blue will improve the experience of Blue Line riders with rehabilitated facilities, improved accessibility and faster service. Without these improvements, the continued degradation of aging structures and stations will lead to increased maintenance costs and compromise CTA service in the future. After project completion, customers will have facilities that are visually appealing, clean, and equipped with amenities that enhance their CTA experience.

**O'Hare Track Renewal/Divvy Bikeshare Project** – Federal Transportation Investment Generating Economic Recovery (TIGER) grant funds were used to complete this project which repaired 3.6 miles of track on the O'Hare Branch of the Blue Line between Damen Avenue and Belmont Avenue. This work was part of phase one of the Your New Blue initiative. These repairs addressed a critical need on a line that serves 145,000 entries per weekday and serves 45 million trips per year -- more than 25% of all annual CTA rail trips. Track conditions necessitated slow zones on this portion of the Blue Line, affecting the line's overall efficiency. Providing more efficient service on this key corridor enhances the economic competitiveness of the region, reduces commute time, and provides nearly half a million residents with a convenient, energy-efficient, and high-capacity transit line that connects O'Hare International Airport with downtown. The project returned this section of Blue Line tracks to a state of good repair and improved efficiency.

The project expanded the City of Chicago's "Divvy" point-to-point bikeshare program by adding additional Divvy bikeshare stations and bikes. The Divvy bikeshare allows transit riders, locals, and visitors to take a bike from one location and return it to any of the other bikeshare stations throughout the city, expanding the "first mile" and "last mile" of transit trips. The Divvy bikeshare is an option for point-to-point bicycle travel that supports a sustainable, zero-energy transportation mode.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**Red and Purple Modernization (RPM) Program** – CTA's Red Ahead Program is a comprehensive initiative for modernizing and expanding Chicago's most-traveled rail line, the Red Line. As part of the Red Ahead Program, FTA and CTA have been analyzing proposed improvements to the line. These improvements include the Red and Purple Modernization (RPM) Program.

The RPM Program is a series of proposed improvements to the North Red Line (from just north of Belmont station to the northern terminus of the Red Line at Howard station) and the Purple Line (from just north of Belmont station to Linden station in the Village of Wilmette). These improvements would increase passenger capacity and modernize transit stations, track systems, and structures along the 9.6-mile RPM corridor from just north of Belmont station to the northern terminus at Linden station, passing through the Chicago neighborhoods of Lakeview, Uptown, Edgewater, Rogers Park, as well as the City of Evanston and the Village of Wilmette.

**RPM Phase One** – The RPM Program is proposed as a massive, multistage program to be completed in phases, allowing CTA to make the greatest number of improvements while meeting the public's expectations for timely delivery of these improvements. Phase One of RPM is proposed to include the following projects within the 9.6-mile RPM corridor:

- **Lawrence to Bryn Mawr Modernization**  
– Modernization and expansion of four Red Line stations (Lawrence, Argyle, Berwyn, and Bryn Mawr) and the reconstruction and expansion of aging CTA tracks, structures and viaducts to accommodate expanded platforms, and stations.



- **Red-Purple Bypass** – Construction of a bypass for the Brown Line at Clark Junction, just north of Belmont station, would remove the largest physical capacity constraint in the RPM corridor where three separate services on six tracks merge onto four tracks. This work will also realign and replace 0.3 mile of associated mainline (Red and Purple line) tracks from Belmont station on the south to the stretch of track between Newport and Cornelia Avenues on the north.
- **Corridor Signal Improvements** - Installation of a new higher-capacity signal system from approximately Belmont Avenue to Howard Street allowing for increased throughput of trains and increasing reliability of operation.

RPM Phase One also includes Advance System Work, which will prepare the RPM corridor for project construction by upgrading the signal systems and infrastructure to accommodate the proposed train operation during construction. Upgrades to the Broadway Substation are also included in RPM Phase One to increase traction power capacity, both to support the train

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

operation during construction of Phase One and the increased train frequency anticipated in the proposed core capacity service plan at the completion of Phase One construction. To increase train service, RPM Phase One also includes a projected fleet expansion of 32 rail cars. In addition, as a related project, Wilson station is being reconstructed as a Red and Purple line transfer station and is a precursor to the Phase One improvements proposed, as it was an original part of the RPM Program submitted to the Federal Transit Administration.

**Sheridan Station Interim Repairs** – This project will address structural defects at Sheridan station, which was established at this location in 1900. The project consists of repairs, improvements, and capital investments that include renewal of the track structure, stationhouse improvements, and electrical upgrades. Built in 1930, the stationhouse requires substantial upgrades to address water infiltration issues. Stationhouse improvements will include a new roof, new LED lighting, and related work. The stairways between the stationhouse and platform level are proposed for replacement, including treads, risers, stringers, connections, and handrails. The project will extend the useful life of Sheridan station and reduce operating expenses. The improvements will enhance the overall customer experience for the station, which provides round-the-clock rail service to over 1.8 million passengers annually. Along with daily Red Line service, the station also serves as a stop for Purple Line Express trains in AM peak during Wilson Station reconstruction and for Chicago Cubs home games at nearby Wrigley Field.

**Quincy Station ADA Improvements** – CTA will add two elevators and make other customer-facing improvements at the Quincy Loop ‘L’ station. Quincy is a high-ridership station that serves the Brown, Orange, Pink, and Purple Lines. It is also an important multi-modal transfer point for ten CTA bus routes and provides easy connections to Union station and Metra’s LaSalle Street station. Built in 1897, Quincy is also one of the few surviving original Loop ‘L’ stations. Quincy station is recognized as a historic property by the City of Chicago and is eligible for the National Register of Historic Places.

The project will utilize \$15.7 million of available city tax-increment financing (TIF) funds to add elevators and make Quincy station accessible to customers with disabilities. Currently, only three of the nine Loop stations are fully ADA accessible. In addition to ADA improvements, the station will receive lighting upgrades and other repairs that will extend the life of the station while retaining the station’s historical appearance. Renewal work will include refurbishing the station’s surfaces including doors, woodwork, railings, and tin ceilings. Quincy station was last renovated 27 years ago in 1988.

With an annual ridership of over 2.2 million, Quincy is one of the Loop’s busiest ‘L’ stations. These improvements will better serve the high volume of riders and bring new passenger amenities for a modern, safe, and pedestrian-friendly station. The project will provide the first accessible ‘L’ station in the southwest portion of the Loop.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**Illinois Medical District ADA Improvements** – Constructed in 1958, the Illinois Medical District (IMD) station serves the nation’s largest urban medical district, Illinois Medical District, which is home to four major hospital systems: the University of Illinois Hospital & Health Sciences System; John H. Stroger Jr. Hospital of Cook County; Rush University Medical Center; and Jesse Brown VA Medical Center. The Illinois Medical District station project will make improvements to the station, primarily the addition of an elevator and modifications to two existing ramps to improve accessibility. Aside from renovations to the Damen entrance in 1998, IMD station has otherwise only received minor patchwork repairs since it opened 57 years ago.

The CTA has received \$23 million of city TIF funds made available through Mayor Rahm Emanuel’s “Chicago Neighborhoods Now” program to complete the project. Under the project the main stationhouse on Ogden Avenue will be substantially rebuilt and will receive an elevator and new stairs that will enhance service. The station’s two auxiliary entrances at Damen Avenue and Paulina Street will receive new flooring, wall/ceiling finishes, fare payment equipment, and customer assistant kiosks. In addition, the project will reconstruct two station-to-platform ramps at auxiliary entrances at Damen and Paulina to comply with ADA guidelines. The project also includes improving station and platform lighting; installing additional security cameras and CTA Bus and Train Tracker displays, and repairing the station’s platform canopy.

This much needed rehabilitation project will greatly improve customer service and strengthen the medical district, which is an incubator for approximately 30 emerging technology-based companies. The IMD station is also the primary station for Malcolm X College and the United Center. Over the last five years, ridership at the IMD station has increased by 53 percent, to nearly 1.1 million station entries in 2014, making the IMD station the fourth busiest on the Blue Line’s Forest Park branch.

**Ravenswood Connector** – In 2013, the CTA began major improvement work on the elevated structure and track (‘L’) between Armitage and the Loop, currently used by Brown Line and Purple Line Express service. Track and Structure renewal scheduled to be completed in 2015 will result in faster, safe and more reliable service on a key segment of the Brown and Purple Lines, used by about 700 trains on a typical weekday. The work will eliminate over two miles of slow zones, where trains slow down to as little as 15 M.P.H. in order to ensure safe operation.

**Wilson Station Reconstruction** – The reconstruction of Wilson station began in 2014. The \$203 million Wilson station Reconstruction project will replace the badly deteriorated stationhouse, built in 1923, with a new, modern and accessible station that will also serve as a new transfer point between Red and Purple





# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

Line service. This project also includes the reconstruction of 2,200 feet of century-old elevated tracks, signals and supporting infrastructure that will be relocated from the street and sidewalks along Broadway and Wilson to the west to create a safer and more pedestrian-friendly environment. The project will be an anchor for revitalization and economic development in the Uptown neighborhood. This comprehensive station work located within the Uptown Square Historic District will be performed with minimal impact to rail service. This project is being funded by Illinois Department of Transportation (IDOT) Bonds, the Federal Transit Administration (FTA), and the CTA.

**Red Line Extension (RLE)** – The CTA is proposing to extend the Red Line from the 95th Street Station to the vicinity of 130th Street, subject to the availability of funding. The proposed 5.3-mile extension would include three new intermediate stops near 103rd, 111th, and 115th streets, as well as a new terminal station in the vicinity of 130th Street. Each new stop would include bus and parking facilities.

CTA, along with FTA guidance, is conducting an Environmental Impact Statement (EIS) for the RLE project—a major, important step in the multi-step federal process to secure approval to enter into the engineering phase of the project and to secure multiple years of funding for this \$2.3 billion dollar project. An EIS compares the positive and negative environmental impacts of the various project alternatives.

**CDOT/CTA Cermak-McCormick Place Green Line Station** – Constructed by the Chicago Department of Transportation, Cermak-McCormick Place station opened in February 2015 as CTA's 146th rail station. Located in the 2.5-mile stretch of the Green Line between the existing Roosevelt and 35th-Bronzeville-IIT stations, the new station provides much needed access to rapid transit for neighborhood residents and businesses. The new station replaces a previous station in this location that was removed from service and demolished in 1977. The station serves the growing area near historic Motor Row, Chinatown, and McCormick Place and brings a crucial additional transportation option to the Near South Side.

The station has a distinctive steel and glass canopy, a fully enclosed boarding platform to protect riders from the elements, elevators, state-of-the-art security, bicycle parking, and three entrances/exits. The project also installed new sidewalks, landscaping and streetlights along 23rd Street. The new station provides convenient bus connections to several CTA bus routes, including the #1 Bronzeville/Union Station, #4 Cottage Grove, #21 Cermak, and #29 State. A modern, fully accessible, intermodal station at Cermak-McCormick Place provides tremendous benefits by serving rail and bus riders as well as pedestrians and bicyclists, linking all of them to the city's transportation network.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**CDOT/CTA Washington/Wabash Station** – A new rail station at Washington-Wabash was designed by and is being constructed by the Chicago Department of Transportation. The entirely new station will replace two 1890s era stations at Madison and Randolph with a single modern, fully accessible station with wider platforms and a striking architectural design. The station will be located between Madison and Washington and serve the Brown, Green, Orange, Pink and Purple lines. The new Washington/Wabash station will be fully accessible and comply with the Americans with Disabilities Act



(ADA). Improvements to the new station will include elevators, escalators, and detectable (tactile) warning strips on platforms, LED lighting, audio announcement capabilities and signage.

The station will utilize an array of green and sustainable features, including 100 percent LED lighting, CFC-free refrigerant for HVAC systems, low VOC sealants and paint, and recycled content materials for cladding, wall infill panels, windbreaks, handrails and other items. In addition, the project will reuse a significant amount of existing structure and tracks. Construction of the \$75 million project is underway and the station is scheduled to open in 2017. The station will be funded entirely by Congestion Mitigation and Air Quality (CMAQ) funds. Designed to become a signature gateway for Millennium Park and the Loop, the vibrant new Washington/Wabash station will enhance passenger convenience, improve train speeds, decrease operating costs, and provide accessibility for all riders.

**CDOT/CTA Loop Link Bus Rapid Transit** – The City of Chicago is bringing bus rapid transit service named Loop Link to the Central Loop. Similar to rail service, the Loop Link will move people quickly using dedicated bus lanes while making limited stops at fully accessible, train-like stations along the way. The Loop Link will use dedicated lanes on Washington, Madison, Clinton and Canal to move people through downtown, improving reliability and speed for six bus routes in the area that carry 1,000 buses each weekday. This will make it easier for more people to access jobs, shopping and attractions downtown. The Loop Link provides for a greener, cleaner Chicago since just one bus can take as many as 60 cars off the road.

Built in conjunction with new protected bike lanes on Randolph, Washington, and Clinton, the Loop Link creates a safer downtown for bicyclists. Pedestrians will also enjoy more sidewalk space with the removal of some bus shelters from sidewalks along Washington and Madison. The project will strengthen Chicago's economy by improving access to jobs and attractions downtown, while generating foot traffic to businesses along the way. By making it easier to get to work and go about daily activities, Loop Link will improve everyday life for residents, employees and visitors.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**4G Subway Cellular Upgrade** – Construction is underway to upgrade and modernize CTA's underground cellular network which will provide continuous, reliable cellular service in all CTA subway platforms, mezzanines and tunnels. The upgraded network will offer improved and more robust voice and high-speed data services and enhance communication between CTA personnel and emergency responders. It will replace existing infrastructure that dates back to 2005—well before most modern smartphones and tablets were introduced—that is inadequate to support current wireless data needs. CTA will be the largest transit agency in North America that supports full 4G from all major carriers in all underground areas of the subway, including stations, platforms, and tunnels.

Modernizing the transportation system will boost ridership, bolster long-term regional economic growth and lead to a more enjoyable ride for commuters throughout the system. The subway cellular upgrade is part of several ongoing technology improvements, including expansion of Train Tracker and Bus Tracker functionality, digital information and train tracker screens at rail stations, and a dramatically expanded security camera network.

### **Facilities State of Good Repair (SOGR)**

– The majority of this initiative focuses on the upgrade of the Authority's seven bus maintenance facilities, plus storage and repair facilities as well as maintenance equipment and bus turnarounds. The remainder will go towards upgrades at rail maintenance and repair facilities. Of the agency's seven bus facilities, four are approximately 20-30 years old having been built between 1984 and 1995. The remaining three facilities are more



than 55 years old. Rehabilitation of the bus maintenance and repair facilities has begun and will continue through 2016/2017. Work will include the repair or replacement of critical maintenance systems, including bus fueling/servicing facilities, bus hoists, inspection pits and wash racks; new high speed doors at two bus garages; and the installation of a new surveillance camera network and other security enhancements at all bus facilities. Rehabilitation of the rail maintenance and repair facilities has also begun, and will continue through 2016/2017. Work will include the repair or replacement of critical maintenance systems, including rail car washers and rail hoists and spin posts; roof replacements at two rail shops; and expansion of one rail shop to improve operations. A new non-revenue rail vehicle maintenance facility is also proposed as part of this initiative.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**New Rail Cars** – The current CIP continues the Authority’s efforts to modernize the transit system to improve service and benefit customers. Phased funding of \$128.4 million will be allocated for rail car procurement over the five-year period in preparation for expected award in 2016 for the next generation of railcars, the 7000 Series. This major capital investment will replace hundreds of aging cars that are or will be well beyond their intended service life. This initiative will improve service reliability across the system as well as the implementation of new efficiencies that create a smoother, more comfortable ride.

The first of the 7000 Series railcars is anticipated to be placed into revenue service starting in 2019. The proposed contract order will provide for the production of approximately 400 cars (with further options to purchase up to a total of 846 cars). This series is designed to replace the oldest rail cars in the CTA’s fleet, reducing the average age of the CTA’s fleet to about 10 years by 2024.

In ongoing efforts to modernize the rail fleet, CTA continues to replace its aging railcars. As of August 2015, the CTA has receipt of all 714 new 5000-Series rail cars. All of the 5000 Series cars are now in service. These new series cars represent approximately 55% of the CTA rail fleet.



**New Buses (Electric)** – In order to meet the Authority’s commitment to further reduce its emission footprint, the CTA has purchased two new all-electric buses. These buses were placed in revenue service in October 2014 and are performing well, with no maintenance issues. Electric buses are charged at the Kedzie Garage in less than four hours. Currently the buses are running approximately 110 miles a day. As of July 2015, the buses have logged approximately 7,075 revenue miles per bus in revenue service.

There are many benefits to having electric buses in CTA’s fleet. Operating an electric bus is equivalent to removing 23 cars from the road each year. Reduction in harmful emissions has a positive impact on health, valued at \$55,000 annually per bus, or \$660,000 over an expected 12-year bus lifespan. An electric bus is quieter and also reduces \$300,000 in fuel costs over their lifespan. CTA is among the first major US transit agencies to test regular usage of electric vehicles in extreme weather conditions. This initiative is helping shape the future of a more environmentally friendly public transit industry.

The CTA’s goal is to reduce diesel emissions and improve the quality of life for our customers and residents of the Chicago metropolitan area. The purchase of these new buses will reduce exposure of customers and bus employees to diesel pollutants and yield reductions in airborne pollutants that threaten public health. These buses also serve as a prototype and test for any future purchase of electric buses.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**Bus Fleet** – The CTA continues to improve its bus fleet by purchasing and replacing aging buses. New Nova Buses have been delivered and placed into revenue service during 2015 and delivery of 300 new buses is expected to be complete by the spring of 2016. In addition, CTA also exercised a contract option to purchase an additional 125 buses, for a total of 425 new buses. The new buses will replace the oldest vehicles in the fleet – the Nova 6400-series buses, which were purchased from 2000-2002.

Each fully accessible 40-foot bus will feature modern LED lighting, multiple security cameras and improved fuel economy that will make customers' rides more comfortable and reliable. The clean diesel buses will also be in compliance with the latest Environmental Protection Agency emissions standards and will meet and exceed all current Americans with Disabilities Act requirements, including two mobility device securement locations and an all-electric ramp with a decreased slope when deployed for easier access.

**Revenue Fleet Overhaul** – The recently completed a mid-life overhaul on a bus series which entailed the overhauling of more than 1,000 buses. This bus overhaul began in 2013 and was completed in 2015. The bus overhaul included rebuilt engines and transmissions, new LED interior lighting and new electric fan radiators, which provide improved fuel economy. These overhauled buses represent approximately 56% of the current bus fleet. In 2016, the CTA will begin work on overhauling the next bus series which includes 208 Artic Hybrid buses placed into service in 2008.

The overhaul of the 3200 Series railcars began in July 2015 and will provide for a life extending overhaul on 258 rail cars, representing 20% of the current rail car fleet.

**CTA Public Art** – The CTA is home to an impressive collection of art including mosaics, image transfer artworks and sculptures. Presently, 56 artworks are exhibited at 48 CTA stations along the Pink, Red, Brown Lines and Green Lines and are seen daily by hundreds of thousands of CTA customers as well as regional, national and international visitors. The original artworks contribute to each station's identity and enhance travel for customers. Art in CTA facilities promotes a friendly, inviting atmosphere for these stations, which function as gateways to the communities they serve. Continuing this commitment to an enhanced transit



experience, the FTA has provided funding to the CTA to commission artists to provide original artwork for stations that have recently been renovated or are planned for near-term. As a

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

result, the Authority has expanded the public art collection in 2015 with new artwork at 35th, 47th, 55th, 69th, and 79th Red Line South stations. At the close of 2015, new artworks will be installed in three additional Red Line South stations and one Blue Line station. These artworks represent a variety of styles and media including art-glass, hand-crafted ceramic tile and stainless steel sculpture. Also in 2015, internationally acclaimed artist-designer Dr. Cecil Balmond initiated his public art project for Wilson station anticipated for completion in 2017 .

This CIP continues its meaningful impact on the system's state of good repair. The investments will reduce operating costs in some areas and avoid escalating costs in others. By driving down expenses, the CTA will be able to leverage operating funds to supplement scarce capital funding and continue to further improve the system.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

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

<b>CHICAGO TRANSIT AUTHORITY</b>			
<b>FY 2016-2020 Capital Program</b>			
<b>CTA Board Ordinance</b>			
<i>(in thousands)</i>			
<u>Title</u>	<u>2016</u>	<u>FY2017-2020</u>	<u>5Yr. Funding</u>
<b><u>Bus Projects</u></b>			
<b><u>Rolling Stock</u></b>			
Perform Bus Maintenance Activities	2,335	7,500	9,835
Perform Mid-Life Bus Overhaul	9,757	12,688	22,445
Replace Buses	42,496	91,020	133,516
<b>Sub-Total</b>	<b>54,587</b>	<b>111,208</b>	<b>165,795</b>
<b><u>Rail Projects</u></b>			
<b><u>Acquisitions &amp; Extensions</u></b>			
Rehabilitate Blue Line - O'Hare Branch	9,624	76,352	85,976
Red Line Extension	5,000	-	5,000
North Main Line - RPM	217,054	340,405	557,458
<b>Sub-Total</b>	<b>231,678</b>	<b>416,757</b>	<b>648,434</b>
<b><u>Power &amp; Way Electrical, Signal &amp; Communication</u></b>			
Replace/Upgrade Power Distribution and Signals	54,155	30,248	84,403
<b>Sub-Total</b>	<b>54,155</b>	<b>30,248</b>	<b>84,403</b>
<b><u>Power &amp; Way, Track &amp; Structure</u></b>			
Infrastructure Safety & Renewal Program	24,931	70,085	95,016
<b>Sub-Total</b>	<b>24,931</b>	<b>70,085</b>	<b>95,016</b>
<b><u>Rolling Stock</u></b>			
Perform Rail Car Overhaul	16,004	85,464	101,468
Perform Rail Car Maintenance Activities	-	9,781	9,781
Purchase Rail Cars	16,196	112,270	128,466
<b>Sub-Total</b>	<b>32,201</b>	<b>207,514</b>	<b>239,715</b>
<b><u>Systemwide Projects</u></b>			
<b><u>Miscellaneous</u></b>			
Information Technology	4,970	8,662	13,632
Equipment and Non-Revenue Vehicles Replacement	32,113	33,750	65,863
Rehabilitate Rail Stations	13,400	9,817	23,217
Rail Station - 95th Street Terminal Expansion	10,000	-	10,000
Implement Security & Communication Projects	3,000	27,000	30,000
Program Management	6,690	26,160	32,850
Bond Repayment, Interest Cost, & Finance Cost	139,789	584,990	724,779
ICE/UWP Projects	4,837	12,322	17,159
<b>Sub-Total</b>	<b>214,799</b>	<b>702,701</b>	<b>917,500</b>
<b><u>Support Facilities &amp; Equipment</u></b>			
Improve Facilities - Systemwide	25,475	146,250	171,725
<b>Sub-Total</b>	<b>25,475</b>	<b>146,250</b>	<b>171,725</b>
<b>Capital Project Total</b>	<b>637,825</b>	<b>1,684,763</b>	<b>2,322,588</b>
<b>Marks</b>	<b>637,825</b>	<b>1,684,763</b>	<b>2,322,588</b>
<b>Marks/Variance</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

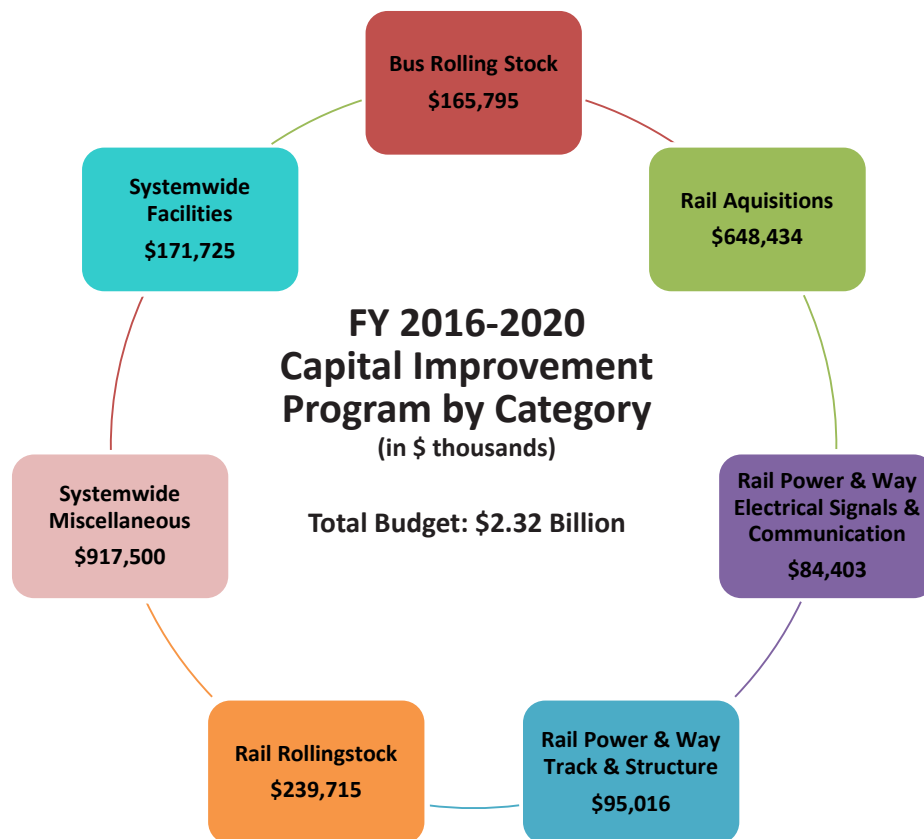
---

### Uses of Funds By Asset Category

Twenty project categories comprise the CTA's proposed FY 2016-2020 capital plan. Each project within these programs is initially evaluated in an annual review process, and followed by monthly planning meetings where issues and needs are addressed. Evaluation criteria include: customer and employee safety, reductions to travel time, increased customer comfort and convenience, system security, impact on system reliability, compliance with regulations, and community impact.

With the exception of the bond repayment category, rail system projects receive a significantly larger portion of the proposed capital program funding than bus projects, due partly to the need to maintain an exclusive right-of-way while buses operate on streets maintained by other units of government. The capital projects proposed for FY 2016-2020 and beyond are intended to address the CTA's most critical needs for the bus and rail system, customer facilities, and system wide support. CTA major projects planned or underway during this period include the Red Purple Modernization, Red Line Extension development, the purchase of up to 846 new railcars, and the purchase of 125 buses.

The following figure shows the proposed FY 2016-2020 Capital Improvement Program by general category of asset improved or replaced.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### Bus Projects

#### ❖ Perform Bus Maintenance Activities

**Purpose:** The CTA has embarked on an aggressive bus maintenance program to schedule the replacement of parts nearing the end of their useful life. By investing in a program centered on maintaining buses, the CTA will improve the comfort, quality, and reliability of its service while reducing operating expenses.

**Funding/Description of Proposed Work/ Major Elements:** The CTA has programmed \$9.8 million to provide for bus maintenance activities during FY 2016-2020. This funding will provide for ongoing bus vehicle maintenance efforts to support the removal and installation of components, including the replacement of filters, brake maintenance, and suspension system upgrades.

**Budget Impact:** As more buses are cycled through the program, unscheduled maintenance on buses will be significantly reduced. If the CTA fails to perform standard maintenance on its buses, there will be a continual increase in operating costs and reduced reliability of service.

#### ❖ Perform Mid-Life Bus Overhaul

**Purpose:** The Bus Overhaul and Upgrade Program will allow the CTA to extend the useful life of buses by performing scheduled tasks that will result in decreased equipment downtime and a reduction in unscheduled maintenance. Unscheduled maintenance occurs when buses fail while in service. This disrupts operations, inconveniences customers and increases operating costs.

**Funding/Description of Proposed Work/Major Elements:** The CTA has programmed \$22.4 million in FY 2016-2020. This installment of funding with prior funds will provide for the overhaul of 208 Articulated Hybrid Buses. In total, funds of \$66.7 million have been dedicated to this project. The program will provide for ongoing bus vehicle overhaul efforts to support removal and installation of components including, but not limited to engines, transmissions, cooling systems, HVAC systems, wheelchair ramps, batteries, suspension systems and doors. The program will correct critical defects discovered during inspections of the CTA's bus fleet.

**Budget Impact:** The performance of routine bus overhaul and upgrades will result in an overall reduction in operating costs as it is more costly to operate and maintain older, outdated and worn-out equipment. If the CTA fails to consistently perform required bus maintenance activities, service disruptions will continue to increase, and could possibly result in removal of the asset from revenue service.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

### ❖ Replace Buses

**Purpose:** The CTA is committed to providing its customers with the highest quality bus service. Buses entered into service between 2000 and 2002 have reached the end of their useful life and are due for replacement with a mix of electric, clean diesel and diesel-electric hybrid buses equipped with current, proven, heavy-duty clean propulsion technologies.



**Funding/Description of Proposed Work/Major Elements:** Funding for this bus replacement project will provide for the engineering, purchase, and inspection of fully accessible, air-conditioned buses, including a spare parts inventory. The scope of work includes post-delivery monitoring of vehicle performance and technical support for problem resolution through the warranty period. The CTA currently operates a fleet of approximately 1,851 buses.

The CTA has contracted for the purchase of a total of 425 clean diesel, forty-foot buses from Nova Bus. Through 2015, CTA expects to take delivery of 275 of the 425 new Nova buses. The delivery of the entire 425 Nova bus order will be complete by the first quarter of 2017. The new Nova buses are more fuel efficient and comply with 2013 EPA requirements. The new buses feature a sleeker body design, larger windows, brighter LED lighting, seamless flooring, ten surveillance cameras per bus and improved safety barriers between customers and the bus operators.

Over the next five years, as part of the CTA's bus modernization plan, CTA will invest \$23.9 million to complete the purchase of 425 new forty-foot clean diesel buses that will be ADA-compliant, air conditioned, and technologically innovative. In addition, FY 2016-2020 funding of \$22 million will support the purchase of up to 50 electric or clean diesel buses. The electric buses offer the CTA annual net savings in fuel costs for each electric bus, and over the expected 12-year lifespan a total savings of \$300,000 per bus when compared to existing diesel buses at 12 years or older. Funding in FY 2019-2020 of \$25.7 million will begin the replacement of New Flyer buses that entered service between FY 2004-2007. The CTA will also spend \$61.7 million in FY 2016-2020 to lease buses. A total of \$133.5 million will be invested in the bus fleet over the five year period.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**Budget Impact:** Purchasing new, fully-accessible, air-conditioned, technologically-advanced buses reinforces the CTA's commitment to quality bus service. The purchase of new buses will result in an overall reduction in operating costs and improvement in reliability. It is more costly to operate and maintain older, outdated, and worn-out equipment. If new buses are not purchased, the CTA will continue to experience increased operating costs, reduced fleet reliability, and decreased service for its customers.

### Rail Projects

#### ❖ Rehabilitate Blue Line – O'Hare Branch/Your New Blue (YNB)

**Purpose:** The goal of this project is to upgrade the Blue Line O'Hare Branch infrastructure that stretches over 19 miles from downtown Chicago to O'Hare International Airport and carries more than 26 million passengers per year. That includes upgrading slow zones and modernizing outdated stations.



The YNB project is underway with track renewal on the Milwaukee elevated portion of the O'Hare Branch, and station rehabilitation work on the Damen, Western and California stations were substantially completed in 2014. This Project calls for further upgrades which include the following:

- Track renewal intended to reduce slow zones on the Milwaukee elevated portion of the O'Hare Branch.
- Station Improvements with emphasis on the safety, security, and accessibility.
- Full rail signal replacement between O'Hare and Jefferson Park allowing slow zones to be lifted, improving the safety and reliability for entire O'Hare Branch.
- Power upgrades and replacement of equipment to improve reliability and allow for increased service, reducing crowding and dwell time.
- Track renewal and installation of a water management system in the Kimball and Dearborn subways to maintain a state of good repair on the track and manage water infiltration from adjacent sources.

**Funding/Description of Proposed Work/Major Elements:** In total, funding of \$427.6 million has been allocated in past or the current five year plan for this major line rehabilitation project. In the current plan, installment funds of \$35 million are to provide for signal and traction power work, and \$50.9 million for stations and structure work. Project work includes upgrades to track slow zones and outdated stations and modernized stations to better meet the needs of riders in 2016 and beyond. With these upgrades faster service is anticipated to save passengers up to 10 minutes between downtown and O'Hare. Furthermore, the project will bring brighter lights, cleaner, drier tunnels and, in one station, a new elevator,

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

improved entrances and new public artwork for customers and the community to enjoy. The investment is also expected to generate 1,300 new jobs during construction.



**Budget Impact:** This project will reduce maintenance costs, help modernize the system, increase safety, provide faster service, eliminate slow zones, and update stations with contemporary amenities. Without these improvements, there will be continued degradation of aging structures and stations that will lead to increased maintenance costs and compromised service in the future.

### Red Line Extension (RLE) Red Line Extension

**Purpose:** The purpose of this project is to extend the Red Line from the existing 95th Street Terminal to the vicinity of 130th Street. The initial phase of this major capital project calls for the planning and analysis of alternatives to construct or provide services. This project is one part of CTA's effort to extend and enhance the entire Red Line and is identified as a key project in the Chicago Metropolitan Agency for Planning's GOTO 2040 fiscally-constrained program.

**Funding/Description of Proposed Work/Major Elements:** For FY2016 \$5 million has been allocated for the Red Line Extension (RLE) planning phase. Along with funding from prior grants this \$5 million allocation will provide for completion of Draft Environmental Impact Statement (EIS).

The EIS will include an evaluation of a No Build Alternative, and the Locally Preferred Union Pacific Railroad Heavy Rail Transit (HRT) Alternative. It will describe the alternatives, the existing environmental setting, the potential impacts from construction and operation of the alternatives, and proposed mitigation measures to reduce or eliminate potential impacts. As part of the Draft EIS process the CTA will hold a public hearing in 2016 to gather community input on this project.

**Budget Impact:** This project will significantly improve access to job opportunities, educational institutions, health facilities, and other resources for residents of the Far South Side of Chicago. Additional capital and operating funding will need to be identified for this project to be move forward to completion.

### Red and Purple Modernization (RPM) rpm modernization improving your commute. improving your community.

**Purpose:** The RPM Program is a series of proposed improvements to the North Red Line (from just north of Belmont station to the northern terminus of the Red Line at Howard station) and the Purple Line (from just north of Belmont station to Linden station in



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

the Village of Wilmette). These improvements would increase passenger capacity and modernize transit stations, track systems, and structures along the 9.6-mile RPM corridor from just north of Belmont station to the northern terminus at Linden station, passing through the Chicago neighborhoods of Lakeview, Uptown, Edgewater, and Rogers Park, as well as the City of Evanston and the Village of Wilmette.

**Funding/Description of Proposed Work/Major Elements:** This CIP allocates \$557.4 million for the Red and Purple Modernization (RPM) Program. The RPM Program is proposed as a massive, multistage program to be completed in phases, allowing CTA to make the greatest number of improvements while meeting the public's expectations for timely delivery of the improvements. Phase One of RPM includes the following elements within the 9.6-mile RPM corridor.

- **Lawrence to Bryn Mawr Modernization** – As one major element of the first phase of the RPM Program, CTA proposes to expand and modernize approximately 1.3 miles of the existing rail line track from Leland Avenue on the south to near Ardmore Avenue on the north in the Uptown and Edgewater Chicago community areas. Four stations - Lawrence, Argyle, Berwyn, and Bryn Mawr - would be expanded, modernized, and made accessible per the Americans with Disabilities Act (ADA). The Lawrence to Bryn Mawr Modernization Project would increase passenger capacity and comfort through construction of new rail infrastructure throughout the project limits. The improvements would also enhance station access along the corridor, expand platforms, and replace and modernize the structural system, which is more than 90 years old.
- **Red-Purple Bypass** – As another major element of the first phase of the RPM Program, CTA proposes to expand transit capacity by constructing a fifth track bypass just north of Belmont station to separate northbound Brown Line trains that currently cross north- and southbound Red Line tracks as well as southbound Purple Line tracks. The tracks conflict on the four-track system at an existing flat junction known as Clark Junction. The project would also realign slow curves and modernize approximately 0.3 mile of associated mainline tracks and track structure directly underneath the proposed bypass on the south to the stretch of track between Newport and Cornelia Avenues on the north. The improvements would also include a closed-deck track structure and noise barriers for both the new bypass and mainline track structures to minimize noise impacts from increased train operations proposed as part of the capacity improvements. The project would occur in the Lakeview community area and would extend from Belmont station on the south to the segment of track between Newport Avenue and Cornelia Avenue on the north. The western limit of the project is near Seminary Avenue, where the new bypass would tie into the existing Brown Line tracks. The Red-Purple Bypass Project would increase passenger capacity through construction of new transit infrastructure and would allow more Red, Purple, and Brown line trains to pass through Clark Junction every hour.
- **Corridor Signal Improvements** – Will install a new higher-capacity signal system from approximately Belmont Avenue to Howard Street allowing for increased throughput of trains and increasing reliability of operation through the whole RPM corridor.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

RPM Phase One also includes Advance System Work, which will prepare the RPM corridor for project construction by upgrading the signal systems and infrastructure to accommodate the proposed train operation during construction. Upgrades to the Broadway Substation are also included in RPM Phase One to increase traction power capacity, both to support the train operation during construction of Phase One and the increased train frequency anticipated in the proposed core capacity service plan at the completion of Phase One construction. To increase train service, RPM Phase One also includes a projected fleet expansion of 32 rail cars.

**Budget Impact:** The purpose of RPM Phase One is to 1) provide continued high-speed transit service connecting Chicago's North Side and northern suburbs to the Loop and the rest of the region, 2) expand capacity to meet growing ridership demand, 3) reduce train travel times, and 4) improve access to the system for people with disabilities. The capacity expansion would have the added benefit of bringing the aging rail infrastructure into a state of good repair, thereby improving efficiency and service reliability. Provision of modern amenities at all stations, expansion of passenger capacity, and speed and reliability enhancements would address safety and accessibility concerns and extend the useful life of the system by 60 to 80 years. All of these benefits are estimated to greatly increase ridership on this corridor, which would increase fare revenue.

### ❖ Replace or Upgrade Power Distribution and Signals

**Purpose of Project:** Replacement and upgrading of the systemwide signal and power distribution network must be accomplished in order to provide continued safe and smooth transit operations. Replacing the power distribution system will minimize the possibility of power shutdowns and service disruptions, and will continue to eliminate slow zones. Over 50% of CTA's substations have reached the end of their useful life, face equipment obsolescence issues and cannot provide the needed power or required redundancy to keep the system operating. CTA is taking major steps to upgrade or replace overloaded and deteriorated substations and tactical traction power for the purpose of assuring reliable power for CTA trains on portions of the Brown, Blue and Red Lines.

**Funding/Description of Proposed Work/Major Elements:** The FY 2016-2020 funding of \$36.3 million will support the rehabilitation of existing substations at Kimball and Illinois (Brown), and State, Broadway and Princeton (Red). In addition, starting in 2016, major signal work will be performed on the Brown line. The current plan allocates \$32 million and prior grants \$18 million to complete this work. Funding of \$17 million will be used for traction power upgrades systemwide.

**Budget Impact:** Benefits include lower maintenance costs, improved reliability of service, increased speeds and





# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

reduced headways, and elimination of the risk of fire damage prone to old cabling and old equipment in existing substations. If existing substations are not replaced or upgraded, maintenance costs and service delays will continue to increase.

### ❖ Infrastructure Safety and Renewal Program

**Purpose:** This project will systematically replace track and structure throughout the system. There are numerous tunnels, viaducts and retaining walls as well as subway ventilation system components that require significant maintenance to keep them in a state of good repair and many have reached the end of or surpassed their useful life and are in need of replacement. Defective track and structure must be repaired in order to maintain safe and reliable service. As structural elements are identified that require immediate repair or replacement, CTA's field forces are dispatched to the site to repair or replace the necessary component in order to eliminate the need to impose slow zones.

**Funding/Description of Proposed Work/Major Elements:** Funding will provide for the replacement of ties, running rail, and third rail, ballast, and drainage systems. Also, track and structure renewal work continues in order to remove and prevent slow zones on the CTA 'L' system. The structure rehabilitation project will include elevated structure, embankments, subway ventilation, tunnels, viaducts and retaining walls.



CTA has programmed \$83.7 million in FY 2016-2020 to rehabilitate elevated track and structural elements system-wide and will spend \$24.9 million in FY 2016 for elevated track and structure repairs system-wide. Work continues in part for rehabilitation of Ravenswood Connector and Purple Line Express track and upgrades to the right-of-way along elevated structure throughout the rail system.

As a part of regular maintenance, the CTA inspects, detects, and repairs conditions that might require slow zones, such as loose, aging, or deteriorating track ties and other infrastructural elements. Funding has been allocated in this CIP for completion of CTA's Ravenswood Connector and Purple Line Express.

- **Ravenswood Connector** – The CTA is committed to aggressively tackling its slow zone rehabilitation program. As the track and structure age, certain elements such as ties, rail, fasteners and structural components deteriorate. This prompts the CTA to impose a slow zone to reduce operating speed over sections of transit right-of-way. As of 2015, the CTA began its final phase of major improvement work to rehabilitate the Ravenswood Connector - the elevated structure and track (the "L") between Armitage and the Loop, currently used by Brown Line and Purple Line Express service. Track and structure renewal will result in faster, safer and more reliable service on a key segment

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

of the Brown and Purple Lines, used by about 700 trains on a typical weekday. The work will eliminate over two miles of slow zones where trains slow down to as little as 15 M.P.H. Ongoing work includes replacing worn-out rail ties and track components along the stretch of the elevated track between the Armitage and Merchandise Mart stations. At completion, this project will eliminate slow zones and create a smoother, faster, and more reliable ride for more than 80,000 customers who ride Brown and Purple trains to and from the Loop respectively. To minimize the impact to service, most of the work will be performed late at night and on the weekends. During reconstruction, trains traveling in both directions will operate on a single track, which will result in longer travel time. When reconstruction work is completed, train speed can be increased and reliability will be greatly improved.



- **Purple Line Express Improvement** – Construction started in summer of 2015 and work is scheduled to be completed by the end of 2015. This track renewal project will improve travel times and provide smoother and more reliable service to commuters. The project will fix aging track infrastructure, including replacing track ties from Lawrence to Jarvis on both Howard-bound and Loop-bound tracks. About 13,000 passenger trips occur on the Purple Line Express each weekday. Due to the condition of the tracks in this corridor, Purple Line Express trains headed to or from the Loop currently must travel through several slow zones that negatively impact the speed and reliability of service. The last major renewal of these tracks occurred in the early 1970s and the majority of ties along this stretch of the Purple Line Express have reached the end of their useful life. Maintaining safe and reliable operating conditions becomes more difficult and costly as the infrastructure ages. In addition to offering commuters smoother and more reliable service, the project will provide operating and maintenance savings, and less degradation to vehicles traveling on these tracks.

**Budget Impact:** CTA's goal for this proposed capital plan is to continue to eliminate or significantly minimize structural slow zones throughout the system, thereby



increasing ridership and revenue and lowering maintenance and operating costs. This project avoids deferral of track renewals that would otherwise lead to a fallback practice of piecemeal patching of deficiencies on a “worst first” basis. It is more costly to operate and maintain older, outdated, and worn-out equipment.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

### ❖ Perform Rail Car Overhaul

**Purpose of Project:** The CTA has begun the life extending overhaul of the 3200- Series cars, with an average rail fleet age of 22 years. The rail car overhaul currently underway will allow for major components of the cars to operate effectively until the planned replacements can be put in revenue service. With delivery of the new 5000-Series cars complete, the 3200-Series cars represent approximately 20% of the CTA rail revenue fleet. Through 2015, the CTA will have retired up to 500 over-aged rail cars over the timeline of the 5000 Series delivery; yet preventive and corrective maintenance measures must continue to ensure reliable service for transit riders, placing a growing strain on operating and maintenance budgets. Rehabilitating the rail fleet will improve the reliability, comfort, and cost-effectiveness of transit service, making it more attractive and beneficial to the riding public .



**Funding/Description of Proposed Work/Major Elements:** The FY 2016-2020 CIP provides funding of \$101.4 million, the final installment of funds, for a multi-year overhaul program to refurbish the 3200-Series, and provides for the initial staging of work for the quarter-life overhaul of the 5000-Series cars, due to start 2019/2020. The overhaul work on 5000-Series cars will consist of major upgrades to various subsystems and other components. The first of the 5000-Series rail cars were introduced into revenue service beginning in 2011/2012 and will be due a quarter life overhaul starting in 2019.

**Budget Impact:** It is more costly to operate and maintain older, outdated, and worn-out equipment. Without aggressive and costly maintenance programs in place, the CTA's fleet will continue aging and will grow ever more prone to breakdowns in service, with significant impacts to transit riders.

### ❖ Perform Rail Car Maintenance Activities

**Purpose of Project:** The funding for this project will provide an ongoing overhaul program that consists of tasks necessary to keep rail cars in revenue service through systematic inspection, detection, and prevention of incipient failure.

**Funding/Description of Proposed Work/Major Elements:** The CTA plans to spend \$9.8 million in FY 2016-2020 on the rail car fleet to correct critical defects and operational deficiencies discovered during inspections of rail cars. The CTA's schedule maintenance program consists of planned preventive maintenance work to maintain rail car performance. While major overhaul work is performed quarterly and on a mid-life cycle basis, additional

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

focused maintenance work is required at certain intervals, outside of the overhaul, of the car's life. Specific component campaign work is conducted when it is identified that certain tasks must be completed before the component reaches the end of its useful life and failing with an increased frequency.

**Budget Impact:** The CTA can expect an overall reduction in operating costs as it continues to extend the life of the existing fleet by performing preventive maintenance and rehabilitation on rail cars. If preventive maintenance is not performed routinely, the CTA will see a continual increase in operating costs, reduced reliability, and decreased availability of service.

### ❖ Purchase Rail Cars

**Purpose:** This project provides the phased funding for the next generation 7000-Series cars. With receipt of proposals, the CTA will undergo a complete pre-award screening process prior to selection of the successful bidder. The CTA anticipates awarding a contract for the 7000-Series cars in early 2016. The 7000-Series rail car order will provide for the initial purchase of 400 rail cars with options for another 446 cars. This



order is planned to replace the existing 2600 and 3200-Series cars which will be beyond their minimum useful life of 25 years at the time of delivery of the new 7000-Series cars. A smaller number of new rail cars are planned to provide for additional service needs. Replacement of aged rail cars will provide the CTA with modern, updated vehicles that will decrease maintenance and operating costs while enhancing customer comfort.

The CTA continues to make significant gains in reducing the age of the rail fleet. With recently completed 5000 Series rail car order, the CTA has placed into revenue service 714 new rail cars which have replaced rail cars the over 40 years.

**Funding/Description of Proposed Work/Major Elements:** The CTA has programmed \$128.4 million over the five-year period to contribute to the purchase of new 7000-Series rail cars. In addition to prior funding, current funds will provide for the first of multiple phases of funding which will be required to procure up to 846 cars. Future funds will be required to meet the later phases of this proposed order. The new cars will replace the 2600 and 3200-Series rail cars that at time of replacement will be at the end of their useful service lives. FY 2016-2020 allocates phased funding for the 7000-Series.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

Replacing these rail cars provides the CTA with modern, updated vehicles that will decrease maintenance and operating costs while enhancing customer comfort. The new fleet of rail cars is the first in the CTA's fleet to utilize alternating current (AC) propulsion, a technology that permits dynamic braking regeneration, lower energy and maintenance costs, smoother rides, and improved reliability.

**Budget Impact:** The rail car purchase project will decrease the maintenance costs and hours needed to maintain older rail cars. If new rail cars are not purchased, the CTA will continue to experience increased operating costs, reduced reliability in the fleet, and decreased service for its customers.

### Systemwide Projects

#### ❖ Information Technology (IT)

**Purpose:** The purpose of the systems, laptop and personal computer (PC) replacement project is to provide service to business units by replacing PCs and laptops at the end of their useful life.

**Funding/Description of Proposed Work/Major Elements:** The proposed CIP allocates \$13.6 million in FY 2016-2020 for periodic replacement of systems, computers and associated components. Programmed funds will also provide for an IT maintenance program. Annual funds have been planned for an IT maintenance program to revitalize technologies for high usage devices such as Uninterrupted Power Supply (UPS), radios, telephones, cameras, dynamic signs, public announcement microphones, and mobile fleet communications, among others. This maintenance program will provide for the repair/ replacement/ upgrade of IT devices and/or systems, software or firmware release upgrades, emergency restoration, subject matter expertise support, and system monitoring.

Over time, computer systems reach their useful life and therefore need to be upgraded or changed. Current information systems demand new applications and will be best met by systems with faster speed and greater reliability and efficiency.

**Budget Impact:** If the CTA does not implement the information technology program, employees will continue using the out-of-date systems, desktops and laptops that exist today. The new equipment and software will improve productivity and improve efficiency.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

### ❖ Equipment and Non-Revenue Vehicle Replacement

**Purpose:** This project funds the procurement of a variety of equipment and non-revenue vehicles that are needed to maintain buildings, grounds and CTA infrastructure and Open Fare Equipment.

**Funding/Description of Proposed Work/Major Elements:** The CTA plans to expend \$65.8 million in FY 2016-2020 to purchase equipment and non-revenue vehicles and Open Fare Equipment. This project will provide for the purchase of capital-eligible tools that will be used to repair rolling stock and other infrastructure elements that are critical for the support of bus and rail transit operations. In addition, the project provides for equipment acquired as part of the Open Fare Standard System (OSFS) project or agreement.

**Budget Impact:** Productivity will increase due to the availability of additional non-revenue vehicles in the system. Maintenance crews need durable and sometimes specialized vehicles to transport to work sites. In the past, these vehicles have been obtained through short-term leases due to the lack of capital funds. Purchasing the vehicles that the CTA needs to customize and retain for years makes more economic sense over the long term. In addition, the new Open Fare system resolves the need for the CTA to upgrade and maintain existing fare collection equipment that was beyond the end of its useful life.

### ❖ Rehabilitate Rail Stations

**Purpose:** The CTA will continue its initiative to rehabilitate and reconstruct rail stations systemwide. Upgrades of rapid-transit stations will include stationhouse reconstruction; enhanced lighting that provides greater security resulting in decreased vandalism; repair of stairs, flooring, platforms, and canopies. Recently, CTA has renovated stations at Damen, California and Western as part of the Your New Blue Project and Harrison station on the Red Line.

The CTA currently has 146 rail stations of which 98 are fully accessible to people with disabilities, per the Americans with Disabilities Act (ADA) guidelines. Several projects are funded that will further add to the list of fully accessible stations such as the Addison station on the Blue Line, Quincy station in the Loop, Washington/Wabash station in the Loop (replacing Randolph/Wabash and Madison/Wabash), and Wilson Station, which will become a transfer point for the Red and Purple Lines.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**Funding/Description of Proposed Work/Major Elements:** The proposed CIP allocates \$13.4 million in FY 2016 and \$9.8 million in FY 2017-2020 to rehabilitate and reconstruct rail stations. This planned program continues the CTA effort to maintain the upkeep and appearances of the rail stations. \$12.3 million is set aside as the final installment of funding for the Wilson Station project

**Budget Impact:** The CTA's station renewal efforts will reduce maintenance costs, help modernize the system, increase safety, enhance accessibility, provide station amenities, and increase ridership. Without improvements, there will be continued degradation of structures and stations that will lead to increased maintenance costs and compromised service in the future. CTA customers will enjoy facilities that are visually appealing, clean, and equipped with amenities that enhance their CTA experience.

### ❖ Rail Station – 95th Street Terminal Expansion

**Purpose:** The purpose of this project is to improve accessibility and safety for riders by relieving congestion, adding new bus bays, widening customer waiting areas, adding terminal entrances, and providing pick-up/drop-off space for Para-transit riders .



**Funding/Description of Proposed Work/ Major Elements:** FY 2016 funds of \$10 million complete funding for this project. Past and current CIP investments totaling \$280 million are dedicated to this project. The Terminal Expansion is funded by various Federal sources, such as Transportation Investment Generating Economic Recovery (TIGER) and FTA Bus Livability grants. A Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan is also sourced for the project. In addition, IDOT and RTA bonds will contribute to the project.

Initial work on the station project began in 2014. The construction will replace the existing, over-capacity station with a brand new terminal that provides a better layout for customers accessing the station from 95th Street as well as passengers boarding buses and trains. The new arrangement will not only benefit rail customers, but will allow for more efficient bus operations and provide a safer, more convenient pedestrian environment. In addition, the CTA has commissioned renowned artist Theaster Gates to provide artwork for the 95th Street Station. Thereby, upon completion, the new 95th Street Terminal will provide an expanded modern, pedestrian-friendly terminal with improved passenger access to buses and trains that will also be a cultural attraction.

The station is one of CTA's busiest stations serving almost 12,000 rail entries on an average weekday. These customers both the southern terminal of the Red Line and a bus terminal



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

that accommodate more than 1,000 CTA and Pace bus trips. These buses connect the far south side communities to CTA's rail network using the recently reconstructed Dan Ryan branch of the Red Line. There are roughly 300,000 people who live within walking distance of the CTA bus routes serving the 95th/Dan Ryan Terminal.

**Budget Impact:** These improvements will better serve existing high volume of riders, provide safer passenger access to buses and the train station, and expand passenger facilities that will result in a modern, safe and pedestrian-friendly transit center with fewer delays and shorter travel times.

### ❖ Implement Security and Communication Projects

**Purpose:** Ongoing security strategies to conduct targeted surveillance, control access and stop intrusion. Support enhanced command and control systems to facilitate incident response. The CTA's security system project is an essential part of the agency's goal of protecting critical surface transportation infrastructure, the traveling public and CTA employees from crime and/or acts of terrorism; and will continue to enhance the Chicago Police Department's (CPD) efforts to provide visible security and crime prevention while patrolling rapid transit routes within the City of Chicago.

**Funding/Description of Proposed Work/Major Elements:** FY 2016-2020 funding of \$30 million will continue to enhance the multi-agency investment between the CTA and the CPD by adding another layer of anti-terrorism precautions to protect our high-risk, high-consequence mass transit assets and operations from terrorist activities. The CTA continues to purchase and install a security system to strengthen and harden critical infrastructure against the risks associated with potential terrorist attacks.

FY 2016 funding of \$3 million will continue to enhance the CTA security program, and implement necessary security throughout the system. Over five years of the CIP investments totaling \$30 million will be made to security systems, and to the maintenance and renewal of security cameras at stations and yards throughout the system.

**Budget Impact:** Investing in security equipment will have a positive impact on the budget as more customers will feel safer in CTA facilities and vehicles and will continue to ride buses and trains rather than driving to their destinations. The anti-terrorism security enhancement is expected to reduce crime and the costs associated with criminal activity.

### ❖ Program Management

**Purpose:** This project provides funding for a program management team to assist CTA staff in the planning and management of the agency's Capital Construction Program.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

**Funding/Description of Proposed Work/Major Elements:** The scope of work for Program Management includes developing project master plans (PMPs) to define primary work scope, schedule and budgets for different types of capital projects; creating specific schedule, cost estimates, and implementation plans to deliver projects; assisting CTA Engineering in the synchronization and analysis of design plans and specifications; and maintaining up-to-date asset information and developing project requests for the capital plan. Funding for this project is allocated at \$32.8 million for FY 2016-2020.

**Budget Impact:** Contracting for these services eliminates the need for the CTA to add or reduce staff as construction levels change over time. If the CTA does not implement a program management team, it will incur costs for full-time staff who can manage various project and strategic initiatives.

### ❖ **Bond Repayment, Interest and Finance Cost**

**Purpose:** This project continues to fund debt service and the cost of issuance of bonds, notes and other indebtedness incurred by the CTA when it uses long term debt to finance crucial capital activities.

**Funding/Description of Proposed Work/Major Elements:** FY 2016–2020 funding will provide for the payment of principal and interest costs associated with financing the bond series issued in 2004, 2006, 2008, 2010, and 2011. CTA bond funds enhance the authority’s infrastructure, facilities and rolling stock. Enhancements include the renovation of stations and facilities, replacement of rail signal systems, replacement of substations throughout the system, and expansion/replacement of bus and rail rolling stock. Funding for this project is allocated at \$724.7 million for FY 2016-2020.

**Budget Impact:** These projects funded by bonds help the CTA to continue meet the vital needs of a growing and interdependent region. The issuance of bonds allows the CTA to accelerate capital investments and thereby minimize increases in operating and maintenance costs.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### Support Facilities & Equipment

#### ❖ Improvement Facilities Systemwide

**Purpose of Project:** This project will provide for a transit improvement program to repair or replace facility deficiencies.

**Funding/Description of Proposed Work/  
Major Elements:** The rehabilitation of systemwide support elements is essential to providing safe, on-time transit service. The CTA has 7 active bus garages, 10 rail terminals, 17 park-and-ride lots, 106 bus turnarounds, and a variety of other maintenance and support facilities. Both bus and rail operations depend on system support to continue providing timely and efficient service to the CTA's customers.



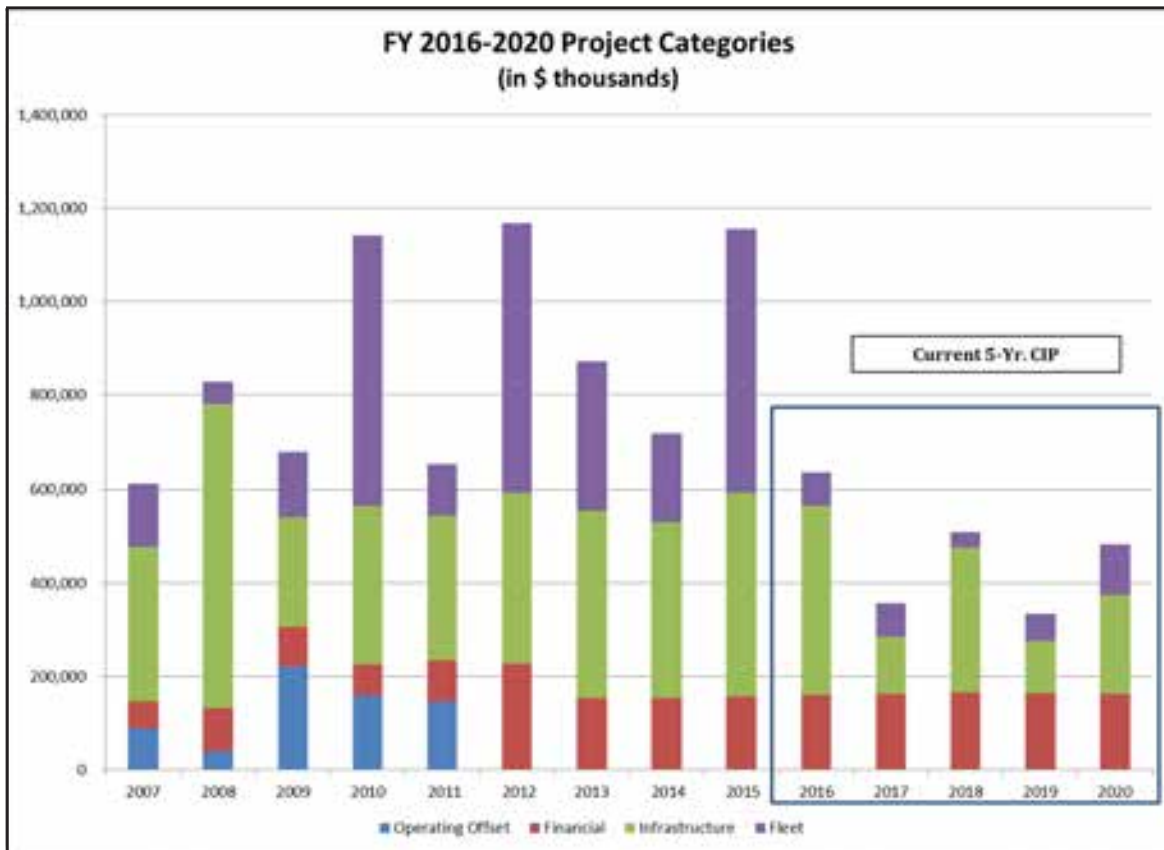
The CIP proposes to spend \$25.4 million on facility improvements in FY 2016, including upgrades to various support facilities throughout the system. A total of \$146.3 million has been allocated in FY 2017-2020 to construct or improve the CTA's bus and rail facilities.

**Budget Impact:** The CTA expects to see an overall reduction in operating costs. Maintaining facilities in a state of good repair will reduce operating expenses and costly repairs.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

### Capital Program Asset Category Comparison



The graph above compares the capital funding programmed by broad asset categories. The capital program is inherently varied, as projects require a commitment of funding when they reach the construction or delivery stage. The graph compares the make-up of the previous nine years with the funding programmed for the five-year program included in this CIP. The fleet category represents programming for bus and rail fleets; the infrastructure category includes all construction projects; the operating offset category is comprised of the portion of the capital program used to fund capital-eligible costs included in the operating budget; and the financial category includes funding to support the capital bond program, as well as for other long-term financing such as bus lease and purchase arrangements.

The flow of capital asset replacement or rehabilitation varies widely from year to year, resulting in an irregular funding level for asset categories. Significant funding was set aside for two separate construction programs, the first fully funded in 2007–2008, and the second currently underway in 2012–2015. Both of the initiatives focused on efforts to reduce slow zones on the rail system, to renew facilities, and stations. Funding programs for CTA rail fleet renewal are reflected with the 2010, 2012 and 2015 spikes in funding for the purchase of the 5000-Series and next generation 7000-Series rail cars. In 2015, the CTA began the planned

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

overhaul of the 3200-Series rail cars. Funding was provided for the bus fleet renewal program from 2012-2015. The CTA is receiving over 400 new buses, and has overhauled more than 1,000 existing buses. Financial instruments are lower in FY 2010-2011 as a result of a bond restructuring completed in FY 2010. The financial category shows a net increase in FY 2012-2017. CTA bonds issued in 2005 are retired, and this is offset by the start of payments on the bonds issued in fiscal years 2010 and 2011.

### Sources of Funds

#### Federal Funding

The current two year transportation authorization called Moving Ahead for Progress in the 21st Century (MAP-21) was due to expire at the end of FY 2014 federal budget year, which was September 30, 2014. Since then, three short term extensions have been enacted in the last ten months, with the latest extension from July 31st through October 29, 2015.

On July 31, 2015, the President signed legislation to provide short-term funding to the Federal Highway and Mass Transit Trust Funds. Congress gave approval of transfer of funds from the general funds of the Treasury to Trust accounts. Without this infusion of funds into the Trust accounts by August 1, 2015 the FTA would have been required to significantly cutback federal funds due to depletion of funds in the Trust accounts. Despite efforts to pass a long-term transportation bill, this is a short-term bill extending program authorization through October 2015. This is a one-time infusion of funds of which more than half of the costs are offset by changes to the pension funding rules for private sector pension plans.

The three-month extension is intended to give the House of Representatives the opportunity to introduce and act on its own version of a multi-year surface transportation reauthorization bill and then go to conference with the Senate's version "DRIVE Act" bill this fall.

President Obama's initiative called The Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act, or GROW AMERICA Act, is a \$302 billion, four year transportation reauthorization proposal to replace MAP-21. The GROW AMERICA Act provides increased and stable funding for the Nation's highways, bridges, transit, and rail systems. The Administration's proposal is funded by supplementing current, gas sales tax, revenues with \$150 billion in one-time transition revenue from pro-growth business tax reform. Previously, under MAP-21, revenues from gas sales tax which have remained constant since 1993 were insufficient to meet authorized needs and resulted in an annual shortage of approximately \$16 billion. Funding gaps were filled by Congress redirecting funds from the General Treasury to the Mass Transportation Trust accounts. The President's initiative draws from two sources to fund the four year plan which includes the existing gas sales tax and a second supplemental source through tax reform measures. Both sources will provide sufficient funding to prevent Trust Fund insolvency for four years and increase investments to meet national economic goals.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

MAP-21 took important initial steps toward simplification and consolidation of federal highway and transit programs, contained a greater focus on asset management and preservation, and articulated principles of goals and performance measurement in the development and implementation of federal surface transportation programs. MAP-21 places emphasis on performance management and in the establishment of the new and consolidated performance programs. MAP-21 required states and metropolitan planning organizations to set targets for transit condition and performance, and it directed the FTA to undertake a rule-making process to establish measures for determining whether the targets have been met.

### **State Funding**

The Illinois Department of Transportation (IDOT) funds CTA projects after the state legislature and the Governor enact state capital bill legislation.

Transportation projects in the state have traditionally been paid for out of a variety of sources. Specifically, the traditional avenue for the state transit funding is through a legislative mandated bond program general for a five year period. The current State Transportation Series B Bond fund was appropriated under two legislative programs: Illinois Jump Start, which was appropriated in FY 2009 and recently has been authorized in part, and Illinois Jobs Now, which was appropriated and authorized in FY 2010. The CTA's share from both legislative programs totals \$1.4 billion. The state of Illinois Jobs Now includes funding for mass transit agencies to replace, upgrade, and enhance infrastructure system wide, provides state funding over a five-year period, which began in FY 2010 and ended in FY 2014. Through 2015, the CTA has received \$1.17 billion of funds in total from these programs and the remaining funds of \$220.9 million were expected in but remain unavailable. A new five year state transit bond authorization will be required to provide the match for federal funds anticipated from next multi-year federal transit authorization expected in late 2015 or 2016.

### **TIFIA Loan Program**

The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) established a Federal credit program for eligible transportation projects under which the U.S. Department of Transportation (DOT) may provide three forms of credit assistance – secured (direct) loans, loan guarantees, and standby lines of credit. TIFIA was created because state and local governments that sought to finance large-scale transportation projects with tolls and other forms of user-backed revenue often had difficulty obtaining financing at reasonable rates due to the uncertainties associated with these revenue streams. The savings to CTA from TIFIA financing come from two primary sources: (1) CTA withdraws TIFIA funds on an “as needed” basis during the project, similar to a line of credit, rather than accruing interest on funds before they are used and (2) the interest rate on this borrowing is set at the federal government's rate, which has been 1.0%-1.5% lower than traditional financing. TIFIA financing is a highly recommended form of government borrowing because it improves the affordability of the debt and maximizes borrowing capacity.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

CTA's multi-year capital plan is funded through a variety of sources including local, state and Federal funds. The constraints of these sources limit CTA's capital plan. By adding a TIFIA loan as a financing source for capital projects, Federal, state, and local funds can be directed to other portions of the capital plan.

In the past CIP the CTA received a federal TIFIA loan for \$79.2 million as part of an overall \$280 million funding package to renovate the Red Line's 95th Street Terminal. In combination with bond sales, state and other federal funds, CTA can now proceed with the construction of the much needed multi-modal station. The TIFIA Loan Agreement with the CTA was approved on February 3, 2015 for \$120,000,000 to support the Your New Blue program. All TIFIA requirements were met prior to execution of the loan including NEPA, funding sources, schedule, budget and legal documents. These funds are approved and available.

### **Regional Transit Authority Bonds Funding**

The Regional Transit Authority (RTA) proposes to issue bonds in FY 2017 and 2020 for \$143 million and \$158 million, proceeds will be made available for the three Service Boards – CTA, Metra, and Pace – to program for projects. CTA's share of the bond proceeds total in FY 2017 \$71.5 million and in FY 2020 \$79 million. As bonding capacity is made available from retirement of existing capital debt obligations, the RTA policy is to issue new long term capital debt of which the proceeds are meant to fund capital projects for each of the three Service Boards. Bond funds will be allocated as follows: 50% will go to the CTA, 45% to Metra, and 5% to Pace. Funding of the debt service for these bonds will be sourced from non-statutory Sales Tax I revenue.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

The following table details the funding sources supporting this CTA Capital Improvement Program. Note that the federal sources are subject to change as determined by re-authorization legislation pending in the U.S. Congress.

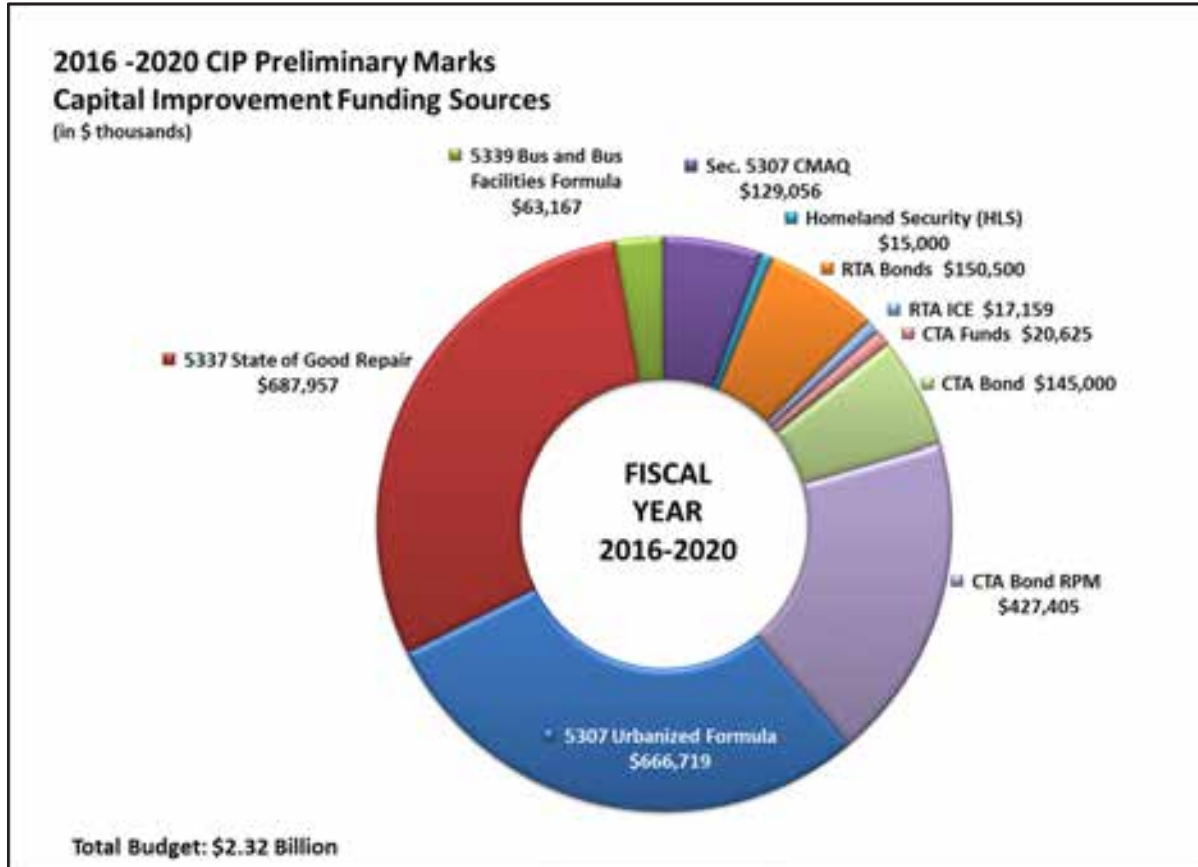
<b>CHICAGO TRANSIT AUTHORITY</b>						
<b>FY 2016 - FY 2020 CIP Preliminary Marks</b>						
<b>Sources of Funds</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>TOTAL</b>
						(000's)
5307 Urbanized Formula	125,579	129,347	133,227	137,224	141,341	666,719
5337 State of Good Repair	129,580	133,467	137,471	141,595	145,843	687,957
5339 Bus and Bus Facilities Formula	11,898	12,255	12,622	13,001	13,391	63,167
<b>Subtotal FTA</b>	<b>267,057</b>	<b>275,069</b>	<b>283,321</b>	<b>291,821</b>	<b>300,575</b>	<b>1,417,843</b>
Sec. 5307 CMAQ	4,056	-	-	25,000	100,000	129,056
Department Homeland Security (HLS)	3,000	3,000	3,000	3,000	3,000	15,000
<b>Other Federal</b>	<b>7,056</b>	<b>3,000</b>	<b>3,000</b>	<b>28,000</b>	<b>103,000</b>	<b>144,056</b>
<b>AVAILABLE FEDERAL</b>	<b>274,113</b>	<b>278,069</b>	<b>286,321</b>	<b>319,821</b>	<b>403,575</b>	<b>1,561,899</b>
RTA Bonds	-	71,500	-	-	79,000	150,500
RTA ICE	4,837	6,052	6,270	-	-	17,159
CTA Funds	1,875	1,875	1,875	15,000	-	20,625
CTA Bond	145,000	-	-	-	-	145,000
CTA Bond for RPM	212,000	-	215,405	-	-	427,405
<b>Local</b>	<b>363,712</b>	<b>79,427</b>	<b>223,550</b>	<b>15,000</b>	<b>79,000</b>	<b>760,689</b>
<b>AVAILABLE STATE/LOCAL</b>	<b>363,712</b>	<b>79,427</b>	<b>223,550</b>	<b>15,000</b>	<b>79,000</b>	<b>760,689</b>
<b>New Funding Available</b>	<b>637,825</b>	<b>357,496</b>	<b>509,871</b>	<b>334,821</b>	<b>482,575</b>	<b>2,322,588</b>

The funding levels used in preparing the proposed FY 2016-2020 CIP reflect the capital resources available to the CTA from the FTA, DHS, and RTA. Funding includes \$1.5 billion from the Federal Transit Administration (FTA), \$572.4 million from CTA-issued bonds, and \$150.5 million from RTA bonds.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

The total projected available funding is \$2.3 billion. A summary of this funding is presented in the following chart:



### CTA Bonds

In 2014, the CTA issued sale tax bonds which generated \$541.5 million in proceeds dedicated to funding capital projects. Funds will provide for asset renewal throughout system operation and support functions. These funds are leveraged with state, RTA and federal sources to allow the CTA to start, advance, or continue a series of major capital projects the size of which is unprecedented to the CTA. Initiatives like the following:

- Purchase of 714 new 5000-Series rail cars, replacing cars 30 plus years old.
- Development for the next rail car order (the 7000-Series)
- Overhaul of 258 rail cars, the 3200-Series cars
- Repair/replacement of critical maintenance systems and facility improvements.
- Upgrade rail power at key locations on the Blue/Brown/Red Lines
- Rehabilitation of structure on the Brown Line Ravenswood-Loop Connector
- Remove track slow zones throughout the system
- Planning/Preliminary Engineering for Red/Purple Modernization project
- Planning for the Extension of South Red Line

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

Tax-exempt bond financing offers an efficient and cost effective way to supplement scarce federal funding and accelerate critical projects. Over the years, inadequate capital funding has substantially hindered the CTA's efforts to maintain a state of good repair, much less expand or enhance its system. By constructing projects on an expedited schedule, the CTA can reduce costs, improve service, and better promote ridership on the system. These benefits outweigh the future bond financing costs, particularly in the current historically-low interest-rate environment.

The FY 2016-2020 program includes \$572.4 million in capital bond proceeds. Bond issues are currently planned in 2016 and 2018, but actual timing of issuances will be determined by project source need, projects schedule and current draw on 2014 Bond receipts. By drawing down on 2014 Bond receipts until funds are essentially exhausted, the CTA will avoid unnecessary financing costs related to issuance of the planned bonds. Meanwhile with the existing 2014 Bond issue and the planned issues, the CTA can advance critically important projects which otherwise would need to be deferred for years and significantly increase system maintenance costs with continual degradation of assets.

Major projects funded with 2016 capital bonds include:

- Major rail line improvements (Brown, Blue, and Red Lines)
- Facilities SOGR Program and Station Renewal Program
- Track & structure renewal (slow zone remediation)
- Traction Power and Signal improvements

The CTA's customers will experience the benefits of capital investment through improved safety, service quality, speed, and reliability.

### **Competitive Grant Opportunities**

CTA typically submits grant applications seeking funds from several Federal and State competitive grant programs, including the Transportation Investment Generating Economic Recovery (TIGER) program, the Innovation, Coordination, and Enhancement program (ICE), the Unified Work Program (UWP), the Congestion Mitigation and Air Quality program (CMAQ), and Department of Homeland Security (DHS) grants. Most recently the CTA has sought Federal Core Capacity funding -- the Red and Purple Line Modernization is the first project in the country to receive funding through the new program.

With an ever-growing need for capital funds to move vital projects forward, the CTA continues to aggressively pursue these opportunities. The CTA has requested funding for a variety of projects, including the following:

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### **Innovation, Coordination, and Enhancement (ICE) Program**

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

The proposed FY 2016-2018 RTA ICE funding levels for CTA are: \$5.8 million in 2016; \$6 million in 2017; and \$6.2 million in 2018. At this time the program of projects is being considered. The program provides funding for those eligible projects that assist to enhance the coordination and integration of public transportation and to develop and implement innovations to improve the quality and delivery of public transportation.

FY 2015 ICE funding of \$16.4 million is providing for a series of initiatives which includes enhancements to the open-fare (Ventra) system, communication equipment, software and hardware, and the implementation of video streaming capabilities at facilities throughout the system.

Previously, the RTA ICE program contributed to funding the installation and purchase of LED/LCD real time bus arrival signs at bus shelter, and digital display train tracker signage throughout CTA system. Both projects were key components to the implementation of the highly successful bus and train tracker system.

### **Congestion Mitigation and Air Quality (CMAQ) Program**

The Federal CMAQ program funds surface transportation improvements designed to improve air quality and mitigate congestion.

The CTA will receive a \$125 million CMAQ grant that will support Phase One of the Red-Purple Modernization project. This major initiative will completely rebuild the northern portion of the Red Line from Belmont to Howard station and the Purple Line, which extends to Linden station in Wilmette. The RPM corridor was built in phases from 1900 through the 1920's with some infrastructure being constructed over a century ago. The Red Line is now Chicago's busiest 'L' line, serving some of the most densely populated neighborhoods in the country, and the number of riders along this corridor is only growing. The first phase of RPM includes the Red-Purple Bypass (RPB), the Lawrence to Bryn Mawr Modernization (LBMM), and the Corridor Signal Improvements (CSI).

RPB consists of a bypass (or flyover) that will be constructed north of the Belmont station to increase the capacity, speed and efficiency of all Red, Purple, and Brown Line trains. This will remove the largest physical capacity constraint in the RPM corridor, where three separate services on six tracks merge onto four tracks. The intersection (known as "Clark

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

Junction”) was created in 1907 and forces trains to stop and wait for signal clearance at a level crossing junction, limiting the number of trains that can travel through this intersection. The Red-Purple Bypass improvement would eliminate the need for trains to stop and wait for clearance from crossing trains. The new bypass will allow northbound Brown Line trains to proceed along a dedicated rail line without physically crossing Red and Purple Line tracks.

In addition, CMAP will provide \$8.9 million in funding for the Ashland Avenue Transit Signal Priority (TSP) and Signal Modernization – Cermak Road to Irving Park Road project. This project proposes to construct a traffic signal interconnect and communication network required to implement transit signal priority (TSP) on Ashland Avenue between Cermak Road and Irving Park Road. This network will be a combination of wireless and fiber optic communications that will connect the intersections to the City of Chicago’s centralized traffic management software. The network will facilitate communication between the transit vehicles and the intersections and will allow for data collection and system management. In addition, the project will modernize traffic signal equipment to accommodate adopted regional TSP standards.

The implementation of this project will reduce the time that transit vehicles spend delayed at intersection queues, TSP can reduce transit delay and travel time and improve transit service reliability, thereby increasing transit quality of service.

### **Core Capacity Program**

In 2014 the Federal Transit Administration (FTA) awarded CTA \$35 million in Core Capacity Program funds toward implementing Phase One of the Red and Purple Modernization (RPM) Program.

In coordination with the FTA, the CTA has published two Environmental Assessment (EA) documents outlining proposed construction plans, potential impacts on the community and environment and mitigation plans for the Red-Purple Modernization – Phase One Project.

The Federal Transit Administration (FTA) will evaluate two Environmental Assessments, one each for the Red-Purple Bypass and the Lawrence to Bryn Mawr Modernization projects. Their final decision documentation will allow CTA to move forward into the next phase of the project implementation (engineering) and qualify for federal funding. There are multiple opportunities to provide feedback throughout this process, including public hearings.

### **Homeland Security -- Transit Security Grant Program**

The Transit Security Grant Program (TSGP) is one of the Department of Homeland Security’s (DHS) grant programs that directly support transportation infrastructure security activities. DHS focuses its available transit security grant dollars on the highest-risk systems and has identified critical infrastructure assets that are vital to the functionality and continuity of major high risk transit systems and whose incapacitation or destruction would have a debilitating effect on national security, public health, safety, or any combination thereof.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

Operators of public transportation agencies (which include intra-city bus, commuter bus, ferries, and all forms of passenger rail), compete for funding both locally and nationally.

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

DHS/TSGP provides funding to owners and operators of transit systems to protect critical surface transportation and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure. In FY 2015, this program provided to the nation \$87 million of which CTA was awarded \$6.15 million. Eligibility for TSGP funding is based upon daily ridership of transit systems that serve the nation's key high-threat urban areas. The Department of Homeland Security is committed to working with the nation's response community in the national effort to combat terrorism and secure our homeland.

### **Unified Work Program (UWP)**

In order to fulfill federal planning regulations, the Unified Work Program (UWP) lists planning projects the Chicago Metropolitan Agency for Planning (CMAP) and other regional agencies undertake each year to enhance transportation in northeastern Illinois. The UWP is designed to run in conjunction with the State of Illinois' fiscal year timeline of July 1-June 30. The final UWP document includes the transportation planning activities to be carried out in the region, detailing each project's description, products, costs and source of funding.

For FY 2016, CMAP will award the CTA \$1,025,000 to fund two projects.

- CTA will receive \$500,000 to facilitate efforts to coordinate the provision of capital projects for customers in its service area and to identify projects within the Chicago-area regional five-year Transportation Improvement Program.
- CTA will utilize \$525,000 in UWP funding for Expand Brown Line Core Capacity. The purpose of this project is to provide support for conceptual planning for a Brown Line Core Capacity project, including reconfiguration of Kimball Yard and other infrastructure improvements to improve travel time. This need for this project is supported by increasing ridership on the Brown Line, correlating with population shifts and new development along the Brown Line. This growth has taken place since the completion of the 2009 Brown Line Modernization Project, which improved stations and increased platform lengths to allow 8-car trains to operate on the branch.

During FY 2016-2020, the CTA will continue to aggressively pursue additional funding under these competitive grant programs.



# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### Unfunded Capital Need

In FY 2010, the FTA published the National State of Good Repair Assessment Study, which provided a comprehensive analysis of the costs required to bring the nation's rail and bus transit systems into good operating order. The report showed that transit agencies nationwide are struggling to maintain aging assets. The deferred maintenance backlog is estimated to be \$50 billion for the seven largest transit agencies, including the CTA, and approximately \$78 billion for all 690 transit systems nationwide.

An update was provided as a part of the DOT's 2013 Status of the Nation's Highways, Bridges and Transit: Conditions and Performance (known as the C&P report), issued jointly by FTA and FHWA in February, 2014. The nationwide transit deferred maintenance and replacement backlog is conservatively estimated to be conservatively at \$86 billion (in 2010 dollars). This backlog is expected to grow by \$2.5 billion each year – unless sufficient dedicated funding is made to make investments to slow or stop the growing maintenance deficit.

The RTA's asset condition assessment originally prepared in 2010 and last updated at the end of 2013 defines the RTA's region total capital reinvestment needs over a 10-year period estimated at \$36.42 billion, which includes investment needs for CTA, Metra, and Pace. According to the RTA's analysis, the CTA's share of this total 10-year reinvestment need is \$22.4 billion or 61.5% of the total regional amount. This includes \$12.9 billion to address existing backlog and an additional \$8.5 billion to address normal reinvestment needs expected over the 10-year period. Approximately 58% of CTA's reinvestment needs are to address assets that are overdue replacement or rehabilitation.

CTA's total 10-year reinvestment need of \$22.4 billion is split between approximately 82% for rail and 18% for bus assets.

The region's backlog and 10-year investment needs have grown nearly 6% since the previous (one year prior) assessment, in inflation-adjusted dollars. The shortage of capital funds needed to support the region systems will continue to present significant obstacles to achieving a state of good repair for the region and specifically for the CTA.

The CTA continues investing in upgrading or replacing system assets, yet the unfunded capital need continues to grow with each year. Even if the entire capital backlog was funded, the CTA estimates a need of \$950 million annually just to keep the system in a state of good repair. The average funding level over the period FY 2016-2020 is \$464.7 million.

The CTA routinely evaluates the additional funding needed to reach a state of good repair. The CTA's unfunded capital needs have manifested themselves in a variety of ways across its system.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### Right-of-Way

- Approximately 25% of rail right-of-way is past the standard useful life guideline of 40 years. On the most deteriorated sections, slow zones are established to provide safer service. Slow zones cripple the system; 19.4 miles (8.7%) of the CTA's rail system tracks are currently (July 2015) designated as slow zones. The Blue Congress Branch and Purple Lines contain over 64% of the system slow zones. Capital track work projects are currently focused on these Lines to remediate and prevent future slow zones.
- Forty-seven percent of traction power that distributes power along the right of way throughout the rail system is overage.

### Rail Stations

- There are 63 of 146 stations (43%) that are past their useful life; as of 2015, 48 stations (33%) are not accessible to the disabled. These aging stations cannot support the demands of current ridership and use.
- Water infiltration is a constant battle in subway stations. This infiltration is particularly problematic along the Blue Line subway, where leaks from water and sewer mains result in corrosion and degradation of the infrastructure of these stations.
- Approximately 50% of the escalators in the system are beyond their standard useful life guideline of 25 years, with some escalators dating back to the 1950s. The escalators suffer from repeated failures and many do not meet current safety standards.
- Elevators on the system experience extraordinary wear and tear from riders and weather conditions, making them difficult to maintain without major capital work throughout their useful life. Elevators are critical to maintain the accessibility of our system for the elderly, disabled, and families with strollers. The CTA invests \$4 million annually to keep existing elevators and escalators operational.

### Rail Structures

- More than 50% of elevated rail structures have exceeded their standard useful life guideline of 80 years. As of FY 2014, the estimated cost is \$3.1 billion to replace overage rail infrastructure throughout the system. Over the next 10 years, an additional \$3.1 billion of investment is needed to replace structure which will have passed its useful life.
- The vast majority of viaducts on the Red and Purple Lines date back to the early 1900s. These require permanent exterior braces and regular removal of loose concrete to protect traffic below.

### Rail Subway Structures

- State Street and Dearborn Subways were built in 1943 and 1951 and are in need of ongoing maintenance which includes shoring and grouting of the tunnels. Ventilation and lighting systems are in need of replacement throughout all subways to provide for a secure and improved environment for transit operation in the subway.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### Rolling Stock

- Aging equipment decreases reliability, which creates delays for riders. As of July 2015, CTA received delivery of all 714 rail cars included as a part of the 5000 Series order, 32% of the CTA's rail fleet will be beyond its useful life guidelines. Currently, 25% of the bus fleet is past its useful life guidelines.

### Maintenance Facilities

Although the CTA has funds programmed for this program, the level of funding is insufficient to bring all facilities to a state of good repair standard.

- Maintenance facilities require significant improvements to adequately support the bus and rail fleet. Six of the CTA's maintenance buildings are more than 100 years old and have not received substantial rehabilitation. The CTA has been forced to rely heavily on these outdated facilities, recently closing a bus garage that was built to store horse-drawn trolley operations at the turn of the 20th century, and demolishing a rail equipment maintenance shop built for the 1893 World's Fair that was no longer structurally sound. Neither facility has been replaced.
- Electrical switch gear at two garages (Forest Glen and North Park) dates from the late 1950s and if these systems are not replaced, generators will need to be rented at a cost of \$3 million per year. The reduction in power capacity could mean a 10% decrease in the number of buses in service for a total loss of 25 buses per facility and 50 fewer buses in service systemwide.
- Three of the CTA's seven bus garages have boilers purchased in the mid-1980s that have exceeded their useful life guideline of 25 years and require significant ongoing costs to keep them from failing. New energy-efficient boilers save the CTA 20% on gas bills and require less maintenance.

### Substations

Although the CTA has funds programmed for this program, the level of funding is insufficient to bring all facilities to a state of good repair standard.

- Forty-seven percent of the substations that power the rail system and over 20% of cables that distribute power to the track right of way are beyond their useful life guidelines. These aging substations reduce reliability of service and result in slow service because they provide insufficient power to the system to meet demand. Some of which were built during the initial subway system construction during the 1950s. The CTA rail system has its own power distribution system which includes electric substations and cable along the rights-of-way. Substations contain transformers to convert electric power from the power company's utility grid and supply it to the third rail to run trains. Many of the CTA's substations cannot provide the appropriate power levels or required redundancy to keep the system operating.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### Operating Budget Impact of Capital Program Projects

A robust capital improvement program not only enhances customer service, safety and reliability, but it also minimizes the steady increases in operating and maintenance costs, and thereby allows the CTA to operate more efficiently. The \$2.3 billion in capital investments planned for the next five years will allow the CTA to achieve cost savings and curtail the increases in maintenance costs that would result from a lack of investment. The following highlights the impact of capital investments on key areas of the operating budget.

Investments in the bus fleet resulting in the 2014-2016 delivery of 425 buses and the overhaul of New Flyers which make up over 55% of the existing fleet, CTA has reduced material expenses and expects further reductions with delivery of the full order.

The purchase of 714 new modern rail cars replacing 650 over aged rail cars when delivery of cars is completed by mid-2015, CTA expects substantial annual costs savings in maintenance material and power costs in the range of \$8 to \$10 million annually. Within the five year timeframe of the CIP, due to investment in the next generation of 7000-Series rail cars replacing the remaining aged cars in the fleet, the average age of the fleet will be approximately ten years old.

A significant investment is being made in the Blue Line O'Hare Branch which will reduce the travel times between downtown to O'Hare Airport by ten minutes compared with conditions before the project. The time savings for each and every train not only produces a better, faster ride for customers, but also a reduction in the overall operating costs of the service.

CTA is planning to embark on an energy performance contracting (EPC) project to determine a comprehensive set of energy and water efficiency improvements for several CTA facilities. CTA will leverage the energy projects at multiple bus and rail facilities to make an investment that will return value annually in the form of lower energy and operational costs. Work may include replacing outdated, inefficient lighting and controls, mechanical equipment and high-bay doors with modern, energy-efficient lighting, controls and equipment. There are several opportunities within CTA's portfolio for energy reductions as identified based on site assessments completed to date. CTA will contract with the Energy Service Company (ESCO) to perform detailed audits of existing equipment and provide recommended system replacements and improvements.

The types of projects outlined in this CIP have similar impacts to the bottom line.

#### **Computerized Analysis – Estimating the Operating Cost Impacts of Capital Projects**

A task force consisting of members of the RTA and the three Service Boards (CTA, Pace, Metra) is developing and working to test the Capital Optimization Support Tool (COST) a computerized system to be used to assist with annual budget planning and capital project prioritization. This method will allow for targeted identification and quantification of potential operating savings that could result from certain capital investments, while also providing other benefits.

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

### Capital Program Acronyms

AA	Alternative Analysis
ADA	Americans with Disabilities Act
APB	Accounting Principles
ARRA	American Recovery and Reinvestment Act
BAB	Build America Bonds
BLS	Bureau of Labor Statistics
BOB	State Bureau of Budget
BRT	Bus Rapid Transit
CAC	Capital Advisory Committee
CBO	Congressional Budget Office
CDOT	Chicago Department of Transportation
CIP	Capital Improvement Program
CMAP	Chicago Metropolitan Agency for Planning
CMAQ	Congestion Mitigation and Air Quality Improvement Program
CPD	Chicago Police Department
CPI	Consumer Price Index
CTA	Chicago Transit Authority
DBE	Disadvantaged Business Enterprise
EIA	Energy Information Administration
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FFGA	Full Funding Grant Agreement
FHWA	Federal Highway Administration
FIRST	Illinois Fund for Infrastructure, Roads, Schools and Transit
FTA	Federal Transit Administration
GROWAMERICAAct	Generating Renewal, Opportunity, & Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act
ICE	Innovation, Coordination, and Enhancement Fund of RTA
IDOT	Illinois Department of Transportation
ISTEA	Intermodal Surface Transportation Efficiency Act
JARC	Job Access Reverse Commute
LPA	Locally Preferred Alternative
MAP-21	Moving Ahead for Progress in the 21st Century
PE	Preliminary Engineering
RPM	Red and Purple Modernization Project
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
TEA-21	Transportation Equity Act for the 21st Century
TIF	Tax Increment Financing
TIFIA	Transportation Infrastructure Finance and Innovation Act

# CTA FY16 Budget

## Proposed FY 2016-2020 Capital Improvement Plan & Program

---

---

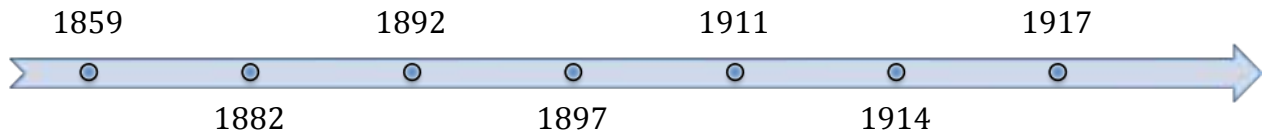
TIGER	Transportation Investment Generating Economic Recovery
TIGGER	Transit Investments for Greenhouse Gas and Energy Reduction
TOPS	Transit Operations Planning System
UMT	Urban Mass Transportation
UMTA	Urban Mass Transportation Authority
UPRR	Union Pacific Railroad
UPS	Uninterrupted Power Supply
USDOT	United State Department of Transportation
UWP	Unified Work Program



# CTA FY16 Budget

## History of the Agency

### History of the Agency



#### 1859



The beginning of public transit in Chicago; early service is horse drawn.

#### 1882



The Chicago City Railway obtains rights to operate San Francisco-style cable cars.

#### 1892



The Chicago and South Side Rapid Transit Company opens on June 6, bringing elevated train service to

Chicago. At the turn of the century, four separate transit railroads are operating in Chicago. The first trains, powered by steam, are quickly converted to electricity.

#### 1897

Elevated trains are built along available rights-of-way, often above alleys and less heavily used streets. The Loop opens, connecting rapid transit lines serving the North, South and West sides of Chicago.

#### 1911

The rapid transit companies form a trust that, in 1913, allows free



transfers between the carriers for the first time. This also marks the start of through-routing trains between the North and South Sides.

#### 1914

On February 1, four streetcar companies unite under a single



management, the Chicago Surface Lines. At its peak, the Chicago Surface Lines operates along 1,100 miles of track and becomes the largest and most heavily-used streetcar system in the world.

#### 1917

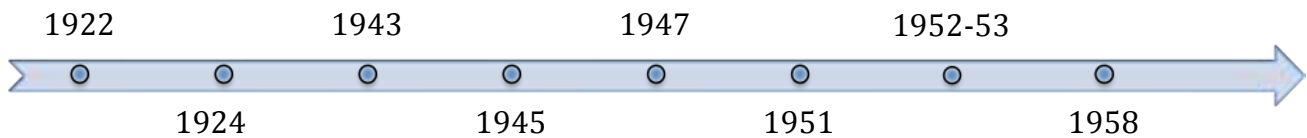
Buses are first used in Chicago as the Chicago Motor Bus Company is



created. Bus use is limited to Chicago boulevards and parks.

# CTA FY16 Budget

## History of the Agency



### 1922

The Chicago Motor Coach Company succeeds the Chicago Motor Bus Company.

### 1924

The four rapid transit 'L' companies merge to create the Chicago Rapid Transit Company.

### 1943



To ease traffic congestion, the U.S. Department of the Interior, the Public Works

Administration, and the City of Chicago finance the State Street Subway.

### 1945



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

### 1947

The CTA begins operations by issuing \$105 million in revenue bonds to purchase assets of the Chicago Surface Lines and the Chicago Rapid Transit Company.

### 1951

The Dearborn Street subway opens.

### 1952-53

Through additional bond issues, the Chicago Motor Coach Company, a portion of the Chicago Aurora and Elgin Railway, and the Chicago, Milwaukee, St. Paul and Pacific Railroad rights-of-way are added to the CTA.

### 1958

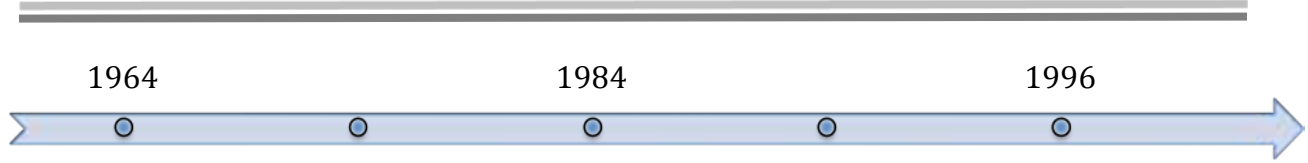
The Congress branch opens along the median of the newly-



built Congress expressway, connecting Forest Park with the Loop through the Dearborn Street subway, with trains continuing to Logan Square on the northwest side.

# CTA FY16 Budget

## History of the Agency



### 1964

The CTA obtains federal funding to create the first “light rail” service, the Skokie Swift. The Skokie Swift operates on track lines purchased by the CTA from the Chicago North Shore & Milwaukee Railway. Eventually, the overhead wire is eliminated and the trains become two cars, allowing the Skokie Swift to become a popular rail shuttle and suburban inter-city bus link.

### 1974



By the early 1970s, the popularity of car travel and declining ridership levels threaten the financial stability of the local public transit providers, including the CTA. Therefore, the Illinois General Assembly creates the Regional Transportation Authority (RTA) as a fiscal and policy oversight agency committed to providing an efficient and effective public transportation system. Today, the RTA continues to provide fiscal oversight to the CTA, Metra and Pace.

### 1984



The CTA responds to changing demographics during the 1970s by expanding the

West-Northwest Service from Logan Square to Jefferson Park, and then along the Kennedy Expressway median to River Road in Rosemont. Finally, the northwest transit extension is completed at O’Hare Airport, providing a station within the airport terminal.

### 1993

The Dan Ryan branch, formerly linked to the Englewood and Jackson Park branches, is linked with the Howard branch. The new Lake to Englewood-Jackson Park service is rerouted to use the Loop Elevated. The Midway Orange Line is completed, linking the downtown



elevated Loop to the Southwest side airport. Its completion makes Chicago the only city in the United States with public transportation connecting two major airports.

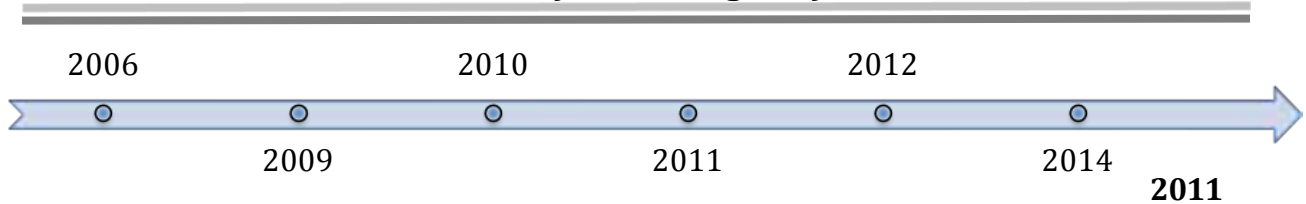
### 1996

The CTA celebrates the re-opening of the rehabilitated Green Line, improving the service to customers on the West and South sides of Chicago.



# CTA FY16 Budget

## History of the Agency



### 2006



The CTA introduces the Pink Line as part of a package of bus and rail service improvements for the West Side and

western suburbs. The Pink Line provides more frequent service and improved travel times between the 54th/Cermak station and the Loop.

### 2009



The final regularly-scheduled bus routes are added to the CTA Bus

Tracker. Customers are able to access information online and via text messaging, and receive email notification of predicted arrival times and service alerts.

### 2010



The CTA begins testing the prototypes of a brand new family of 'L' cars, the 5000-

series rail cars. These advanced cars result in a smoother, more comfortable ride and provide both operational and maintenance efficiency.

Train Tracker is launched in January 2011, providing customers with information on estimated train arrival times for all rail stations across the CTA's eight rail lines.



### 2012

The CTA rolls out large investments in expanding and improving rail



service, including launching the 5000-series 'L' cars into revenue service, opening new stations in the West Loop and Skokie, and rehabilitating seven stations on the North Red Line that are over 100 years old.

### 2014

In July, transition to Ventra, a new fare payment system, was completed. Ventra is built on open standards, which means customers can also pay using contactless bankcards and mobile phones. Ventra combines the convenience of a contactless card and an account-based system with the ability to have any type of fare value or pass – or both – on one card.



# CTA FY16 Budget

## Transit Facts

### Transit Facts

#### Creation of CTA

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

#### CTA Governance

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

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

Service Area	
Area	234 square miles of Chicago and 35 nearby suburbs
Population	3.53 million
Coverage	83% of public transit trips in the six-county Chicago metropolitan area

Ridership (2015 Forecast)	
Average Weekday	1,639,432
Average Saturday	1,028,047
Average Sunday/Holiday	755,114

2016 Budget	
Operating Budget	\$1,475.2 million
Capital Budget	\$638 million
Budgeted Positions	9,869

Bus	
Number of Buses	1,887
Routes	128
Stops	11,048
Bus Route Miles	1,308
Bus Miles Traveled per Day	165,012
Ridership (2015 Forecast)	274.3 million

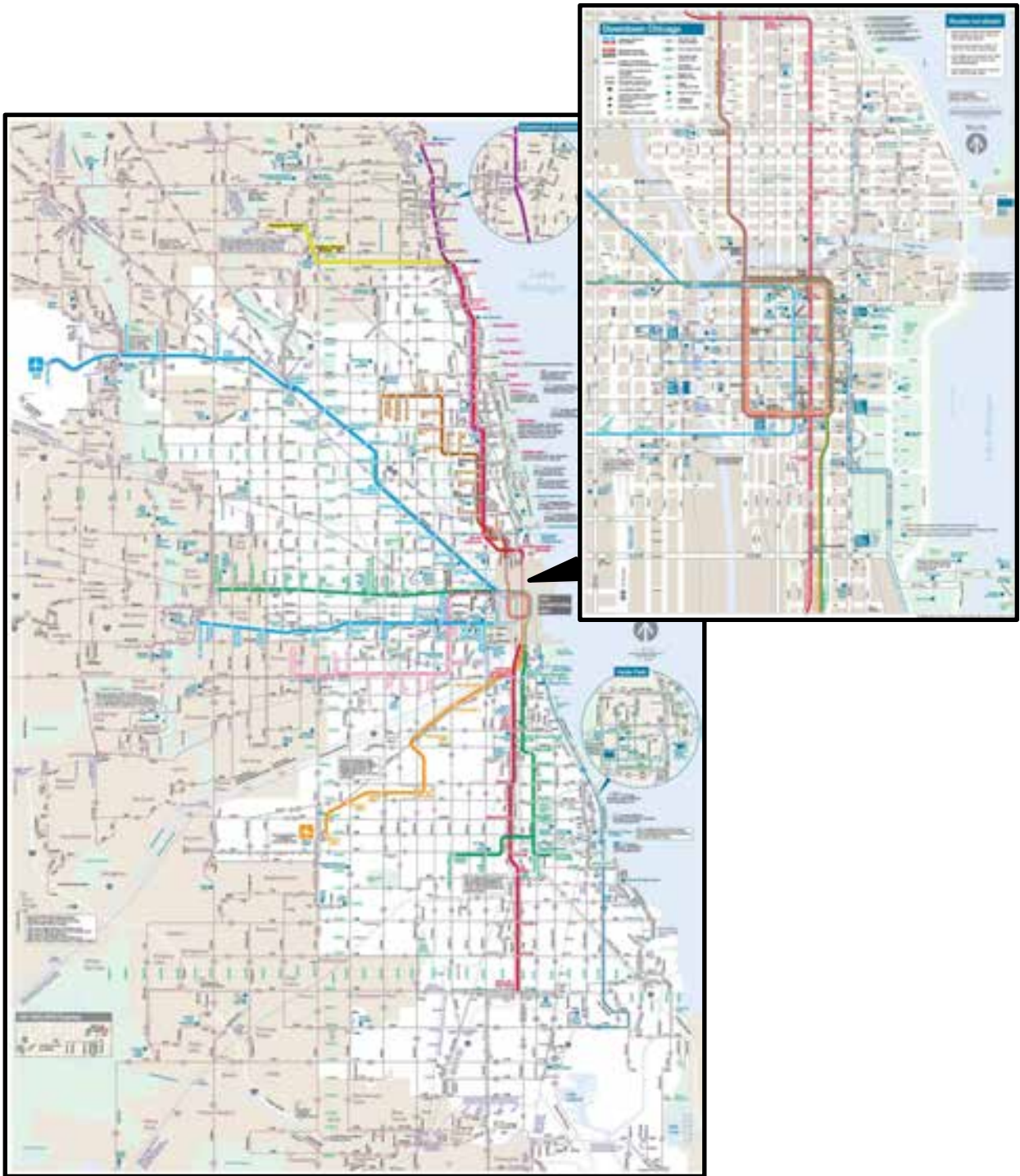
Rail	
Number of Rail Cars	1,510
Stations	145
Rail Track Miles	224.1
Rail Miles Traveled per Day	211,042
Ridership (2015 Forecast)	241.0 million

**(THIS PAGE INTENTIONALLY LEFT BLANK)**



# CTA FY16 Budget

## System Map



**(THIS PAGE INTENTIONALLY LEFT BLANK)**

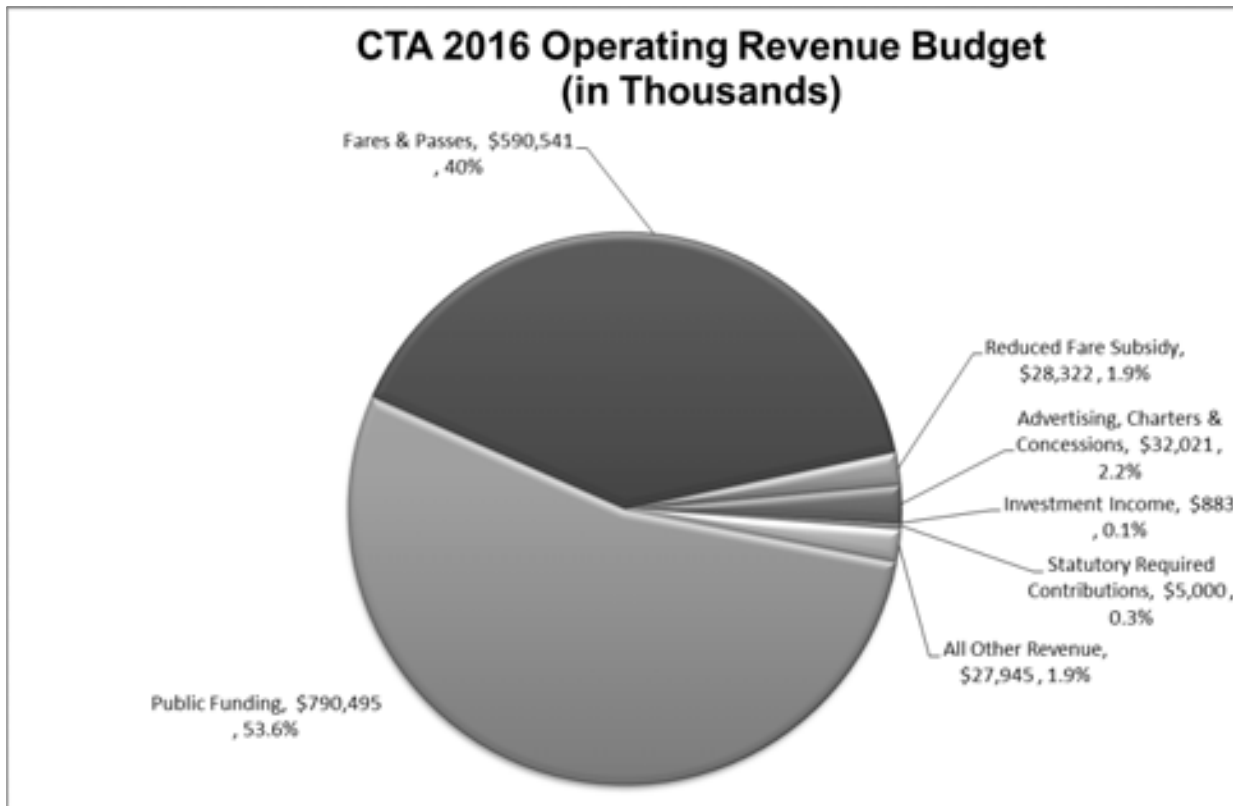
# CTA FY16 Budget

## Operating Funding Summary

### Operating Funding Summary

The CTA's total estimated revenue for 2016 is \$1,475.2 million. There are two primary sources of operating revenue for the CTA: System-generated revenue through fares and other sources, and public funding, mostly through the Regional Transportation Authority (RTA). System-generated revenue is projected at \$684.7 million for 2016 and public funding is projected at \$790.5 million. The following table represents 2016 estimated revenue by source.

Total CTA Revenue - All Sources (in thousands)	2016
Fares and Passes	\$590,541
Reduced Fare Subsidy	\$28,322
Advertising, Charters and Concessions	\$32,021
Investment Income	\$883
Statutory Required Contributions	\$5,000
All Other Revenue	\$27,945
Public Funding	\$790,495
<b>Total Revenue</b>	<b>\$1,475,207</b>



# CTA FY16 Budget

## Operating Funding Summary

---

---

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

### **System-Generated Revenues**

The CTA's system-generated revenue is forecast at \$684.7 million for 2016. This revenue is derived from the sale of fares and passes, subsidies for free and reduced fare riders, advertising, investment income, statutory required contribution from local governments by provision of the RTA Act, and other revenues. These revenues are further defined below.

#### *Fares and Passes*

Revenue from fares and passes is forecast at \$590.5 million in 2016 and is the largest portion of system-generated revenue. The CTA's revenue from fare and passes includes cash fares and full-fare and reduced-fare cards utilizing the Ventra system. The CTA also sells 30-day full fare and reduced fare passes, along with one-, three- and seven-day passes, which can be loaded onto a Ventra card. Additional pass revenue comes from the CTA's U-Pass for local university students, bulk sales of passes, and METRA Link-Up passenger revenue. Disposable one-day and three-day passes and single ride tickets are also available to customers at Ventra machines.

#### *Reduced Fare Subsidy*

This funding represents the reimbursement of revenues foregone by the Service Boards due to providing reduced and free fares to students, senior citizens and riders with disabilities as mandated by federal and state law. The funding is subject to the terms of the grant agreement, state statute and annual state appropriation. Reimbursement amounts are allocated to the Service Boards based on qualifying passenger trips taken during the grant year. CTA is anticipating only half of the historical reduced fare subsidy funds in 2015 as a result of state budget cuts. It is assumed that the full subsidy will be restored in 2016.

#### *Advertising, Charters and Concessions*

Advertising, charters and concessions revenue for 2016 is forecast at \$32.0 million. The bulk of this revenue is received through advertisement on buses and rail cars and in rail stations. This forecast also includes: concession revenue from 88 concessions within the CTA's 146 rail stations, revenue generated from billboards, ATM and vending machine contracts, and revenue from Special Contract Guarantees, which includes agreements for transportation services for the University of Chicago and other employers.

# CTA FY16 Budget

## Operating Funding Summary

### *Investment Income*

Year	Investment Income (in millions)	Federal Funds Rate (at year end)
2007	\$12.1	4.25
2008	\$3.8	0-0.25
2009	\$1.3	0.12
2010	\$0.6	0.18
2011	\$0.6	0.07
2012	\$0.7	0.09
2013	\$0.4	0.08
2014	\$0.5	0.09
2015 Forecast	\$0.7	0.15
2016 Budget	\$0.9	0.50

The 2016 budget for investment income is \$0.9 million. This is consistent with recent performance.

The variation from nearly a decade ago is attributed to significant changes in short-term interest rates. The federal funds rate has dropped from a high of 3.00 percent in 2007 to near zero at the end of 2008. Since December 2008, the Federal Open Market Committee (FOMC) decided to keep the target range for the federal

funds rate at zero to 0.25 percent and has kept the same policy range target. The FOMC is expected to start raising short-term rates by the first quarter of 2016.

### *Statutory Required Contributions*

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

<b>Statutory Required Contributions (in millions)</b>		<b>2016</b>
Contributions - City of Chicago		\$3.0
Contributions - Cook County		\$2.0
<b>Total</b>		<b>\$5.0</b>

### *All Other Revenue*

The CTA forecasts \$27.9 million in other revenue for 2016. Revenues in this category include safety and security grants, parking fees, rental revenue, third-party contractor reimbursements and filming fees. A decrease in the amount of pass-through security grants for the Chicago Police Department (matched by an equal expense) decreases the budget in this category by \$8.2 million in 2016. The CTA has 43 real estate leases across the system, as well as leases within the CTA headquarters building. Parking revenues include Park & Ride Facilities (17 facilities with approximately 6,200 spaces), under 'L' parking rentals and long-term parking agreements.

### **Public Funding**

Most of the CTA's public funding for operating and capital needs is funneled through the RTA. Under the RTA Act, as amended in 2008, some of the funds are allocated to the Service Boards based on a set formula; other funds are allocated based on the RTA's

# CTA FY16 Budget

## Operating Funding Summary

discretion. The sources and allocations are outlined below.

### ***Sales Tax Revenue per 1983 Formula***

RTA Sales Tax is the primary source of operating revenue for the RTA and the three Service Boards. The tax is authorized by Illinois statute, imposed by the RTA in the six-county region of northeastern Illinois and collected by the state. The sales tax is the equivalent of one percent on sales in the City of Chicago, one percent on sales in Cook County and 0.25 percent on sales in the collar counties of DuPage, Kane, Lake, McHenry and Will. The one percent sales tax in Cook County is comprised of one percent on food and drugs and 0.75 percent from all other sales, with the state then providing a “replacement” amount to the RTA equivalent to 0.25 percent of all other sales. Proceeds from the RTA Sales Tax are distributed to the CTA, Metra and Pace, and primarily fund operating costs not recovered through the farebox. The RTA retains 15 percent of the total sales tax and passes the remaining 85 percent to the Service Boards according to the Operating Funding Allocation Chart found later in this section.

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

The 2016 Sales Tax Budget per the 1983 Formula for the Region is estimated to be \$883,448,870 and is distributed to the RTA and three Service Boards as follows:

<b>(in thousands)</b>	<b>Chicago Sales Tax Revenue</b>	<b>Suburban Cook Sales Tax Revenue</b>	<b>Collar County Sales Tax Revenue</b>	<b>Total</b>
CTA	\$250,929	\$114,192	\$0	\$365,121
Metra	\$0	\$209,353	\$83,553	\$292,906
Pace	\$0	\$57,096	\$35,808	\$92,905
RTA	\$44,282	\$67,172	\$21,064	\$132,517
<b>Total:</b>	<b>\$295,210</b>	<b>\$447,814</b>	<b>\$140,425</b>	<b>\$883,449</b>

*\* Amounts may not match other tables in document due to rounding.*

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



# CTA FY16 Budget

## Operating Funding Summary

---

### *Federal Assistance (Federal Transit Administration)*

The RTA is the region's designated recipient of federal assistance, which previously included both operating and capital funds. The FTA eliminated operating assistance for the RTA in 1998.

### *Public Transportation Fund*

As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of the RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The treasurer transfers this amount to a special fund, the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. Remittance requires an annual appropriation by the State of Illinois. The RTA uses these funds at its discretion to fund the needs of the Service Boards, RTA operations, debt service and capital investment.

### *Innovation, Coordination, and Enhancement (ICE) Program*

The ICE program is an RTA funding program established as part of the 2008 Mass Transit Reform Legislation. The RTA program provides operating and capital assistance to enhance the coordination and integration of public transportation and to develop and implement innovations to improve the quality and delivery of public transportation. Projects funded through this program advance the vision and goals of the RTA Act by providing reliable and convenient transit services and enhancing efficiencies through effective management, innovation and technology. CTA plans to utilize \$1 million from ICE funds in 2016 toward operating costs.

### *State Assistance*

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

### *2008 Legislation*

The 2008 state funding package increased the percentage of state sales tax dedicated to mass transit and gave authority to the City of Chicago to increase the Real Estate Transfer Tax (RETT) to support the CTA. In addition, the legislation also provided for long-term

# CTA FY16 Budget

## Operating Funding Summary

pension reforms that will increase the funded ratio of the CTA's pension to 90 percent by 2059.

### 2016 RTA Proposed Service Board Operations Funding (in thousands)

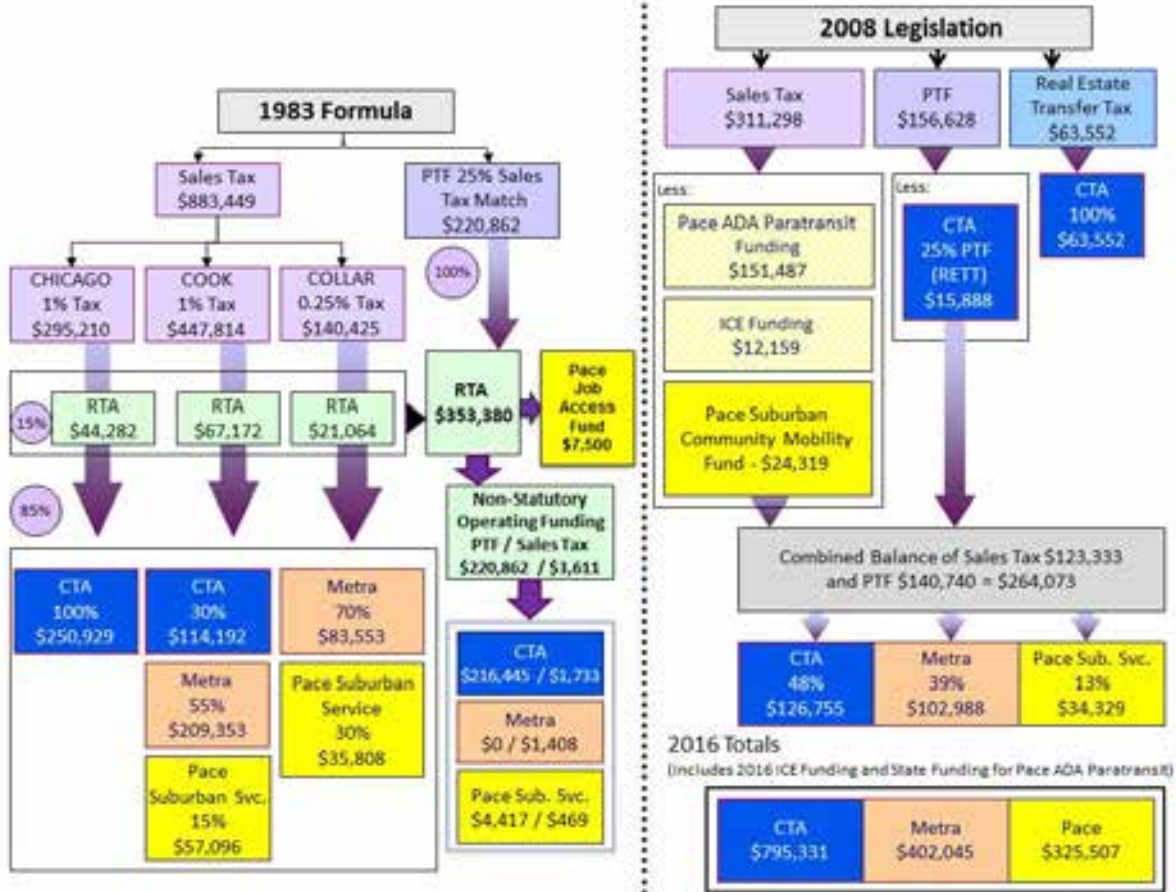
2016 Service Board Funding	RTA	CTA	Metra	Pace - Mainline	Pace - Paratransit	Total
Sales Tax (1983 Formula)	\$ 353,380	\$ 365,121	\$ 292,906	\$ 92,905		\$ 1,104,311
Sales Tax and PTF (PA 95-0708)		\$ 126,755	\$ 102,989	\$ 34,329	\$ 151,487	\$ 415,560
CTA - RTA Non-Statutory	\$ (216,445)	\$ 216,445				
Real Estate Transfer Tax (25% PTF)		\$ 15,888				\$ 15,888
RTA Suburban Community Mobility Funds				\$ 24,319		\$ 24,319
RTA South Suburban Job Access Fund	\$ (7,500)			\$ 7,500		
Metra - RTA Non-Statutory						
Pace - RTA Non-Statutory	\$ (4,417)			\$ 4,417		
RTA Non-Statutory (Other)	\$ (3,611)	\$ 1,733	\$ 1,408	\$ 469		
State Funding for ADA						
RTA Agency Revenue	\$ 14,533					\$ 14,533
State Financial Assistance (ASA/AFA)	\$ 130,167					
<b>Total RTA Funds</b>	<b>\$ 266,107</b>	<b>\$ 725,943</b>	<b>\$ 397,303</b>	<b>\$ 163,940</b>	<b>\$ 151,487</b>	<b>\$ 1,704,778</b>
Real Estate Transfer Tax (City of Chicago)		\$ 63,552				\$ 63,552
<b>Total Funding</b>	<b>\$ 266,107</b>	<b>\$ 789,495</b>	<b>\$ 397,303</b>	<b>\$ 163,940</b>	<b>\$ 151,487</b>	<b>\$ 1,768,330</b>
2016 ICE Funding/State ADA funding		\$ 5,837	\$ 4,742	\$ 1,581	\$ 8,500	\$ 20,660
<b>Revised Total Funding</b>	<b>\$ 266,107</b>	<b>\$ 795,331</b>	<b>\$ 402,045</b>	<b>\$ 165,521</b>	<b>\$ 159,987</b>	<b>\$ 1,788,990</b>

\* Numbers may not precisely add due to rounding.

# CTA FY16 Budget

## Operating Funding Summary

### 2016 Budget - Operating Funding Allocation Chart (in thousands)



\*Amounts may not match other tables in document due to rounding.

Transit Agency	Funding	%
CTA	\$ 789,495	44.6%
Metra	\$ 397,303	22.5%
Pace - Mainline	\$ 163,940	9.3%
Pace - Paratransit	\$ 151,487	8.6%
RTA	\$ 266,107	15.0%
<b>Total</b>	<b>\$1,768,330</b>	<b>100%</b>

2016 ICE Funding and ADA Funding	CTA	Metra	Pace	ADA
2016 ICE:	\$ 5,837	\$ 4,742	\$ 1,581	
State ADA funding:				\$ 8,500
<b>Total</b>	<b>\$ 5,837</b>	<b>\$ 4,742</b>	<b>\$ 1,581</b>	<b>\$ 8,500</b>

\*2016 ICE Funding and State ADA funding detail found above in corresponding table.

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# CTA FY16 Budget

## Debt Administration

---

---

### **Debt Management Policy Guidelines**

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

### **Use of Debt**

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

#### *Short-Term Debt Obligations*

Short-term debt may be used by the CTA as a cash management tool to provide interim financing or to bridge temporary cash flow deficits within a fiscal year. Currently, the CTA has no outstanding short-term debt obligations.

#### *Long-Term Debt Obligations*

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

### **Credit Ratings**

The Debt Policy recognizes the need for a credit rating strategy focused on achieving the best economic value for the CTA. A major goal of the CTA’s debt program is to attain a

# CTA FY16 Budget

## Debt Administration

proper balance between minimizing borrowing costs and maximizing financial flexibility. As of August 6, 2015, CTA's underlying ratings on outstanding debt were as follows:

	Sales Tax and Transfer Tax Receipts Revenue Bonds	TIFIA (US DoT) Loan	Building Revenue Bonds (PBC debt)	Capital Grant Receipts Revenue Bonds
Moody's	A1	Not Rated	A2	A3
S&P	AA	A+	A+	A
Kroll	AA	AA-	Not Rated	Not Rated
Fitch	Not Rated	Not Rated	Not Rated	BBB

### Debt Limitations

Attaining a proper balance between minimizing borrowing and maximizing financial flexibility is a key goal of the CTA debt program. The CTA is not subject to statutory debt limitations for capital investment. However, the Debt Policy does limit the aggregate amount of the CTA's un-hedged, long-term variable rate debt to a maximum of 20 percent of all outstanding long-term debt obligations.

### Other Provisions

The CTA may secure credit enhancement in the form of municipal bond insurance or a letter/line of credit for all or a portion of each bond issue. The Debt Policy also allows the Authority to issue debt on either a taxable or tax-exempt basis and to use interest rate exchange agreements when such agreements will reduce the expected interest rate costs, hedge fluctuations in interest rates, or gain efficiency in structuring and restructuring debt.

### Current Debt

Long-term debt includes capital lease obligations and bonds payable, as described below.

### Lease/Leaseback Agreements

The CTA entered into several economically defeased lease and leaseback agreements in fiscal years 1995 through 2003. These agreements were entered into with various third parties and pertain to certain assets of the CTA, including rail lines and equipment, rail cars, facilities, buses and qualified technology equipment. Under the lease/leaseback financings, the CTA entered into a long-term lease for applicable assets with trusts established by equity investors; trusts which concurrently leased the respective assets back to CTA under sublease agreements. Each sublease contains a fixed date and a fixed price purchase option that allows the CTA, at its option, to purchase the assets back from the lessor. On October 1, 2014, CTA exercised an option to early terminate the 1995 agreements thereby eliminating the associated capital lease obligation. As of December 31, 2014, the total obligations due under the capital lease agreements, were approximately \$244 million.



# CTA FY16 Budget

## Debt Administration

### Other Capital Leases

#### *2008 Bus Lease*

During 2008, the CTA entered into a lease-purchase agreement to finance the purchase of 150 sixty-foot New Flyer articulated hybrid buses and certain related parts and equipment with a book value of \$61.8 million at December 31, 2014. The terms of the agreement allow the CTA to lease the buses for 12 years and retain ownership at the conclusion of the lease. Lease payments are due every June 1 and December 1 of each year, beginning on December 1, 2008. During 2013, CTA terminated the 2008 agreement and entered into a 2013 lease-purchase agreement with the same term and reduced rental payments. The present value of the future payments to be made by the CTA under the lease was approximately \$67.5 million as of December 31, 2014. Annual principal and interest debt service payments of \$13,085,425 are payable from 2014 to 2019 and a final amount of \$6,542,713 in 2020.

#### *Public Building Commission of Chicago*

<b>SCHEDULE I: \$91,340,000 Building Revenue Bonds (Public Building Commission on behalf of Chicago Transit Authority) Series 2006 Lease Payment Schedule 2015-2033</b>				
<b>PAYMENT YEAR</b>	<b>PORTION OF LEASE PAYMENT ATTRIBUTABLE TO INTEREST</b>	<b>PORTION OF LEASE PAYMENT ATTRIBUTABLE TO PRINCIPAL</b>	<b>TOTAL LEASE PAYMENT</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$3,782,775	\$2,405,000	\$6,187,775	\$72,285,000
2016	\$3,659,400	\$2,530,000	\$6,189,400	\$69,755,000
2017	\$3,529,650	\$2,660,000	\$6,189,650	\$67,095,000
2018	\$3,403,969	\$2,785,000	\$6,188,969	\$64,310,000
2019	\$3,271,913	\$2,915,000	\$6,186,913	\$61,395,000
2020	\$3,122,413	\$3,065,000	\$6,187,413	\$58,330,000
2021	\$2,965,163	\$3,225,000	\$6,190,163	\$55,105,000
2022	\$2,799,788	\$3,390,000	\$6,189,788	\$51,715,000
2023	\$2,621,456	\$3,565,000	\$6,186,456	\$48,150,000
2024	\$2,429,175	\$3,760,000	\$6,189,175	\$44,390,000
2025	\$2,226,525	\$3,960,000	\$6,186,525	\$40,430,000
2026	\$2,012,981	\$4,175,000	\$6,187,981	\$36,255,000
2027	\$1,787,888	\$4,400,000	\$6,187,888	\$31,855,000
2028	\$1,550,719	\$4,635,000	\$6,185,719	\$27,220,000
2029	\$1,300,688	\$4,890,000	\$6,190,688	\$22,330,000
2030	\$1,037,138	\$5,150,000	\$6,187,138	\$17,180,000
2031	\$759,413	\$5,430,000	\$6,189,413	\$11,750,000
2032	\$466,725	\$5,720,000	\$6,186,725	\$6,030,000
2033	\$158,288	\$6,030,000	\$6,188,288	\$0
<b>Total:</b>	<b>\$42,886,067</b>	<b>\$74,690,000</b>	<b>\$117,576,067</b>	

# CTA FY16 Budget

## Debt Administration

---

---

On March 31, 2003, the Public Building Commission of Chicago (PBC) issued \$119 million of Building Revenue Bonds, Series 2003 (Chicago Transit Authority; PBC Bonds). The PBC used the proceeds of these bonds, among other things, to acquire the site for and construct a 12-story office building. The PBC leased the building to the CTA for a 20-year term to be used as CTA headquarters. Rent payments due to the PBC from the CTA under the lease are general obligations of the CTA payable from any lawfully-available funds. Upon satisfaction of all of the obligations of the CTA under the lease and payment, or provision for payment, of the PBC Bonds in full, the PBC will transfer title of the leased premises to the CTA.

On October 26, 2006, the PBC issued Building Refunding Revenue Bonds for the benefit of the CTA in the amount of \$91.3 million. The proceeds of the bonds were used to advance refund to the PBC, Series 2003 bonds. The original, executed lease in connection with the Series 2003 bonds was amended accordingly. The CTA is obligated to pay to the Trustee on behalf of the PBC on or before February 15 of each year in which the headquarters lease is in effect, rent which equals the debt service on the PBC bonds due through and including September 1 of that calendar year. The source of funds for the PBC lease payments is primarily FTA grant funds. The present value of future payments to be made by CTA under the lease is approximately \$74.69 million as of December 31, 2014.

### **Certificates of Participation**

In August 2008, the Bank of New York Mellon issued Certificates of Participation (COP) totaling \$78.4 million on behalf of the CTA with an interest rate of 4.725 percent. The COPs were used to finance the purchase of 200 (40 ft.) New Flyer low floor buses and certain related parts and equipment. On August 1, 2008, the CTA entered into an installment purchase agreement with the Bank of New York Mellon. The obligation of the CTA to make installment payments is an unconditional obligation and is payable from legally available funds. The installment agreement requires the CTA to make annual COP payments to the Bank of New York Mellon which are remitted to the COP holders. Scheduled maturity dates occur at various times through December 1, 2020. During 2013, CTA amended the original 2008 agreement that amended terms and reduced interest rates. The total principal and interest remaining to be paid on the COPs as of December 31, 2014, was \$47.47 million. Principal and interest paid in 2014 was approximately \$7.75 million. Annual principal and interest debt service payments of \$7,912,000 are required to be made from 2015 to 2020.

# CTA FY16 Budget

## Debt Administration

### Bonds Payable-Capital Grant Receipt Revenue Bonds

*Capital Grant Receipts Revenue Bonds, Series 2004A and 2004B*

<b>SCHEDULE II: \$250,000,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration 5307 Formula Funds) Series 2004A and Series 2004B Total Debt Service 2015-2016</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$1,982,532	\$27,385,000	\$29,367,532	\$24,070,000
2016	\$631,838	\$24,070,000	\$24,701,838	\$0
<b>Total:</b>	<b>\$2,614,370</b>	<b>\$51,455,000</b>	<b>\$54,069,370</b>	

On October 20, 2004, the CTA issued Capital Grant Receipts Revenue Bonds, Series 2004A and Series 2004B (Federal Transit Administration Section 5307 Formula Funds; together referred to as the 2004 Bonds). Par value of the 2004 Bonds was \$250 million, with \$150 million in Series 2004A and \$100 million in Series 2004B. The 2004 Bonds are solely secured via Federal Transit Administration 5307 Urbanized Area Formula funds.

The proceeds of the 2004 Bonds will be used to pay for, or reimburse the CTA for prior expenditures relating to a portion of certain capital improvement projects identified by the CTA ("2004 Projects"). These capital improvements must be approved by the CTA Board as well as the RTA, and are included in the CTA Capital Plan. The 2004 Projects include infrastructure improvements such as facility rehabilitation, rail station reconstruction, replacing and upgrading track, structure and signal systems, communication infrastructure improvements, and replacing the bus and rail fleets. The 2004 Projects may be substituted from time to time, provided there are funds in the 2004 Project Account of the Construction fund.

The 2004 Bonds bear interest ranging from 3.60 percent to 5.25 percent. Interest is payable semi-annually on June 1 and December 1 and the remaining bonds mature serially through June 1, 2016. The debt service obligations are paid by the capital funds.

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

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

# CTA FY16 Budget

## Debt Administration

*Capital Grant Receipts Revenue Bonds, Series 2006A*

<b>SCHEDULE III: \$275,000,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5307 Formula Funds) Series 2006A Total Debt Service 2015-2021</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$8,072,375	\$10,915,000	\$18,987,375	\$155,990,000
2016	\$7,799,500	\$0	\$7,799,500	\$155,990,000
2017	\$7,181,500	\$24,720,000	\$31,901,500	\$131,270,000
2018	\$5,888,500	\$27,000,000	\$32,888,500	\$104,270,000
2019	\$4,431,625	\$31,275,000	\$35,706,625	\$72,995,000
2020	\$2,860,125	\$31,585,000	\$34,445,125	\$41,410,000
2021	\$1,035,250	\$41,410,000	\$42,445,250	\$0
<b>Total:</b>	<b>\$37,268,875</b>	<b>\$166,905,000</b>	<b>\$204,173,875</b>	

On November 1, 2006, the CTA issued Capital Grant Receipts Revenue Bonds, Series 2006A (Federal Transit Administration Section 5307 Formula Funds) in the amount of \$275 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to provide funds to finance or reimburse the CTA for expenditures relating to a portion of the costs of capital improvements to the Transportation System referred to as the "2006 Project."

The Series 2006A bonds bear interest ranging from 4.0 percent to 5.0 percent. Interest is payable semi-annually on June 1 and December 1 and the remaining bonds mature serially through June 1, 2021. The debt service obligations are paid by the capital funds. The Capital Grant Receipts Revenue Bonds, Refunding Series 2010 refunded the maturities dated June 1, 2010 through June 1, 2011 of the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds.

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

# CTA FY16 Budget

## Debt Administration

*Capital Grant Receipts Revenue Bonds, Series 2008 (5309) and 2008A (5307)*

<b>SCHEDULE IV: \$250,000,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5307 &amp; 5309 Formula Funds) Series 2008 Total Debt Service 2015-2026</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$11,137,100	\$7,365,000	\$18,502,100	\$210,135,000
2016	\$10,778,900	\$7,700,000	\$18,478,900	\$202,435,000
2017	\$10,384,275	\$8,085,000	\$18,469,275	\$194,350,000
2018	\$9,969,900	\$8,490,000	\$18,459,900	\$185,860,000
2019	\$9,523,763	\$8,910,000	\$18,433,763	\$176,950,000
2020	\$9,043,650	\$9,380,000	\$18,423,650	\$167,570,000
2021	\$8,538,338	\$9,870,000	\$18,408,338	\$157,700,000
2022	\$7,533,882	\$28,395,000	\$35,928,882	\$129,305,000
2023	\$6,003,900	\$29,890,000	\$35,893,900	\$99,415,000
2024	\$4,393,463	\$31,460,000	\$35,853,463	\$67,955,000
2025	\$2,698,500	\$33,110,000	\$35,808,500	\$34,845,000
2026	\$914,682	\$34,845,000	\$35,759,682	\$0
<b>Total:</b>	<b>\$90,920,353</b>	<b>\$217,500,000</b>	<b>\$308,420,353</b>	

On April 16, 2008, the CTA issued Capital Grant Receipts Revenue Bonds, Series 2008A (Federal Transit Administration Section 5307 Formula Funds) and Series 2008 (Federal Transit Administration Section 5309 Formula Funds) in the amount of \$250 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to provide funds to finance or reimburse the CTA for expenditures relating to a portion of the costs of capital improvements to the Transportation System referred to as the "2008 Project." The Federal Transit Administration's section 5307 program is a formula grant program for metropolitan areas providing capital, operating or planning assistance for mass transportation. The section 5309 program is a formula grant program providing capital assistance for the modernization of existing rail systems.

The Series 2008 (5309) and Series 2008A (5307) bonds bear interest ranging from 3.50 percent to 5.25 percent. Interest is payable semi-annually on June 1 and December 1 and the remaining bonds mature serially through June 1, 2026. The debt service obligations are paid by the capital funds.

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

# CTA FY16 Budget

## Debt Administration

*Capital Grant Receipts Revenue Bonds, Series 2008A (5309)*

<b>SCHEDULE V: \$175,000,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5309 Formula Funds) Series 2008A Debt Service 2015-2026</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$7,269,775	\$8,560,000	\$15,829,775	\$129,385,000
2016	\$6,831,025	\$8,990,000	\$15,821,025	\$120,395,000
2017	\$6,358,475	\$9,440,000	\$15,798,475	\$110,955,000
2018	\$5,837,463	\$9,935,000	\$15,772,463	\$101,020,000
2019	\$5,276,050	\$10,480,000	\$15,756,050	\$90,540,000
2020	\$4,711,475	\$11,055,000	\$15,766,475	\$79,485,000
2021	\$4,144,850	\$11,610,000	\$15,754,850	\$67,875,000
2022	\$3,549,850	\$12,190,000	\$15,739,850	\$55,685,000
2023	\$2,909,100	\$12,800,000	\$15,709,100	\$42,885,000
2024	\$2,169,000	\$13,470,000	\$15,639,000	\$29,415,000
2025	\$1,336,500	\$14,280,000	\$15,616,500	\$15,135,000
2026	\$454,050	\$15,135,000	\$15,589,050	\$0
<b>Total:</b>	<b>\$50,847,613</b>	<b>\$137,945,000</b>	<b>\$188,792,613</b>	

On November 20, 2008, the CTA issued Capital Grant Receipts Revenue Bonds, Series 2008A (Federal Transit Administration Section 5309 Formula Funds) in the amount of \$175 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to provide funds to finance or reimburse the CTA for expenditures relating to a portion of the costs of capital improvements to the Transportation System referred to as the “2008 Project.”

The Series 2008A (5309) bonds bear interest ranging from 5.0 percent to 6.0 percent. Interest is payable semi-annually on June 1 and December 1 and the remaining bonds mature serially through June 1, 2026. The debt service obligations are paid by the capital funds.

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



# CTA FY16 Budget

## Debt Administration

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

<b>SCHEDULE VI: \$90,715,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5307 &amp; 5309 Formula Funds) Refunding Series 2010 Total Debt Service 2015-2028</b>				
<b>PAYMENT YEAR</b>	<b>TOTAL INTEREST</b>	<b>TOTAL PRINCIPAL</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2016	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2017	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2018	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2019	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2020	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2021	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2022	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2023	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2024	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2025	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2026	\$4,535,750	\$0	\$4,535,750	\$90,715,000
2027	\$3,429,375	\$44,255,000	\$47,684,375	\$46,460,000
2028	\$1,161,500	\$46,460,000	\$47,621,500	\$0
<b>Total:</b>	<b>\$59,019,875</b>	<b>\$90,715,000</b>	<b>\$149,734,875</b>	

On May 6, 2010, the CTA issued Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (Federal Transit Administration Section 5307 Formula Funds) (Federal Transit Administration Section 5309 Formula Funds), in the amount of \$90.7 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to refund a portion of the outstanding 5307 and 5309 bonds and to pay costs of issuance.

The Refunding Series 2010 bonds bear interest of 5.0 percent. Interest is payable semi-annually on June 1 and December 1 and the bonds mature on June 1, 2027 and June 1, 2028. The debt service obligations are paid by the capital funds.

# CTA FY16 Budget

## Debt Administration

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

<b>SCHEDULE VII: \$56,525,000 Capital Grant Receipts Revenue Bonds Refunding Series 2011 Debt Service 2015-2029 (Federal Transit Administration Section 5307 Urbanized Area Formula Funds)</b>				
<b>PAYMENT YEAR</b>	<b>TOTAL INTEREST</b>	<b>TOTAL PRINCIPAL</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$2,864,525	\$0	\$2,864,525	\$56,525,000
2016	\$2,864,525	\$0	\$2,864,525	\$56,525,000
2017	\$2,864,525	\$0	\$2,864,525	\$56,525,000
2018	\$2,864,525	\$0	\$2,864,525	\$56,525,000
2019	\$2,864,525	\$0	\$2,864,525	\$56,525,000
2020	\$2,864,525	\$0	\$2,864,525	\$56,525,000
2021	\$2,864,525	\$0	\$2,864,525	\$56,525,000
2022	\$2,699,650	\$6,595,000	\$9,294,650	\$49,930,000
2023	\$2,353,125	\$6,920,000	\$9,273,125	\$43,010,000
2024	\$1,980,244	\$7,285,000	\$9,265,244	\$35,725,000
2025	\$1,593,581	\$7,665,000	\$9,258,581	\$28,060,000
2026	\$1,186,575	\$8,060,000	\$9,246,575	\$20,000,000
2027	\$975,000	\$0	\$975,000	\$20,000,000
2028	\$975,000	\$0	\$975,000	\$20,000,000
2029	\$487,500	\$20,000,000	\$20,487,500	\$0
<b>Total:</b>	<b>\$32,302,350</b>	<b>\$56,525,000</b>	<b>\$88,827,350</b>	

On October 26, 2011, the CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program, in the amount of \$56,525,000, along with a premium of \$1,805,528, in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to provide funds to refund a portion of the outstanding 5307 (Series 2004B and 2006A) bonds.

The Series 2011 bonds bear interest ranging from 4.5 percent to 5.25 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2022 to June 1, 2029.

# CTA FY16 Budget

## Debt Administration

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

<b>SCHEDULE VIII: \$176,920,000 Capital Grant Receipts Revenue Bonds                      Refunding Series 2015 Debt Service 2015-2026                      (Federal Transit Administration Section 5307 Urbanized Area Formula Funds)                      (Federal Transit Administration Section 5337 State of Good Repair Formula Funds)</b>				
<b>PAYMENT YEAR</b>	<b>TOTAL INTEREST</b>	<b>TOTAL PRINCIPAL</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$1,842,916	\$0	\$1,842,916	\$176,920,000
2016	\$8,846,000	\$0	\$8,846,000	\$176,920,000
2017	\$8,846,000	\$0	\$8,846,000	\$176,920,000
2018	\$8,163,750	\$27,290,000	\$35,453,750	\$149,630,000
2019	\$6,692,000	\$31,580,000	\$38,272,000	\$118,050,000
2020	\$5,104,875	\$31,905,000	\$37,009,875	\$86,145,000
2021	\$3,263,625	\$41,745,000	\$45,008,625	\$44,400,000
2022	\$2,211,250	\$350,000	\$2,561,250	\$44,050,000
2023	\$2,193,250	\$370,000	\$2,563,250	\$43,680,000
2024	\$1,837,625	\$13,855,000	\$15,692,625	\$29,825,000
2025	\$1,127,500	\$14,550,000	\$15,677,500	\$15,275,000
2026	\$381,875	\$15,275,000	\$15,656,875	\$0
<b>Total:</b>	<b>\$50,510,666</b>	<b>\$176,920,000</b>	<b>\$227,430,666</b>	

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

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

# CTA FY16 Budget

## Debt Administration

### Bonds Payable-Sales Tax Revenue Bonds

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

<b>SCHEDULE IX: \$1,936,855,000 Sales and Transfer Tax Receipts Revenue Bonds (Public Acts 94-839 and 95-0708) Series 2008A and 2008B Total Debt Service 2015-2040</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$127,834,139	\$28,740,000	\$156,574,139	\$1,845,335,000
2016	\$126,023,519	\$30,550,000	\$156,573,519	\$1,814,785,000
2017	\$124,098,869	\$32,475,000	\$156,573,869	\$1,782,310,000
2018	\$122,052,944	\$34,520,000	\$156,572,944	\$1,747,790,000
2019	\$119,878,184	\$36,695,000	\$156,573,184	\$1,711,095,000
2020	\$117,566,399	\$39,010,000	\$156,576,399	\$1,672,085,000
2021	\$115,108,769	\$41,465,000	\$156,573,769	\$1,630,620,000
2022	\$112,496,474	\$44,080,000	\$156,576,474	\$1,586,540,000
2023	\$109,455,395	\$47,120,000	\$156,575,395	\$1,539,420,000
2024	\$106,204,586	\$50,370,000	\$156,574,586	\$1,489,050,000
2025	\$102,729,560	\$53,845,000	\$156,574,560	\$1,435,205,000
2026	\$99,014,793	\$57,560,000	\$156,574,793	\$1,377,645,000
2027	\$95,043,729	\$61,530,000	\$156,573,729	\$1,316,115,000
2028	\$90,798,774	\$65,775,000	\$156,573,774	\$1,250,340,000
2029	\$86,260,957	\$70,310,000	\$156,570,957	\$1,180,030,000
2030	\$81,410,270	\$75,165,000	\$156,575,270	\$1,104,865,000
2031	\$76,224,636	\$80,350,000	\$156,574,636	\$1,024,515,000
2032	\$70,681,290	\$85,895,000	\$156,576,290	\$938,620,000
2033	\$64,755,394	\$91,820,000	\$156,575,394	\$846,800,000
2034	\$58,420,732	\$98,150,000	\$156,570,732	\$748,650,000
2035	\$51,649,364	\$104,925,000	\$156,574,364	\$643,725,000
2036	\$44,410,588	\$112,165,000	\$156,575,588	\$531,560,000
2037	\$36,672,324	\$119,905,000	\$156,577,324	\$411,655,000
2038	\$28,400,078	\$128,170,000	\$156,570,078	\$283,485,000
2039	\$19,557,630	\$137,015,000	\$156,572,630	\$146,470,000
2040	\$10,104,965	\$146,470,000	\$156,574,965	\$0
<b>Total:</b>	<b>\$2,196,854,359</b>	<b>\$1,874,075,000</b>	<b>\$4,070,929,359</b>	

On July 30, 2008, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds in the amount of \$1.94 billion to fund the employee retirement plan and to create a retiree health care trust. The bonds were sold in two tranches: a \$1.3 billion Series A to fund the employee retirement plan, and a \$640 million Series B to fund a permanent trust that was established to cover other post-employment benefits for retiree health care. The bonds are secured primarily by a pledge of and lien on the Sales Tax Receipts Fund and the Transfer

# CTA FY16 Budget

## Debt Administration

---

---

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

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

Public Act 95-0708 modified this directive slightly and added a number of other requirements. First, a new Retirement Plan Trust will be created to manage the Retirement Plan assets. Second, CTA contributions and employee contributions were increased. Third, in addition to the requirement that the Retirement Plan be 90 percent funded by the end of 2059, there is a new requirement that the Retirement Plan be funded at a minimum of 60 percent by September 15, 2009. Any deviation from the stated projections could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions. Fourth, Public Act 95-708 authorized the CTA to issue \$1.9 billion in pension obligation bonds to fund the pension and retiree health care. Finally, the legislation provides that the CTA will have no future responsibility for retiree healthcare costs after the bond funding. In accordance with Public Act 95-708, all retiree healthcare benefits were to be paid from the newly established Retiree Health Care Trust no earlier than January 1, 2009 but no later than July 1, 2009.

The Series 2008A and 2008B bonds bear interest ranging from 5.1 percent to 6.9 percent. Scheduled interest on the 2008A and 2008B bonds was funded through June 1, 2009 and June 1, 2010, respectively, with bond proceeds and interest earnings thereon. Interest is payable semi-annually on June 1 and December 1 and the bonds mature serially on December 1, 2012 through June 1, 2040. The debt service obligations are paid by the operating funds.

# CTA FY16 Budget

## Debt Administration

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

<b>SCHEDULE X: \$550,000,000 Sales Tax Receipts Revenue Bonds Series 2010A and 2010B Total Debt Service 2015-2040</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$32,976,651	\$5,715,000	\$38,691,651	\$544,285,000
2016	\$32,702,701	\$7,675,000	\$40,377,701	\$536,610,000
2017	\$32,318,951	\$9,925,000	\$42,243,951	\$526,685,000
2018	\$31,832,201	\$10,415,000	\$42,247,201	\$516,270,000
2019	\$31,333,751	\$10,915,000	\$42,248,751	\$505,355,000
2020	\$30,798,001	\$11,510,000	\$42,308,001	\$493,845,000
2021	\$30,214,444	\$12,095,000	\$42,309,444	\$481,750,000
2022	\$29,583,085	\$12,720,000	\$42,303,085	\$469,030,000
2023	\$28,900,021	\$13,405,000	\$42,305,021	\$455,625,000
2024	\$28,166,767	\$14,135,000	\$42,301,767	\$441,490,000
2025	\$27,372,380	\$14,930,000	\$42,302,380	\$426,560,000
2026	\$26,446,720	\$15,855,000	\$42,301,720	\$410,705,000
2027	\$25,463,710	\$16,835,000	\$42,298,710	\$393,870,000
2028	\$24,419,940	\$17,880,000	\$42,299,940	\$375,990,000
2029	\$23,311,380	\$18,985,000	\$42,296,380	\$357,005,000
2030	\$22,134,310	\$20,155,000	\$42,289,310	\$336,850,000
2031	\$20,884,700	\$21,400,000	\$42,284,700	\$315,450,000
2032	\$19,557,900	\$22,725,000	\$42,282,900	\$292,725,000
2033	\$18,148,950	\$24,135,000	\$42,283,950	\$268,590,000
2034	\$16,652,580	\$31,820,000	\$48,472,580	\$236,770,000
2035	\$14,679,740	\$33,785,000	\$48,464,740	\$202,985,000
2036	\$12,585,070	\$35,875,000	\$48,460,070	\$167,110,000
2037	\$10,360,820	\$38,090,000	\$48,450,820	\$129,020,000
2038	\$7,999,240	\$40,455,000	\$48,454,240	\$88,565,000
2039	\$5,491,030	\$42,955,000	\$48,446,030	\$45,610,000
2040	\$2,827,820	\$45,610,000	\$48,437,820	\$0
<b>Total:</b>	<b>\$587,162,859</b>	<b>\$550,000,000</b>	<b>\$1,137,162,859</b>	

# CTA FY16 Budget

## Debt Administration

---

---

On March 23, 2010, the CTA issued Sales Tax Receipts Revenue Bond Series 2010A and Taxable Series 2010B (Build America Bonds) in the amount of \$550 million to fund or reimburse the Authority for prior expenditures of the “2010 Project”, capitalize a portion of interest on the bonds, fund a portion of the consolidated debt service reserve fund on the bonds, and to pay costs of issuance on the bonds. The Series 2010B Bonds are issued as bonds designated as “Build America Bonds” under the provisions of the American Recovery and Reinvestment Act of 2009. The 2010 Project means, collectively, capital improvements to the transportation system and specifically the purchase of rail cars, rail car overhaul and rehabilitation, and the replacement and upgrade of rail track and structure.

The Series 2010A bonds bear interest ranging from 4.0 percent to 5.0 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. The Series 2010A bonds mature serially on December 1, 2015 through December 1, 2019. The Taxable Series 2010B bonds bear interest ranging from 5.07 percent to 6.20 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. The Taxable Series 2010B bonds mature annually each December 1, 2020 through December 1, 2040. The debt service obligations are paid by the capital funds.



# CTA FY16 Budget

## Debt Administration

### 2011 Sales Tax Receipts Revenue Bonds

<b>SCHEDULE XI: \$476,905,000 Sales Tax Receipts Revenue Bonds Series 2011 Total Debt Service 2015-2040</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$16,963,405	\$0	\$16,963,405	\$476,905,000
2016	\$24,965,288	\$0	\$24,965,288	\$476,905,000
2017	\$24,965,288	\$0	\$24,965,288	\$476,905,000
2018	\$24,965,288	\$0	\$24,965,288	\$476,905,000
2019	\$24,965,288	\$0	\$24,965,288	\$476,905,000
2020	\$24,965,288	\$0	\$24,965,288	\$476,905,000
2021	\$24,965,288	\$14,090,000	\$39,055,288	\$462,815,000
2022	\$24,260,788	\$14,800,000	\$39,060,788	\$448,015,000
2023	\$23,520,788	\$15,540,000	\$39,060,788	\$432,475,000
2024	\$22,704,938	\$16,360,000	\$39,064,938	\$416,115,000
2025	\$21,846,038	\$17,220,000	\$39,066,038	\$398,895,000
2026	\$20,941,988	\$18,120,000	\$39,061,988	\$380,775,000
2027	\$19,990,688	\$19,075,000	\$39,065,688	\$361,700,000
2028	\$18,989,250	\$20,080,000	\$39,069,250	\$341,620,000
2029	\$17,935,050	\$21,135,000	\$39,070,050	\$320,485,000
2030	\$16,825,463	\$22,250,000	\$39,075,463	\$298,235,000
2031	\$15,657,338	\$23,425,000	\$39,082,338	\$274,810,000
2032	\$14,427,525	\$24,655,000	\$39,082,525	\$250,155,000
2033	\$13,133,138	\$25,950,000	\$39,083,138	\$224,205,000
2034	\$11,770,763	\$27,315,000	\$39,085,763	\$196,890,000
2035	\$10,336,725	\$28,755,000	\$39,091,725	\$168,135,000
2036	\$8,827,088	\$30,265,000	\$39,092,088	\$137,870,000
2037	\$7,238,175	\$31,860,000	\$39,098,175	\$106,010,000
2038	\$5,565,525	\$33,540,000	\$39,105,525	\$72,470,000
2039	\$3,804,675	\$35,305,000	\$39,109,675	\$37,165,000
2040	\$1,951,163	\$37,165,000	\$39,116,163	\$0
<b>Total:</b>	<b>\$446,482,230</b>	<b>\$476,905,000</b>	<b>\$923,387,230</b>	

On October 26, 2011, the CTA issued the Sales Tax Receipts Revenue Bonds, Series 2011, in the amount of \$476,905,000, along with a premium of \$21,392,000. The bonds were issued to pay for, or reimburse the CTA for prior expenditures relating to (i) the purchase of rail cars to replace existing cars and (ii) the finance of any other capital project designated by the CTA Board as part of the 2011 Project.

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

# CTA FY16 Budget

## Debt Administration

### 2014 Sales Tax Receipts Revenue Bonds

<b>SCHEDULE XII: \$555,000,000 Sales Tax Receipts Revenue Bonds</b>				
<b>Series 2014 Total Debt Service 2015-2049</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$0	\$0	\$0	\$555,000,000
2016	\$14,298,394	\$0	\$14,298,394	\$555,000,000
2017	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2018	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2019	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2020	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2021	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2022	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2023	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2024	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2025	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2026	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2027	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2028	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2029	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2030	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2031	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2032	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2033	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2034	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2035	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2036	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2037	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2038	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2039	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2040	\$28,596,788	\$0	\$28,596,788	\$555,000,000
2041	\$28,596,788	\$50,180,000	\$78,776,788	\$504,820,000
2042	\$26,087,788	\$52,690,000	\$78,777,788	\$452,130,000
2043	\$23,453,288	\$55,325,000	\$78,778,288	\$396,805,000
2044	\$20,687,038	\$58,090,000	\$78,777,038	\$338,715,000
2045	\$17,782,538	\$60,995,000	\$78,777,538	\$277,720,000
2046	\$14,580,300	\$64,195,000	\$78,775,300	\$213,525,000
2047	\$11,210,063	\$67,565,000	\$78,775,063	\$145,960,000
2048	\$7,662,900	\$71,115,000	\$78,777,900	\$74,845,000
2049	\$3,929,363	\$74,845,000	\$78,774,363	\$0
<b>Total:</b>	<b>\$854,611,372</b>	<b>\$555,000,000</b>	<b>\$1,409,611,372</b>	

# CTA FY16 Budget

## Debt Administration

---

---

On June 18, 2014, CTA issued the Sales Tax Receipts Revenue Bonds, Series 2014, in the amount of \$555,000,000, along with a premium of \$45,153,612. The bonds were issued to pay for (i) the purchase of rail cars to replace existing cars and (ii) the finance of any other capital project designated by the CTA Board as part of the 2014 Project. The Series 2014 bonds bear interest ranging from 5 percent to 5.25 percent. Scheduled interest on the 2014 bonds will be funded through June 1, 2016 with proceeds of the 2014 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on December 1, 2014 through December 1, 2049.

# CTA FY16 Budget

## Debt Administration

---

---

### **TIFIA Loan 1-Farebox Receipts Revenue Bonds**

#### *2014 Farebox Receipts Revenue Bonds (95<sup>th</sup> Street Terminal Improvement Project)*

On April 24, 2014, CTA entered into a definitive loan agreement with the United States Department of Transportation acting by and through the Federal Highway Administrator under the TIFIA (Transportation Infrastructure Finance and Innovation Act) loan program.

The principal amount of the TIFIA Loan shall not exceed \$79,200,000; or thirty-three (33%) of reasonably anticipated Eligible Project Costs and the total federal funding, inclusive of the TIFIA Loan and all federal direct or indirect grants, shall not exceed eighty percent (80%) of reasonably anticipated Eligible Project Costs.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender a registered farebox receipts revenue bond in the amount of \$79.2 million dated April 24, 2014 with a maturity date of December 1, 2050 bearing an interest rate of 3.5%. The loan amortization and debt service will be provided once the funds are drawn down to fund the redevelopment project.

TIFIA financing allows the CTA to secure a loan at rates matching the federal government's borrowing rate, create flexible repayment terms, and withdraw funds as they are needed during the project, reducing additional interest payments. For this project, TIFIA financing is estimated to save approximately \$20 million.

The savings come from two primary sources: (1) CTA withdraws TIFIA funds on an "as needed" basis during the project, similar to a line of credit, rather than paying interest on funds that are issued all at once and (2) the interest rate on this borrowing is set at the federal government's rate, which has been 1.0%-1.5% lower than traditional financing. TIFIA financing is a highly recommended form of government borrowing because it improves the affordability of the debt and maximizes borrowing capacity.

### **TIFIA Loan 2-Farebox Receipts Revenue Bonds**

#### *2015 Farebox Receipts Revenue Bonds (Your New Blue Improvement Project)*

On February 3, 2015, CTA entered into a definitive loan agreement with the United States Department of Transportation acting by and through the Federal Highway Administrator under the TIFIA (Transportation Infrastructure Finance and Innovation Act) loan program.

The principal amount of the Your New Blue TIFIA Loan is an aggregate total not to exceed \$120,000,000; in two tranches (Series 2015A-1 for \$42,631,692 and Series 2015A-2 for \$77,368,308) or thirty-three (33%) of reasonably anticipated Eligible Project Costs and the

# CTA FY16 Budget

## Debt Administration

---

---

total federal funding, inclusive of the TIFIA Loan and all federal direct or indirect grants, shall not exceed eighty percent (80%) of reasonably anticipated Eligible Project Costs.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA issued to the lender two registered farebox receipts revenue bonds in the following amounts (Series 2015A-1 Bond for \$42,631,692 with a final maturity date of December 1, 2029 bearing an interest rate of 2.02% and Series 2015A-2 Bond for \$77,368,308 with a final maturity date of December 1, 2052 bearing an interest rate of 2.31%). Interest is capitalized until June 1, 2017, and a loan amortization with a debt service schedule will be provided once the funds are drawn down for the redevelopment project.

TIFIA financing allows the CTA to secure a loan at rates matching the federal government's borrowing rate, create flexible repayment terms, and withdraw funds as they are needed during the project, reducing additional interest payments. For this project, TIFIA financing is estimated to save approximately \$50 million.

TIFIA financing is a highly recommended form of government borrowing because it improves the affordability of the debt and maximizes borrowing capacity.

# CTA FY16 Budget

## Debt Administration

Summary of Total Bond Debt Service for all Outstanding Bonds and PBC as of December 2014(excluding 2008 Bus Leases and the Series 2015 Capital Grant Refunding bonds and TIFIA loans)

<b>SCHEDULE XIII: TOTAL BOND DEBT SERVICE SCHEDULE (2015-2049)</b>				
<b>PAYMENT YEAR</b>	<b>INTEREST PAYMENT</b>	<b>PRINCIPAL PAYMENT</b>	<b>TOTAL DEBT SERVICE</b>	<b>DEBT OUTSTANDING (as of 12/31)</b>
2015	\$254,017,697	\$91,085,000	\$345,102,697	\$4,160,630,000
2016	\$249,389,233	\$81,515,000	\$330,904,233	\$4,079,115,000
2017	\$244,834,070	\$87,305,000	\$332,139,070	\$3,991,810,000
2018	\$239,947,327	\$93,145,000	\$333,092,327	\$3,898,665,000
2019	\$234,677,636	\$101,190,000	\$335,867,636	\$3,797,475,000
2020	\$229,064,413	\$105,605,000	\$334,669,413	\$3,691,870,000
2021	\$222,969,164	\$133,765,000	\$356,734,164	\$3,558,105,000
2022	\$216,056,054	\$122,170,000	\$338,226,054	\$3,435,935,000
2023	\$208,896,322	\$129,240,000	\$338,136,322	\$3,306,695,000
2024	\$201,180,710	\$136,840,000	\$338,020,710	\$3,169,855,000
2025	\$192,935,621	\$145,010,000	\$337,945,621	\$3,024,845,000
2026	\$184,104,326	\$153,750,000	\$337,854,326	\$2,871,095,000
2027	\$175,287,177	\$146,095,000	\$321,382,177	\$2,725,000,000
2028	\$166,491,971	\$154,830,000	\$321,321,971	\$2,570,170,000
2029	\$157,892,363	\$135,320,000	\$293,212,363	\$2,434,850,000
2030	\$150,003,968	\$122,720,000	\$272,723,968	\$2,312,130,000
2031	\$142,122,875	\$130,605,000	\$272,727,875	\$2,181,525,000
2032	\$133,730,228	\$138,995,000	\$272,725,228	\$2,042,530,000
2033	\$124,792,557	\$147,935,000	\$272,727,557	\$1,894,595,000
2034	\$115,440,863	\$157,285,000	\$272,725,863	\$1,737,310,000
2035	\$105,262,617	\$167,465,000	\$272,727,617	\$1,569,845,000
2036	\$94,419,533	\$178,305,000	\$272,724,533	\$1,391,540,000
2037	\$82,868,107	\$189,855,000	\$272,723,107	\$1,201,685,000
2038	\$70,561,631	\$202,165,000	\$272,726,631	\$999,520,000
2039	\$57,450,123	\$215,275,000	\$272,725,123	\$784,245,000
2040	\$43,480,736	\$229,245,000	\$272,725,736	\$555,000,000
2041	\$28,596,788	\$50,180,000	\$78,776,788	\$504,820,000
2042	\$26,087,788	\$52,690,000	\$78,777,788	\$452,130,000
2043	\$23,453,288	\$55,325,000	\$78,778,288	\$396,805,000
2044	\$20,687,038	\$58,090,000	\$78,777,038	\$338,715,000
2045	\$17,782,538	\$60,995,000	\$78,777,538	\$277,720,000
2046	\$14,580,300	\$64,195,000	\$78,775,300	\$213,525,000
2047	\$11,210,063	\$67,565,000	\$78,775,063	\$145,960,000
2048	\$7,662,900	\$71,115,000	\$78,777,900	\$74,845,000
2049	\$3,929,363	\$74,845,000	\$78,774,363	\$0
<b>Total:</b>	<b>\$4,451,867,387</b>	<b>\$4,251,715,000</b>	<b>\$8,703,582,387</b>	

**(THIS PAGE INTENTIONALLY LEFT BLANK)**



# CTA FY16 Budget

## Annual Budget Process

---

---

### Annual Budget Process

#### Budget Calendar

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

#### *July*

- Budget call from the RTA

#### *September*

- RTA releases and approves budget and two-year financial plan marks

#### *October*

- Budget release to public

#### *November*

- Public hearing
- Cook County Board meeting
- CTA Board approval
- Submit budget to the RTA

#### *December*

- RTA Board Approval

#### Budget Adoption

#### *July 9*

RTA releases the requirements that the Service Boards must follow for the development of their 2016 budget, two-year financial plan, and five-year capital program.

#### *September 15*

RTA announces marks. The RTA Board is required by the RTA Act to set operating and capital funding marks for the three Service Boards by September 15.

The operating marks include estimates of available funding for the budget and financial plan, and a required recovery ratio (the ratio or percentage of operating expenses that must be recovered from system-generated revenues) for the budget. Upon issuance of the budget marks, the CTA revises its expenses and revenues to conform to the marks.

The capital marks provides estimates of available grant receipts from federal, State, and local sources for the proposed fiscal year and the remaining years of the five year capital plan.

# CTA FY16 Budget

## Annual Budget Process

---

---

<i>October 26</i>	CTA Budget released to the public. The statute requires that documents be available for public inspection 21 days prior to the public hearing.
<i>November 16</i>	Public Hearing to be scheduled to receive comments from the public.
<i>November 18</i>	Budget presentation to Cook County Board. The CTA presents the budget to the Cook County Board after the Public Hearing but prior to the CTA adoption of the budget, as required by the RTA Act.
<i>November 18</i>	Chicago Transit Board vote. The Chicago Transit Board incorporates any changes and adopts the operating and capital fiscal year budget and financial plans.
<i>November 18</i>	Budget submission to the RTA. The RTA Act requires that the CTA, by November 15, submit its detailed budget and financial plan to the RTA. The budget must conform to the marks set by the RTA by the statutory deadline of September 15.
<i>December 17</i>	RTA Board vote on consolidated regional budget. The RTA Board adopts the proposed fiscal year operating and capital budget and the two year and five year financial plan upon the approval of 12 of the RTA's 16 directors.

### RTA Statutory Requirements for Budget Approval

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

The criteria for budget and plan approval per RTA Act are:

1. **Balanced Budget:** The budget and plan show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest of outstanding indebtedness.
2. **Cash Flow:** The budget and plan show cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses incurred.
3. **Recovery Ratio:** The budget and plan provide for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the system-generated revenue recovery ratio.

# CTA FY16 Budget

## Annual Budget Process

---

4. **Assumptions:** The budget and plan are based upon and employ assumptions and projections, which are reasonable and prudent.
5. **Financial Practices:** The budget and plan have been prepared in accordance with sound financial practices as determined by the RTA Board.
6. **Other Requirements:** The budget and plan meet such other financial, budgetary, or fiscal requirements that the RTA Board may by rule or regulation establish.
7. **Strategic Plan:** The budget and plan are consistent with the goals and objectives adopted by the RTA Board in the Strategic Plan.

### **Budget Execution & Administration**

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

### **Amendment Process**

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

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

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

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# CTA FY16 Budget

## Accounting System and Financial Controls

---

---

### Accounting System and Financial Controls

#### Organization Overview

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

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

#### *Financial Reporting Entity*

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

Based on the above criteria, the fund established for the employees’ pension plan has been determined not to be part of the reporting entity. The plan is a legal entity, which is separate and distinct from the CTA. The plan is administered by its own board of trustees comprised of five union representatives, five representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the employees’ pension plan. Accordingly, the accounts of the plan are not included in the CTA’s financial statements.

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

# CTA FY16 Budget

## Accounting System and Financial Controls

---

---

component unit in the RTA's financial statements. As statutorily required, the CTA is combined in pro forma statements with the RTA.

### **Budget and Budgetary Basis of Accounting**

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP), except for the exclusion of certain income and expenses. These amounts include provision for injuries and damage in excess of budget, depreciation expense, pension expense in excess of pension contributions, revenue from leasing transactions, interest income, expense from sale/leaseback transactions, and capital contributions.

The Act requires that expenditures for operations and maintenance in excess of budget cannot be made without the approval of the Chicago Transit Board. All annual appropriations lapse at fiscal year-end. The RTA, in accordance with the RTA Act, has approved, for budgetary-basis presentation, the CTA's recognition of the amounts of the injury and damage reserve and pension contribution in the approved annual budget. Provisions in excess of the approved annual budget that are unfunded are excluded from the recovery ratio calculation.

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

The RTA approves the proposed budget based on four criteria:

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

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

# CTA FY16 Budget

## Accounting System and Financial Controls

---

---

### Financial Reporting

#### *Overview*

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

#### *Basis of Presentation*

The financial statements provide information about the CTA's business-type and fiduciary (Open Supplemental Retirement Plan) activities. Separate financial statements for each category are presented. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The financial statements for the CTA's business-type activities are used to account for the CTA's activities that are financed and operated in a manner similar to a private business enterprise. Accordingly, the CTA maintains its records on the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the CTA are included in the balance sheet.

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

#### *Fiscal year*

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

### Internal Controls

#### *Overview*

CTA management is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the CTA are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the



# CTA FY16 Budget

## Accounting System and Financial Controls

---

---

preparation of financial statements in conformity with GAAP. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived; and that the evaluation of costs and benefits requires estimates and judgments by management.

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

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

### *Single Audit*

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

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

### *Budgeting Controls*

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

# CTA FY16 Budget

## Financial Policy

---

---

### Financial Policy

#### Financial Planning Policies

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

#### *A Balanced Budget*

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

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

#### *Long-Range Planning*

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

# CTA FY16 Budget

## Financial Policy

---

---

### *Capital Investment Planning*

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

### **Revenue Policies**

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

### *Revenue Diversification*

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

### *Use of One-Time Revenues*

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

### **Expenditure Policies**

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

# CTA FY16 Budget

## Financial Policy

---

---

### *Debt Capacity, Issuance and Management*

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

- may utilize leverage as part of its overall funding strategy to speed up investment in the system;
- utilizes debt in the most efficient and effective manner to fund operating and capital improvement programs; and
- makes full and timely repayment of all borrowings.

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

### *Expenditure Accountability*

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

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# CTA FY16 Budget

## Economic Indicators

### Economic Indicators

#### Overview

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

Locally and nationally, the employment situation has improved since the recession. The total number of people employed is higher and the unemployment rate is lower than a few years ago. Total employment continues to increase and the related unemployment rate is decreasing. Chicago-area employment levels have now matched their pre-recession levels.

Increasing transportation costs provide incentives to take mass transit. Downtown parking costs remain high and increase the relative value of public transportation. Gas prices have decreased since 2014, which traditionally lowers ridership, but this is offset by the price of parking and (for rail transit) increased street congestion.

In addition, the number of visitors to Chicago has increased in the past few years, with over 50 million visitors in 2014, an increase of 3.5% over 2014. Additional visitors have a positive impact on ridership and can be seen particularly at the airport stations and during the summer months.

These factors' effects on ridership can be seen in year-to-date ridership calculations: with federal and local transit funding increasing, ridership has increased nationally and regionally as well.

#### Employment

The seasonally-adjusted non-farm employment in the Chicago metropolitan area recovered to a monthly average of 4,551,200 in June 2015 since reaching a low point of 4,304,900 in 2010. However, the payroll is still below the peak of 4,555,600 in 2007.

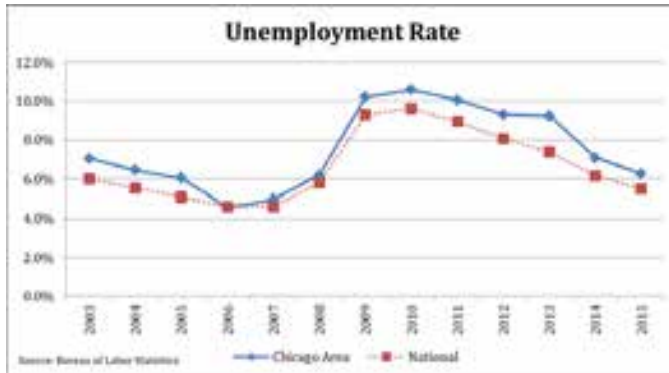
The 1.1 percent increase in payroll in the Chicago area from 2014 to 2015 year-to-date is outpaced by the national 1.6 percent increase during the same time period. However we are seeing steady improvement since the lows point in 2009 with a -5.2 percent decrease.

Total Non-Farm Employment 2003-2015 (in thousands) (2015 is year-to-date monthly average, seasonally adjusted)													
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
National	130,315	131,732	133,996	136,403	137,935	137,169	131,220	130,269	131,843	134,098	136,394	139,023	141,309
% Change		1.1%	1.7%	1.8%	1.1%	-0.6%	-4.3%	-0.7%	1.2%	1.7%	1.7%	1.9%	1.6%
Chicago Area	4,412	4,415	4,461	4,520	4,556	4,528	4,291	4,247	4,305	4,374	4,442	4,501	4,551
% Change		0.1%	1.0%	1.3%	0.8%	-0.6%	-5.2%	-1.0%	1.4%	1.6%	1.6%	1.3%	1.1%

# CTA FY16 Budget

## Economic Indicators

### Unemployment Rate

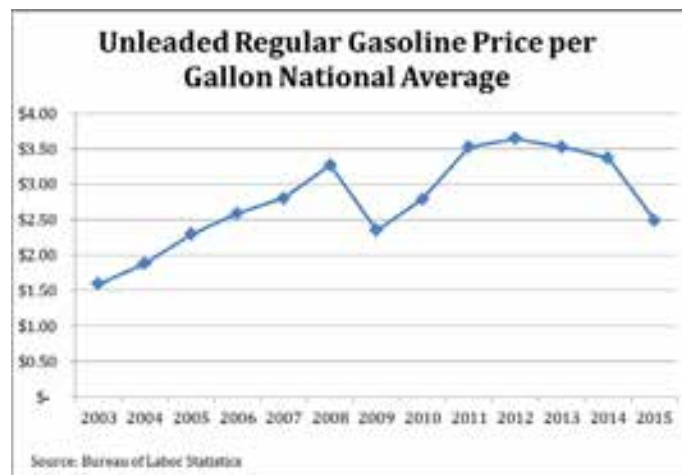


The Chicago metropolitan area seasonally-adjusted unemployment rate averaged 6.3 percent through June 2015, the lowest rate since 2008. This compares to a 5.5 percent national average which is the lowest rate since 2007. This represents a 0.8 percent decrease in the unemployment rate for the Chicago area and a 0.7 percent decrease in the national unemployment rate vs 2014.

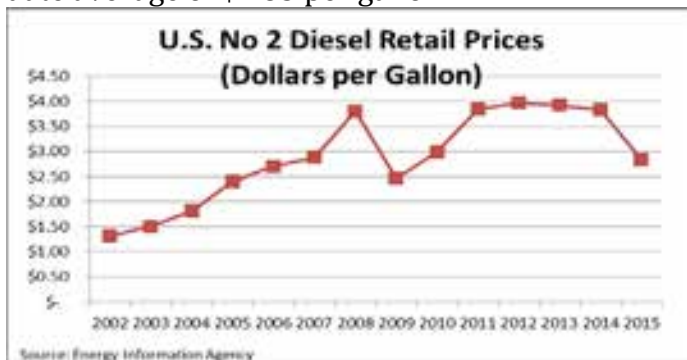
### Fuel Prices

Nationally, consumer gas prices have dropped from August 2014 to June 2015. Prices during this period have ranged from a low of \$2.11 in January 2015 to a high of \$3.48 in August 2014.

The average price for Unleaded Regular Gasoline in 2015 through July is \$2.54 per gallon.



Diesel fuel prices showed a similar pattern, with the monthly average falling from a 2014 peak of \$4.00 in March 2014 down to \$2.56 per gallon by September 2015, for a year-to-date average of \$2.83 per gallon.



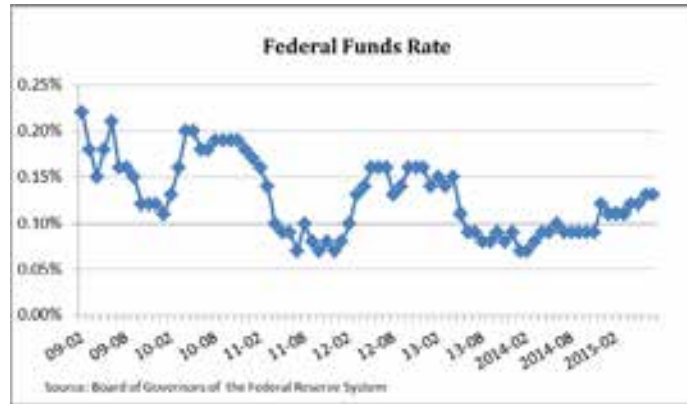


# CTA FY16 Budget

## Economic Indicators

### Consumer Price Index (CPI)

The CPI measures the average change over time in the prices paid by urban consumers for a fixed set of consumer goods and services. A decrease in the index, such as the one experienced in 2015 to date, means consumers have to pay less in dollars to buy the same goods and services. The CPI decreased by 0.41 percent in the Chicago area and by 0.37 percent nationally, down from the 1.75 percent and 1.44 percent increases seen in 2014, respectively.



### Producer Price Index (PPI)

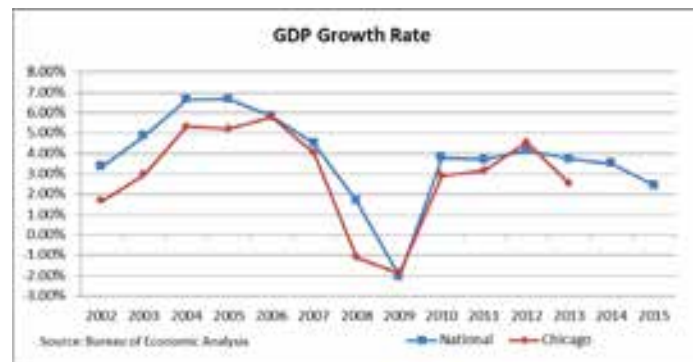
The PPI measures average changes in prices received by domestic producers for their output. Three commodity categories are selected for trend illustration: industrial commodities (less fuel), fuel, and iron and steel. While industrial commodities less fuel experienced a slight decrease in PPI (down 0.3 percent from 2014), the fuel PPI decreased drastically, by 40.6 percent, from 2014, and iron and steel saw a 11.7 percent decrease in the index.



### Gross Domestic Product

National Real GDP has improved with an average growth rate of 2.6% through 2015, a slight improvement over the 2014 average of 2.5%.

While lagging national growth rates, Chicago's GDP is expected to show a nominal increase of 2.3% in 2015.



# CTA FY16 Budget

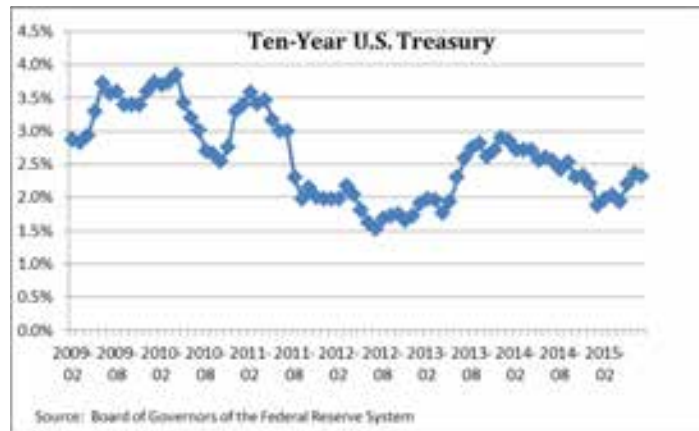
## Economic Indicators

### Federal Funds Rate (FFR)

The FFR is the interest rate at which banks lend balances at the Federal Reserve to other depository institutions. The rate was 0.12 percent in Q2 2015, the highest since June 2013. Since May 2013, the rate has stayed between 0.07 percent and 0.13 percent throughout June 2015. The Federal Reserve anticipates that low growth economic conditions will continue to warrant these historically low FFR levels throughout 2015.

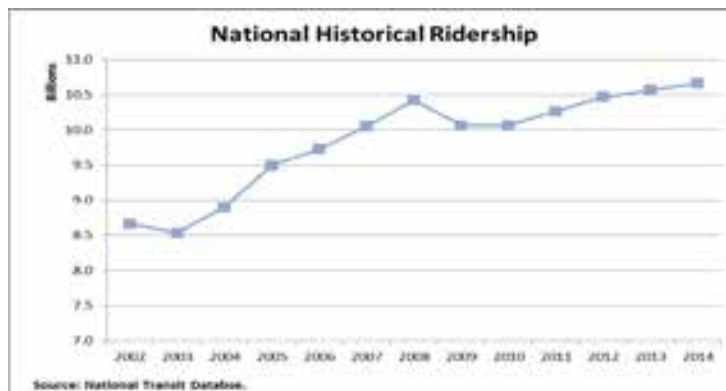
### Ten-Year U.S. Treasury Yield

The ten-year Treasury note is the most frequently-quoted security for analysis of the US government bond market's performance, used to convey the market's perspective on longer-term, macroeconomic expectations. Yields have declined significantly since 2014 from 2.86% in January 2014 to the current low rate of 2% in Q3 2015 reflecting continued investor sentiments and concerns about the economy. Lower long term rates provide incentives for consumers and corporations to borrow at favorable interest rates.



### Historical Ridership and Public Funding

Ridership has been increasing nationally overall over the last 20 years, with dips associated with recessions in the early 2000s and in 2009-2010. National ridership increased by less than 1% in 2014 vs. 2013.



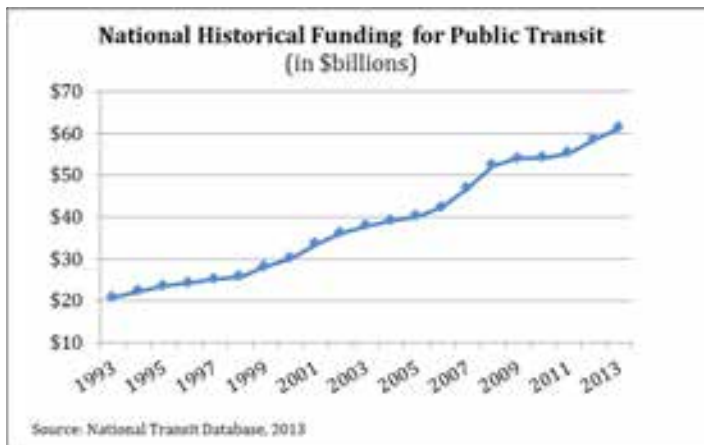
# CTA FY16 Budget

## Economic Indicators



In the Chicago metropolitan area, ridership has seen an overall upward trend since the early 2000s. It hit high points in 2008 and 2012. There were 623.4 million rides in 2014, about 0.6% more than its 5-year low of 619.6 million in 2010.

National funding for mass transit has increased steadily over time, reaching an all-time high of \$61.2 billion in 2013; this represents a 4.8 percent increase over the prior year.



Locally, public funding reached a high of \$3.3 billion in 2008, but has declined in past years but rebounded at \$3.4 billion in 2013; this represents an 11.4 percent increase in funding from 2012.

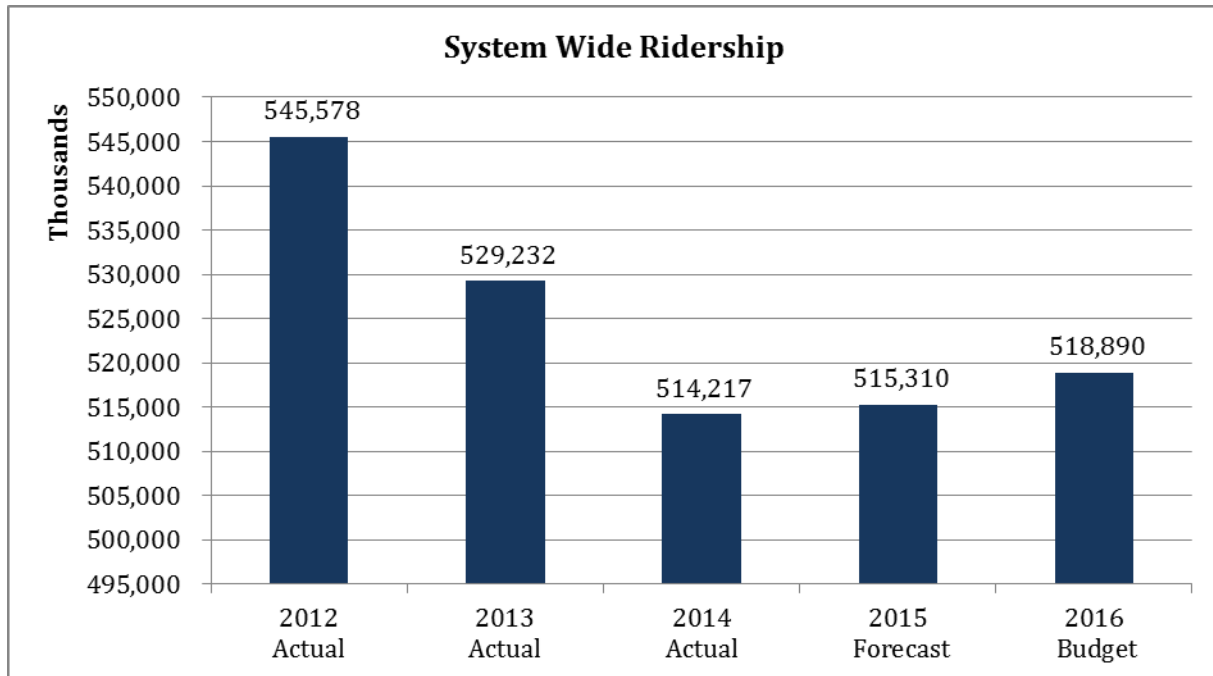


**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# CTA FY16 Budget

## Operating Statistics - System

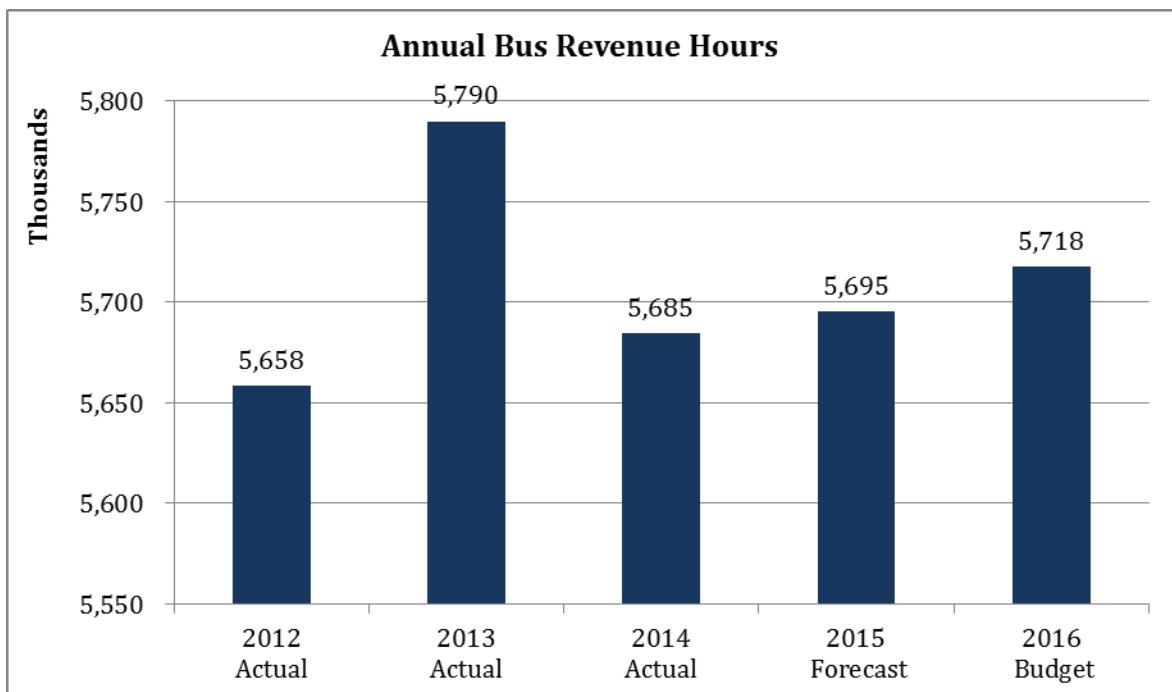
Characteristics	2012 Actual	2013 Actual	2014 Actual	2015 Forecast	2016 Budget
<b>Ridership</b>					
Avg. Daily Weekday	1,725,614	1,683,492	1,630,402	1,639,432	1,648,137
Avg. Daily Saturday	1,119,953	1,069,230	1,044,918	1,028,047	1,028,918
Avg. Daily Sunday	801,840	764,515	760,840	755,114	760,033
System Wide Ridership	545,577,917	529,232,404	514,216,813	515,310,205	518,889,508
<b>Expense</b>					
Top Operator Rate	\$30.32	\$30.77	\$31.70	\$32.54	\$32.82
Capital Expenditures	\$489,526,914	\$1,047,671,240	\$859,519,636	\$821,106,453	\$637,825,000
<b>Revenue</b>					
Avg. Fare per Trip	\$1.01	\$1.08	\$1.13	\$1.14	\$1.14
Public Funding per Trip	\$1.18	\$1.32	\$1.44	\$1.47	\$1.52



# CTA FY15 Budget

## Operating Statistics – Bus

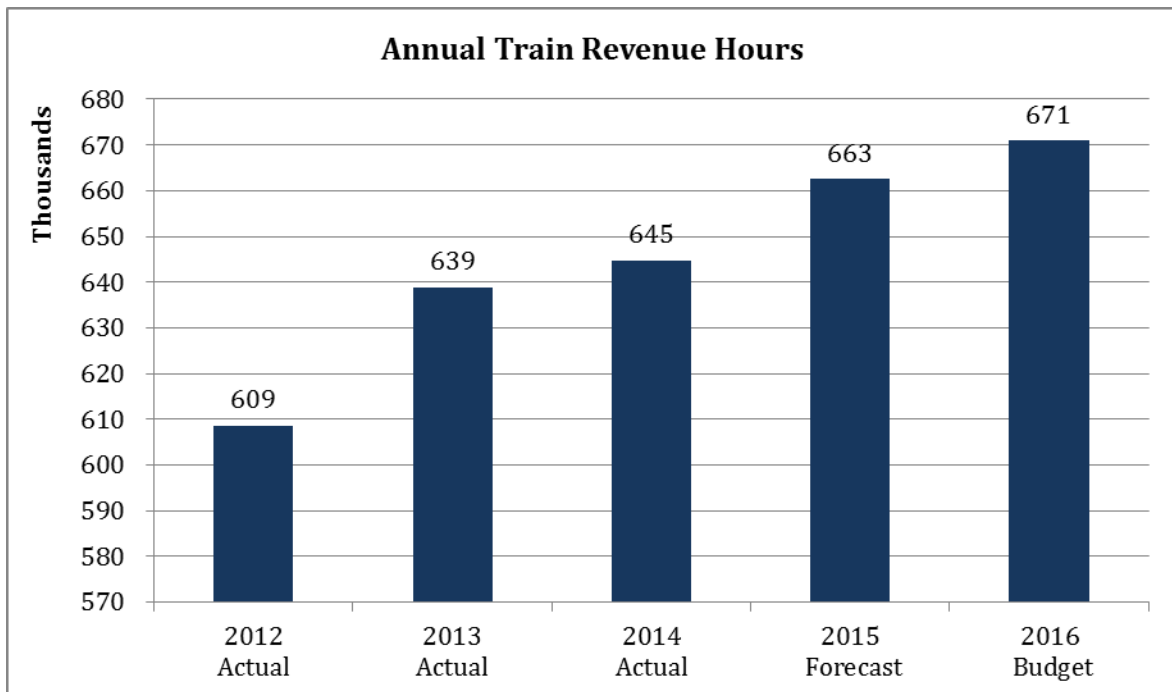
Characteristics	2012 Actual	2013 Actual	2014 Actual	2015 Forecast	2016 Budget
<b>Expense</b>					
Scheduled Transportation Expense	\$366,978,017	\$367,575,334	\$374,664,340	\$376,601,420	\$376,689,024
Garage Maintenance Expense	\$143,098,232	\$144,752,363	\$139,843,950	\$142,855,914	\$130,192,002
Support Expense	\$20,666,076	\$21,768,715	\$19,159,371	\$20,052,613	\$19,193,459
Heavy Maintenance Expense	\$39,326,786	\$41,816,963	\$46,604,203	\$44,194,804	\$50,813,311
Other Expenses	\$25,567,956	\$26,158,792	\$28,636,913	\$32,346,183	\$33,595,978
<b>Total Operating Expense</b>	<b><u>\$595,637,067</u></b>	<b><u>\$602,072,167</u></b>	<b><u>\$608,908,777</u></b>	<b><u>\$616,050,934</u></b>	<b><u>\$610,483,776</u></b>
Fuel Expense	\$62,908,135	\$61,835,960	\$59,476,423	\$49,222,259	\$37,259,310
<b>Miles</b>					
Annual Vehicle Revenue Miles	52,427,711	53,446,534	52,380,315	52,480,048	52,684,191
<b>Trips</b>					
Annual Unlinked Trips	314,423,578	300,116,357	276,116,674	274,275,974	274,412,096
<b>Vehicles</b>					
Annual Vehicle Revenue Hours	5,658,426	5,790,071	5,684,638	5,695,462	5,717,616
Vehicles Operated in Maximum	1,777	1,877	1,629	1,629	1,577
Vehicles Owned by CTA	2,003	2,117	1,867	1,885	1,887
Average Age of Vehicles	6.3	7.1	7.1	7.5	7.3



# CTA FY15 Budget

## Operating Statistics – Heavy Rail

Characteristics	2012 Actual	2013 Actual	2014 Actual	2015 Forecast	2016 Budget
<b>Expense</b>					
Scheduled Transportation Expense	\$127,618,731	\$141,666,655	\$149,295,425	\$151,480,221	\$153,775,158
Terminal Maintenance Expense	\$45,972,131	\$44,694,310	\$49,456,644	\$51,694,790	\$48,859,285
Support Expense	\$30,406,716	\$35,571,091	\$36,982,321	\$40,428,073	\$44,671,303
Heavy Maintenance Expense	\$23,162,417	\$22,733,173	\$19,033,791	\$19,076,484	\$20,018,722
Rail Car Appearance Expense	\$11,572,621	\$11,822,901	\$12,567,050	\$13,340,429	\$14,219,273
Other Expenses	\$7,498,464	\$7,287,106	\$8,414,478	\$9,339,768	\$10,129,067
<b>Total Operating Expense</b>	<b><u>\$246,231,081</u></b>	<b><u>\$263,775,237</u></b>	<b><u>\$275,749,708</u></b>	<b><u>\$285,359,764</u></b>	<b><u>\$291,672,809</u></b>
Power Expense	\$25,020,026	\$26,173,990	\$33,567,876	\$28,210,262	\$31,457,976
<b>Miles</b>					
Annual Rail Car Revenue Miles	65,222,890	69,046,006	70,679,582	72,631,757	73,552,220
<b>Trips</b>					
Annual Unlinked Trips	231,154,339	229,116,047	238,100,054	241,034,231	244,477,413
<b>Vehicles</b>					
Annual Train Revenue Hours	608,516	638,825	644,733	662,541	670,937
Vehicles Operated in Maximum	980	1,319	1,365	1,327	1,122
Vehicles Owned by CTA	1,240	1,351	1,400	1,510	1,461
Average Age of Vehicles	25	22	18	18	16





**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# CTA FY16 Budget

## Performance Management

---

---

### Performance Management at the CTA

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

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

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

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

# CTA FY16 Budget Performance Management

CTA Preliminary Monthly Performance (*)		2015 Monthly Target	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015
RIDERSHIP	Total Ridership (in millions)	44.5	39.4	38.2	44.6	43.6	43.8	44.1	44.3
	Rail Ridership (in millions)	21.4	18.0	17.2	20.1	20.1	20.2	21.1	21.9
	Bus Ridership (in millions)	23.1	21.4	21.0	24.5	23.5	23.6	23.2	22.9
	Total (Year to Date, in millions)	302.6	39.4	77.6	122.2	165.8	209.6	253.9	298.8
	% Change Over Prior Year (Year to Date)	1.7%	3.6%	0.0%	-0.1%	-0.4%	-0.9%	0.0%	-0.2%
ON-TIME	Rail Delays of 10 Minutes or More	78	76	70	57	58	59	80	94
	% of Slow Zone Mileage	N/A	8.5%	8.4%	7.8%	8.7%	8.6%	8.2%	8.7%
	% of Big Gap Intervals, Bus	4.0%	3.1%	4.8%	3.5%	3.2%	3.6%	4.0%	3.6%
	% of Bunched Intervals, Bus	3.0%	2.8%	4.2%	3.6%	3.3%	3.5%	3.7%	3.2%
EFFICIENT	Mean Miles Between Reported Rail Vehicle Defects	3,950	6,559	6,105	8,085	8,172	8,154	8,070	7,645
	Miles Between Reported Bus Service Disruptions Due to Equipment	5,000	9,601	14,195	N/A	N/A	9,789	8,178	8,658
	Average Daily Percent of Bus Fleet Unavailable for Service	12.6%	12.8%	14.8%	14.0%	12.1%	12.9%	12.3%	13.4%
	Average Daily Percent of Rail Fleet Unavailable for Service	11.0%	12.0%	12.0%	11.1%	10.5%	11.3%	11.9%	12.5%
SAFE	Bus NTD Security-Related Incidents per 100,000 miles	N/A	0.09	0.12	0.07	0.14	0.21	0.09	0.07
	Rail NTD Security-Related Incidents per 100,000 miles	N/A	0.12	0.09	0.07	0.10	0.03	0.12	0.13
	Bus NTD Safety-Related Incidents per 100,000 Miles	N/A	0.43	0.52	0.54	0.39	0.77	0.70	0.37
	Rail NTD Safety-Related Incidents per 100,000 Miles	N/A	0.02	0.07	0.03	0.05	0.05	0.07	0.00
CLEAN	Average Interior Rail Clean Inspection Score	90.0%	94.2%	93.6%	94.4%	91.8%	94.0%	92.3%	92.8%
	Average Interior Bus Clean Inspection Score	85.0%	84.6%	85.7%	88.2%	87.4%	85.7%	87.4%	84.3%
COURTEOUS	% of Customer Complaints Not Closed Out Within 14 Days	3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	CTA Customer Service Hotline Average Wait-time (†)	0:02:00	0:00:09	0:00:11	0:00:11	0:00:10	0:00:13	0:00:12	0:00:11
	Reported Ramp Defects (Service Disruptions)	N/A	132	125	102	132	139	90	97
	% Buses with Defective AVAS	2.0%	0.8%	1.2%	1.8%	2.1%	2.1%	1.4%	1.3%
	Reported ADA Complaints	N/A	29	63	86	85	93	70	86

**Legend**

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



# CTA FY16 Budget

## Performance Management

### Definitions of CTA Monthly Performance Metrics

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

# CTA FY16 Budget

## Performance Management

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

# CTA FY16 Budget

## Performance Management

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

# CTA FY16 Budget

## Performance Management

---

### Department Overviews and Facts

#### Service Area & Population

- 234 square miles of Chicago and 35 nearby suburbs.
- The service area has 3.53 million people.

#### Ridership

- Over 515 million trips projected for 2015.
- Approximately 1.6 million trips per weekday.

#### Operations Departments

##### *Bus Operations and Maintenance*

- On average, provides 873,221 rides per weekday.
- Maintains reliable service with over 4,031 bus operators driving 1,885 buses traveling 161,099 miles each weekday over 126 routes serving 11,048 bus stops.
- Manages seven Bus Garages and one Heavy Maintenance Shop.
- In the fall of 2015, the average age of the fleet was 7.4 years old.

##### *Rail Operations and Maintenance*

- On average, provides 765,115 rides per weekday.
- Maintains reliable service with approximately 1,043 rail operators and 1,400 rail cars traveling 221,399 miles each weekday over eight routes with 145 stations.
- Manages 9 Rail Terminals and one Heavy Maintenance Shop.
- In fall of 2015, the average age of the fleet was 16.0 years old.

#### Facilities Maintenance

##### *Facilities Maintenance*

- Clean and maintain more than 210 locations, including 145 rail stations, 9 terminals, 7 bus garages.
- Provide real estate management services to protect and maintain the value and integrity of all CTA properties.
- Complete life safety requirements per applicable codes to systems requiring mandated testing, maintenance and inspections.

# CTA FY16 Budget

## Performance Management

---

### Infrastructure

#### *Power & Way Maintenance*

- Inspects and maintains 224.1 miles of revenue track at least every seven days, 86.2 miles of elevated structure once every two years, and the full length of contact rail (“third rail”) two times per year.
- Inspects and maintains 813 signals, 1,064 rail track switches, 1,835 track circuits and 24,000 vital signal relays.
- Responsible for all power substations, including maintaining all traction and contact rail power distribution with 600 miles of traction power cable.

#### *Construction*

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

#### *Engineering*

- Responsible for providing technical support to Power & Way Maintenance.
- Responsible for developing and maintaining the technical standards for track, structure, power, signal, rail stations and other transit support facilities.
- Responsible for maintaining the engineering records and “as built” drawings.
- Responsible for analysis and cost management of CTA utilities, including traction power, water and gas at CTA locations.
- Responsible for supporting the capital program and providing capital design project management as needed.
- Responsible for preparing design packages for CTA construction projects including projects constructed by CTA forces, JOC Contractors and General Contractors.
- Responsible for representing CTA on all engineering issues associated with work performed by other agencies or private entities that may impact CTA’s infrastructure or operations.
- Responsible for ensuring that quality processes are developed and followed for all construction, maintenance and procurement activities.



# CTA FY16 Budget

## Performance Management

---

---

### **Administration Operations Support**

#### *Purchasing & Supply Chain*

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

#### *Technology*

- Maintains and upgrades all CTA technology infrastructure including computer hardware, application software and communications equipment.
- Responsible for all communication system infrastructures.

#### *Safety*

- Reviews, monitors and assesses all CTA activities and responsibilities related to the provision of safe service and a safe workplace.
- Selected by the Federal Transit Administration (FTA) to pilot the adoption of a new national safety regulatory framework and performance criteria for transit, Safety Management System (SMS).
- Establishes and documents CTA safety policies.
- Identifies hazards through inspections, investigations, observations and audits, and by creating and maintaining systems that encourage reporting of hazards by all personnel.
- Assesses safety risk and develops recommendations and corrective action plans to reduce risk.
- Tracks and verifies the implementation of corrective action plans, and the effectiveness of ongoing management routines that support safety. Escalates issues and assists in identifying and assigning resources to reduce risk.
- Promotes safety through CTA's employee training and instruction programs, and through employee engagement.
- Implements SMS by integrating the management of people, processes and technology in a collaborative, CTA-wide approach to safety.

# CTA FY16 Budget

## Performance Management

---

### *Communications*

- Customer Service provides a number of services including intake, analysis and routing of customer concerns, customer refunds, travel information, maps and brochures, and support for onsite public forums.
- Compiles customer feedback that is obtained via an inbound call center at 1-888-YOUR-CTA, the primary customer service e-mail address ([feedback@transitchicago.com](mailto:feedback@transitchicago.com)), the website ([www.transitchicago.com](http://www.transitchicago.com)), and through U.S. mail. Call volume averages 312 calls daily, and the Customer Feedback Programs group responds to an average of 150 emails daily.

# CTA FY16 Budget

## Performance Management

---

### 2015 Performance by Department

#### Bus Operations

Bus Operations provides over 274 million rides per year, or over 53 percent of all rides taken on the CTA system. Customers rely on the CTA's buses daily for commuting to and from work, as well as for errands and recreational trips. The CTA recognizes that customers value frequent, on-time service.

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

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

In 2015, Bus Operations maintained a big gaps average of 3.7 percent, below the 2015 target of 4 percent. However, in 2015, the intervals bunched averaged 3.5 percent, higher than the 2015 target of 3 percent. The department is continuously examining new approaches to improve this number in order to reach the target by the end of the year.

<b>Bus Operations Performance Measures</b>	<b>2015 Target</b>	<b>2015 Current Performance (Jan-Jul)</b>	<b>Service Level with Proposed Budget</b>
<i>% of Big Gap Intervals</i>	4.0%	3.7%	4.0%
<i>% Intervals Bunched</i>	3.0%	3.5%	3.0%

# CTA FY16 Budget

## Performance Management

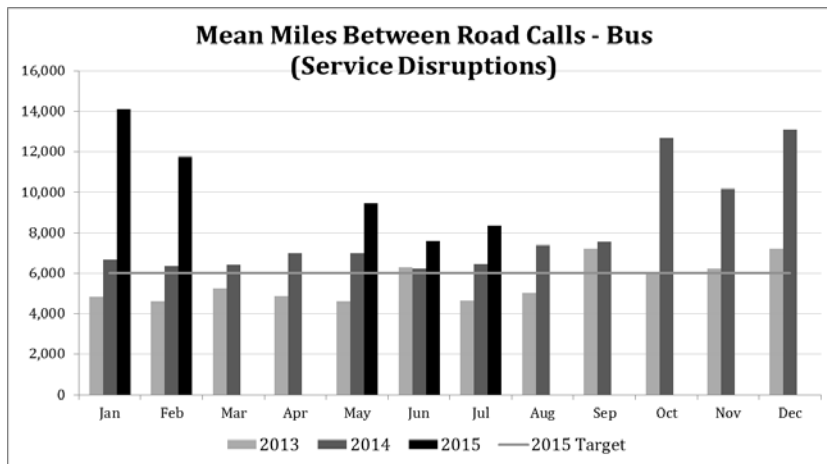
### Bus Maintenance

The safety and reliability of buses is paramount. Bus Maintenance is responsible for the maintenance of the CTA bus fleet composed of 1,885 buses. This includes both mechanical maintenance and regular cleaning of bus interiors and exteriors.

In 2015 the Chicago Transit Authority continued to follow the reporting method and target of Mean Miles between Defects (MMBD) to include all defects (BO) and service disruptions (RC) reported by the Control Center. As part of the performance management process, Bus Maintenance set a goal of providing a fleet reliability of 3,000 miles between defects in 2015. A defect is classified as any failure that requires the bus to be inspected or repaired by a bus mechanic outside of its normal inspection cycle.

<b>Bus Maintenance Performance Measures</b>	<b>2015 Target</b>	<b>2015 Current Performance (Jan-Jul)</b>	<b>2016 Service Level with Proposed Budget</b>
<i>Mean Miles between Defects</i>	3,000	2,499	3,000
<i>Mean Miles between Road Calls</i>	5,000	10,084	5,000
<i>Bus Interior Clean Quality Inspection Score</i>	85%	86.3%	85%

In 2014 the CTA began tracking both Mean Miles between Defects as well as Mean Miles between Road Calls (MMBRC - service disruptions). The target for MMBRC is set at 6,000 miles between Road Calls (service disruptions). Bus Maintenance has seen the MMBRC



improve to an average of over 10,000 miles in 2015, more than double the performance from six years earlier. In early 2009, the bus fleet was running an average of approximately 2,500 miles between service disruptions. The target has been increased each year since that time.

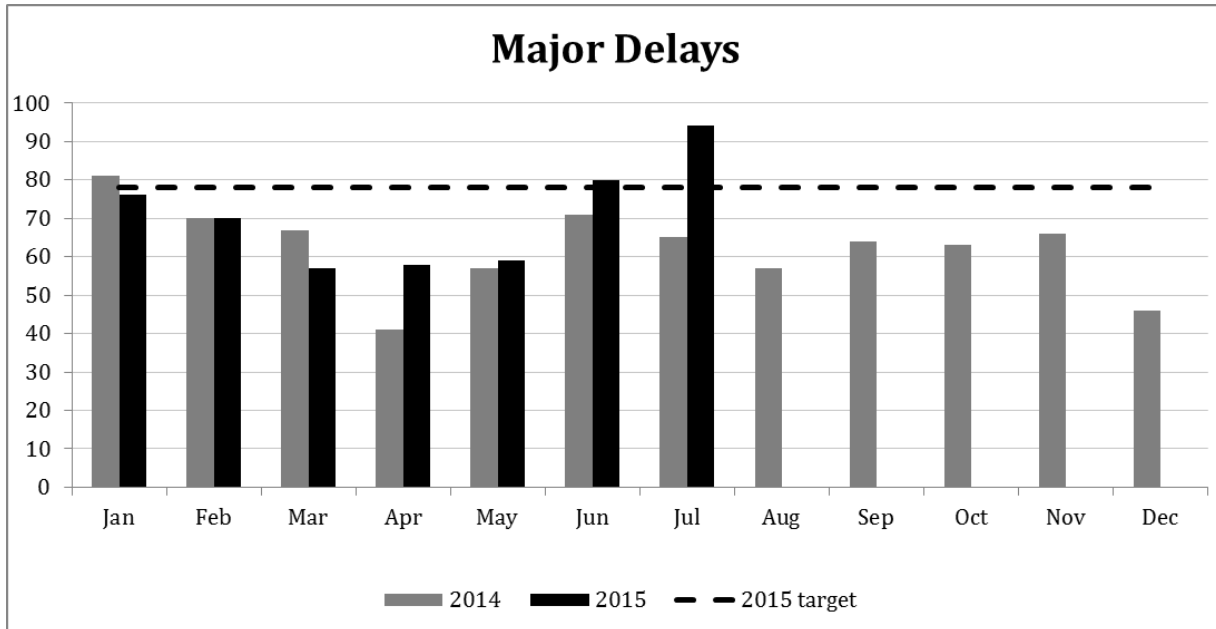
Note: Data missing in March and April 2015 due to system unavailability.

# CTA FY16 Budget

## Performance Management

### Rail Operations

Rail customers expect the CTA's trains to provide frequent, fast, reliable service. In order to constantly improve the rail customer's experience, Rail Operations continues to focus on reducing major delays (delays to service that exceed ten minutes) as a top priority.



The target in 2015 was 78 or fewer major delays per month. The average number of monthly delays through July 2014 is 71 or 9.0 percent under the target. In 2014, the average number of major delays was 62 or 20.5 percent under the target. Average monthly delays for 2013, at 82, were 5.1 percent higher than the target. The influx of new 5000 Series cars on the Pink, Green, and Red Lines, as well as an increase in various rehabilitative construction and maintenance projects, aided in decreasing major delays.

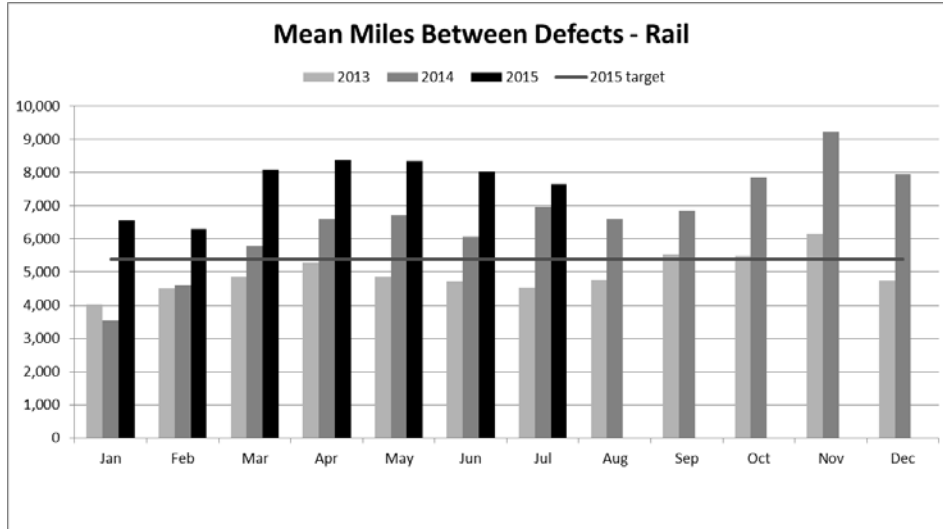
In April 2013, the CTA began tracking the number of incidents more transparently by filtering out those not directly under its control (such as sick passengers, bridge lifts and police investigations). By measuring only incidents that are under the control of the CTA, this Major Delay metric allows the agency to better track and create accountability for resolving issues. The main contributors to major delays are infrastructure related, with construction, signal issues, and other track related matters accounting for the brunt of delays with another portion caused by vehicle maintenance problems.

# CTA FY16 Budget

## Performance Management

### Rail Maintenance

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



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

Due to Rail Maintenance’s focus on reliability, the introduction of additional new 5000 Series cars during 2015, and the continued retirement of the oldest series of cars, we have seen increased Mean Miles between Defects: to an average of 7,620 miles YTD through July 2015 (compared to 5,529 miles in the same time frame in 2014). In 2015, the CTA has raised the target to 5,400 from 3,950 to promote improvements in this metric, a key component of the customer experience.

Rail Maintenance Performance Measures	2015 Target	2015 Current Performance (Jan-Jul)	Service Level with Proposed Budget
<i>Mean Miles between Defects</i>	5,400	7,620	5,400
<i>Rail Interior Clean Quality Inspection Score</i>	90%	93.3%	90%

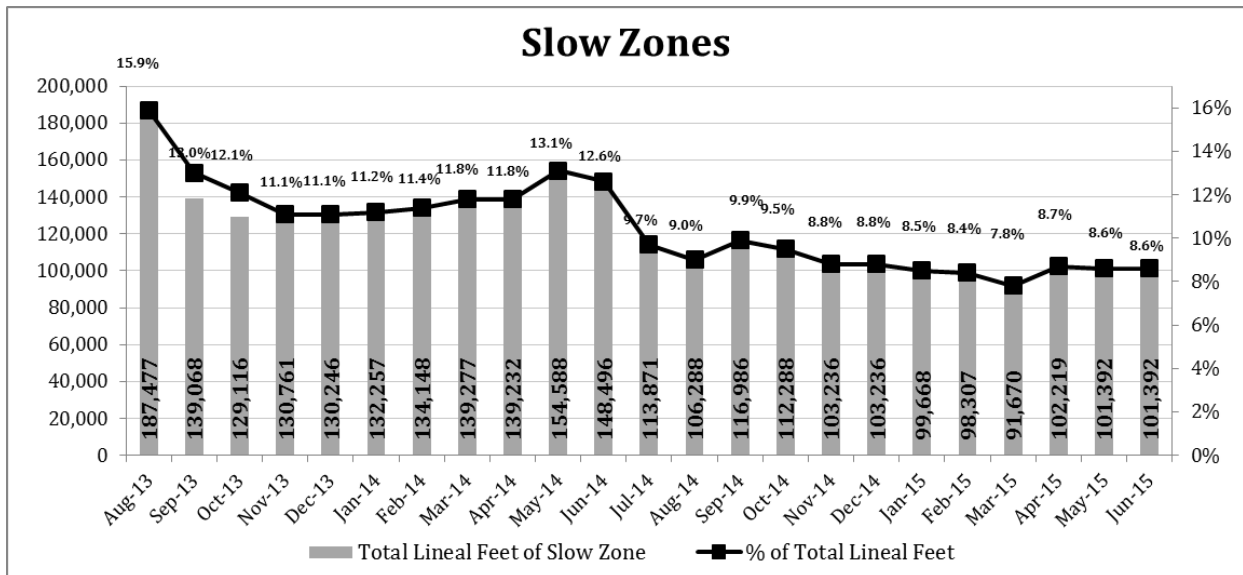
# CTA FY16 Budget

## Performance Management

### Power and Way

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

In 2015, the Brown Line Ravenswood Loop Connector project will remove 14,274 lineal feet of slow zones, the Loyola retaining wall project will remove 3,384 lineal feet of slow zones, and the North Main Line Tie Project will remove 19,352 lineal feet of slow zones.



# CTA FY16 Budget

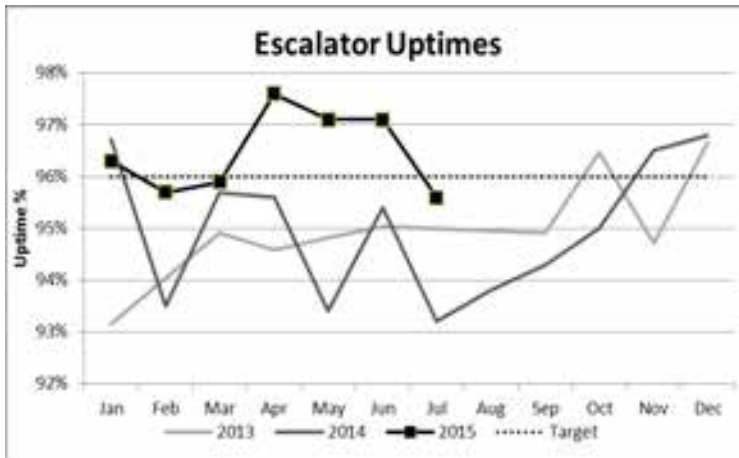
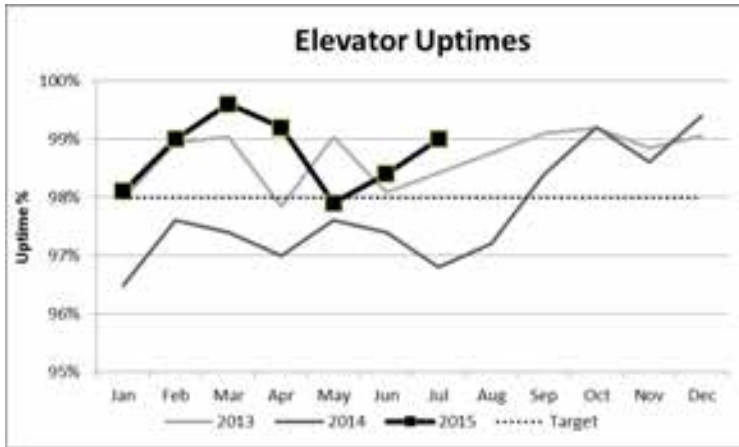
## Performance Management

### Facilities Maintenance

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

departments, permitting the Authority to provide a safe, functional, healthy, and clean environment.

An important function of Facilities Maintenance is maintaining elevators and escalators to ensure customer comfort and accessibility. Escalators are maintained in-house, while elevators are inspected and maintained by a contractor.



Escalator uptimes have reached the target of 96% for the majority of 2015, with a slight dip attributable to the extreme, inclement weather in February and recently in July. Elevator uptimes have been at or above the increased target of 98% for all of 2015.

Facilities Performance Measures	2015 Target	2015 Current Performance (Jan-Jul)	Service Level with Proposed Budget
<i>Elevator Uptime</i>	98%	98.7%	98%
<i>Escalator Uptime</i>	96%	96.4%	96%



# CTA FY16 Budget

## Performance Management

---

### Technology

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

Construction is underway for the upgrade and modernization of CTA's underground cellular network to provide continuous, reliable mobile phone service in all CTA subway platforms, mezzanines and tunnels by the end of 2015. The upgraded network will offer improved and more robust voice and high-speed data services and enhance communication between CTA personnel and emergency responders. It will replace existing infrastructure that dates back to 2005, well before most modern smartphones and tablets were introduced. CTA will be the largest transit agency in North America that supports full 4G from all major carriers in all underground areas of the subway, including stations, platforms, and tunnels.

In 2014, Technology department initiated a project to replace an aging Bus Emergency Communication System with a modern and more efficient system and a major overhaul to the control center incident management system, with integration to and from several CTA databases. This project is near completion.

In addition to technology infrastructure upgrades, Technology is also responsible for the day-to-day reliability of CTA applications and online tools, including the Bus and Train Trackers. CTA Tracker information is now available by e-mail and text messaging to riders. In 2015, there have been around 35 million Bus Tracker requests through e-mail, text, and the internet. Riders can access CTA Bus and Rail Tracker, along with instructions on how to receive notifications by e-mail or text message, on the CTA website at [www.transitchicago.com](http://www.transitchicago.com).

<b>Technology Performance Measure</b>	<b>2015 Target</b>	<b>2015 Current Performance (Jan-Aug)</b>	<b>Service Level with Proposed Budget</b>
<i>Bus Tracker Application Availability</i>	99.5%	99.7%	99.5%

# CTA FY16 Budget

## Performance Management

---

---

### **Safety**

In 2014, the CTA was selected by the Federal Transit Administration (FTA) to participate in a first-of-its-kind safety program to establish a new safety regulatory framework with performance criteria for all modes of public transportation. The implementation of Safety Management System (SMS) continued in 2015 and helped position CTA as the model in safety for transit agencies across the nation.

### ***Safety Management System (SMS)***

The FTA chose the CTA as the first transit agency in the nation to assist in the development of SMS, which will develop uniform standards to upgrade and ensure safety for transit operations throughout the country. In general, SMS is an integrated collection of guidelines, policies and processes designed to help identify and mitigate risk in transportation by engaging people, process and technology. The SMS ensures a safety culture by using a top down and bottom up approach across CTA to promote safety and the understanding of risk.

In 2015 under the SMS program, the CTA continued on its mission towards becoming an industry leader in all areas of safety. Recent examples of safety improvements include a review of proper berthing of trains at rail stations, a comprehensive retraining program for train operators, an initiative to strengthen bus operator training and a new, upcoming technology that will alert operators if a train has not stopped in the proper location.

The FTA's SMS program is the result of the most recent federal surface transportation funding bill, MAP-21, which gave the FTA authority for the first time to establish a new safety regulatory framework and performance criteria for all modes of public transportation nationally.

The Safety department is responsible for reviewing, monitoring and assessing all CTA activities and responsibilities related to providing safe service and a safe workplace. In order to perform its safety oversight responsibilities, the Safety department coordinates the implementation of the Safety Management System (SMS)—setting safety policies, managing risk, conducting assurance activities and promoting safety through communications and training activities. The Safety department works with other CTA leaders, executives and staff to:

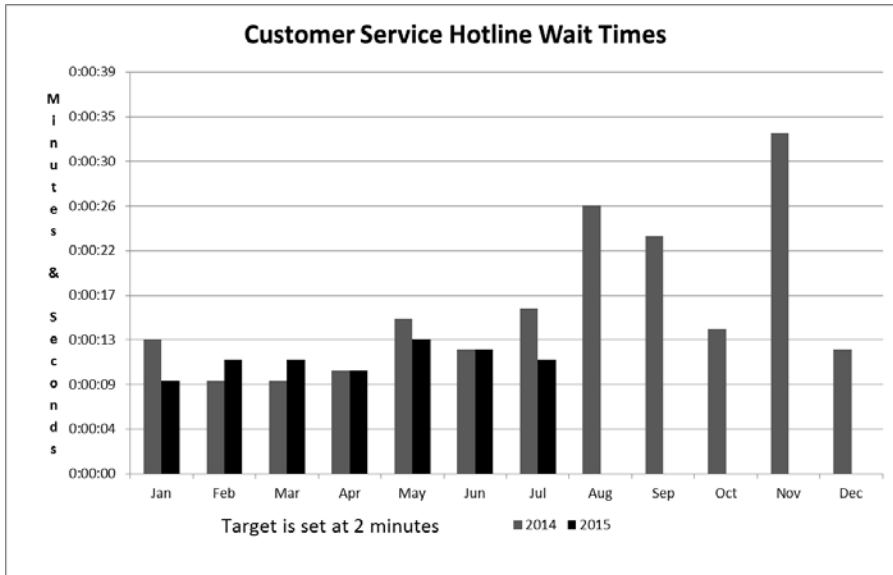
- Identify and assess safety-related risks.
- Conduct internal reviews and inspections.
- Develop recommendations and corrective action plans that address safety concerns.
- Track and verify the implementation of recommendations, corrective action plans, and matters that require executive action.
- Promote safe service and safe work as a core value.

# CTA FY16 Budget

## Performance Management

### Communications

The CTA’s Communications Department is responsible for a wide range of communications functions, all designed to provide clear, concise, timely and helpful information to CTA customers and Chicago residents. Various printed materials and electronic channels provided by the department inform customers about CTA service, projects and programs, which are designed to help them understand and efficiently use CTA buses and trains in Chicago and its suburbs.



The Communications Group also manages CTA’s Customer Service hotline, 1-888-YOUR-CTA. This hotline is one of the main ways customers receive information about CTA service and provide feedback on the quality of their experience. The CTA recognizes that when customers call our Customer Service Hotline, they expect prompt and courteous

service. The Customer Service Department was held to a target of two minutes in 2015 and has exceeded that target thus far in 2015.

Communications Performance Measures	2015 Target	2015 Current Performance (Jan-July 2015)	2016 Service Level with Proposed Budget
<i>Average Call Response Time (Overall)</i>	2:00	0:11	2:00
<i>Average Call Response Time (General Inquiries)</i>	2:00	0:11	2:00

# CTA FY16 Budget

## Comparative Performance Analysis

### Peer Comparison

#### Overview

To illustrate the CTA's performance in relation to its peers, the following comparative performance analysis utilizes the 2013 National Transit Database (NTD)<sup>1</sup>. The selection of comparison transit agencies is based upon the size of the urban area served, the urban characteristics of the service area, and the size of the transit system. The analysis is then conducted on a modal basis (i.e. bus versus heavy rail). For each mode, the CTA is compared with five peers.

The comparison group includes:

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

#### Comparative Agency Profiles

Agency	City	Population of Service Area	Square Miles of Urban Area Served	Fleet Size	Rapid Rail Track Miles*
<b>CTA</b>	<i>Chicago</i>	<i>8,608,208</i>	<i>2,443</i>	<i>3,100</i>	<b>287.8</b>
<b>MBTA</b>	Boston	4,181,019	1,873	2,873	<b>108.0</b>
<b>NYCT</b>	New York	18,351,295	3,450	11,532	<b>829.9</b>
<b>SEPTA</b>	Philadelphia	5,441,567	1,981	2,819	<b>99.8</b>
<b>WMATA</b>	Washington, D.C.	4,586,770	1,322	3,527	<b>269.8</b>
<b>MARTA</b>	Atlanta	4,515,419	2,645	1,030	<b>103.7</b>
<b>LACMTA</b>	Los Angeles	12,150,996	1,736	3,995	<b>169.9</b>

\* - Total track mileage as listed in NTD Table 23.

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

# CTA FY16 Budget

## Comparative Performance Analysis

The comparative analysis measures the performance in four areas: service efficiency, cost effectiveness, service maintenance and reliability, and service level solvency. Specific indicators are assigned to measure the performance in each dimension.

### Definitions of Comparative Performance Measurement

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

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

# CTA FY16 Budget

## Comparative Performance Analysis

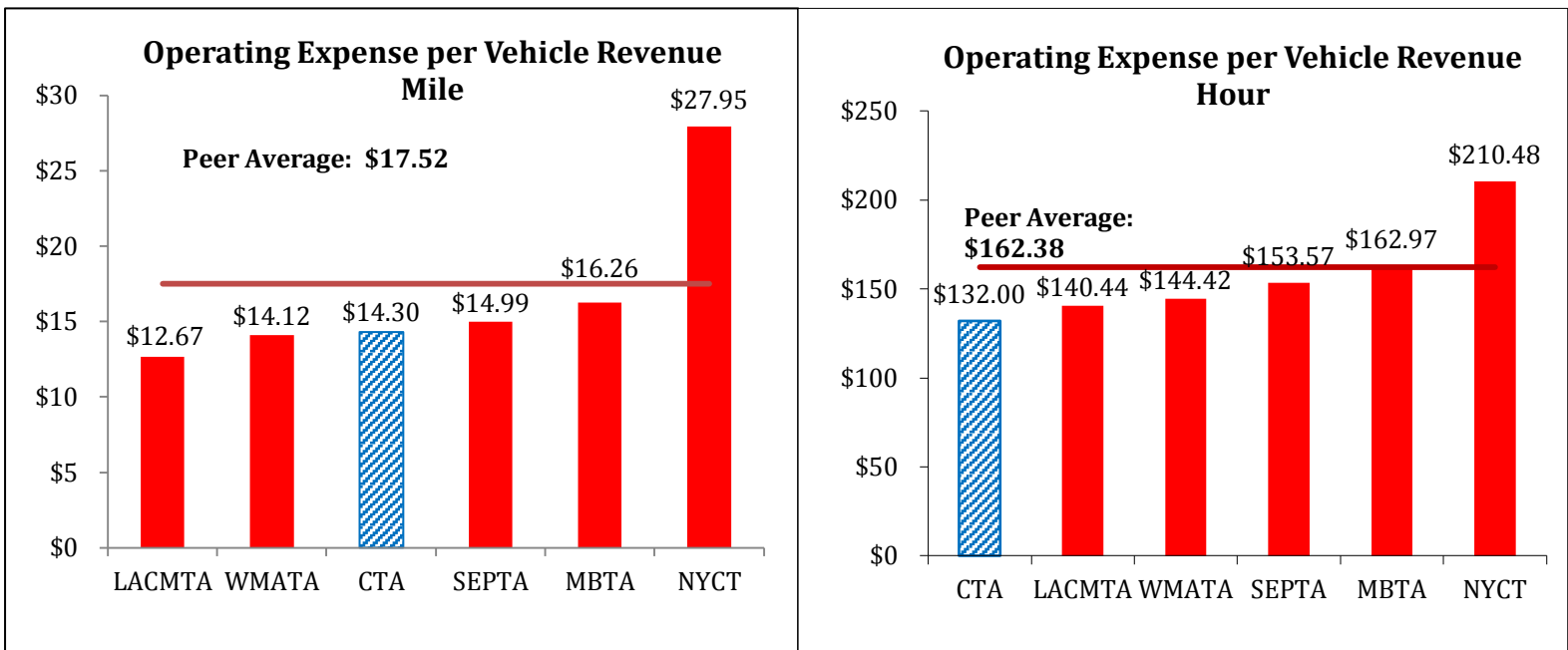
### Urban Bus

#### Comparative Characteristics of Urban Bus

<i>Numbers in millions unless otherwise noted</i>	CTA	MBTA	LACMTA	NYCT	SEPTA	WMATA
	Chicago	Boston	Los Angeles	New York City	Philadelphia	Washington D.C.
Operating Expense	\$764	\$381	\$956	\$2,754	\$596	\$568
Capital Funds Expended	\$127	\$25	\$211	\$281	\$39	\$123
Fare Revenue	\$299	\$97	\$261	\$941	\$172	\$142
Vehicle Revenue Miles	53.4	23.4	75.5	98.5	39.8	40.3
Vehicle Revenue Hours	5.8	2.3	6.8	13.1	3.9	3.9
Passenger Miles	728.6	270.6	1,496.5	1,814.7	546.4	420.6
Total Number of Unlinked Trips	300.1	114.7	359.5	804.2	184.9	137.8
Total Number of Mechanical Failures (thousands)	7.4	1.4	7.9	10.9	5.9	4.7

#### Service Efficiency

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

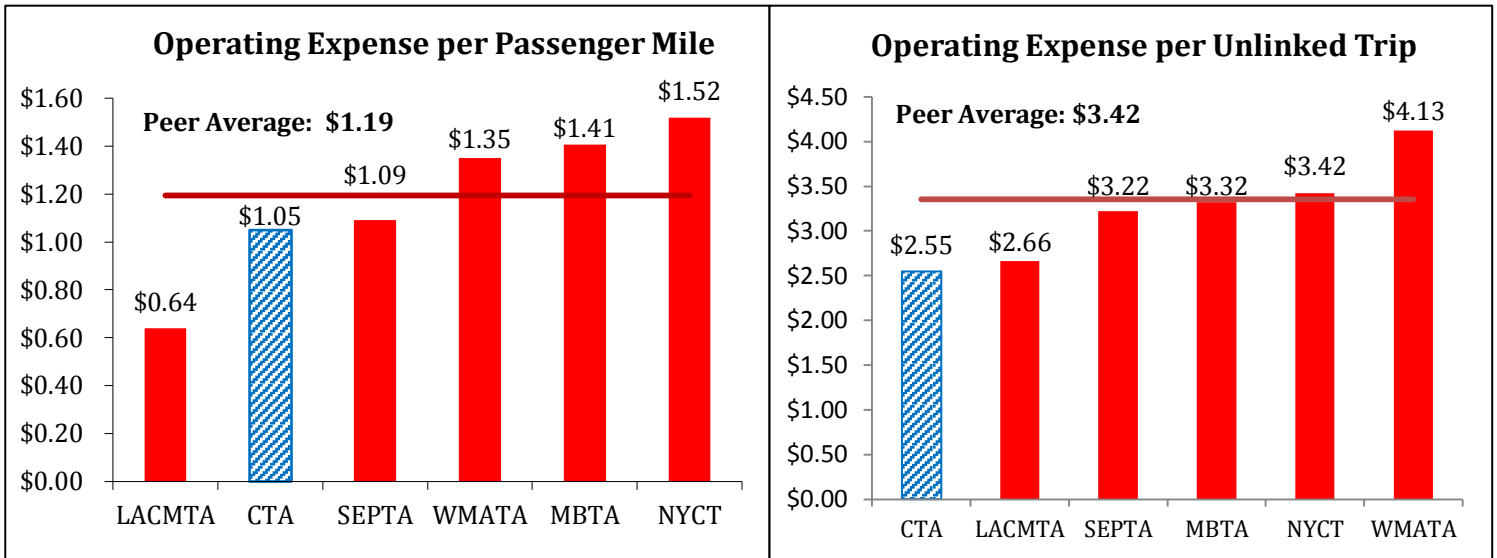


# CTA FY16 Budget

## Comparative Performance Analysis

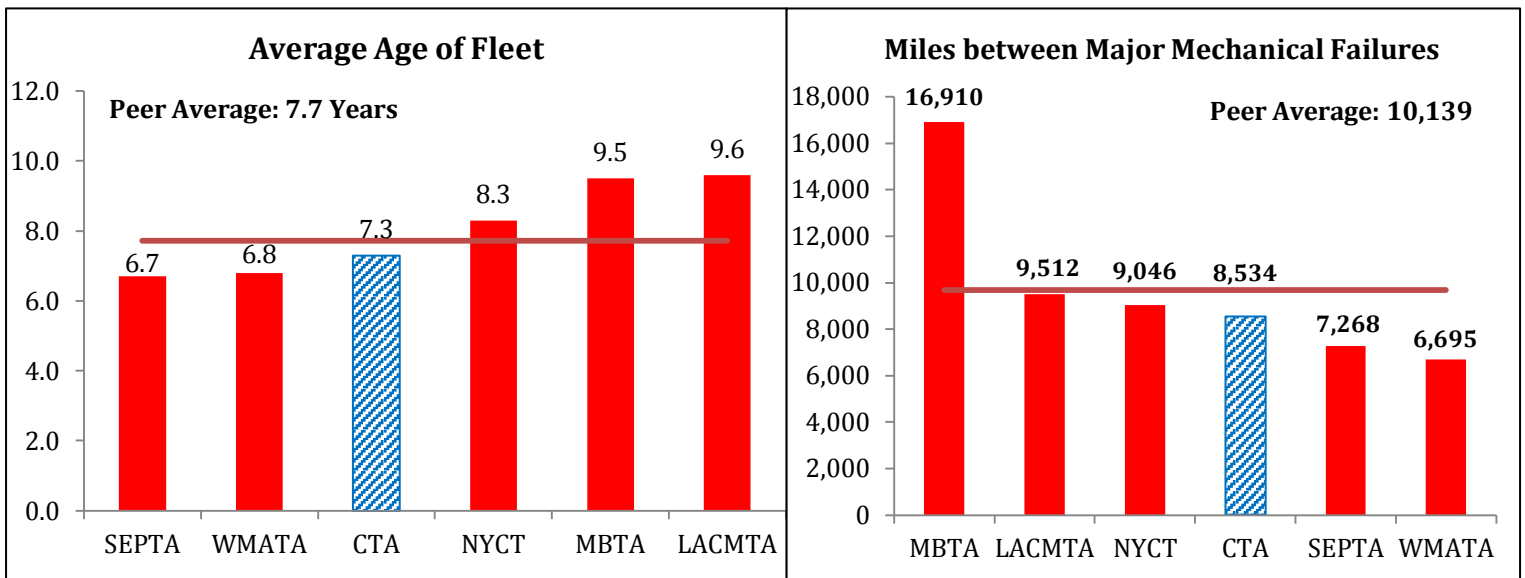
### Cost Effectiveness

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



### Service Maintenance & Reliability

Due to an influx of new buses, the CTA continued to have a lower than average fleet age, coming in below the peer average of 7.7 years. The CTA came in under the peer average in miles between major mechanical defects, ranking fourth among the group.

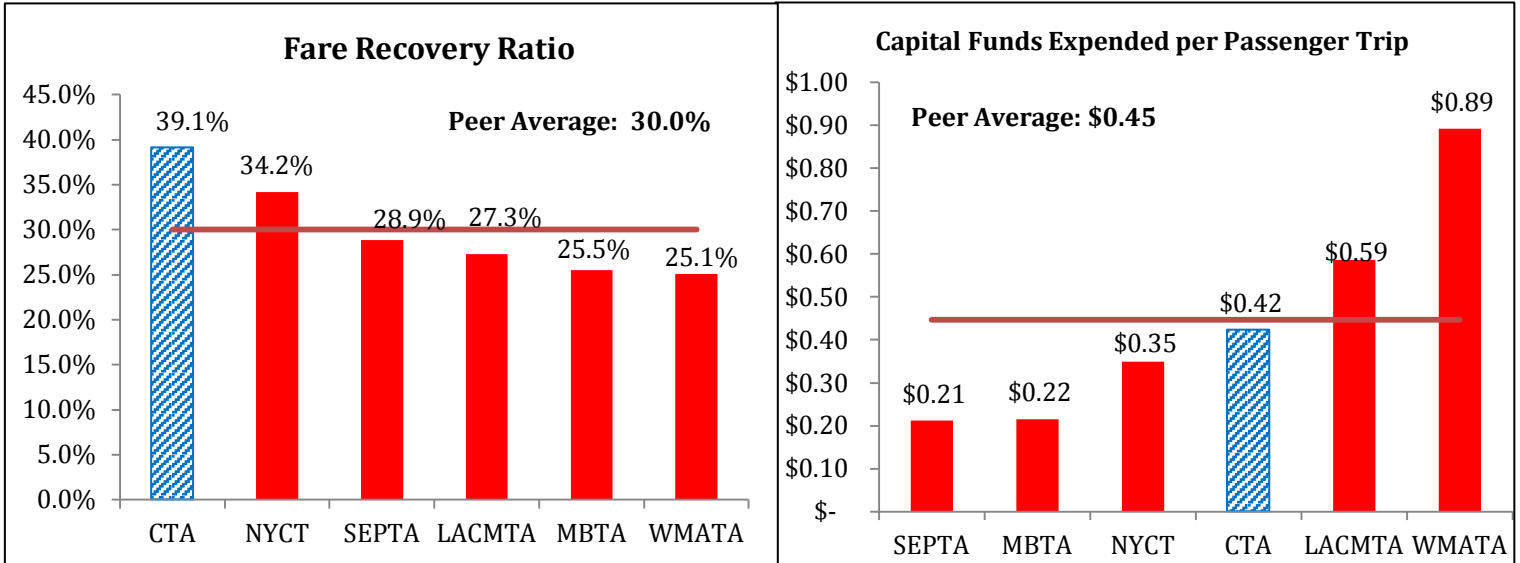


# CTA FY16 Budget

## Comparative Performance Analysis

### Service Level Solvency

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



### Heavy Rail

#### Comparative Characteristics of Heavy Rail

<i>Numbers in millions unless otherwise noted</i>	CTA	MARTA	MBTA	NYCT	SEPTA	WMATA
	Chicago	Atlanta	Boston	New York City	Philadelphia	Washington D.C.
Operating Expense	\$514	\$208	\$316	\$4,763	\$187	\$909
Capital Funds Expended	\$480	\$131	\$177	\$2,603	\$49	\$398
Fare Revenue	\$278	\$76	\$192	\$3,031	\$96	\$606
Vehicle Revenue Miles	69.0	17.9	23.3	345.0	16.9	75.9
Vehicle Revenue Hours	3.79	0.68	1.44	19.02	0.87	3.09
Passenger Miles	1,441.3	444.0	604.9	10,865.6	448.9	1,552.6
Total Number of Unlinked Trips	229.1	69.6	168.7	2,656.5	101.0	273.8
Total Number of Mechanical Failures (individual occurrences)	306	768	443	2,260	208	1,223

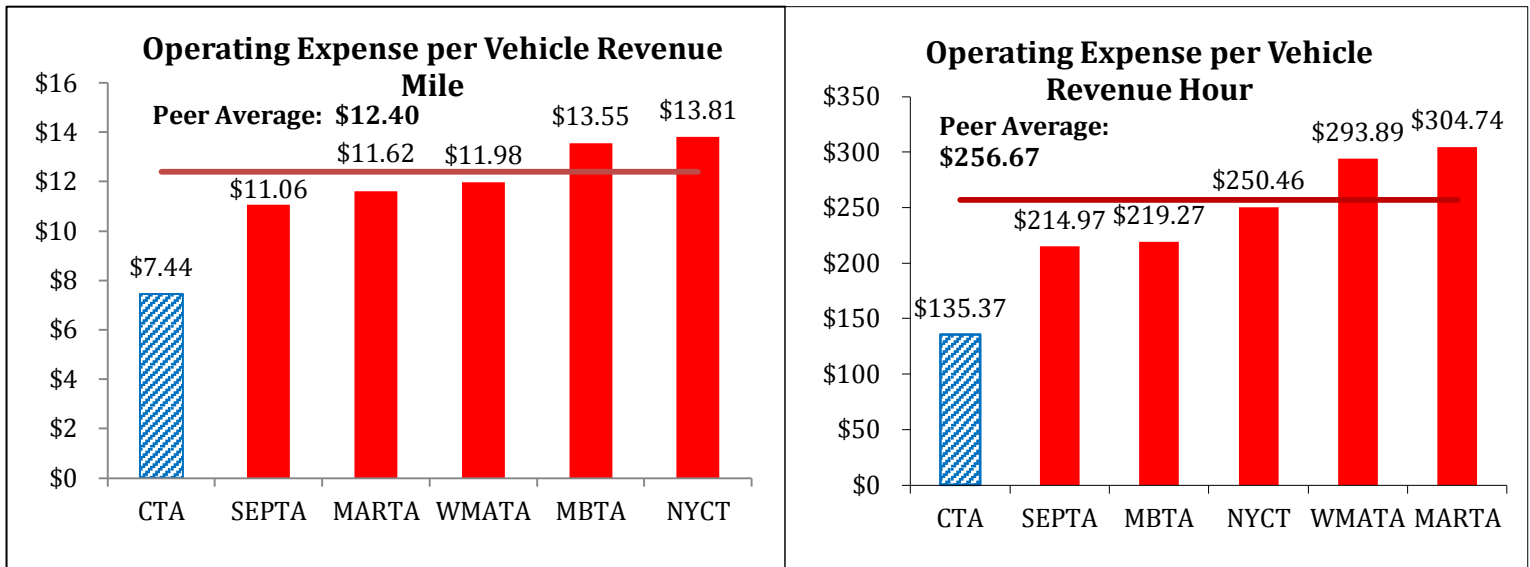


# CTA FY16 Budget

## Comparative Performance Analysis

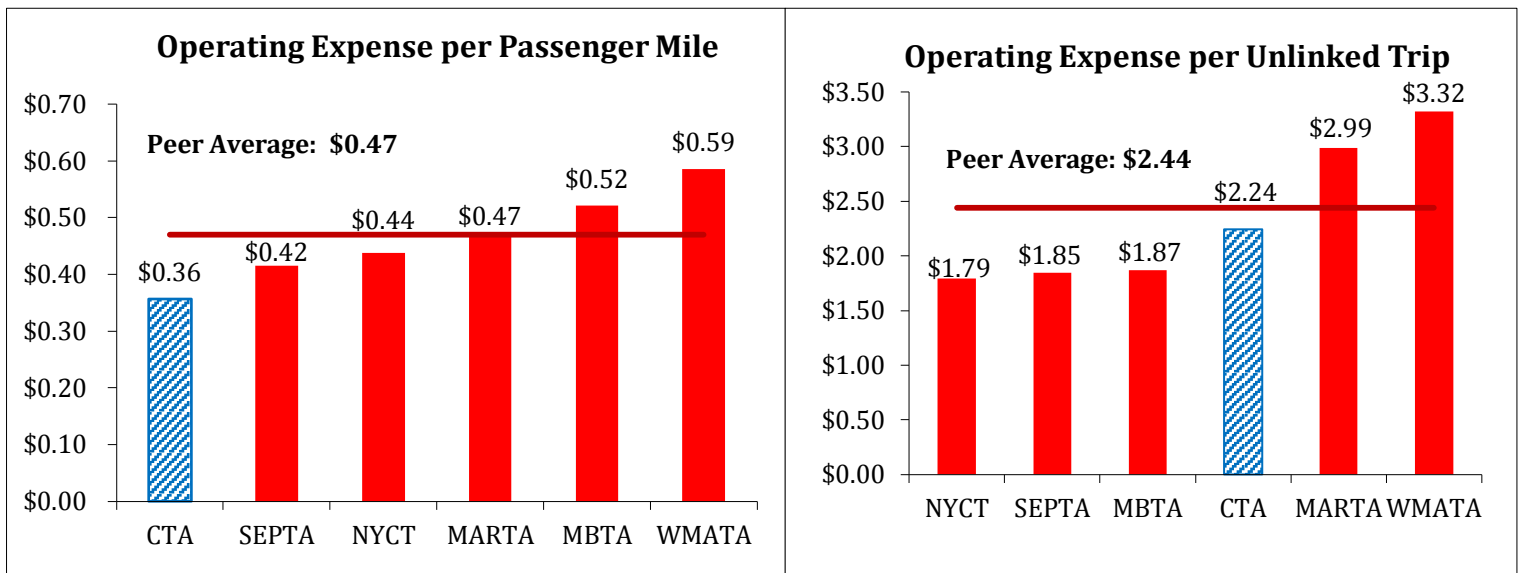
### Service Efficiency

CTA heavy rail achieved superior service efficiency, ranking at the top by far for both operating expense per vehicle revenue mile and operating expense per vehicle revenue hour. The two indicators were 40% and 47.3% below the peer average, respectively.



### Cost Effectiveness

CTA had the lowest expense per passenger mile amongst its peers, and, while the CTA had a higher operating expense per unlinked trip than half the peer agencies, it still bested the peer average by 20 cents.

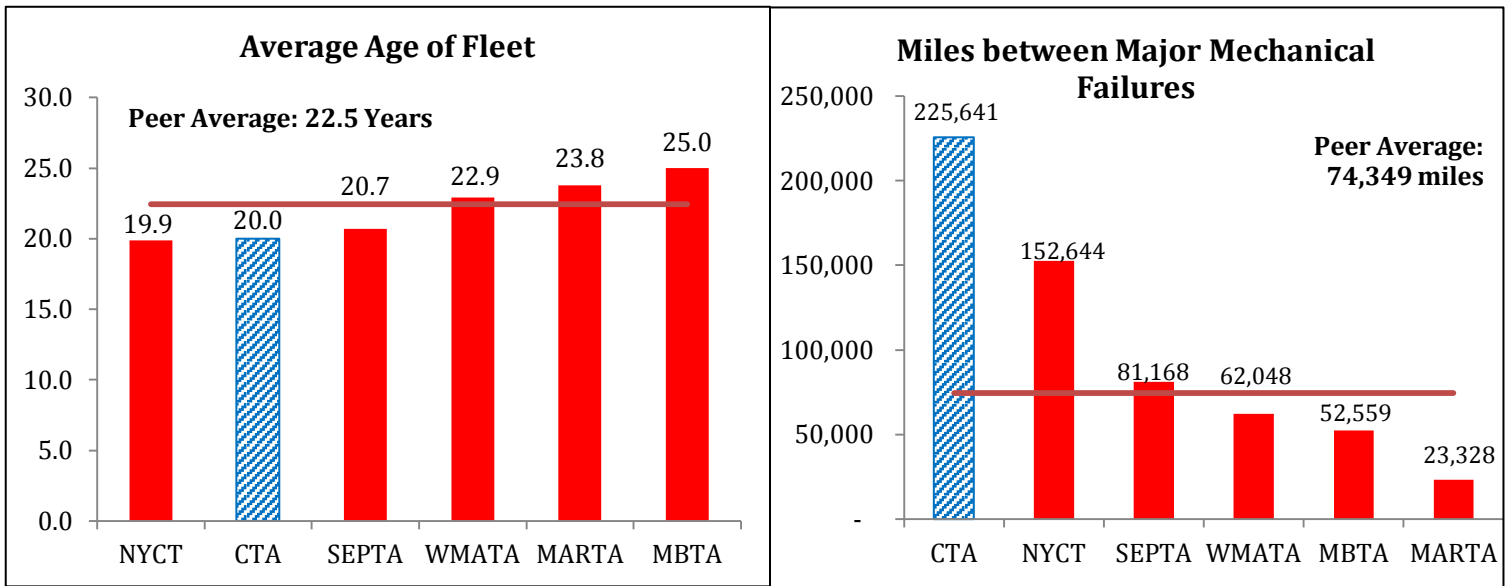


# CTA FY16 Budget

## Comparative Performance Analysis

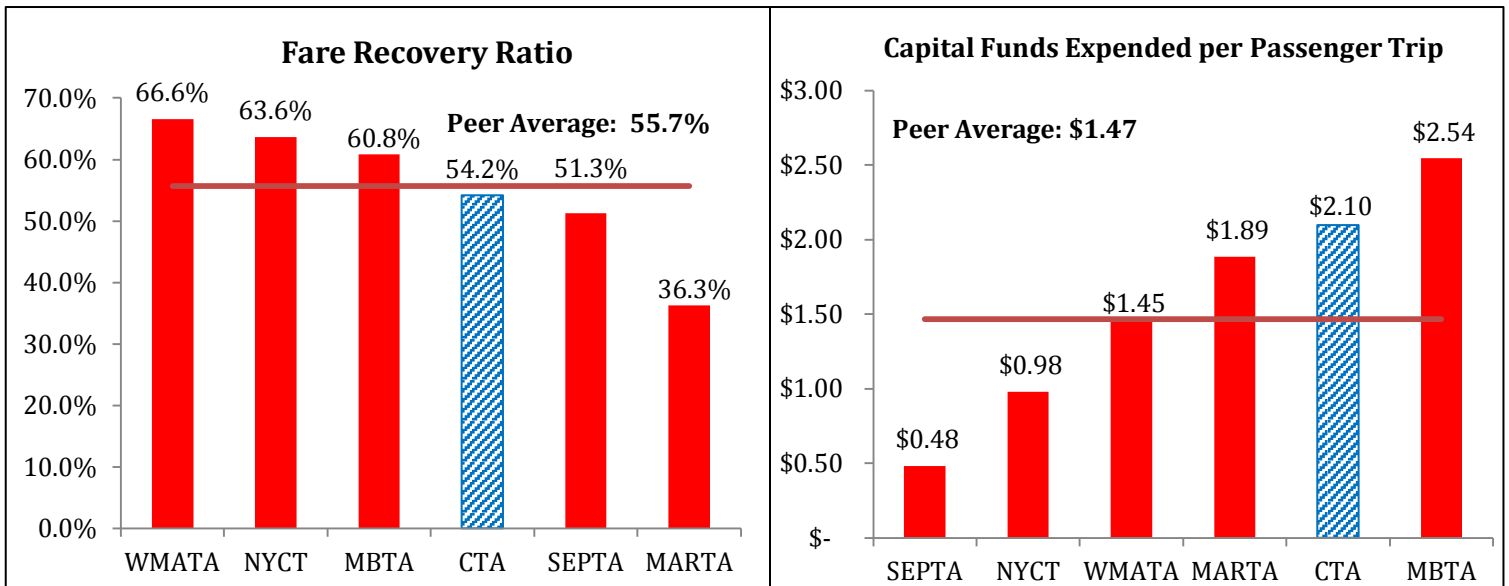
### Service Maintenance & Reliability

The CTA's recent investment in new rail cars significantly lowered the average age of the fleet, moving the CTA from the highest average fleet age in 2012 to a virtual tie with the lowest in 2013. The CTA continued to excel in Miles between Major Mechanical Failures, besting the peer average by over 300%.



### Service Level Solvency

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



**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# CTA FY16 Budget

## Sustainability Initiatives and Climate Change Impact at CTA

---

### Sustainable Transportation

The CTA plays an important role in reducing vehicle emissions in the Chicago region in replacing automobile trips, reducing traffic congestion and enabling compact development. By providing high-quality transit service, CTA strives to make regional transportation patterns more sustainable. The CTA replaces the equivalent of about 400,000 vehicles on regional roads each weekday. A full eight-car CTA train replaces more than 600 cars, and a full 60-foot articulated CTA bus replaces more than 70 cars.

### Clean Vehicles: CTA Trains

CTA's electric rail service, which operates over 8 rails lines and 224.1 miles of track, is a highly efficient motorized transport mode, operating on low-friction steel rails. On an average weekday, CTA provides about 2,250 rail service trips. CTA has improved the energy efficiency of its rail service with the purchase and delivery of more than 700 new rail cars, the 5000-series. The new 5000-series rail cars consume about 23% less peak energy at 55 miles-per-hour than the older rail cars. The energy efficiency of the 5000-series rail cars is due to regenerative braking technology that can transfer electricity back to the third rail, supplementing power to nearby CTA trains.

### Clean Vehicles: CTA Buses

The CTA maintains a fleet of over 1,850 buses that provide over 19,000 service trips per weekday. CTA has made strategic investments in the bus fleet in recent years to improve fuel efficiency. These strategic investments include the purchase of 250 hybrid buses, which make up about 15% of the total fleet. The investments in the CTA bus fleet also yield reductions in air-borne pollutants that threaten public health.

In 2014, CTA began receiving the first of 300 new 40-foot, EPA-2013 compliant clean diesel buses from the bus manufacturer Nova. The new Nova buses reduce particulate matter ("PM") by 95% compared to the older buses, which are begin gradually retired by CTA. The final Nova buses are expected to be delivered in early 2016.

The CTA also retrofitted older buses to improve the energy efficiency and emissions. As part of a mid-life overhaul program, CTA retrofitted 1,030 1000-series New Flyer buses with an electric engine cooling-fan drive system to lower pollutant emissions and reduce fuel consumption.

In late 2014, the CTA purchased two new all-electric prototype buses. These all electric-buses have zero tailpipe emissions and are being used on bus routes. They continue to perform well in Chicago's tough environment of extreme heat and cold with heavy passenger loads. Unlike the vehicles from CTA's previous bus purchases, which have been for diesel or diesel-electric hybrid buses, the two buses operate solely on electricity and can travel up to 100 miles on a single charge.

# CTA FY16 Budget

## **Sustainability Initiatives and Climate Change Impact at CTA**

---

In 2016, the CTA will continue to reduce diesel emissions and improve the quality of life for our customers and residents of the Chicago metropolitan area through retirement of the agency's oldest buses and making strategic investments in the bus fleet.

### **Efficient Facilities**

The CTA has made significant progress in identifying, evaluating, and implementing projects that increase energy efficiency in its facilities. In 2015, CTA implemented a number of energy-efficiency projects, including installation of more efficient lighting in bus garages and rail yards. CTA also partnered with the Smart Energy Design Assistance Center (SEDAC), a program at the University of Illinois and supported by the Illinois Department of Commerce and Economic Opportunity (DCEO), to receive free energy assessments and technical assistance. SEDAC evaluated over 35 CTA facilities and provided 13 reports with energy efficiency project recommendations, costs, and savings estimates.

The CTA also entered into an Investment Grade Audit (IGA) service contract with Ameresco to develop solutions to reduce energy costs for two CTA bus garages. An IGA provides a detailed assessment of energy usage with recommended building system upgrades to reduce annual energy consumption.

Finally, the CTA also implemented a new energy management software, EnergyCAP Enterprise, to analyze energy consumption by facility and also track energy savings through retrofits and other measures.

### **Climate Change Impact on the CTA**

The CTA is engaged in ongoing efforts to increase the resilience of its infrastructure, operations, and ridership to observed and projected impacts of climate change. In an effort to mitigate the impact of climate change, the CTA partners with multiple local, regional and national agencies, including the Sustainable Chicago 2015 action task force.

The CTA was selected by the Federal Transit Administration (FTA) as one of seven FTA-funded climate adaptation pilots. The FTA-funded pilot study focused on detailed adaptation strategies developed for three CTA system areas: right-of-way flooding, rail heat kinks, and signal house overheating. The final FTA report, entitled "An Integrated Approach to Climate Adaptation at the Chicago Transit Authority" was published in early 2015. The CTA is incorporating the recommendations of the climate adaptation pilot into its capital program, including track and station renewal projects.

# CTA FY16 Budget

## Fare Structure

### Fare Structure

No fare changes are proposed for 2016

Fare Group	Current Fare Structure
<i>CTA Regular Fare Types</i>	
Full Fare Bus <sup>[1]</sup>	\$2.00
Full Fare Rail <sup>[1]</sup>	\$2.25
Full Fare Cash/PAYG <sup>[2]</sup> (Bus Only)	\$2.25
Transfer <sup>[3]</sup>	\$0.25 (1 <sup>st</sup> ), free (2 <sup>nd</sup> )
Ventra Single Ride Ticket (price includes 2 transfers) <sup>[4]</sup>	\$2.50 + fee
1-Day Pass	\$10.00
3-Day Pass	\$20.00
7-Day Pass	\$28.00
7-Day Pass (CTA/Pace)	\$33.00
30-Day Pass (CTA/Pace)	\$100.00
Metra Link-Up	\$55.00
<i>CTA Reduced Fare Types <sup>[5]</sup></i>	
Reduced Fare Bus	\$1.00
Reduced Fare Rail	\$1.10
Reduced Fare Cash (Bus Only)	\$1.10
Transfer <sup>[3]</sup>	\$0.15 (1 <sup>st</sup> ), free (2 <sup>nd</sup> )
30-Day Reduced Pass	\$50
<i>CTA Student Fare <sup>[6]</sup></i>	
Bus & Rail on Student Card	\$0.75
Transfer <sup>[3]</sup>	\$0.15 (1 <sup>st</sup> ), free (2 <sup>nd</sup> )
Student Fare Cash (Bus Only)	\$0.75
<i>O'Hare Station Fare <sup>[7]</sup></i>	
Full Fare on Ventra cards, Ventra Tickets, Cash or PAYG	\$5.00
<i>Stadium Express Bus</i>	
#128 Soldier Field Express <sup>[8]</sup>	\$5.00 round-trip \$2.50 reduced fare

# CTA FY16 Budget

## Fare Structure

---

---

### Notes

- [1] Indicates fares paid with Ventra Card or registered contactless credit/debit cards, unless otherwise indicated.
- [2] "PAYG" refers to payments made by a contactless credit card or mobile wallet not associated with a Transit Account (unregistered).
- [3] Transfers are not available with cash or PAYG transactions.
- [4] An additional 50 cent limited use fee is applied to the fare on a Ventra Ticket.
- [5] The CTA offers reduced fares via a RTA reduced-fare permit to seniors and persons with disabilities in compliance with 49 CFR Part 609. In addition, the CTA also offers reduced fares to children age 7-11. Free rides are offered to low-income seniors and persons with disabilities as required by 70 ILCS 3605/51(b) & 70 ILCS 3605/52. Children under the age of 7 are free at all times when riding with an adult.
- [6] Student Fares are for enrolled elementary and high school students on school days only, 5:30 a.m. to 8:30 p.m. Students can pay with transit value on their Student Ventra Card, or present the Card on bus to be eligible for reduced cash fare.
- [7] Special \$5 pricing at O'Hare station is not applicable to the following customers: Ventra Cards using a purchased period-pass; contactless credit/debit cards using a purchased period-pass; O'Hare Airport-based employees using an employer-issued Ventra Card; reduced fares; student fares; and U-Pass.
- [8] The #128 Soldier Field Express is a service jointly managed by CTA and Metra, scheduled to operate for all Chicago Bears home games at Soldier Field, and other agreed-upon events. Period-passes, Student Fares and U-Pass fares are not accepted on the #128. Reduced fares are for customers displaying the RTA reduced-fare permit and children ages 7 to 11. Statutory free rides (seniors and persons with disabilities) and children under the age of 7 are free on the #128.

# CTA FY16 Budget

## Comparative Fare Structure

### Comparative Fare Structure

All displayed fares are cash-based. Each transit agency has its own card-based system and fares, which are not reflected here. This comparison was conducted in October, 2015.

<u>CITY SYSTEM</u>	<u>Bus Fare</u>	<u>Express Bus Fare</u>	<u>Rail Fare</u>	<u>30-Day/Monthly Pass Cost</u>	<u>Reduced Fare (Senior/Disabled)</u>
<b>CHICAGO (CTA)</b>	<b>\$2.00</b>	---	<b>\$2.25</b>	<b>\$100</b>	<b>\$1.00 - Bus \$1.10 - Rail</b>
ATLANTA (MARTA)	\$2.50	---	\$2.50	\$95	\$1.00
NEW YORK CITY (MTA)	\$2.75	\$6.50	\$2.75	\$116.50	\$1.35
PHILADELPHIA (SEPTA)	\$2.25 <sup>1</sup>	---	\$2.25 <sup>2</sup>	\$91	Senior: Free Disabled: \$1.00
BOSTON (MBTA)	\$2.10	\$4.75 (Inner) \$6.80 (Outer)	\$2.65	\$50 - \$168	\$0.80 - Bus \$1.05 - Rail
WASHINGTON D.C. (WMATA)	\$1.75	\$4.00 Regular \$2.00 Senior/Disabled	\$2.15 - \$5.90 <sup>3</sup>	\$237 <sup>4</sup>	\$0.85
LOS ANGELES (LACMTA)	\$1.75	\$2.50 Regular \$1.35 Senior/Disabled	\$1.75	\$100	\$0.75 Rush Hours; \$0.35 Non-Rush Hours

### CTA Historical Fare Structure

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

<sup>1</sup> Zone charge may apply.

<sup>2</sup> Zone charge may apply.

<sup>3</sup> The fares are zone based and depend on hours traveled. Full fares are paid during peak hours varying from \$2.15 to \$5.90, with a \$0.40 fee added to regular fares during the peak-of-the-peak periods (weekday 7:30-9:00 a.m. and 3:00-7:00 p.m., based on the starting time of the trip).

<sup>4</sup> WMATA sells a 28-day pass for unlimited Metro rides.



**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# CTA FY16 Budget

## Acronyms & Glossary

---

### Acronyms

AA	Alternatives Analysis
ADA	Americans with Disabilities Act
APB	Accounting Principles Board
ARRA	American Recovery and Reinvestment Act
BAB	Build America Bonds
BLS	Bureau of Labor Statistics
BOB	State Bureau of the Budget
BRT	Bus Rapid Transit
CAC	Capital Advisory Committee
CBO	Congressional Budget Office
CIP	Capital Improvement Program
CDOT	Chicago Department of Transportation
CMAQ	Chicago Metropolitan Agency for Planning
CMAQ	Congestion Mitigation and Air Quality Improvement Program
CPD	Chicago Police Department
CPI	Consumer Price Index
CTA	Chicago Transit Authority
DBE	Disadvantaged Business Enterprise
EIA	Energy Information Administration
EIS	Environmental Impact Statement
FASB	Financial Accounting Standards Board
FFGA	Full Funding Grant Agreement
FICA	Federal Insurance Contribution Act
FOMC	Federal Open Market Committee
FTA	Federal Transit Administration
FY	Fiscal Year
GAAP	General Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GFOA	Government Finance Office Association
ICE	Innovation, Coordination and Enhancement Fund of RTA
IDOT	Illinois Department of Transportation
JARC	Job Access and Reverse Commute Program
LACMTA	Los Angeles County Metropolitan Transportation Authority
LIBOR	London Interbank Offered Rate
LPA	Locally Preferred Alternative
MBTA	Massachusetts Bay Transportation Authority
NTD	National Transit Database
NYCT	New York City Transit
OPEC	Organization of Petroleum Exporting Countries
PBC	Public Building Commission of Chicago

# CTA FY16 Budget

## Acronyms & Glossary

---

POB	Pension Obligation Bond
PPI	Producer Price Index
RTA	Regional Transportation Authority
RETT	Real Estate Transfer Tax
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SCIP	Strategic Capital Improvement Program
SEPTA	Southeastern Pennsylvania Transportation Authority
SOGR	State of Good Repair
STIP	State Transportation Improvement Program
STO	Scheduled Transit Operations
SWAP	Sheriff's Work Alternative Program
TEA-21	Transportation Equity Act for the 21 <sup>st</sup> Century
TIFIA	Transportation Infrastructure Finance and Innovation Act
TIGGER	Transit Investments for Greenhouse Gas and Energy Reduction
TIP	Transportation Improvement Program
TSP	Traffic Signal Prioritization
UWP	Unified Work Program
WMATA	Washington Metropolitan Area Transit Authority

# CTA FY16 Budget

## Acronyms & Glossary

---

---

### Glossary

**2008 Legislation**

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

**Accessible**

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

**Accounting Principles Board (APB)**

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

**Accrual Basis**

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

**Alternatives Analysis (AA) Study**

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

**Americans with Disabilities Act (ADA)**

The Americans with Disabilities Act (ADA) of 1990, including changes made by the ADA Amendments Act of 2008, became effective on January 1, 2009. This federal act requires many changes to ensure that people with disabilities have access to jobs, public accommodations, telecommunications and public services, including public transit. Examples of these changes includes mandating that all new buses and rail lines be wheelchair accessible and that alternative transportation be provided to customers unable to access the transit system.

# CTA FY16 Budget

## Acronyms & Glossary

---

---

<p><b>American Recovery and Reinvestment Act (ARRA)</b> An economic stimulus package enacted in February 2009 to create jobs and promote investment and consumer spending during the recession. The Act includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions as well as domestic spending in education, health care and infrastructure, including the energy sector.</p>
<p><b>Articulated Bus</b> A high-capacity passenger bus that flexes in the middle.</p>
<p><b>ADA Paratransit Fund</b> A fund created by the 2008 Legislation to fund regional paratransit services provided by Pace.</p>
<p><b>Accounting Principles Board</b> Former authoritative body of the American Institute of Certified Public Accountants, which issued a series of accountants opinions constituting much of what is known as GAAP.</p>
<p><b>Big Gap</b> An instance when the time in between buses is more than double the scheduled interval and also creates a gap of more than 15 minutes.</p>
<p><b>Bond</b> An interest-bearing promise to pay a specified sum of money on a specified date in the future.</p>
<p><b>Build America Bonds (BAB)</b> A subsidy provided by the American Recovery and Reinvestment Act that provides for a wider pool of capital financing funding for state, county and municipal entities, such as the CTA.</p>
<p><b>Bureau of Labor Statistics (BLS)</b> The Bureau of Labor Statistics of the U.S. Department of Labor is the principal federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making. As an independent statistical agency, BLS serves its diverse user communities by providing products and services that are objective, timely, accurate, and relevant.</p>
<p><b>Bus Rapid Transit (BRT)</b> BRT is an enhanced bus system that operates on bus lanes or other transitways in order to combine the flexibility of buses with the efficiency of rail. By doing so, BRT operates at faster speeds, provides greater service reliability and increased customer convenience.</p>

# CTA FY16 Budget

## Acronyms & Glossary

<p><b>Capital Advisory Committee (CAC)</b> The Capital Advisory Committee is comprised of members from local universities as well as leaders from the business community. The purpose of the CAC is to solicit expert advice from external professionals in carrying out the CTA’s capital process including the selection of projects for funding and advising the CTA in closing the funding gap.</p>
<p><b>Capital Budget</b> A formal plan of action for a specified time period for purchases of fixed assets using capital grants.</p>
<p><b>Capital Expense</b> Expenditures that acquire improve or extend the useful life of any item with an expected life of three or more years and a value of more than \$5,000 (e.g. rolling stock, track and structure, support facilities and equipment, and stations and passenger equipment). It can also include the costs associated with the long-term maintenance of these assets, such as bus overhaul programs, rail overhaul programs and preventive maintenance. Also referred to as a capital improvement.</p>
<p><b>Capital Grant</b> Funds received from grantor funding agencies used to finance construction, renovation, and major repairs or the purchase of machinery, equipment, buildings, or land.</p>
<p><b>Capital Improvement Program (CIP)</b> A strategic and comprehensive financing program in which available capital funds are identified and targeted toward key capital renewal and improvement needs of the CTA system to yield the greatest customer benefit.</p>
<p><b>Chicago Card</b> A stored-value farecard that has an embedded microchip that can be read to register fares by the fare equipment when touched to the touchpad on the front of rail station turnstiles and bus fareboxes on all CTA routes and Pace buses. Value is added with cash at CTA vending machines or off-site Touch-n-Go devices.</p>
<p><b>Chicago Card Plus</b> A farecard with its balance maintained in an online account rather than stored on the card itself. Value is added with credit cards or through electronic transit benefit deductions only. The card also features online reloading — customer accounts automatically reload each time their account value falls below the pre-selected reload amounts.</p>
<p><b>Chicago Department of Transportation (CDOT)</b> The Chicago Department of Transportation (CDOT) is responsible for public way infrastructure including planning, design, construction, maintenance and management.</p>

# CTA FY16 Budget

## Acronyms & Glossary

<p><b>Collar Counties</b> The five counties that surround Cook County as identified in the RTA Act: Will, Kane, DuPage, Lake, and McHenry counties.</p>
<p><b>Chicago Metropolitan Agency for Planning (CMAP)</b> The agency that integrates land use planning and transportation planning for the counties of Cook, DuPage, Kane, Kendall, Lake, McHenry and Will in northeastern Illinois. CMAP and its partners aim to remove barriers to cooperation across geographical boundaries and subject areas such as land use, transportation, natural resources, housing, and economic development.</p>
<p><b>Congestion Mitigation &amp; Air Quality Improvement Program (CMAQ)</b> A program initially authorized by the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991 that provided \$6.0 billion in funding for surface transportation and other related projects to contribute to air quality improvements and reduce congestion. It was reauthorized in 2005 under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and provides funding to State Departments of Transportation, Metropolitan Planning Organizations, and transit agencies to invest in projects that reduce criteria air pollutants regulated from transportation-related sources. The Program provides the CTA with funding totaling \$19.92 million over a period of five years (2011-2015).</p>
<p><b>Congressional Budget Office</b> Branch of the federal government that provides economic data to Congress.</p>
<p><b>Consumer Price Index (CPI)</b> A measure estimating the average price of consumer goods and services purchased by households. CPI measures a price change for a market basket of goods and services from one period to the next within the same area and is used as a measure of the increase in the cost of living (i.e. economic inflation).</p>
<p><b>Corridor</b> A defined study area considered for significant transportation projects such as highway improvements, bus transitways, rail lines, or bikeways (e.g. Dan Ryan corridor, Western Avenue corridor).</p>
<p><b>CTA Board Member Terms of Office</b> Board member terms are in seven year increments. Board members may be appointed to terms already in progress, in which case they may serve until the end of that term.</p>
<p><b>Depreciation</b> An accounting term that recognizes the loss in value of a tangible fixed asset over time attributable to deterioration, obsolescence, and impending retirement. Applies particularly to physical assets like vehicles, equipment, and structures.</p>

# CTA FY16 Budget

## Acronyms & Glossary

<p><b>Disadvantaged Business Enterprise (DBE)</b> The Disadvantaged Business Enterprise (DBE) program is intended to ensure nondiscrimination in the award and administration of contracts.</p>
<p><b>Discretionary Funds</b> Funds that the RTA allocates, at its discretion, to the Service Boards. These funds include Public Transportation Funds and a portion of the 15 percent of the RTA Sales Tax.</p>
<p><b>Energy Information Administration (EIA)</b> The U.S. Energy Information Administration (EIA) collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment.</p>
<p><b>Environmental Impact Statement (EIS)</b> An Environmental Impact Statement (EIS) is a document required by the National Environmental Policy Act for federal government agency actions significantly affecting the quality of the human environment. As a tool for decision making, an EIS describes the positive and negative environmental effects of proposed agency action and cites alternative actions.</p>
<p><b>Fare</b> The amount charged to passengers for bus and rail services.</p>
<p><b>Farebox</b> Equipment used for the collection of bus fares.</p>
<p><b>Farecard</b> Electronic fare media used for payment of fares.</p>
<p><b>Federal Funds Rate</b> The interest rate at which banks lend balances at the Federal Reserve to other banks overnight. The rate is set by the Federal Open Market Committee (FOMC). The FOMC's long term goals are price stability and sustainable economic growth in the economy.</p>
<p><b>Federal Open Market Committee (FOMC)</b> Branch of the Federal Reserve that is responsible for open market operations, such as the purchase and sale of U.S. treasuries and federal agencies securities.</p>
<p><b>Federal Transit Administration (FTA)</b> The federal agency which provides financial and planning assistance to help plan, build, and operate rail, bus, and paratransit systems through grant programs.</p>



# CTA FY16 Budget

## Acronyms & Glossary

<p><b>Federal Insurance Contributions Act (FICA)</b> Social Security payroll taxes are collected under the authority of FICA.</p>
<p><b>Financial Accounting Standards Board (FASB)</b> The FASB establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.</p>
<p><b>Financial Plan</b> In addition to an annual budget, the Regional Transportation Authority Act, as amended in 2008, requires that all transit agencies prepare a financial plan encompassing the two years subsequent to the budget year. This provides a three-year projection of expenses, revenues and public funding requirements.</p>
<p><b>Fiscal Year (FY)</b> A fiscal year is a 12-month period used for calculating annual financial reports in organizations. The CTA's fiscal year runs congruent to the calendar year, beginning on January 1 and ending on December 31.</p>
<p><b>Full Funding Grant Agreement (FFGA)</b> Grant agreements authorized under federal transit law that establish the terms and conditions for federal financial participation in a New Starts project. The FFGA defines the project, sets the maximum amount of federal New Starts funding for a project, covers the period of time for completion of the project, and facilitates efficient management of the project in accordance with applicable federal statutes, regulations, and policy.</p>
<p><b>Fund Balance</b> The excess of funding for a given period of time, referring to unreserved/undesignated funds. Annual budget surpluses (or deficits) generally add to (or subtract from) the fund balance.</p>
<p><b>Funding (Budget) Marks</b> The Regional Transportation Authority Act, as amended in 1983, calls for the RTA to advise each of its Service Boards by September 15<sup>th</sup> of the public funding to be available for the following year, as well as the required recovery ratio.</p>
<p><b>Generally Accepted Accounting Principles (GAAP)</b> GAAP is the standard framework of guidelines for financial accounting, mainly used in the United States. It includes the standards, conventions and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.</p>
<p><b>Governmental Accounting Standards Board (GASB)</b> The GASB establishes and improves standards of state and local governmental accounting and financial reporting.</p>

# CTA FY16 Budget

## Acronyms & Glossary

### **Gross Domestic Product (GDP)**

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

### **Government Finance Office Association (GFOA)**

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

### **Headway**

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

### **Heavy Rail**

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

### **Hedge**

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

### **Hybrid Bus**

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

### **Illinois Fund for Infrastructure, Roads, Schools and Transit (Illinois FIRST)**

A five-year public works improvement program that allocated capital funds between FY2000 through FY2004.

### **Illinois Jobs Now Program**

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

### **Illinois' Low-Income Circuit Breaker Program**

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

# CTA FY16 Budget

## Acronyms & Glossary

<p><b>Infrastructure</b> Capital assets that make up the CTA’s transportation system, including maintenance facilities, rail track, signals, stations, elevated structures, and power substations.</p>
<p><b>Innovation, Coordination and Enhancement Fund (ICE)</b> A fund established by the 2008 amendments to the RTA Act for operating or capital grants or loans to Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the RTA’s Strategic Plan. Unless an emergency is determined by the RTA Board that requires some or all amounts of the Fund, it can only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.</p>
<p><b>Intermodal</b> Transportation by more than one mode (bus, train, etc.) during a single journey.</p>
<p><b>Interval</b> The time between when one service vehicle (bus or train) leaves a stop/station to the time when the following vehicle leaves the same stop/station.</p>
<p><b>Job Access and Reverse Commute Program (JARC)</b> A program established by the FTA to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment, which often is located in a less accessible area and/or requires late at night or weekend schedules when conventional transit services are not sufficiently provided.</p>
<p><b>Locally Preferred Alternative (LPA)</b> The final selected scope and design for a major corridor investment. Alternatives analysis is considered complete when a locally preferred alternative is selected by local and regional decision makers and adopted by the Metropolitan Planning Organization (MPO) into the financially constrained, long-range metropolitan transportation plan.</p>
<p><b>London Interbank Offered Rate (LIBOR)</b> Short-term interest rate used when banks borrow funds from other banks in the London interbank market. The world’s most widely used benchmark for short-term loans.</p>
<p><b>Major Delay – Rail</b> An instance where a train experiences a delay to service of ten minutes or more.</p>
<p><b>Mean Miles Between Defects</b> The average mileage a train accrues before experiencing a defect.</p>

# CTA FY16 Budget

## Acronyms & Glossary

<p><b>Metra</b> Commuter Rail division of the RTA responsible for the day-to-day operation of the region's long-distance commuter rail transit service (with the exception of those services provided by the CTA). Metra was created in 1983 by an amendment to the RTA Act.</p>
<p><b>National Transit Database (NTD)</b> The FTA's primary national database for statistics on the transit industry.</p>
<p><b>New Starts</b> FTA discretionary program that is the federal government's primary financial resource for supporting locally-planned, implemented and operated transit "guideway" capital investments.</p>
<p><b>Non-Farm Payroll</b> A compiled employment level of goods-producing, construction and manufacturing companies. It is released monthly by the United States Department of Labor to represent the number of jobs added or lost in the economy over the last month.</p>
<p><b>Non-Operating Funds</b> Capital grant monies to fund expenses.</p>
<p><b>Non-Revenue Vehicle</b> Vehicles that do not carry fare-paying passengers and are used to support transit operations.</p>
<p><b>Operating Budget</b> Annual revenues and expenses forecast to maintain operations.</p>
<p><b>Operating Expenses</b> Costs associated with the day-to-day operations of the delivery of service for a transit agency. Examples of operating expenses include labor, material, fuel, power, security and professional services.</p>
<p><b>Operating Revenues</b> Revenues generated from user fees (in the form of farebox revenues) or other activities directly related to operations such as advertising, concessions, parking, investment income, etc.</p>
<p><b>Organization of Petroleum Exporting Countries (OPEC)</b> OPEC is an intergovernmental organization of 12 developing countries made up of Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. OPEC has maintained its headquarters in Vienna since 1965.</p>

# CTA FY16 Budget

## Acronyms & Glossary

---

---

**Pace**

The Suburban Bus Division of the RTA, responsible for non-rail, suburban public transit service and all paratransit service. Pace was created in 1983 by an amendment to the RTA Act.

**Paratransit Service**

Demand-response service utilizing wheelchair-accessible vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants. Paratransit includes demand-response transportation services, subscription bus services and shared-ride taxis.

**Passenger Miles**

The sum of the distances traveled by passengers.

**Pay-As-You-Go Funding**

A practice of financing expenditures with funds that are currently available rather than borrowed.

**Pension Obligation Bonds (POB)**

Debt instruments issued by a governmental entity to fund all or a portion of the Unfunded Actuarially Accrued Liabilities (UAAL) for pension and/or Other Post Employment Benefits (OPEB).

**Performance Management**

The process of assessing and acting upon progress toward achieving predetermined measures and metrics. All operating and most support personnel are held accountable to these measures and metrics. The CTA implemented a performance management program in May 2007.

**Power Washing - Facilities**

The deep cleaning of a CTA station or facility using pressure washing equipment.

**Preventive Maintenance**

The care and servicing of equipment and facilities in order to maintain them in satisfactory operating condition. Preventive maintenance provides for systematic inspection, detection and correction of incipient failures either before they occur or before they develop into major defects.

**Producer Price Index (PPI)**

A family of indices from the U.S. Bureau of Labor Statistics (BLS) that measures the average changes over time in the prices received by domestic producers of goods and services.

# CTA FY16 Budget

## Acronyms & Glossary

---

---

<p><b>Public Building Commission (PBC)</b> Formed in 1956, this City of Chicago organization provides professional management of the city's public construction projects.</p>
<p><b>Public Funding</b> Funding received from the RTA or other government agencies.</p>
<p><b>Public Transportation Funds (PTF)</b> As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. The state funding package increases the percentage of state sales tax dedicated to mass transit and deposits additional amount of funding to PTF. All funds deposited are allocated to the RTA to be used at its discretion for the benefit of the Service Boards.</p>
<p><b>Real Estate Transfer Tax (RETT)</b> A source of public funding for the CTA collected by the City of Chicago. The 2008 legislation authorized a \$1.50 per \$500 increase in RETT and the CTA receives 100 percent of the RETT increase.</p>
<p><b>Recovery Ratio</b> Measures the percentage of expenses that a Service Board must pay against revenues that it generates. The RTA Act mandates that the RTA region must attain an annual recovery ratio of at least 50 percent.</p>
<p><b>Reduced Fare</b> Discounted fare for children ages seven through 11, grade school and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except paratransit riders.</p>
<p><b>Reduced Fare Reimbursement</b> Reimbursement of revenue lost by the Service Boards due to providing reduced fares to students, elderly and the disabled. The CTA recovers the cost of trips with both the fare revenue and operating subsidies. The reimbursements are made from the State of Illinois to cover the difference between the standard and reduced fare. Reimbursement amounts are allocated to the Service Boards based on reduced fare passenger trips taken during the year.</p>
<p><b>Regional Transportation Authority (RTA)</b> The RTA is the financial oversight and regional planning body for the three public transit operators in northeastern Illinois: the CTA, Metra commuter rail, and Pace suburban bus.</p>

# CTA FY16 Budget

## Acronyms & Glossary

<p><b>Regional Transportation Authority Act (RTA Act)</b> An Act that regulates which public funds may be expended and authorizes the state to provide financial assistance to units of local government for distribution to providers of public transportation, including the CTA. It authorizes the distribution of sales tax revenue collected by the City of Chicago and collar counties, Public Transportation Funds, State Assistance, as well as other funding streams for the CTA. It also outlines criteria that the CTA has to meet for its budget approval.</p>
<p><b>RTA Sales Tax</b> The primary source of operating revenue for the RTA, the CTA, Metra and Pace. The RTA retains 15 percent of the original one percent RTA sales tax authorized in 1983. Of that which remains, the CTA receives 100 percent of the taxes collected in the City of Chicago and 30 percent of those taxes collected in suburban Cook County. Of the funding available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs.</p>
<p><b>Revenue Bond</b> A certificate of debt issued by an organization in order to raise revenue. It guarantees payment of the original investment plus interest by a specified date. Debt service payment is secured by a specific revenue source.</p>
<p><b>Revenue Equipment</b> Includes vehicles that carry fare-paying passengers and equipment used for the collection of fares.</p>
<p><b>Ride</b> A trip taken by passengers on the bus or rail system.</p>
<p><b>Ridership (Unlinked Passenger Trips)</b> Total number of rides. Each passenger is counted each time that person boards a vehicle.</p>
<p><b>Right-of-Way</b> A strip of land that is granted, through an easement or other mechanism, for transportation purposes, such as for a trail, driveway, rail line or highway. A right-of-way is reserved for the purposes of maintenance or expansion of existing services within the right-of-way.</p>
<p><b>Rolling Stock</b> Public transportation vehicles, including rail cars and buses.</p>
<p><b>Run</b> Rail or bus operator's assigned period(s) of work on a given day.</p>

# CTA FY16 Budget

## Acronyms & Glossary

<p><b>SAFETEA-LU</b> Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). A federal transit and highway bill signed into act on August 10, 2005, authorizing \$286.4 billion nationwide through 2009, including \$52.6 billion for transit. A reauthorization of the federal transit and highway program is pending congressional action.</p>
<p><b>Scheduled Transit Operations (STO)</b> The scheduled transit operations classification includes bus operators, motormen and conductors.</p>
<p><b>Senate Bill (SB) 1977</b> Illinois Senate Bill that stipulates that beginning January 1, 2009, the CTA must make annual contributions to the CTA Pension Fund to achieve a 90 percent funded ratio by 2059. The CTA's Pension Fund's actuary has determined that the fund's assets will be exhausted by 2012 without significant increased contributions and changes to the funding structure and benefit levels.</p>
<p><b>Service Boards</b> CTA, Metra commuter rail and Pace suburban bus system, as referred to by the Regional Transportation Authority Act.</p>
<p><b>Sheriff's Work Alternative Program (SWAP)</b> A program where persons convicted of Driving Under the Influence and other low-level offenses are required to provide a variety of community services for municipalities throughout Cook County.</p>
<p><b>Slow Zone</b> Sections of track where trains must reduce speed in order to safely operate rail service.</p>
<p><b>State Assistance</b> The supplemental funding provided by the RTA Act in the form of additional state and financial assistance to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. It equals the debt service amounts paid to the bondholders of the SCI bonds plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned on the bonds' proceeds.</p>
<p><b>State of Good Repair (SOGR)</b> An asset or system is in a state of good repair when no backlog of capital needs exists – hence all asset life cycle investment needs (e.g., preventive maintenance and rehabilitation) have been addressed and no capital asset exceeds its useful life. Therefore, the first priority for a transit system is to maintain infrastructure and equipment, making regular repairs where needed and retiring equipment from service at the end of its life cycle.</p>



# CTA FY16 Budget

## Acronyms & Glossary

<p><b>State of Illinois' Public Transportation Fund (PTF)</b> As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The treasurer transfers this amount to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. The RTA uses these funds at its discretion to fund the service board needs, RTA operations, debt service and capital investment.</p>
<p><b>State Transportation Improvement Plan (STIP)</b> The FY 2006-2009 Statewide Transportation Improvement Program (STIP) is a four-year program of highway and transit projects developed to fulfill the requirements set forth in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and its successor, the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), and in the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). The FY 2006-2009 STIP totals \$15.66 billion with \$7.1 billion for highway improvements and \$8.56 billion for transit capital improvements and operating assistance.</p>
<p><b>Stimulus Funds</b> See American Recovery and Reinvestment Act.</p>
<p><b>Suburban Community Mobility Fund</b> Outlined by the RTA Act, grants and appropriations from the state, which the RTA distributes to the Suburban Bus Board for operating transit services, other than traditional fixed-route services, that enhance suburban mobility, including, but not limited to, demand-responsive transit services, ride sharing, van pooling, service coordination, centralized dispatching and call taking, reverse commuting, service restructuring and bus rapid transit.</p>
<p><b>System-Generated Revenue</b> Revenue generated by the CTA. Includes fare revenue, advertising, investment income, income from local governments by provision of the Regional Transportation Authority Act, and subsidies for reduced fare riders per 1989 legislation.</p>
<p><b>TEA-21</b> Transportation Equity Act for the 21<sup>st</sup> Century, a federal transportation package that reauthorized the Federal Transit Program for the eight years from 1998 through 2005. Grants can pay up to 80 percent of a capital project, with the remaining 20 percent funded from local sources.</p>
<p><b>Ten-Year Swap Rate</b> The rate paid by a fixed-rate payer on an interest swap with maturity of ten years.</p>

# CTA FY16 Budget

## Acronyms & Glossary

<p><b>Ten-Year Swap Spread</b></p> <p>The gap between the rates to exchange floating for fixed interest payments and treasury yield for ten years. By taking into account the investments that contain credit risk, as well as the ones that are often viewed as risk-free, swap spread indicates investors' expectations of the market.</p>
<p><b>Transportation Infrastructure Finance and Innovation Act (TIFIA)</b></p> <p>The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified projects of regional and national significance. Many large-scale, surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.</p>
<p><b>Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER)</b></p> <p>The TIGGER Program has been continued in FY2011 through the Department of Defense and Full-Year Continuing Appropriations Act 2011 (Pub. L. 112-10). \$49.9 million was appropriated for grants to public transit agencies for capital investments that will reduce the energy consumption or greenhouse gas emissions of their public transportation systems.</p>
<p><b>Transportation Improvement Plan (TIP)</b></p> <p>A six-year financial program that describes the schedule for obligating federal funds to state and local projects. The TIP contains funding information for all modes of transportation, including highways and high-occupancy vehicles, as well as transit capital and operating costs.</p>
<p><b>Top Operator Rate</b></p> <p>The top hourly rate paid to CTA bus and rail operators, based on employee seniority within the job, as specified by the union contract.</p>
<p><b>Trip</b></p> <p>A one-way bus or train trip from origin to destination terminal.</p>
<p><b>Traffic Signal Prioritization</b></p> <p>Operational strategy where communication between a transit bus and a traffic signal alters the timing of the traffic signal to give priority to the transit vehicle.</p>

# CTA FY16 Budget

## Acronyms & Glossary

---

---

**Unified Work Program (UWP)**

The Unified Work Program lists the planning projects the Chicago Area Transportation Study and other agencies undertake each year to enhance transportation in northeastern Illinois and to fulfill federal planning regulations. The UWP is designed to run in conjunction with the State of Illinois fiscal year timeline of July 1-June 30. The final UWP document includes the transportation planning activities to be carried out in the region, detailing each project's description, products, costs, and sources of funding.

**Unlinked Passenger Trip**

An unlinked passenger trip is a single boarding of any transit vehicle. Thus, unlinked passenger trips for any transit system are the number of passengers boarding public transportation vehicles. A passenger is counted each time he boards a vehicle, even if the boarding is part of the same trip.

**Vehicle Revenue Hours**

The hours that vehicles travel while in revenue service. Vehicle revenue hours include recovery time but exclude travel to and from storage facilities.

**Vehicle Revenue Miles**

Miles that vehicles travel while in revenue service. Vehicle revenue miles exclude travel to and from storage facilities.

**Ventra**

Payment system for CTA and Pace that allows customers to pay for train and bus rides with the same methods used for everyday purchases and also allows them to manage their accounts online and choose from several different contactless payment methods.

## Distinguished Budget Presentation Award

---

---

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Chicago Transit Authority, Illinois for the Annual Budget beginning January 01, 2015. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Chicago Transit Authority**

**Illinois**

For the Fiscal Year Beginning

**January 1, 2015**

A handwritten signature in cursive script, reading "Jeffrey R. Egan".

Executive Director



**Chicago Transit Authority**

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

1-888-YOUR-CTA