

Summary of 2016 Proposed Regional Budget and Capital Program



CTA, Metra, Pace, ADA Paratransit, and RTA

The budgets summarized herein represent the proposed 2016 operating budgets and five-year capital programs of the Service Boards, as released for public hearing, and subject to the review and approval of the RTA Board.

2016 Budget Impact on RTA Customers

The Service Boards' proposed 2016 operating budgets incorporate stable service levels, and include a Metra fare increase across most ticket types which would average 2.3%. Pace has proposed a 25 cent increase in bus cash fares only, to \$2.00.

- Metra will operate service at a level similar to 2015, while CTA will add some peak-period and weekend rail trips.
- Pace Suburban Bus Service will grow modestly due to mid-2015 service additions and continued growth of vanpool.
- Pace Regional ADA Paratransit will add service as required by customer demand, which is projected to increase by 5.1%.

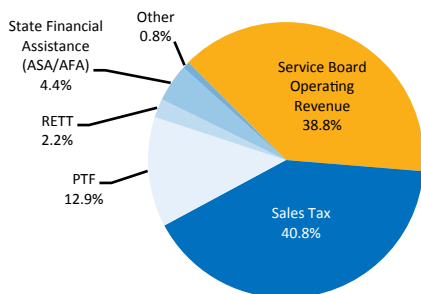
Ridership (in millions)

	2016 Budget	2016 Growth
CTA	518.9	0.7%
Metra	82.4	-0.1%
Pace	34.0	1.6%
ADA	4.5	5.1%
Region	639.8	0.7%

- Regional transit ridership in 2016 is forecast at 639.8 million rides, an increase of 0.7%.
- 2015 ridership is expected to finish the year unchanged from 2014.

Regional Revenue

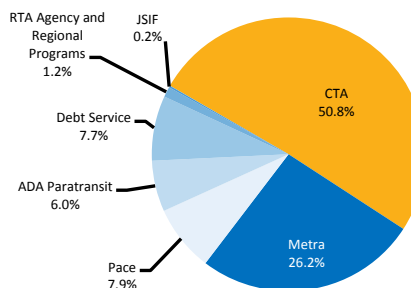
2016 Budgeted Revenues: \$2.925



- Operating revenue, consisting of passenger fares and other system-generated revenues such as leases and advertising, is projected to increase by 1.6% to \$1.135 billion in 2016, representing 39% of system revenue.
- Public funding, consisting of sales tax, State funding, and other sources, is projected at \$1.790 billion in 2016, representing 61% of system revenue.
- Total 2016 RTA system revenue, the sum of operating revenue and public funding, totals \$2.925 billion.

Regional Expenses

2016 Budgeted Expenses: \$2.901



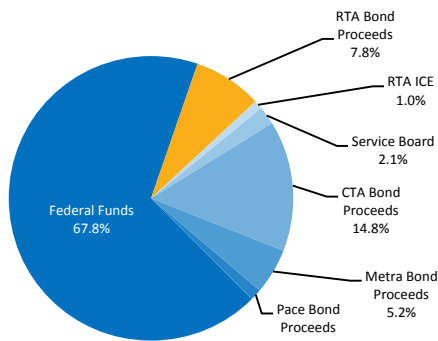
- Total 2016 expenses for the RTA system are projected to increase by 3.5% to \$2.901 billion.
- Service Board operating expenses represent over 90% of total expenses. The remainder is comprised of RTA agency expense, RTA debt service, and other regional expenses.
- Regional revenues are higher than regional expenses because they include ICE funds that will be used in the Service Boards' capital programs rather than in their operating budgets.

Regional Revenue Recovery Ratio

The region's system-generated revenue recovery ratio, equal to total operating revenues divided by total operating expenditures, with approved adjustments, is projected at 50.7% for 2016, exceeding the statutorily required level of 50%.

Regional Five-Year Capital Program

2016-2020 Capital Funding: \$3.858 Billion



The RTA capital program emphasizes the need to preserve and enhance the region's transit infrastructure. Each of the Service Boards, and the RTA, plans to issue bonds during the five-year period, totaling \$1.124 billion or about 29% of the total capital funding.

- The five-year capital program includes \$3.858 billion in projected funding.
- The total projected funding for capital projects in 2016 is \$869 million.

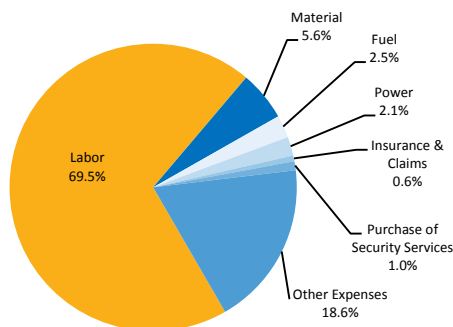
The uses of funds for capital projects are highlighted in each of the Service Board sections that follow.

Chicago Transit Authority (CTA)

Operating Revenue and Public Funding

- Total 2016 operating revenues from fares and other system-generated revenues will increase by 2.1% to \$684.7 million.
- Public funding from sales tax, Public Transportation Funds, and the RETT is projected at \$795.3 million for 2016.

2016 Budgeted Expenses: \$1.475 Billion



- Total 2016 operating expenses will increase by 3.3% to \$1.475 billion, driven by increases in labor, security, and other expenses.
- CTA's system-generated revenue recovery ratio is projected at 55.4%, exceeding the RTA-set level of 54.5%.

Capital Program

CTA's portion of the proposed 2016-2020 Capital Program totals \$2.323 billion (including payment of debt service on bonds) and includes investments to modernize its bus and rail system:

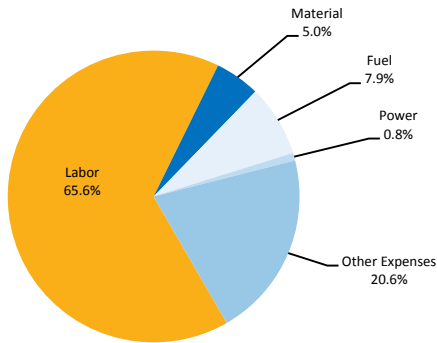
- CTA's Red and Purple Modernization (RPM) Program is a series of proposed improvements to the North Red Line along the 9.6-mile RPM corridor from just north of Belmont station to the northern terminus at Linden station. This \$557.4 million program will enhance station access along the corridor, expand platforms, and replace and modernize the structural system, which is more than 90 years old.
- The Your New Blue project involves the upgrade of 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. In the current plan, funds of \$35 million are provided for signal and traction power work, and \$50.9 million for stations and structure work. Planned work will upgrade track slow zone areas and modernize stations to better meet the needs of riders.
- CTA's 2016-2020 capital program provides \$133.5 million for the replacement of aging buses with a mix of electric, clean diesel, and diesel-electric hybrid buses. 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 2016-2020 capital program provides funding of \$101.4 million for a multi-year overhaul program to refurbish rail cars. Rehabilitating the rail fleet will improve the reliability, comfort, and cost-effectiveness of transit service for the riding public.

Metra

Operating Revenue and Public Funding

- Total 2016 operating revenues from fares and other system-generated revenues will increase by 0.3% to \$374.6 million.
- Public funding from sales tax, Public Transportation Funds, and federal sources is projected at \$404.0 million for 2016.

2016 Budgeted Expenses: \$759.8 Million



- Total 2016 operating expenses will increase by 2.8% to \$759.8 million, driven by increases in labor and other expenses.
- Metra’s system-generated revenue recovery ratio is projected at 52.4%, exceeding the RTA-set level of 52.0%.

Capital Program

Metra’s portion of the proposed 2016-2020 Capital Program totals \$1.250 billion and includes the following investments to renew its system and improve service for its customers:

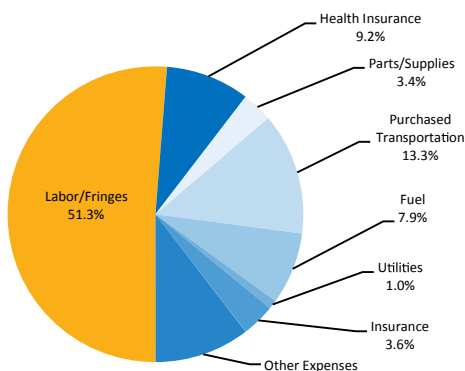
- Following its fleet modernization plan, Metra has proposed \$636 million in rolling stock; this includes the replacement of up to 367 railcars and the rehabilitation of 247 cars and locomotives. These projects will allow Metra vehicles to run at optimum efficiency, resulting in reduced operating costs and improving the customer experience by improving reliability and quality of service.
- Metra has proposed \$122.7 million for bridge work, including the replacement of 11 bridges on the UP North Line as well as rehabilitation and improvement work on other bridges throughout Metra’s service area. These projects allow Metra trains to operate more quietly at higher speeds, eliminating the need for slow zones.
- The 2016-2020 capital plan includes \$87.7 million for the installation of Positive Train Control (PTC) elements; PTC is mandated by federal law to monitor the safe operation of commuter and freight vehicles by ensuring train crew compliance with all operating instructions.
- Metra’s capital program provides \$29.6 million for stations and parking projects, such as signage and lighting improvements, brick and mortar repairs, handrail replacements, and rehabilitation of platforms and elevators.

Pace Suburban Bus Service

Operating Revenue and Public Funding

- Total 2016 operating revenues from fares and other system-generated revenues will increase by 4.1% to \$61.2 million.
- Public funding from sales tax, Public Transportation Funds, and federal sources is projected at \$167.2 million for 2016.

2016 Budgeted Expenses: \$228.0 Million



- Total 2016 operating expenses will increase by 7.1% to \$228.9 million, driven by increases in labor and other expenses.
- Pace’s system-generated revenue recovery ratio is projected at 30.0%, meeting the RTA-set level of 30.0%.

Capital Program

Pace has proposed a five-year capital plan totaling \$287.9 million. Pace's major capital project initiatives lie in the categories of rolling stock and facilities.

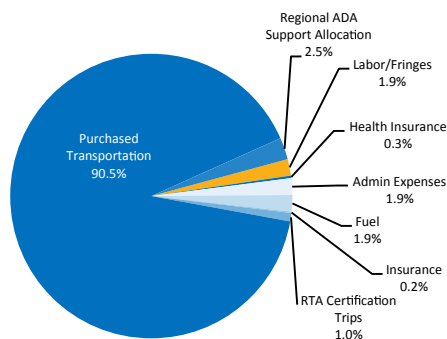
- Pace's five-year capital program proposes \$147.4 million in rolling stock; this includes the replacement of 220 fixed-route buses, 448 paratransit buses, 22 community vehicles, and 332 vanpool vehicles. Vehicle replacements help to reduce maintenance and operating costs, provide a better customer experience, and alleviate overcrowding.
- Pace proposes \$90.8 million for support facilities and equipment. \$50.6 million of this is programmed for constructing a new Northwest Cook Garage, which is over 50 years old, overcrowded, and operationally obsolete. \$17.9 million is programmed for renovation work on a number of other Pace bus facilities to replace inefficient or non-functioning systems and equipment, thus improving operating efficiencies.
- \$12.1 million has been programmed to renovate passenger facilities, which can include updating passenger amenities, replacing concrete and asphalt, and replacing building systems. Such projects aim to reduce maintenance costs and improve customer waiting conditions.

Pace Regional ADA Paratransit

Operating Revenue and Public Funding

- Total 2016 operating revenues from fares and other system-generated revenues will increase by 4.8% to \$14.8 million.
- Public funding from sales tax and the State of Illinois is projected at \$160.0 million for 2016.

2016 Budgeted Expenses: \$174.8 Million



- Total 2016 operating expenses will increase by 7.2% to \$174.8 million, driven by increases in labor and purchased transportation.
- The ADA Paratransit system-generated revenue recovery ratio is projected at 10.0%, meeting the statutory requirement.

Regional Transportation Authority (RTA)

The Regional Transportation Authority is the oversight, funding, and planning agency for the three Service Boards: CTA, Metra, and Pace. The total RTA 2016 budget is \$34.9 million and is supported by \$32.3 million in regional public funding, a decrease of 8.5%, and \$2.6 million of federal grants and other revenues.

The agency budget is comprised of two parts: administrative and regional. The \$17.6 million administrative budget fulfills the mandates required by state law including performance audits, financial oversight, and regional planning functions. This portion of the budget is 22% lower than the cap on RTA administrative expenses imposed by state law.

The \$17.2 million regional programs budget includes \$14.1 million for regional services provided to the public such as ADA certification, travel training, the RTA customer service center, and the Travel Information Center (TIC). The remaining \$3.1 million of the regional programs budget is funded by \$2.0 million in federal funds and includes the Regional Transit Strategic Plan, Community Planning and Transit Oriented Development (TOD) studies, Project Management Oversight, Customer Satisfaction Survey, Regional Transit Asset Management, and the Regional Transit Asset Condition Assessment.