

Summary of 2018 Proposed REGIONAL BUDGET AND CAPITAL PROGRAM



CTA, Metra, Pace, ADA Paratransit, and RTA

The budgets summarized herein represent the proposed 2018 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.

2018 Budget Impact on RTA Customers

The Service Boards' proposed 2018 operating budgets have adjusted to an overall funding decrease with necessary fare increases and some modest service reductions. CTA, Metra, Pace Suburban Service, and ADA Paratransit have all proposed general fare increases.

- CTA will operate service at a level similar to 2017 while Metra will implement modest service reductions on the Rock Island, South West Service, North Central Service, and Milwaukee District North lines.
- Pace Suburban Service will add frequency to existing I-55 Bus-on-Shoulder (BOS) service, introduce BOS service on the Edens expressway, and begin arterial rapid transit (ART) service along Milwaukee Avenue.
- Pace Regional ADA Paratransit will add service as required by customer demand, which is projected to increase by 0.9%.

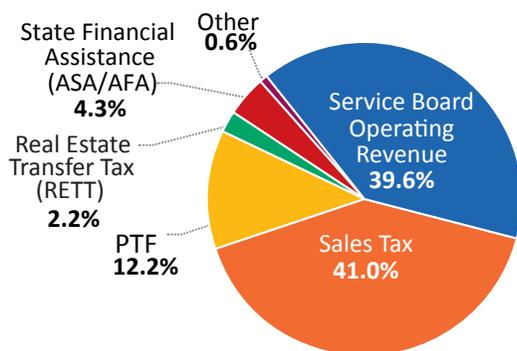
Ridership (in millions)

	2017 Estimate	2018 Budget	2018 Growth
CTA	480.1	462.1	-3.7%
Metra	79.0	77.8	-1.5%
Pace	31.4	31.1	-0.9%
ADA Paratransit	4.2	4.3	+0.9%
Region	594.6	575.3	-3.2%

- 2017 system ridership is expected to finish the year 3.0% lower than 2016.
- Regional transit ridership in 2018 is forecast at 575.3 million rides, a decrease of 3.2% from 2017.

Regional Revenue

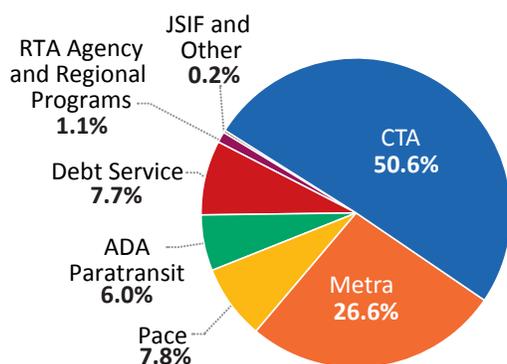
2018 BUDGETED REVENUES: \$3.013 BILLION



- Operating revenue, consisting of passenger fares and other system-generated revenues such as leases and advertising, is projected to increase by 7.2% to \$1.193 billion in 2018, representing 40% of system revenue.
- Public funding, consisting of sales tax, State funding, and other sources, is projected to decrease to \$1.820 billion in 2018, representing 60% of system revenue.
- Total 2018 RTA revenue for operations, the sum of operating revenue and public funding, is projected at \$3.013 billion.

Regional Expenses

2018 BUDGETED EXPENSES: \$2.992 BILLION



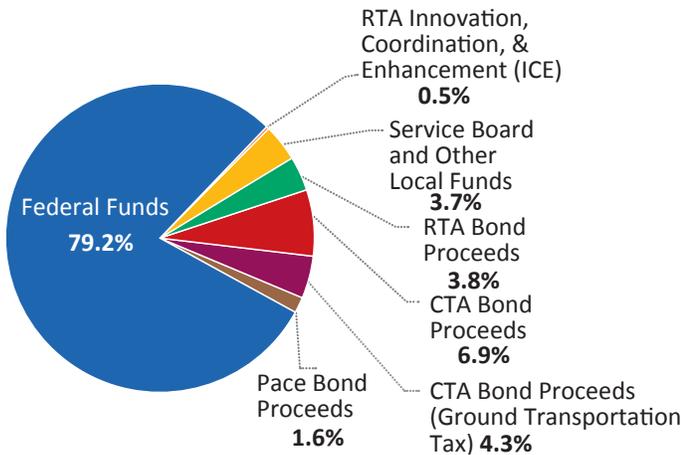
- Total 2018 expenses for the RTA system are projected to increase by 3.2% to \$2.992 billion.
- Service Board operating expenses represent over 90% of total expenses. The remainder is comprised of RTA agency expense, RTA debt service, and other regional expenses.
- Regional revenues exceed regional expenses because they include RTA Innovation, Coordination, and Enhancement (ICE) funds and Metra fare revenue 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 51.7% for 2018, exceeding the statutorily required level of 50%.

Regional Five-Year Capital Program

2018-2022 CAPITAL FUNDING: \$4.158 BILLION



The RTA capital program emphasizes the need to preserve and enhance the region's transit infrastructure. CTA, Pace, and the RTA each plan to issue bonds during the five-year period, totaling \$690 million or about 17% of the total capital funding.

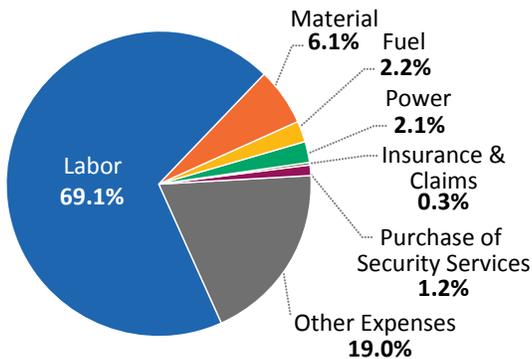
- The five-year capital program includes \$4.158 billion in projected funding.
- The total funding for capital projects in 2018 is \$1.156 billion.
- The uses of funds for capital projects are highlighted in each of the Service Board sections that follow.

CHICAGO TRANSIT AUTHORITY (CTA)

Operating Revenue and Public Funding

- Total 2018 operating revenues from fares and other system-generated revenues will increase by 8.7% to \$707.6 million.
- Public funding from RTA sales tax, State Public Transportation Funds, and the Real Estate Transfer Tax (RETT) is projected at \$806.9 million for 2018.

2018 BUDGETED EXPENSES: \$1.514 BILLION



- Total 2018 operating expenses will increase by 3.2% to \$1.514 billion, driven by increases in labor, materials, fuel, power, and other expenses.
- CTA's system-generated revenue recovery ratio is projected at 57.1%, exceeding the RTA-set level of 54.75%.

Capital Program

CTA's portion of the proposed 2018-2022 Capital Program totals \$2.702 billion (including payment of debt service on bonds) and includes investments to modernize and add transit capacity.

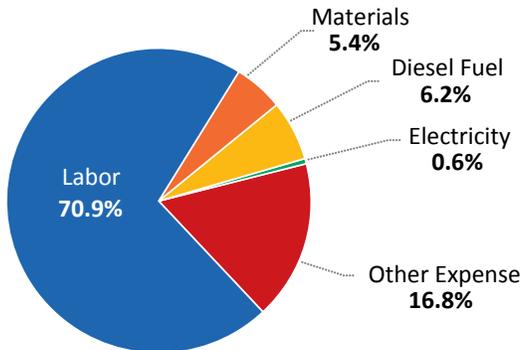
- The most significant project in CTA's capital program continues to be Phase I of the Red and Purple Modernization (RPM) program. Funding for this project totals \$912 million over the five year program and includes \$500 million in Federal funds from a FTA Core Capacity grant with CTA bond funds providing the local match. RPM is a series of proposed major improvements to the North Red Line along the 9.6-mile corridor from just north of Belmont station to the northern terminus at Linden station.
- CTA's program emphasizes the purchase and rehabilitation of bus and rail car fleets with the allocation of \$510.8 million for rolling stock enhancements. Efforts include: \$250.8 million to purchase new 7000-Series cars and to replace the majority of the 2600-Series cars that are beyond useful life, \$94.2 million to perform overhaul programs on the 5000-Series rail cars to extend useful life, \$68.4 million to purchase replacement buses including articulated-hybrid buses, \$75.4 million to perform mid-life bus overhauls to extend useful life, and \$22 million for ongoing bus and rail capital maintenance.
- To eliminate slow zones and improve travel time, CTA proposes investing \$230.2 million for track and structure. This includes \$76.9 million for elevated track and structure improvements, \$121 million for track improvements on the Green, Pink, Red, Blue, and Brown Line track, and \$32.2 million for continued rehabilitation of the Blue Line.

METRA

Operating Revenue and Public Funding

- Total 2018 operating revenues from fares and other system-generated revenues will increase by 4.3% to \$411.1 million.
- Public funding from RTA sales tax, State Public Transportation Funds, and federal sources is projected at \$411.3 million for 2018.

2018 BUDGETED EXPENSES: \$797.2 MILLION



- Total 2018 operating expenses will increase by 4.2% to \$797.2 million, driven by increases in labor and materials expenses.
- Metra’s system-generated revenue recovery ratio is projected at 54.7%, exceeding the RTA-set level of 52.5%.

Capital Program

Metra’s portion of the proposed 2018-2022 Capital Program totals \$1.158 billion and includes the following investments to renew its system towards a State of Good Repair and improve service reliability and comfort for its customers.

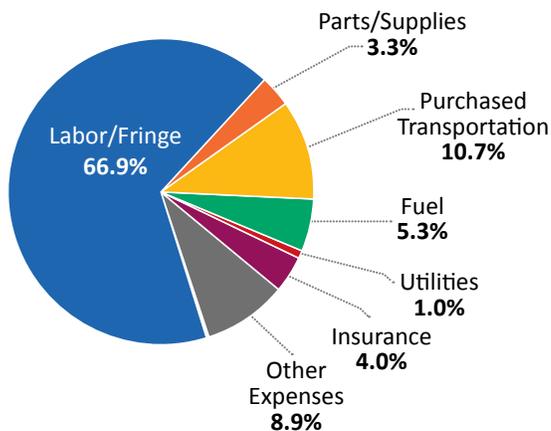
- Metra’s largest area of investment, \$603.2 million, is for rolling stock modernization. Planned activities are as follows: \$136.5 million for rehabilitation of rail cab cars; \$196.4 million for mid-life rehabilitation of locomotives; and \$223.1 million to purchase new rail cars and locomotives, allowing for retirement of some of the oldest cars in the fleet.
- A total of \$175.1 million is proposed for track and structure projects to reduce the number of slow zones and improve the riding quality of the trains. Projects include: \$31.6 million for rail renewal projects; \$45.8 million for tie and ballast replacement; and \$16.8 million for structural upgrades. In addition, \$59.9 million in bridge improvements is proposed along the Union Pacific North and Milwaukee District North Lines, and \$21.5 million is proposed for railroad crossing upgrades.
- Continued funding for the federally mandated Positive Train Control (PTC) project is proposed for \$49.5 million. PTC will improve the operational safety of commuter and freight trains. Metra is also planning other signal SGR work with \$44.5 million in track interlocker improvements and \$40.0 million in signal upgrades.

PACE SUBURBAN BUS SERVICE

Operating Revenue and Public Funding

- Total 2018 operating revenues from fares and other system-generated revenues will increase by 8.7% to \$60.9 million.
- Public funding from RTA sales tax, State Public Transportation Funds, and federal sources is projected at \$172.9 million for 2018.

2018 BUDGETED EXPENSES: \$232.1 MILLION



- Total 2018 operating expenses will increase by 3.4% to \$232.1 million, driven by service additions and increases in labor and other expenses.
- Pace’s system-generated revenue recovery ratio is projected at 30.3%, meeting the RTA-set level of 30.3%.

Capital Program

Pace has proposed a five-year capital plan totaling \$298.6 million. Pace's major capital project initiatives lie in the categories of rolling stock and facilities, with many of the projects critical to achieving a State of Good Repair.

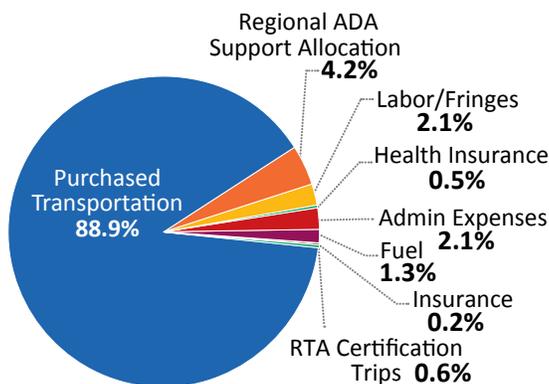
- Pace's largest investment, \$137.1 million, is for support facilities and equipment improvements. Projects include: \$66.2 million for the construction of a new Northwest Division garage, with \$15.5 million for land acquisition programmed in 2018; \$32.1 million to improve facilities system-wide for necessary repairs and to lower utility costs due to increased energy efficiency; and \$16.0 million for the purchase of a new farebox system.
- Pace proposes \$131.9 million in rolling stock improvements. This includes the purchase and replacement of 170 fixed-route buses, 279 paratransit buses, 93 community vehicles, 187 vanpool vehicles and engine transmission retrofits for fixed-route buses. Vehicle replacements and engine and transmission retrofits improve fuel economy and lower maintenance and operating costs.
- Pace proposes \$23.2 million to stations and passenger facilities with \$4.5 million for new bus stop shelters and signs that will improve passenger waiting conditions and encourage ridership. Increased ridership has a positive impact on operating revenue resulting from increased fare collection.

PACE REGIONAL ADA PARATRANSIT

Operating Revenue and Public Funding

- Total 2018 operating revenues from fares and other system-generated revenues will increase by 9.4% to \$13.3 million.
- Public funding from RTA sales tax, State Public Transportation Funds, and other State funding is projected at \$165.3 million for 2018.

2018 BUDGETED EXPENSES: \$178.6 MILLION



- Total 2018 operating expenses will increase by 2.8% to \$178.6 million, driven by ridership growth and contractor price increases.
- 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 2018 budget of \$34.3 million is supported by \$33.2 million of regional public funding and \$1.1 million of federal grants and other revenues.

The Agency budget is comprised of two parts: administrative and regional. The \$16.6 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 34% lower than the cap on RTA administrative expenses imposed by state law. The \$17.6 million regional programs budget includes \$16.4 million for regional services provided to the public such as ADA Paratransit certification, travel training, the RTA customer service center, and the travel information center (TIC).

REGIONAL TRANSIT STRATEGIC PLAN

The RTA Act requires that the RTA Board adopt a Strategic Plan no less than every five years. The last one was adopted by the RTA Board in August 2013, so the RTA Board needs to adopt a new plan next year. Through the Strategic Plan, the Chicago region's transit agencies are joining forces to talk about the capital investments needed over the next five years to deliver great public transportation in light of changing demographics, transportation, and technology.

The complete Strategic Plan is available online and for public comment from November 27 – December 31 on our website, RTAChicago.org.